

Where's the Fine Print? Advertising and the Mortgage Market Crisis



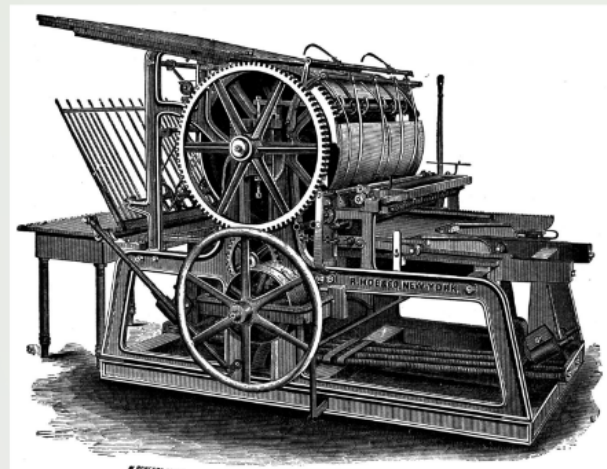
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FinePrint Company Special Order Pricing

Abbie wants to pay \$10 per 100, but Fineprint is already at capacity. Should we accept her proposition?



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*What does FinePrint have to surrender to
accept this special order?*

Revenue 17

Variable Cost

RM 4

DL 1

MOH 1

VSelling 1 7

Cont. Margin 10 @250 is 2500

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IS 2500

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What does Fine Print Earn with the Special Order?

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Revenue 10

Variable Cost

RM 4

DL 1

MOH 1

VSelling 6

Cont. Margin

4 @250 is 1000

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is

1000

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Are there any subjective considerations?

That's a loss of \$1500, but might Abbie be a future customer.....



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Conclusion

REJECT the Special Order.....sorry
Abbie.



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