Samstrun Electronics Store has three major departments: computers, televisions, and appliances. The appliance department has been a consistent money loser, as typified by the following recent monthly operating report:

	Total	Computers	TVs	Appliances
Sales	$2,550,000	$750,000	$1,200,000	$600,000
Variable expenses	2,100,000	600,000	1,000,000	500,000
Contribution margin	$ 450,000	$150,000	$ 200,000	$100,000
Fixed expenses	305,000	100,000	80,000	125,000
Income (loss)	$ 145,000	$ 50,000	$ 120,000	$(25,000)

Management is considering a strategy to exit the appliance business. If this strategy is followed, the floor space currently dedicated to appliances will be used to expand the television showroom space. It is believed that television sales will increase by 40%.

Fixed expenses that can be eliminated by abandoning appliance sales include the salary of a service tech and the lease of a delivery van. The two components total $10,000 per month. The remaining fixed costs relate to facilities expenses and employees that will be diverted to television sales activities.

Evaluate the impact on total profitability of exiting the appliance sales market. How can overall profits be negatively impacted by abandoning an "unprofitable" product line?