Value, Cost, and Price

Every object has a value, a price, and a cost. It is important to be able to differentiate between the three concepts.

Value

THE WORTH OF THINGS

An object has a value to an individual based on how the object is. Value is defined in money terms, but often evaluated in other than money (a treasured picture of a parent may be worth a great deal to a son, and nothing at all to a stranger).

Cost refers to production. A manufacturer who creates an object encounters a cost in money based on the elements put into the object, the labor required, and a suitable allowance for overhead.

Price refers to sales. The amount for which an object is sold to the consumer is the price.

Value is relative. Somewhere between an object's cost to make and its sale price is its value.

Buying and Selling is a win-win situation. The Seller wants to sell for more than his cost. The Buyer wants to pay less than (or equal to) an object's value. When a buyer and seller make a transaction, both can win.

THE VALUE RULE

The table shows Values. A manufacturer or producer can usually make these goods (in quantity) paying less than Value. A buyer can usually buy these goods individually for Value or slightly more.

> Benchmark										
Typical		Snack	Meal	Clothes	Device	Major Part	ATV	Small Craft	Starship	Large Starship
Salary			1 hr		1 mo	1 yr				
Value		**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Credits		<1	10	100	1,000	10,000	100,000	MCr1	MCr10	MCr100

VALUES FOR OBJECTS

Values are coded as orders of magnitude and help in estimating object costs and prices through simple logic.

Base Value. Base Value is a very rough indication of the worth of an object.

A good meal is worth about Cr10. A cook could pay a grocery cost of Cr5, prepare a meal, and price it at Cr10.

Cost Modifications

The cost (manufacturing cost, production cost, wholesale cost) is a fraction of the Base Value taking into account volume production, production difficulty, resource availability, and technology.

Volume Production. An enterprise can manufacture a quantity of objects at a cost less than their final value.

Very Efficient Production Cost	= Value / 10
Mass Production Cost	= Value / 5
Small Manufacturer 100 item Cost	= Value / 3
Individual Assembler 20 Item Cost	= Value / 2

Price Modifications

The price for an object may be influenced by Supply and Demand.

Price may also be influenced by QREBS

TYPICAL COST MODIFIERS

Flux	Description	Cost	Comment
- 5	Experimental	4.0 x	Before substantial testing.
- 4	Prototype	3.0 x	Handmade sample.
- 3	Early	1.2 x	Preliminary.
- 2	Basic	0.7 x	Elementary. Unenhanced.
- 1	Standard	1.0 x	Normal. Ordinary.
0	(blank)	1.0 x	Normal. Ordinary.
+1	Alternate	1.1 x	Nonstandard performance
+2	Modified	1.2 x	Changed, New features.
+3	Improved	1.1 x	Updated.
+4	Advanced	2.0 x	Multiple new features.
+5	Obsolete	0.5 x	Out of date.

PRICE MODIFICATIONS

Flux	Supply	Mod	Demand	Mod
-5	Ubiquitous	0.5 x	Very Low	0.5 x
-4	Abundant	0.6 x	Quite Low	0.6 x
-3	Very Common	0.7 x	Low	0.7 x
-2	Quite Common	0.8 x	Weak	0.8 x
-1	Common	0.9 x	Less Ordinary	0.9 x
0	Typical		Ordinary	1.0 x
1	Uncommon	1.2 x	Good	1.2 x
2	Scarce	1.4 x	Strong	1.4 x
3	Rare	1.6 x	High	1.6 x
4	Quite Rare	1.8 x	Quite High	1.8 x
5	Very Rare	2.0 x	Very High	2.0 x

Price Modification can be used in two different ways:

Ordinary Objects. Roll for Demand only.

Special Objects. Roll for both Supply and Demand and combine them.