

General Economic Situation

The economy continues to grow, but costs increase sharply. Experts currently predict the following:

- Gross domestic product will increase by 1.0 to 1.8 %.
- The cost of living will rise by 4.5 %.
- Salaries and wages will increase by 4.0 %.

News from the Copy Industry

COPY Classic: In period 7, demand in market 1 will increase slightly. In market 2 however, demand should increase significantly by around 20 – 50%.

COPY Pro: In market 1, demand growth of 50% is expected. Additionally, COPY Pro can now also be sold in market 2. The COPY Pro market in market 2 is estimated to be 40% of the size of market 1 for internet-capable color copiers.

Bulk Buyer: A bulk buyer is willing to purchase up to 7,000 units at a price of 2,700 EUR (COPY Classic) per unit.

Request for Bids: The Federal Railway has decided to copy its new time table instead of printing it. Consequently, they ask companies to submit bids to provide up to 4,000 units of COPY Classic.

Federal Environment Office: Based on recent inspections, one of the company's purification plants for industrial waste needs to be repaired. As a result, your company will face one-time "other costs" of 6.0 mEUR in the current period.

Unions: The over-time limit will be maintained in the current period.

The following values change from period 6 to period 7:

Sales		Period 6	Period 7
Request for Bids	Unit	9,000	4,000
Bulk Buyer	Unit	5,000	7,000
	Price (EUR)	2,500	2,700

Personnel		Period 6	Period 7
Wages/Salaries			
Purchasing	tEUR	33	35
Administration	tEUR	31	33
Production	tEUR	33	35
R & D	tEUR	49	51
Sales	tEUR	45	47
Recruitment of Employees in Production	Max. Number	200	400
Costs of recruitment in production	tEUR	33	35

Production						
Type	Purchasing Price (mEUR)	Duration (Period)	Capacity (Units)	Misc. Fixed costs (mEUR)	Environmental Index	Remaining Revenue (% of Net Book Value)
A	25.0	10	15,000	0.8	108.0	20.0
B	32.5	10	19,000	2.5	112.0	25.0
C	38.5	15	25,000	3.0	114.0	30.0
					COPY Classic – Gen. 1	COPY Classic – Gen. 2
Production capacity per person				Unit	41	45
Factory Materials				EUR/Unit	55	46

Purchase of Input Materials/Parts		COPY Classic – Gen. 1	COPY Classic – Gen. 2
from 0 to 29,999 Units	EUR/Unit	825	675
from 30,000 to 49,999 Units	EUR/Unit	700	588
from 50,000 to 69,999 Units	EUR/Unit	590	480
70,000 units and up	EUR/Unit	550	440

Transportation Costs		Market 1	Market 2
COPY Classic	EUR/Unit	83	185
COPY Pro	EUR/Unit	123	225

Finance		Period 6	Period 7
Receipt of payments (% of revenue of current period)	%	75.0	85.0
Exchange rate	EUR/FCU	1.40	1.35