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Conference Paper

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Provided in Cooperation with:

The Research Institute for Agriculture Economy and Rural Development (ICEADR), Bucharest

Suggested Citation: Matei, Florentina Daniela (2012) : Factor analysis associated with the total freight production profitability: Case study ; S.C. Tohani S.A., In: Agrarian Economy and Rural Development - Realities and Perspectives for Romania. 3rd Edition of the International Symposium, October 2012, Bucharest, The Research Institute for Agricultural Economy and Rural Development (ICEADR), Bucharest, pp. 226-231

This Version is available at:

<https://hdl.handle.net/10419/76859>

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FACTOR ANALYSIS ASSOCIATED WITH THE TOTAL FREIGHT PRODUCTION PROFITABILITY. CASE STUDY: S.C. TOHANI S.A.

MATEI FLORENTINA DANIELA¹

Abstract

Small vineyard holdings become profitable in a market increasingly globalized, but through a process of structural adjustment supported by external and internal funds, which at this stage is essentially technical modernization in conditions of optimum size training structures, so that it can be used to the full resources available. For, ultimately, that means a higher return? Means studying the market needs to know what to produce and at what price to sell, means an optimal equipment machinery, equipment, technology etc.. That gives the vine and wine products of superior quality with minimum costs, means the effective use a well qualified workforce, tailored for the use of modern technologies, with a high labor productivity, means continuing growth of viticulture and wine quality products so that the selling price to be accepted by buyers and to sell products as easily; means a positive economic environment, characterized by a stable economy that would provide public money winnings safe so it can consume greater quantities of vine and wine products, means of export support, through appropriate economic leverage, sales just like the majority wine country.

Keywords: cost, commodity production, price, marketing wine, market

INTRODUCTION

In a market economy, the competitiveness of a wine holding is estimated by volume and price structure that is practiced to manufacture goods compared with the same profile units. Needs of their significant financial resources, are necessary to achieve a competitive return from selling goods production as a condition "sine qua non" of survival on the market.

"Consequently, gross profitability factor analysis for total goods production due to possible analytical information, acquires new meanings in the cognitive and operative management, demonstrating practical means of identifying and mobilizing internal reserves for the final economic efficiency of resource use ... " [1].

MATERIALS AND METHODS

Based on the data in Table 1 on the achievements of SC Tohani in 2009 and 2010 will calculate profitability indicators.

Table 1: Factor analysis of commodity production for total gross return obtained by SC Tohani in 2010-2011

Indicators	Simboluri	Made in previous year	Made this year
Commodity production expressed in average selling prices without VAT (sold production income)	ΣQmp	2.463.232	2.945.767
Maximum yield expressed in unit costs of production (costs of production sold)	ΣQmc	2.208.614	2.568.471
Gross profit for the total commodity production (rows 1-2)	Pfb	254.618	377.296
Gross rate of return for commodity production total (r 3x100: 2) – in %	Rrb	11,53	14,69
Production of goods made in the current year expressed in average prices of the previous year	ΣQm_1p_0 ΣQm_1p_0	x	2.583.507
Goods used in production this year expressed in unit costs of production of the previous year (excluding VAT)	ΣQm_1c_0 ΣQm_1c_0	x	2.316.456

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Expenses to 1000 RON revenue from the sale of production (row 2 x 1000:1) in RON	Ch 1000/ ΣQ_{mc}	896,633	871,761
Gross profit for 1000 lei revenues from production sold (1000 - Rd7) - in RON	Pfb 1000/ ΣQ_{mp}	103,367	128,239

Source: S.C.Tohani accounting records S.A.

The model used is based on the following formula [2]:

$$\Delta Pfb = Pfb_1 - Pfb_0 = 377.296 - 254.618 = 1.226.789 \text{ RON}$$

Of which due to:

(1) action on the physical volume of production of goods produced.

$$\begin{aligned} \Delta P_{jb} &= \frac{P_{jb_0} \cdot i \cdot Q_m}{100} - P_{jb_0} = \frac{P_{jb_0} \cdot \sum Q_{m_1 p_0}}{\sum Q_{m_0 p_0}} - P_{jb_0} = \frac{254618 \cdot 2583507}{2463232} \cdot 100 - 254618 \\ &= \frac{254618 \cdot 104,88}{100} - 254618 = 267043,35 - 254618 = +12425,35 \text{ ron} \end{aligned}$$

(2) measures total goods production structure:

$$\begin{aligned} \Delta P_{jb(s)} &= \left(\sum Q_{m_1 p_0} - \sum Q_{m_1 c_0} \right) - \frac{P_{jb_0} \cdot i \cdot Q_m}{100} = 2583507 - 2316456 - \frac{254618 \cdot 104,88}{100} \\ &= 267051 - 267043 = 0 \end{aligned}$$

