



## Book Leasing Formula, FY 2006

We take the cost of each book issue (there are 5 four-packs in each program) including modules and shipping. We average the costs of the four-packs to get a cost per issue price.

The first time the four pack books are issued the cost will be high. Subsequent issues will contain the cost of expendable books, modules and shipping, but be much less.

For example, the first time we issue the fifth ABM four-pack, it costs \$2790. The next 3 times we issue it the price goes to \$838 each time. Total cost to issue the books to 4 cohorts is \$5304  $[(2790 + (838 \times 3))]$ . If we follow this same procedure for the 1st thru 4th ABM four-pack, then average all five issues we get the total cost to us.

Divide the above average cost of books by using an average strength per cohort of 10 or 11 (what do you recommend?) to get what the student would have to pay at cost. Work the margin up from there to find out the cost per class.