

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

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

29. Reten
(Estimate for

B. EFFECT OF PROJECT ON OPERATING COSTS

	<u>Increase</u>	<u>Decrease</u>	
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	C D #

Item or Group	

30. Dispo:
31. Termi

32. Avera:
33. Avera:
34. Before

35. Incea
36. Taxab
37. Incea
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
Disposal value of alternate at end of period*	\$		8,000
Final Net Investment (29-30)	\$		29107

C. RETURN

Percentage net capital consumption ((28-31)/P)	\$	1453	32
Percentage 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
Change in operating advantage (25-35)	\$	4100	36
Change in income tax (36*Tax Rate) TAX RATE: 50.00%	\$	2050	37
Change in operating advantage (25-37)	\$	3750	38
Change in return on investment (38-32)	\$	2297	39
Change in tax return (39*100/33)	%	7.6994	40

Tax adjustments.