(3) the action cost per unit of commodity:

$$\begin{aligned} \Delta Pfb(c) &= \left(\sum Q_{m_1 p_0} - \sum Q_{m_1 c_1} \right) - \left(\sum Q_{m_1 p_0} - \sum Q_{m_1 c_0} \right) = (2583507 - 2568471) - \\ &= (2583507 - 2316456) = 15036 - 267051 = -252015 \text{ ron} \end{aligned}$$

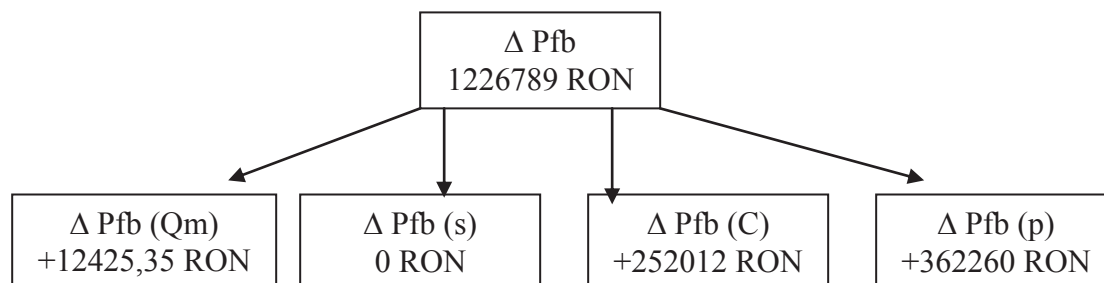
(4) The average sales price action (excluding VAT) per unit of cargo:

$$\begin{aligned} \Delta Pfb(b) &= \left(\sum Q_{m_1 p_1} - \sum Q_{m_1 c_1} \right) - \left(\sum Q_{m_1 p_0} - \sum Q_{m_1 c_1} \right) = (2945767) - (2568471) - \\ &= (2583507) - (2568471) = 377296 - 15036 = 362260 \text{ ron} \end{aligned}$$

$$\Delta Pfb = \Delta Pfb(Qm) + \Delta Pfb(s) + \Delta Pfb(p) :$$

$$1226789 = 12425,35 + 0 - 252015 + 362260$$

Recorded synoptic factor quantification results are as follows:



For the calculation of gross profitability using the following model:

$$\Delta Rrb = Rrb_1 - Rrb_0 = 14,69 - 11,53 = +3,16$$

Of which due to:

1) Total freight action production structure:

$$\Delta R_{r(s)} = \frac{\sum Qm_1 p_0 - \sum Qm_1 c_0}{\sum Qm_1 c_0} \cdot 100 - \frac{\sum Qm_0 p_0 - \sum Qm_0 c_0}{\sum Qm_0 c_0} \cdot 100 =$$

$$\frac{2583507 - 2316456}{2316456} \cdot 100 - \frac{2463232 - 2208614}{2208614} \cdot 100 = 11,53 - 11,53 = 0$$

2) the action cost per unit of commodity:

$$\Delta R_{rb(c)} = \frac{\sum Qm_1 p_0 - \sum Qm_1 c_1}{\sum Qm_1 c_1} \cdot 100 - \frac{\sum Qm_1 p_0 - \sum Qm_1 c_0}{\sum Qm_1 c_0} \cdot 100 =$$

$$\frac{2583507 - 2568471}{2568471} \cdot 100 - \frac{2583507 - 2316456}{2316456} \cdot 100 = 0,59 - 11,53 = -10,94\%$$

3) The average sales price action, excluding VAT, per unit of cargo:

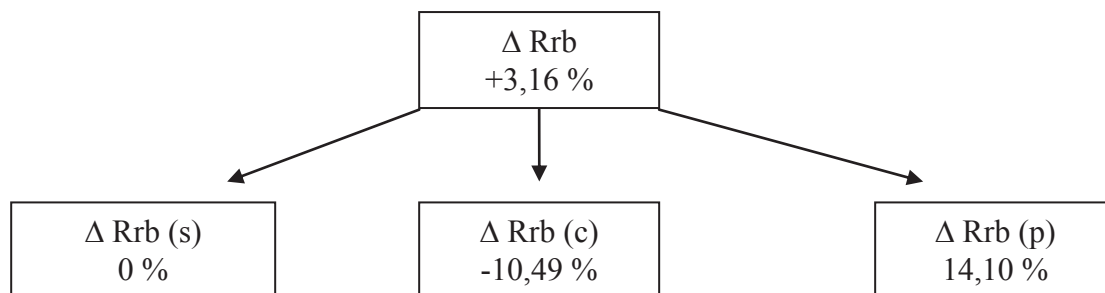
$$\Delta R_{r(p)} = \frac{\sum Qm_1 p_0 - \sum Qm_1 c_1}{\sum Qm_1 c_1} \cdot 100 - \frac{\sum Qm_1 p_0 - \sum Qm_1 c_0}{\sum Qm_1 c_0} \cdot 100 =$$

