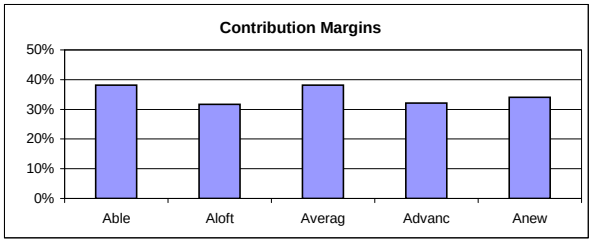
2015 Income Statement

Product Name	Able	Aloft	Averag	Advanc	Anew	2015 Total	Common Size	2014
Sales	$59'336	$34'253	$31'956	$42'650	$20'298	$188'493	100.0%	$141'726
Variable Costs								
Direct Labor	$15'981	$8'839	$11'399	$14'175	$6'315	$56'709	30.1%	$44'002
Direct Material	$19'908	$13'842	$8'160	$14'639	$7'089	$63'638	33.8%	$44'944
Inventory Carry	$796	$701	$187	$160	$0	$1'844	1.0%	$2'268
Total Variable Costs	$36'685	$23'382	$19'746	$28'974	$13'404	$122'191	64.8%	$91'214
Contribution Margin	$22'651	$10'870	$12'210	$13'676	$6'894	$66'302	35.2%	$50'512
Period Costs								
Depreciation	$1'680	$1'120	$800	$1'120	$960	$5'680	3.0%	$3'840
SG&A: R&D	$209	$250	$257	$167	$381	$1'264	0.7%	$3'436
Promotions	$1'500	$2'000	$500	$2'000	$2'750	$8'750	4.6%	$6'750
Sales	$1'500	$2'000	$500	$2'000	$2'500	$8'500	4.5%	$6'250
Admin	$1'356	$783	$731	$975	$464	$4'309	2.3%	$3'646
Total Period Costs	$6'245	$6'153	$2'787	$6'262	$7'055	$28'503	15.1%	$23'922
Net Margin	$16'406	$4'718	$9'423	$7'414	($161)	$37'799	20.1%	$26'590
Other						$5'350	2.8%	$7'479
EBIT						$32'449	17.2%	$19'111
Short Term Interes						$360	0.2%	$326
Long Term Interes						$954	0.5%	$352
Taxes						$10'897	5.8%	$6'452
Profit Sharing						$405	0.2%	$240
Net Profit						$19'833	10.5%	$11'742

Definitions: **Sales** - Unit sales times list price. **Direct Labor** - Labor costs incurred to produce the product that was sold. **Inventory Carry**- The cost to carry unsold goods in inventory. **Depreciation** - Calculated on straight-line 15-year depreciation of plant value. **R&D** - R&D department expenditures for each product. **Admin** - Administration overhead is estimated at 1.5% of sales. **Promotions** - The promotion budget for each product. **Sales** - The sales force budget for each product. **Other** - Charges not included in other categories such as Fees, Write Offs, and TQM. The fees include money paid to investment bankers and brokerage firms to issue new stocks or bonds, plus consulting fees your instructor might assess you, plus TQM expenditures. Write offs include the loss you might experience when you sell capacity or liquidate inventory as the result of eliminating a production line. If the amount appears as a negative amount, then you actually made money on the liquidation of capacity or inventory. **EBIT** - Earnings Before Interest and Taxes. **Short Term Interest** - Interest expense based upon last year's current debt, including short-term debt, long-term notes that have become due, and emergency loans. Interest income from your cash account is subtracted from these expenses. If interest income exceeds expenses, short-term interest appears as a negative amount. **Long Term Interest** - Interest paid on outstanding bonds. **Taxes** - Income tax based upon a 35% tax rate. **Profit Sharing** - Profits shared with employees under the labor contract. **Net Profit** - EBIT minus interest, taxes, and profit sharing.



Success Measures

