

## PRECISE PRINTING SHOP

A printing company has a portfolio totaling \$538,000 in delinquent debt.

Of the \$538,000 total:

⊘ \$426,000 is classified as “prime”

    ↳ meaning only one outside collection agency has attempted to collect on it.

⊘ \$112,000 is classified as “secondary”

    ↳ meaning that two external agencies have attempted collection.

The owner of the printing company is interested in selling the portfolio.

She completes the worksheet and faxes it to the Portfolio Purchaser for a quote.

The offer works out as follows:

<b>Debt Classification</b>	<b>Gross Value</b>	<b>Price/Gross Dollar Value</b>	<b>Purchase Price</b>
Prime	\$426,000	\$0.08	\$34,080
Secondary	\$112,000	\$0.03	+ \$3,360
<b>Total Purchase Price</b>			<b>=\$37,440</b>