$$\frac{2945767 - 2568471}{2568471} \cdot 100 - \frac{2583507 - 2568471}{2568471} \cdot 100 = 14,69 - 0,59 = +14,10\%$$

$$\Delta R_{rb} = \Delta R_{rb(s)} - \Delta R_{rb(c)} + \Delta R_{rb(p)}$$

$$+3,16\% = 0 - 10,94\% + 14,10\%$$

Recorded synoptic factor quantification results are as follows:



RESULTS AND DISCUSSION

Based on data from Table 1 and the results quantified factorial diagnosis on profitability trend for total merchandise production can be established as a synthetic sense and in an analytical sense. A synthetic sense, the diagnosis is of a general, findings regarding the essence of the situation. In this context, the dynamics of profitability can be assessed generally as positive as [6]:

There has been a substantial increase in gross profit from the sale of commodity production total (41.18%) - component of operating activities, thus leading financial resource created to enhance fund development, and legal reserves, the fund employee participation in profits, own sources of financing, dividends paid to shareholders.

However, this increase should be appreciated given that inflation has acted in all industries and hence the gross profit.

At the same time, there has been a significant increase in the rate of production of goods for total gross return (27.41 %) which basically means raising the degree to which financial, material and human land consumed by holding for commodity production , brought profit.

Among the factors quantified commodity production structure did not affect the size of profit, this means that the unit went on "old patterns", failing to increase the share of quality, allowing to obtain higher selling prices for production sold.

Influence the unit cost of production was generally unfavorable result from the event which resulted in a purchase price of inputs (fertilizers, fuels, raw materials, services, etc.). Phenomenon known as the "price scissors".

Gross profit increased from the previous year (with 1,226,789 RON) was obtained mostly on account of higher average selling price of commodity production, which shows an improvement in product quality, which has made it possible to find buyers to accept higher prices. The growth rate of gross profitability was lower than the growth rate of gross profit which indicates that the unit has internal reserves unused, contributing to the increase in profitability, especially in the use of modern technology to determine rationalizing consumption.

Gross profitability growth for total goods production may be a result of economic and financial entirely positive, to the extent that amounted to a competitive level of return on domestic and foreign markets given stage, making it possible to establish the necessary funds for the introduction of technologies both in the taking of wine grapes and in the industrialization of production achieved. Only in this way, SC Tohani S.A. can withstand the demanding conditions of increased internal and external competitive market.

In an analytical sense, gross profitability diagnosis for total commodity production may gain by a maximum depth of investigation in each causal factor, a character based on rigorous economic and financial standpoint [5].

In this context, explain and correct assessment of the physical volume of production of goods action on items of gross profit should take into account, first, of a series of coordinated management requirements and market economy. If SC Tohani, increase physical volume of production of goods the product (with 4.88%) resulted in an increase in gross profit mass 12425.35 RON. Such a favorable measure of the quantitatively factor on the gross profit can be fully assessed as positive in terms of economic and financial only if [4]:

- physical volume of production increased freight items correspond to market demands - having therefore a guaranteed sale - and at the same time, they could receive by selling affordable. If SC Tohani physical volume increase was due to the increasing market requirements and high quality of products sold made it possible to obtain a reasonable price for the unit;
- efforts of SC Tohani to increase physical volume of production aimed at the same time and increase quality, in full compliance with international standards and consumer demands;
- increase in the physical volume of output produced merchandise was performed in differentiated rates based on financial possibilities of unity and internal and external market demands for high quality red wines.

In terms of total goods production structure, it did not affect the amount of gross profit due to outdated marketing strategies of staff working in the marketing department, under which contracts were renewed without seeking new partners, and new products to exploit domestic and foreign markets. In this direction, leadership managerial units should consider allocating substantial funds for a prospect rigorous market trends for separation manifested in this direction to meet consumer demands.

In terms of cost per unit of commodity, the influence of this factor was negative value being 252,015 RON. Among the causes which contributed to the increase in cost per unit of commodity

mention first general situation unfavorable economic environment, which increased the price of inputs (fuel, fertilizers, pesticides, energy, services and so on).

Secondly, we notice the high cost of bank loans unit must pay banks to provide financial liquidity to finance activities in viticulture and winemaking, which have a long development cycle.

