BARBER - PRESALE R 0109457

RD-6565
Rev.
SME: 3-26-79

ESTIMATE # 4305

ESTIMATED SAVINGS & RETURN ON INVESTMENT

M/700 TRIGGER ASSEMBLY - PRESENT Vs PROPOSED NEW ASSEMBLY DESIGNED WHERE THE SAFETY IS REVISED CUTTING OFF THE LOCKING ARM AND ADDING A COUNTERSINK TO ACTUATE THE SAFETY PLUNGER WHEN THE "SAFE" IS ON.

ENGINEER: A.E. DESMOND

DATE: 6-17-81

	PRESENT		PROPOSED			
Forecast Year	~~#2-1981~~					
Quantity Forecast	110,308					
OPERATING COSTS						
Purchased Parts	$ 181,390		$ 195,900	$		$
Raw Material						
Standard Labor	120,060		131,280			
Labor Variance @ 5%	6,000		6,560			
Industrial Relations @47.9%	60,380		66,020			
Supplies	1,680		1,770			
Tool Replacement	1,520		2,200			
Cutter Grind	1,320		3,320			
Tool Maintenance	890		1,020			
Maintenance	1,160		1,600			
Energy						
Equipment Depreciation @						
Sub Totals	$ 374,400	A	$ 409,670	$	A	$
Gross Savings Before Admin. Exp.			($ 35,270)			$
Admin. Exp. @4.3% Gross Savings		B	$		B	$
Sub Totals	$ 374,400	A+B	$ 409,670	$	A+B	$
SAVINGS IN OPERATING COST			($ 35,270)			$
Less: Income Tax @48.5 %			($ -17,110)			($
Plus: Amortization of Investment Tax Credit			$			$
NET SAVINGS			($ 18,160)			$
INVESTMENT						
Project Expenditures			$ -			$
Manufacturing & Working Facilities			$			$
Net Change in Working Capital			$ 11,930			$
Total Capital Required for this Project			$ 11,930			$
RETURN ON INVESTMENT - THIS PROJECT			%			
Net Savings - After Amortization of Operation Charges			($ 16,800)			$
Project Operation Charges			$ 16,500			$
Less: Administration Expense @4.3 % & Income Taxes @48.5 % (Factor .5072)			($ 8370)			($
Total Capital Required Including Research & Development & Other Charges			$ 20,060			$
RETURN ON TOTAL CAPITAL REQUIRED			(83.7%)			
Equipment to be Released						
Increased Space Requirements (Decrease)						
Production Capacity						
Forecast Burdening			%			

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