

# Essay on ford motor car

Environment, Disaster



According to the figures from the Ford memo, the expected sales of vehicle units are 12.5 million. This encompasses 1.5 million light vehicle and 11 million cars. The memo states that the modification cost of each unit is \$11,000 amounting to a total of \$137.5 million.

At the same time, the expected results of the accidents given 2100 accidents occur are: 2100 burned vehicles, 180 burn deaths and 180 burn injuries. The memo also states that, if the burn deaths were to be compensated, each burn death will cost \$200,000, \$67,000 on every serious injury and \$700 on each burned out of the vehicle. From these indications, it will cost a total of \$49.53million compensation.

Therefore, the probability that a vehicle will be involved in a burn death is:

Number of burn deaths ÷ Number of cars and trucks sold

$$180 \div 12000000 = 0.000015$$

According to the probability stated above, there is no limit to the total amount Ford can invest in the Vehicles in order to minimize the probability to zero. Therefore, this implies that, no matter the amount that would be invested in making vehicles, automakers should just manufacture accident proof vehicles completely. The probability will even heighten. This is because, the number of accidents will automatically increase hence increasing the number of burnt deaths and serious injuries.

These figures were drawn from National Highway Traffic Safety Administration (NHTSA). The cost per burned death which is \$200000 was reached at from the summation of the direct costs and the indirect cost

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which are \$163000 and \$67000 respectively. The indirect costs include costs like, court and legal costs, insurance and hospital costs, property damage and funeral costs. This calculation was used by the Federal government of the U. S in performing cost and benefit analyses of the construction of the highway.

### **Work Cited**

Birsch, Douglas. The Ford Pinto case: a study in applied ethics, business and technology: London. SUNY Press, 1994. Print

The Ford's "Pinto" Memo