

Discount Analysis: Assuming a Standard Discount

Increase in Sales per Percentage Point in Discount	60
Discount for each model	6.50 %

Revenue	Standard	Deluxe	Dual	Extended
Models Sold	1500	1485	1002	981
Additional Models Sold	390	390	390	390
Total Models Sold	1890	1875	1392	1371
Standard Price	\$155.00	\$175.00	\$245.00	\$315.00
Discount	6.50 %	6.50 %	6.50 %	6.50 %
Final Price	\$144.93	\$163.63	\$229.08	\$294.53
Total Revenue	\$1,303,310.63			

Variable Expenses	Standard	Deluxe	Dual	Extended
Models Ordered	1890	1875	1392	1371
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	\$939,321.98			

Summary

Total Revenue	\$1,303,310.63
Total Variable Expense	\$939,321.98
Total Fixed Expense	\$95,000.00
Net Income	\$268,988.65

Maximum Profit Model

\$268,988.65
 1
 TRUE
 100