

MANAGEMENT PARAMETERS

TABLE 1		DEMOGRAPHY	
	Area (^{'000} KM ²)	Population (millions)	
China	9,600	1200	
North American Free Trade Agreement (NAFTA)	21,457	278	
Rest of Developed World	44,120	2,486	

TABLE 2		MARKETING COSTS	
Information on competitors' activities	MOP 75,000		
Market share information	MOP 50 000		

TABLE 3		AGENTS (CHINA), DISTRIBUTORS (NAFTA) & INTERNET DISTRIBUTOR COSTS	
Minimum support cost, per agent/distributor, per quarter	MOP 50,000		
Cost of setting up an agent/distributor	MOP 75,000		
Cost of terminating an agent/distributor	MOP 50,000		

TABLE 4		INTERNET COSTS	
% of value of Internet sales as Service Provider's fee	3%		
First time joining fee to Internet Service Provider	MOP 75,000		
Quarterly cost per Internet Port	Mop 10,000		
Cost of closing down an internet operation	Mop 50,000		

TABLE 5		MANUFACTURING PARAMETERS		
	Product 1	Product 2	Product 3	
Machining time per unit	60 min.	75 min.	120 min.	
Minimum assembly time per unit	100 min.	150 min.	300 min.	
Raw material content per unit	1 unit	2 units	3 units	

TABLE 6		MAINTENANCE COSTS	
Maintenance cost per machine, per hour	MOP 850		
Cost per hour of emergency maintenance (not contracted for)	MOP 1,750		

TABLE 7		MAXIMUM HOURS AVAILABLE PER MACHINE	
Per Quarter, Relative to Shift Level Worked			
Shift Level	Maximum hours per quarter that each machine can work, accumulating hours to each successive level of shift		Unskilled workers needed for each machine
Single (1)	588	hours	4
Double (2)	1,092	hours	8
Treble (3)	1,638	hours	12

TABLE 8		SCRAP VALUES FOR REJECTED PRODUCTS		
	Product 1	Product 2	Product 3	
Scrap value per product unit	MOP 400	MOP 800	MOP 1,200	

TABLE 9		CHARGE FOR GUARANTEE REPAIRS & SERVICING		
	Product 1	Product 2	Product 3	
Retail servicing cost, per unit	MOP 600	MOP 1,500	MOP 2,500	

Note that repairs carried out as a result of a product recall are charged at 75% of normal charge

TABLE 10		PRODUCTION COSTS		
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Cost of supervision per shift	MOP	125,000
Production overheads, per machine	MOP	35,000
Running cost per machine hour	MOP	80
Production planning cost per unit requested	MOP	10
Cost of quality control department	MOP	80,000

TABLE 11		CONTAINER CAPACITY		
		Product 1	Product 2	Product 3
Container capacity in terms of products		500	250	125

Note: Mixed loads can be carried: eg, 1 unit Prod. 3 = 2 units Prod. 2 or 4 units Prod. 1

TABLE 12		TRANSPORTATION COSTS	
Daily all-in hire cost of container		MOP 6,500	
Maximum vehicle distance allowed each day			400 KM
Distance to Nafta shipping port			250 KM
Cost of container hire		MOP 80,000	
Distance to Internet Distribution Agent			150 KM

TABLE 13		WAREHOUSING & PURCHASING	
Available raw material storage at factory (units)			2,000
Quarterly cost of factory warehouse and administration		MOP 125,000	
Cost of external storage per raw material unit		MOP 25	
Cost of storage per product unit at China Agents and Internet Distributors		MOP 35	
Cost of storage per product at Nafta Distributor		USD\$ 4	
Premium charge for unplanned material purchase		+10% on spot price	

TABLE 14		METHOD OF CALCULATING AVERAGE QUARTERLY STOCK HOLDINGS & INTEREST	
		0.5 x (opening value + closing value)	

TABLE 15		HUMAN RESOURCE DEPARTMENT COSTS		
		Recruitment	Compensation for Dismissal	Initial Training
Skilled assembly workers		MOP 20,000	MOP50,000	MOP 85,000
Unskilled machinists		MOP 10,000	MOP20,000	---

