

thyssenkrupp Manager Cup 2018

Economic Forecast Period 2 (Main Round)

General economic data

In a newspaper interview with the magazine "Management global", a renowned economist announced that the gross domestic product in the coming period is likely to rise again somewhat. He assumes about 2% growth. The general price level will rise again by 1 percentage point. Furthermore, the professor of economics recalls the plans of the ECB to cut interest rates in order to provide additional investment incentives.

In order for immigrants to benefit from the positive tendencies, politics has decided to launch a program to promote integration into the labor market. This reduces the cost of new hires to 9,600 EUR per person to be hired.

A reorganization of the production process increases the jump-fixed costs for supervision and operation for overtime to 3 MEUR. Take this into account in your production management!

Branch news

The benefits of E-BIKES have spread throughout the population. The general demand finds another impetus. The market for the E-BIKE I is growing again, in a similar percentage frame as in the previous period.

Wholesale customer:

Your sales manager was approached by the chief purchaser of the major consumer market chain "realo, -": This bulk purchaser would buy up to 5,000 E-BIKES, each priced at 2,850 euros, to distribute to end customers in all stores.

Purchasing:

Conditions on the commodities markets have changed. This is reflected in the purchasing conditions of your supplier, which now look as follows, depending on the quantities purchased:

Purchasing input materials / parts for E-BIKE I			
		Period 1	Period 2
Up to <30.000 pieces	EUR/piece	600	610
Up to <50.000 pieces	EUR/piece	600	590
Up to <70.000 pieces	EUR/piece	600	470
70.000 pieces or more	EUR/piece	600	410

To produce an E-BIKE I, a quantity unit "input materials / parts" must be used. The input materials / parts ordered in one period are already available for production at the beginning of the same period. If too few starting materials / parts are ordered in one period, the shortfall is automatically compensated by special measures such as air freight. For the replenished quantity, a surcharge of 10% on the price of the lowest quantity category is due. At present, a replenished unit of quantity would therefore cost 671 EUR. If not all input materials / parts are consumed in one period, storage costs amounting to EUR 50,000 per started 1,000 pieces of final stock are incurred.

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Corporate Identity (CI):

To further improve your corporate image, you can now invest in a sophisticated CI strategy. By further of these advertising-like issues, the market success can be further improved. Industry standard here are actually 3 MEUR.

Investments in the machinery:

So far, your machine park consists of "Type A" machines of different years of construction. Some of these no longer meet the highest standards. As a result, knowledgeable people in the market looked for alternatives and came across another interesting model ("Type B"). This machine type offers higher capacity and a better environmental index, but is more expensive to buy and has higher fixed costs. New Type B plants have an environmental index of 106 and a capacity of 20,000 units.

Type	Price (MEUR)	depreciation (Periods)	Normal capacity (units/ period)	Other fixed costs (MEUR / period)	Environmental index	rest proceeds (% of residual book value)
A	20	10	16.000	0,4	100,0	20,0
B	24	10	20.000	1,8	106,0	25,0

Human Resources:

The management is increasingly influencing the personnel area. You have the option of approving a training budget to qualify employees. This is intended to increase the productivity of the production staff.