

Grunge Puppy 4.3 Reference Manual

Authors:	50		
Flat rate per article:	\$1,000	\$50,000	
Editors:	3		
Hours each:	100		
Hourly rate:	\$35	\$10,500	
Artists:	2		
Hours each:	30		
Hourly rate:	\$35	\$2,100	
Typesetters:	2		
Hours each:	8		
Hourly rate:	\$35	\$560	
Total fixed costs:		\$ 63,160	\$ 1.26 cost per book at 50,000-copy press run

The case for paper

Press run:	50000		
Cost per book:	\$25	\$1,250,000	
Shipping to stores:	\$5	\$250,000	
Remaindering, etc.	\$5	\$250,000	
Total incremental costs:		\$1,750,000	\$35 incremental cost per book
Total cost of book:		\$ 1,813,160	

Assume all copies sell

Cost per book	\$ 36.26		
Add 40% profit	\$ 50.77	\$ 14.51	profit per book
Total profit:	\$ 725,264		

The case for electronic books

Press run:	0		
Cost per book:	0		
Shipping to stores:	0		
Remaindering, etc.	0		
Website cost per book	\$5		
Total incremental costs:		Cannot determine	
Total cost of book:		Cannot determine	

Assume sales of 50,000

Cost per book	\$6.26		
Selling price	\$20	\$13.74	profit per book
Total profit:	\$686,840		

Reduce the price to \$14 and sell 100,000 copies instead of 50,000

Cost per book	\$5.63		
Selling price	\$14	\$8.37	profit per book
Total profit:	\$836,840		