

Special Sales

Excerpted from Gropen Assoc. DIY Profit Analysis package with permission

Calculation of Contribution to Profit and Overhead

Book Title: **Galleys Drew Interest For Use as a Premium**

	<u>Without Sale</u>	<u>5,000 @ \$2 royalty per</u>	<u>5,000 @ 80% discount</u>
Sales			
Gross Sales, List	\$275,263	\$0	\$289,750
Returns at List	\$42,014	\$0	\$0
Net at List	\$233,249	\$0	\$289,750
Less Discount	\$116,624	\$0	\$231,800
Subtotal: Net Sales	<u>\$116,624</u>	<u>\$0</u>	<u>\$57,950</u>
Cost of Selling			
Sales Commissions	\$20,992	\$0	\$0
Fulfillment	\$0	\$0	\$0
Cost of Goods Sold			
PPB for total run	\$16,250	\$0	\$15,000
Royalties			
Unearned Advance	\$0	\$0	\$0
Level 1	\$11,662	\$0	\$1,130
Level 2	\$0	\$0	\$5,831
Level 3	\$0	\$0	\$0
Plant	\$3,500	\$0	\$0
Other Costs			
Marketing	\$3,500	\$0	\$0
Other Costs, % of sales	\$0	\$0	\$0
Other Costs, \$ per copy sold, net	\$0	\$0	\$0
Subtotal: Costs	<u>\$55,905</u>	<u>\$0</u>	<u>\$21,961</u>
Contribution from Copy Sales	<u>\$60,720</u>	<u>\$0</u>	<u>\$35,989</u>
Rights Revenue	\$0	\$10,000	\$0
Less Author's Share	\$0	\$5,000	\$0
Net Proceeds	<u>\$0</u>	<u>\$5,000</u>	<u>\$0</u>
Contribution to Overhead and Profit	<u>\$60,720</u>	<u>\$5,000</u>	<u>\$35,989</u>