

# THE BIG TRUCK COMPANY

## Exhibits

### Exhibit 1 - Cost Breakdown

Manufacturing Mix	<u>Big Truck Co.</u>	<u>Comp A</u>	<u>Comp B</u>
In-House Manufacturing	70%	50%	30%
Outsourced Parts	30%	50%	70%
Parts Cost Index	<u>Big Truck Co.</u>	<u>Comp A</u>	<u>Comp B</u>
In-House Manufacturing	100	100	80
Outsourced Parts	120	80	100
Total Cost per Truck	\$ 40,000		

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## Exhibit 2 - Buy Back Schedule

Buy back price	\$ 25,000
Years till buy back	3

Trucks in buy back program	20,000
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### Aging of trucks

1 year old	50%
2 years old	25%
3 years old	25%

### Valuation of Trucks at Time of Buy Back

1 year old	\$ 20,000
2 years old	\$ 15,000
3 years old	\$ 20,000

\*Ignore time value of money for the purposes  
of this exercise