

Discount Analysis: Assuming a Model-Based Discount

Increase in Sales per Percentage Point in Discount	60
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Revenue	Standard	Deluxe	Dual	Extended
Models Sold	1500	1485	1002	981
Additional Models Sold	189	283	354	576
Total Models Sold	1689	1768	1356	1557
Standard Price	\$155.00	\$175.00	\$245.00	\$315.00
Discount	3.15 %	4.72 %	5.89 %	9.60 %
Final Price	\$150.13	\$166.73	\$230.56	\$284.75
Total Revenue	\$1,304,352.19			

Variable Expenses	Standard	Deluxe	Dual	Extended
Models Ordered	1689	1768	1356	1557
Cost of Parts	\$96.50	\$105.15	\$155.20	\$178.00
Cost of Assembly	\$10.00	\$10.00	\$20.00	\$25.00
Total Model Cost	\$106.50	\$115.15	\$175.20	\$203.00
Total Variable Expenses	\$937,112.64			

Summary

Total Revenue	\$1,304,352.19
Total Variable Expense	\$937,112.64
Total Fixed Expense	\$95,000.00
Net Income	\$272,239.55

Maximum Profit Model

\$272,239.55
4
TRUE
100