**GNG2101 Deliverable B**

**Accessible Directions - Economics Report**

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November 15th, 2020

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# **Abstract**

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The objective of this document is to assess all aspects of the future business plans relating to the economics. We will list all types of variables and costs for our product, create a hypothetical income statement, as well as a net present value (NPV) analysis. These will be good indicators of things such as the different expected costs, while also determining when the business expects to be profitable.

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# **Introduction**

At our company Freespace, we hope to develop the most efficient and affordable products to our customers. As a result, we have made some predictions about our business model as well as in all components starting from the raw materials to the finished product that we sell. Our goal as a business is to become profitable (pass the break even point) as quickly as possible while maintaining the integrity of our company. Here, we have broken down the main costs as well as a future income statement and NPV analysis based off of what we know about the market currently. By doing so however, we have made many various assumptions, but we believe that they are within reason and entirely obtainable.

# **List of Costs**

|  |  |
| --- | --- |
|  | **Type of Cost** |
| **Costs** | Variable | Fixed | Direct | Indirect |
| Materials | yes |  | yes |  |
| Manufacturing | yes |  | yes |  |
| Advertising/marketing |  | yes |  | yes |
| Rent for office space |  | yes |  | yes |
| Salaries |  | yes | yes |  |
| Electricity and Utilities |  | yes | yes |  |
| Interest | yes |  |  | yes |
| Depreciation | yes |  |  | yes |
| Machinery and Equipment |  | yes | yes |  |
| Website |  | yes |  | yes |
| Shipping | yes |  | yes |  |
| Research and Development | yes |  |  | yes |

# **Project Plan Update Summary**

# **NPV Analysis**

# **Assumptions Justification**

# **Conclusion**

This is the best conclusion in the whole wide world. Maybe ever. I know lots of people. Lots of smart people. And they agree. That this is the best conclusion. I write the greatest conclusions. Maybe ever.

# **Bibliography**