Truck company

Business

Assume that the buyer in Saudi Arabia has made other large purchases in the United States and is considering consolidating all of its purchases and loading them onto one large ship, which the buyer will charter.

The buyer contacts HDTV and, although acknowledging its commitment to buy FAST Doth, HDTV would subtract from the $172, 000 per truck price if the selling terms were changed to FOB Hat's Crown Point plant: HTH was responsible for all transportation costs until the time and the trucks were discharged from the ship at Doth.

At that time, HTH would receive $172, 000/ truck in U. S funds FAST (free alongside ship) at the discharging vessel in Doth. If the buyer wants to change the selling term to FOB (free on board), which means that the buyer pays for the transportation of goods, HTH can give a discount of 2109/ truck, which is considered as the expense of transportation to Doth when HTH has the FAST term. Answer question 3 with regard to changing the terms of sale to delivery at port in Baltimore.

The buyer would unload the trucks from the railcars The buyer wants to change the terms of sale to delivery at port in Baltimore and unload the trucks from rate = $1, 440 + insurance = $1 50), which is the total expense including fee for handling, the ocean freight rate, and the insurance fee.

There is an interest rate that would make HDTV change from one routing to another An rate of interest that can cause a change in the routes would be calculated by Assume that interest rate = I, we have $109, 470 + ($172, 000 x 50 x 22 / 3651) = $137, 300 I = 0. 54 = 5. 4% (

The buyer would pay as the trucks were delivered, and the company should only pay for overtime to produce at a faster rate, ship trucks as they get finished via the Port of Baltimore and collecting the payment earlier only if the costs will be less than $56. 5. The selling price of each truck is still $172, 000. Each day that HDT must wait for payment costs = (1 +12% x $172, 000)/365 = $56. 55/ day.

To sum up, the truck business should consider various issues in the orders because they are considered as the future viewpoint of the company in the market. In addition, they also have to consider their delivery costs, time, the costs of borrowing money, inventory as well as the payment period to have the best solutions for the company.