Air Mall produces a catalog that is placed in airline seatbacks during international flights. Passengers typically skim the catalog during flights and can buy selected merchandise from flight attendants, duty and tax free, while over international waters. Below is a report for a recent period:

Spreadsheet

	A	B	C	D	E
1		Total	Beverages	Jewelry	Electronics
2	Sales	$2,600,000	$1,400,000	$500,000	$700,000
3	Variable expenses	1,635,000	980,000	200,000	455,000
4	Contribution margin	$ 965,000	$ 420,000	$300,000	$245,000
5	Fixed expenses	900,000	300,000	300,000	300,000
6	Income (loss)	$ 65,000	$ 120,000	$ -	$(55,000)
7					

The fixed expense is the amount paid for printing the catalog and paying the airline to include the item in seatbacks. Management is evaluating discontinuing the sale of electronics products. Fixed costs will not change; however, jewelry sales are expected to increase by 30%.

Determine if overall income will be improved if the sale of electronics products is ceased.