Belltown Athletic Supply (BAS) makes game jerseys for athletic teams. The F.C. Kitsap soccer club has offered to buy 100 jerseys for the teams in its league for $15 per jersey. The team price for such jerseys normally is $18, an 80% markup over BAS’s purchase price of $10 per jersey. BAS adds a name and number to each jersey at a variable cost of $2 per jersey. The annual fixed cost of equipment used in the printing process is $6,000, and other fixed costs allocated to jerseys are $2,000. BAS makes about 2,000 jerseys per year, so the fixed cost is $4 per jersey. The equipment is used only for printing jerseys and stands idle 75% of the usable time.

The manager of BAS turned down the offer, saying, “If we sell at $15 and our cost is $16, we lose money on each jersey we sell. We would like to help your league, but we can’t afford to lose money on the sale.”

Required:

Compute the amount by which the operating income of BAS would change if it

accepted F.C. Kitsap’s offer.