

To Buy or Not To Buy, That is The Question

Excerpted, with permission, from Gropen Assoc. DIY Profit Analysis package

Calculation of Contribution to Profit and Overhead

Book Title: **Manuscript Under Consideration**

	<u>Best Case</u>	<u>Worst Case</u>	<u>Most Likely</u>
Sales			
Gross Sales, List	124,750.00	29,925.00	74,587.50
Returns at List	18,712.50	9,975.00	11,199.60
Net at List	106,037.50	19,950.00	63,387.90
Less Discount	53,018.75	9,975.00	31,693.95
Subtotal: Net Sales	53,018.75	9,975.00	31,693.95
Cost of Selling			
Sales Commissions	9,543.38	1,795.50	5,704.91
Fulfillment	0.00	0.00	0.00
Cost of Goods Sold			
PPB for total run	10,000.00	8,750.00	8,750.00
Royalties			
Unearned Advance	0.00	1,751.88	122.95
Level 1	3,976.41	748.13	2,377.05
Level 2	0.00	0.00	0.00
Level 3	0.00	0.00	0.00
Plant	3,500.00	4,500.00	3,500.00
Other Costs			
Marketing	2,750.00	1,500.00	1,500.00
Other Costs, % of sales	0.00	0.00	0.00
Other Costs, \$ per copy sold, net	0.00	0.00	0.00
Subtotal: Costs	29,769.78	19,045.50	21,954.91
Contribution from Copy Sales	23,248.97	(9,070.50)	9,739.04
Rights Revenue	250.00	0.00	0.00
Less Author's Share	125.00	0.00	0.00
Net Proceeds	125.00	0.00	0.00
Contribution to Overhead and Profit	23,373.97	(9,070.50)	9,739.04