

MAPI Summary Form

(Averaging Shortcut)

Project _____			
Alternative _____			
Comparison Period (years)	1	P	
Assumed operating rate of project (hours per year)	_____		

26. Install
Minus i

27. Invest
Ca

Plus:
28. Initial I

I. Operating Advantage

(Next-Year for a 1-year comparison period,* annual averages for longer periods)

A. EFFECT OF PROJECT ON REVENUE

	Increase	Decrease	
1. From change in quality of products	\$ 500		1
2. From change in volume of products	1,000		2
3. TOTAL	\$ 1500	A 0	B 3

29. Reten
(Estimate for

B. EFFECT OF PROJECT ON OPERATING COSTS

	Increase	Decrease	
4. Direct labour	\$	500	4
5. Indirect Labour	200		5
6. Fringe Benifits	50		6
7. Maintainance		400	7
8. Tooling			8
9. Materials and supplies		2,100	9
10. Inspection		100	#
11. Assembly			#
12. Scrap and rework		1,600	#
13. Down time			#
14. Power	50		#
15. Floor space			#
16. Property taxes and insurance	100		#
17. Subcontracting			#
18. Inventory			#
19. Safety			#
20. Flexibility			#
21. Other			#
22. TOTAL	\$ 400	4700	D #

Item or Group	C

30. Dispos
31. Termin

32. Averag
33. Averag
34. Before

35. Increa
36. Taxab
37. Increa
38. After-t
39. Availa
40. After-t

C. COMBINED EFFECT

23. Net increase in revenue (3A-3B)	\$	1500	23
24. Net decrease in operating costs (22D-22C)	\$	4300	24
25. Annual operating advantage (23+24)	\$	5800	25

* Next year means the first year of project operation. For projects with a significant break-in period, use performance after break-in.

* After terminal t

II. Investment and Return

A. INITIAL INVESTMENT

Estimated cost of project	\$ 42,000		
Initial tax benefit of	% 7	(Net Cost) \$	39060
			26
Investment in alternative			
Capital additions minus initial tax benefit	\$ 0		
Disposal value of asset retired by project	\$ 8,500	\$	8500
			27
Net Investment (26-27)		\$	30560
			28

B. TERMINAL INVESTMENT

Retention value of project at end of comparison period
 (For assets, if any, that cannot be depreciated or expensed, for others, estimate or use MAPI charts)

Installed Cost, Minus Initial Tax Benefit (Net Cost) A	Service Life (years) B	Disposal Value, End of Life (Percent of Net Cost) C	MAPI Chart Number D	Chart Percentage E	Retention Value (A*E/100) F
39060				95	37107

Estimated from charts (total of col. F)	\$	37107	
Plus: Otherwise estimated	\$	37107	29
Disposal value of alternate at end of period*	\$	8,000	30
Final Net Investment (29-30)	\$	29107	31

C. RETURN

After-tax net capital consumption ((28-31)/P)	\$	1453	32
After-tax net investment ((28+31)/P)	\$	29833.5	33
After-Tax Return ((25-32)*100/33)	%	14.5709	34
Change in depreciation and interest deductions	\$	1,700	35
After-tax operating advantage (25-35)	\$	4100	36
Change in income tax (36*Tax Rate) TAX RATE: 50.00%	\$	2050	37
After-tax operating advantage (25-37)	\$	3750	38
After-tax return on investment (38-32)	\$	2297	39
After-tax return (39*100/33)	%	7.6994	40

tax adjustments.