

Investment Centre Year 1		
	Product A	Product B
Sales Income	3010	9447
Cost of Goods Sold	1935	7035
Gross Profit	1075	2412
Gross Profit %	36	26
Other Costs	200	300
Contribution	875	2112
Contribution %	29	22
Accounts Receivable	602	1889
Inventory Value	720	0
Fixed Assets	860	4020
Assets	2182	5909
Return	40	36
Cash Flow	-447	223
Capital Charge	436	1182
Residual Profit	439	930

Operations Balance Year 1	
Total Unit Demand	246
Total Unit Sales	244
Current Capacity	250
Total Production	250
Capacity Use%	100
Total Inventories	18
Inventory Days	27
Inventory Percent	7

Profit Analysis Year 1	
Price Change Policy	13
Growth Policy	19
Product Mix Policy	112
Promotion Policy	-25
Asset Age Policy	42
Capacity Use Policy	0
Production Policy	0
Profit Change	161

Break-Even Analysis Year 1

Average Price	51.1
Average Unit Cost	31.8
Margin	19.3
Fixed Costs	3632
Total Unit Sales	244
Break Even (Units)	191
Margin of Safety%	22

Operating Cost Analysis Year 1

Asset Age Variance	-118
Capacity Variance	0
Schedule Variance	30
Total Variances	-88
Recovered Costs	8970
Cost of Goods Sold	8882

Minor Strengths Year 1

Return for Product A seems good

Return for Product B seems good

Middling Weaknesses Year 1

Stocks of Product A are high

Cash use by Product A is very significant

Most Customers feel Price is high for Product A

Minor Weaknesses Year 1

Stock restricts Sales for Product B

Poor Return on Assets