TABLE 16		MAXIMUM HOURS EACH PRODUCTION WORKER CAN WORK AND PAY PREMIUMS			
Shift Level	Hours Per Worker at Basic Rate	Hours Per Worker at Saturday Rate (basic pay + 50%)	Hours Per Worker at Sunday Rate (basic pay + 100%)	Machinists Shift Premium	
Single (1)	420	+84	+84	0	
Double (2)	420	+42	+84	1/3	
Treble (3)	420	+42	+84	2/3	

TABLE 17	MINIMUM HOURS & SALARIES
Unskilled machinists' minimum paid hours per quarter	350 hours
Skilled assembly workers' strike hours per week	49 hours
Skilled assembly workers' minimum hours per quarter	0
Skilled assembly workers' minimum hourly rate of pay	MOP 40
Minimum management budget per quarter	MOP 300,000
Ratio of unskilled machinists' rate of pay to skilled rate	65%

TABLE 18	COST OF MACHINES
Cost per machine (total)	MOP 3,500,000
Payable at time of order	MOP 1,750,000
Payable on installation	MOP 1,750,000
Machine rate of depreciation per quarter	2.50%
Decommissioning Charge	MOP 700,000

TABLE 19	METHOD OF COMPUTATIONS
Financial Limits Overdraft:	
	50% of value of (property + raw material stock + product stock)
plus	90% of debtors
less	100% tax due
less	100% of creditors
<i>Note: All of these values are taken from last quarter's Balance Sheet</i>	
Borrowing Power:	
	0.5 x (share price at the end of last quarter x number of shares)
less	100% of (term loans already in place + bank overdraft limit as calculated above)
Credit-worthiness for buying machines:	
	Borrowing Power + Cash + Investments - unsecured loans (all from last quarter's Balance Sheet)
less	50% of the value of each machine due to be installed next quarter
<i>Note: If any of these limits work out to be less than 0, the limit will be set to 0.</i>	

TABLE 20	FINANCIAL PARAMETERS
Tax rate per annum (assessed in the fourth quarter of the year, and paid in the second quarter)	30%
Fixed overheads per quarter	MOP 300,000
Variable overhead rate per quarter	0.30%
Credit control cost per unit sold in China and Nafta	MOP 10
Credit card rate on internet sales	MOP 10
INTEREST RATES ON:	
Investments	Annual China base rate announced last quarter
Overdraft	Annual China base rate announced last quarter plus 4%
Unsecured loans	Annual China base rate announced last quarter plus 10%
Term loans	Fixed annual rate of 12%

TABLE 21	PRODUCT STOCK & RAW MATERIAL STOCK VALUATION
Product Stock:	
	110% of the total cost of all products, with each product calculated as:
	The raw material content valued at six-month price quoted last quarter
plus	The basic skilled wage rate times the assembly-time for the product
plus	(The machining time for the product x 4) x (65% of the basic wage rate) x (the % shift premium)
Raw Material Stock:	
	90% of the lowest of the Spot, 3-month or 6-month quoted last quarter, times the number of units in stock or due to be delivered

Note: If any product stock is brought forward from the quarter before last, then the valuation will be the weighted average of the opening stocks plus new deliveries.

TABLE 22

INSURANCE OPTIONS

Insurance Plan Number	Insurance Excess	Insurance Premium
0	100%	no insurance
1	0.10%	0.60%
2	0.20%	0.35%
3	0.30%	0.20%
4	0.40%	0.10%

Note: The monetary value of the primary risk is calculated as:

the quoted percentage of Property plus Machines plus Raw Material Stock plus Product Stock taken from last quarter's Balance Sheet

TABLE 23

TARGET PAYMENT PERIODS FOR DEBTORS

Internet	0 days (credit card)
China agents	60 days
NAFTA distributors	90 days

TABLE 24

TIMING OF PAYMENTS TO CREDITORS

EXTERNAL COST ITEMS (Internal and labor costs omitted)	If goods are delivered or services are provided next quarter, the charged amount will be paid:	
	Next Quarter	Quarter after Next
	Advertising	
Guarantee servicing		100%
Internet Service Provider	100%	
Payments to agents and distributors	100%	
Transportation costs		100%
Warehousing costs		100%
Personnel costs	100%	
Research & Development	100%	
Maintenance		100%
Business intelligence		100%
Web-site development		100%
Other miscellaneous costs	100%	
Raw materials (Note 1)	50%	50%
Machines (Note 2)	50%	50%
Interest	100%	
Insurance	100%	

Note 1: All materials ordered next quarter (regardless of date of future delivery) will be paid 50% next quarter and 50% in the quarter after next. The second payment will not be affected by changes in the exchange rate in the meanwhile.

