

Gropen Associates Spreadsheets for Title P&L Analysis

Calculation of Contribution to Profit and Overhead

Book Title: How to Make a Million Dollars

| | <u>High Price</u> | <u>Middle Price</u> | <u>Low Price</u> |
|---|-------------------|---------------------|------------------|
| <u>Sales</u> | | | |
| Gross Sales, List | \$385,250 | \$630,000 | \$966,150 |
| Returns at List | \$128,800 | \$231,000 | \$381,375 |
| Net at List | \$256,450 | \$399,000 | \$584,775 |
| Less Discount | \$128,225 | \$199,500 | \$292,388 |
| <u>Subtotal: Net Sales</u> | <u>\$128,225</u> | <u>\$199,500</u> | <u>\$292,388</u> |
| <u>Cost of Selling</u> | | | |
| Sales Commissions | \$22,439 | \$34,913 | \$51,168 |
| Fulfillment | \$0 | \$0 | \$0 |
| <u>Cost of Goods Sold</u> | | | |
| PPB for total run | \$39,375 | \$68,250 | \$120,000 |
| Royalties | | | |
| Unearned Advance | \$158 | \$0 | \$0 |
| Level 1 | \$11,500 | \$10,500 | \$8,475 |
| Level 2 | \$14,375 | \$13,125 | \$10,594 |
| Level 3 | \$3,968 | \$28,350 | \$62,291 |
| Plant | \$8,500 | \$10,000 | \$10,000 |
| <u>Other Costs</u> | | | |
| Marketing | \$6,250 | \$10,000 | \$20,000 |
| Other Costs, % of sales | \$0 | \$0 | \$0 |
| Other Costs, \$ per copy sold, net | \$0 | \$0 | \$0 |
| <u>Subtotal: Costs</u> | <u>\$106,564</u> | <u>\$175,138</u> | <u>\$282,528</u> |
| <u>Contribution from Copy Sales</u> | <u>\$21,661</u> | <u>\$24,363</u> | <u>\$9,860</u> |
| <u>Rights Revenue</u> | \$5,000 | \$10,000 | \$25,000 |
| Less Author's Share | \$2,500 | \$5,000 | \$12,500 |
| Net Proceeds | <u>\$2,500</u> | <u>\$5,000</u> | <u>\$12,500</u> |
| <u>Contribution to Overhead and Profit</u> | <u>\$24,161</u> | <u>\$29,363</u> | <u>\$22,360</u> |