BARBER - PRESALE R 0108485

ESTIMATED SAVINGS & RETURN ON INVESTMENT

XF7/90 Barrel - Finish Turn in R&D on N/C Lathe Vs Dept 73 New Britain Lathe

ENGINEER: J.D.K

DATE: 10/16/80

	Present Dept 98 Finish Turn		Proposed Dept 73 Finish Turn			
Forecast Year	1981					
Quantity Forecast	6150					
OPERATING COSTS						
Purchased Parts	$		$	$		$
Raw Material						
Standard Labor	5010		500			
Labor Variance @	500		130			
Industrial Relations @	2640		300			
Supplies						
Tool Replacement						
Cutter Grind						
Tool Maintenance						
Maintenance	460		70			
Energy						
Equipment Depreciation @						
Sub Totals	$ 8610	A	$ 1000	$	A	$
Gross Savings Before Admin. Exp.			$ 7610			$
Admin. Exp. @4.3% Gross Savings		B	$ 330		B	$
Sub Totals	$ 8610	A+B	$ 1330	$	A+B	$
[SAVI]NGS IN OPERATING COST			$ 7280			$
Less: Income Tax @48.5 %			($ 3530)			($
Plus: Amortization of Investment Tax Credit			$ -o-			$
NET SAVINGS			$ 3750			$
INVESTMENT						
Project Expenditures			$ -o-			$
Manufacturing & Working Facilities			$ -o-			$
Net Change in Working Capital			$ (2390)			$
Total Capital Required for this Project			$ (2390)			$
RETURN ON INVESTMENT - THIS PROJECT			Infinite %			
Net Savings - After Amortization of Operation Charges			$ 3990			$
Project Operation Charges			$ 3800			$
Less: Administration Expense @4.3 % & Income Taxes @48.5 % (Factor .5072)			($ 1930)			($
Total Capital Required Including Research & Development & Other Charges			$ (520)			$
RETURN ON TOTAL CAPITAL REQUIRED			Infinite %			
Equipment to be Released						
Increased Space Requirements (Decrease)						
Production Capacity						
Forecast Burdening			%			