Note 2: Machines will be ordered next quarter and a 50% deposit paid; and installed in the quarter after next at which time the second 50% of the payment will be made..

TABLE 25

WEB-SITE CAPACITY

Demand on your web-site will vary considerably from hour to hour across the day. If you are not able to give quick and efficient service to visitors at peak times, your marketing image can decline quite sharply. However, it is difficult to assess the capacity of your web-site which depends on the number of ports linking you to your ISP. The following table gives a guide to the link between ports and service.

Number of Ports in parallel	1	2	5	10	20	50
Maximum theoretical capacity						
number of visits per hour	12	24	60	120	240	600
Practical working capacity						
number of visits per hour	2	7	31	81	190	537

DECISION VALUES					
		Units	Minima	Maxima	Default Value
A 1	Identification Data, Group, Company and Identity as advised.				
A 2	Year and Quarter. Year must be given as 4 characters				
B 1	Number of product units to make and ship to China	Quantity	-999	9999	As before
B 2	Number of product units to make and ship to Nafta	Quantity	0	9999	As before
B 3	Number of product units to make and ship to Internet	Quantity	-999	9999	As before
C 1-3	Product prices Note that if Price is zero, you get no orders at all	MOP'0	0	999	As before
D 1-3	Advertising all products in all areas, plus corporate advertising	MOP'0000	0	99	As before
E 1	Product 1 assembly time	Minutes	100	999	As before
E 2	Product 2 assembly time	Minutes	150	999	As before
E 3	Product 3 assembly time	Minutes	300	999	As before
F	Take up a notified Major Product Improvement and/or Sold Off Product Stocks Yes=1; No=0		0	1	zero
G	Research and Development expenditure	MOP'0000	0	99	As before
H	Raw material to order for quarter after next and future quarters	Quantity in '000	0	99	zero
J 1	China Agents decision				
	a) How many to employ in total in the quarter after next	Quantity	0	99	As before
	b) Quarterly support payment (0 minimum if no agents)	MOP'0000	5	99	As before
	c) % Commission	Per-cent	0	99.9	As before
J2	Nafta Distributors - the same as China Agents				
J 3	If you decide to trade on the Internet you automatically get 1 distributor				
	a) Quarterly support payment	MOP'0000	5	99	As before
	b) % Commission	Per-cent	0	99.9	As before
K 1	Machines to Buy	Quantity	0	99	zero
K 2	Number of Ports to operate next quarter. Activating your first Port implies that you want to trade on the Internet	Quantity	0	99	As before
L 1	Machines to Sell	Quantity	0	99	zero
L 2	Web-site development expenditure	MOP'0000	0	999	As before
M	Maintenance hours per machine	Hours	0	99	As before
N 1	Assembly Hourly Wage Rate	MOP	40	999.9	As before
N 2	Shift Level		1	3	As before
P 1	Number of assembly workers to hire (+) or fire (-)	Quantity	-9	99	zero
P 2	Number of Assembly Workers to Train	Quantity	0	9	Zero
Q 1	Additional funds to be invested (+) or withdrawn (-)	MOP'0000	-9995	99999	zero
Q 2	Additional term loans to be taken	MOP'0000	0	9999	zero
R 1	Management Budget	MOP'0000	30	999	As before
R 2	% Dividend to be paid (quarters 1 and 3 only)	Per-cent	0	99	zero
S 1	Information wanted on other companies' activities (Yes=1; No=0)		0	1	zero
S 2	Information wanted on market shares by volume (Yes=1; No=0)		0	1	zero
T	Number of the insurance plan to operate		0	4	As before
<p>Note that the maxima and minima are theoretical. The context of the Game may apply other values e.g. You could not sell 9 machines if you only had 8 available. Decision values which exceed these practical values will be corrected and marked with *</p>					