

Comp240 Market Evaluation & Business Case

Alastair Rayner

March 9, 2017

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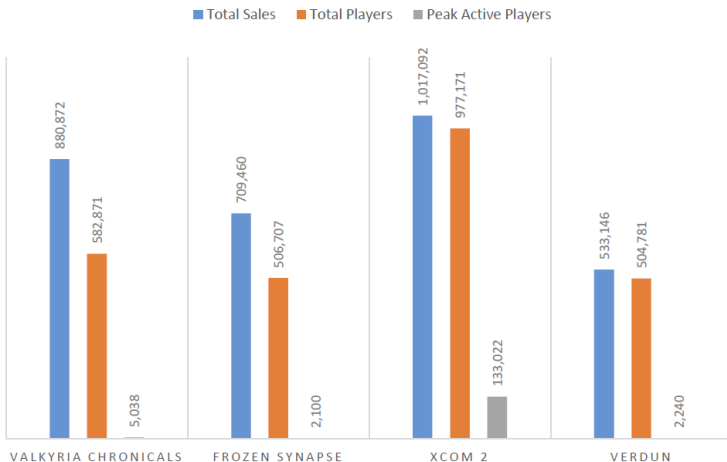
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- Both Valkyria Chronicles and Frozen Synapse have multiplayer in their game, and they made significantly more compared to Renowned Explorers.

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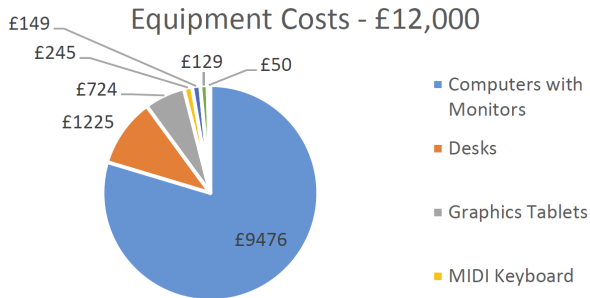
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Financial Breakdown

Firelock Financial Breakdown



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BREAKEVEN ANALYSIS

R-LOC Games Studio

AMOUNTS SHOWN IN GBP

SALES

SALES PRICE PER UNIT	£	7.99
SALES VOLUME PER PERIOD (UNITS)		100,000
TOTAL SALES	£	799,000.00

VARIABLE COSTS

COMMISSION PER UNIT	£	2.39
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VARIABLE COSTS PER UNIT	£	2.39
TOTAL VARIABLE COSTS	£	239,000.00

UNIT CONTRIBUTION MARGIN	£	5.60
GROSS MARGIN	£	560,000.00

FIXED COSTS PER PERIOD

PROJECTED SALARY	£	240,000.00
OFFICE RENT	£	14,400.00
EQUIPMENT	£	12,000.00
LICENSES	£	14,464.00
OTHER FIXED COSTS	£	1,425.00
TOTAL FIXED COSTS PER PERIOD	£	282,289.00

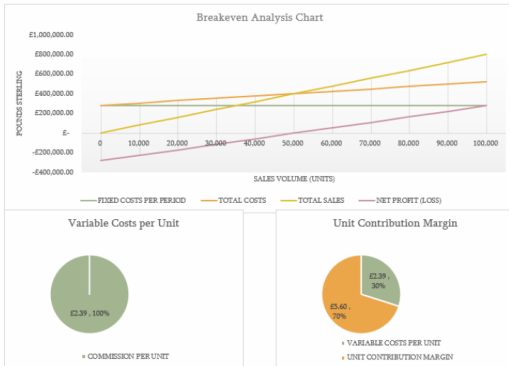
NET PROFIT (LOSS)	£	277,711.00
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RESULTS

BREAKEVEN POINT (UNITS):		50408.75
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SALES VOLUME ANALYSIS:

SALES VOLUME PER PERIOD (UNITS)	0	10,000	20,000	30,000	40,000	50,000	60,000	70,000	80,000	90,000	100,000
SALES PRICE PER UNIT	£ 7.99	£ 7.99	£ 7.99	£ 7.99	£ 7.99	£ 7.99	£ 7.99	£ 7.99	£ 7.99	£ 7.99	£ 7.99
FIXED COSTS PER PERIOD	£ 282,289.00	£ 282,289.00	£ 282,289.00	£ 282,289.00	£ 282,289.00	£ 282,289.00	£ 282,289.00	£ 282,289.00	£ 282,289.00	£ 282,289.00	£ 282,289.00
VARIABLE COSTS	£ -	£ 23,900.00	£ 47,800.00	£ 71,700.00	£ 95,600.00	£ 119,500.00	£ 143,400.00	£ 167,300.00	£ 191,200.00	£ 215,100.00	£ 239,000.00
TOTAL COSTS	£ 282,289.00	£ 306,189.00	£ 330,089.00	£ 353,989.00	£ 377,889.00	£ 401,789.00	£ 425,689.00	£ 449,589.00	£ 473,489.00	£ 497,389.00	£ 521,289.00
TOTAL SALES	£ -	£ 79,900.00	£ 159,800.00	£ 239,700.00	£ 319,600.00	£ 399,500.00	£ 479,400.00	£ 559,300.00	£ 639,200.00	£ 719,100.00	£ 799,000.00
NET PROFIT (LOSS)	£ -282,289.00	£ -226,289.00	£ -170,289.00	£ -114,289.00	£ -58,289.00	£ -2,289.00	£ 53,711.00	£ 109,711.00	£ 165,711.00	£ 221,711.00	£ 277,711.00



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