Thirdly, it should be noted the high cost of repairs on tractors and agricultural machinery generated so high price, spare parts and the need for frequent repairs due to the high degree of wear of machinery wine.

Fourthly, it is necessary to review the growing technologies and those to improve their processing, based on the latest research in vitivol. This could result in the removal of parasitic technological links that consume financial resources, improve the quality of work performed and make savings on staff remuneration costs.

Diagnosis average sales price action (excluding VAT) per unit of cargo on gross profitability must take into account both the contribution of this factor to improve profitability commodity and the extent to which such a favorable situation was the result of a strategy adopted by wine in terms of unit sales prices using the factor specific role in the context of the market economy.

Thus, if SC Tohani S.A. increase in average selling price per unit of cargo caused an increase in gross profit of 362,260 RON, from the previous year and an increase in gross return of 14.10%. These data shows that the unit under study recorded increases in average unit sales price (VAT over again) from the previous year in all commodity products

CONCLUSIONS

In the context of complex efforts are required to increase market economy freight profitability, such a favorable situation can appreciate only positive to the extent that was due to their own efforts, or whether this increase in average selling price (excluding VAT) per unit product was based on optimizing organizational structure subunits freight output production (the farm) on business partners for periods of production and delivery as well as by quality.

Pricing strategy for sales (excluding VAT) must take into account adherence market prices so that products are available in wine consumers. To this end, some products, such as table wine must have a relatively low price to be affordable to low-income buyers, while others, such as quality wines psr may have higher prices due their outstanding quality, which recommends that consumers with higher financial possibilities.

At the same time, should be considered to establish relatively low selling prices for new products in order to attract as wide a segment of buyers, after that, depending on the evolution of the demand-supply, the unit can choose the most appropriate strategy.

The data used shows that Romanian viticulture through its strengths (extremely favorable natural conditions, well-trained workforce, relatively good material conditions) can become a competitive sector domestically and internationally. To this end, the efforts to create viable production structures to benefit from increased support from the state, leading to the strengthening of private property within wine farms viable.

Given the high degree of fragmentation of exploitations wine is impossible to calculate efficiency indicators against which to judge the extent to which their work was profitable. Therefore, the government should engage more decisively by introducing appropriate policies that create the conditions to encourage Association, lease and sale of land this way will effectively use the funds made available to viticulture by special programs of European Union and World Bank, and the wine will become an attractive and efficient business.

Smallholder wine can become profitable in a market increasingly globalized, only through a process of structural adjustment supported by internal and external funds, which at this stage is essentially technical modernization formation of structures under optimum size, so that it can be used to maximum available resources. After all, what is a high return? Means studying the market

needs to know what to produce and what price to sell, means an optimal equipment machinery, equipment, technologies and so on, which gives the wine-growing products of high quality with minimum costs, means efficient use of a well qualified workforce, adapted to the use of modern technologies with high labor productivity, product quality means continuous growth in wine sales so the price is accepted by buyers, and to sell products as easy; means a favorable economic environment, characterized by a stable economy, providing secure financial gains population so that it can consume in greater amounts in wine products, means export support through appropriate economic levers of sales as shall most wine country [3].

Profitability growth during 2000-2010 in wine products shows that activity in viticulture is still profitable in growing companies as they have designed optimal production structure in size. In the technical facilities used cars, the most powerful installations exploitations of vineyard vines Dealu-Mare, there is an obvious lagging behind, in that they are worn out physically, through a standardized service over time and moral by the emergence of performance cars, such as yields, but as ways of ensuring quality. Regarding labor necessary steps towards a senior, allowing efficient use of new machines and technologies and labor productivity growth as the main factor to minimize production cost.

In terms of marketing performance, it should be noted that most companies, commercial vineyards as old methods still work, which not only allowed them a little exploitation of market opportunities. Therefore, for this vital sector of modern enterprise, determined action is required to change attitudes towards aging, with a view to introducing appropriate marketing strategies Romanian viticulture integration requirements into EU structures.

Thus, it is possible to adapt on the fly to changing buyer requirements arising both domestic and export. This will allow the preservation of old markets and their adaptation to new requirements and conquest of new markets, which will positively influence the sales volume to increase both their structure and business partners in order to obtain favorable prices for the enterprise.

Small holding, currently not used efficiently or wine-growing areas or production-related or employment, should be encouraged and supported by appropriate measures in order to pair them to create viable units that can meet the demands of competition fierce. In the process of EU integration of Romanian viticulture, it is impossible to believe that we can compete and be competitive with vineyard holdings in countries like France, Italy, Spain, and so on, which have received significant support from their countries and from the EU Europe.

The experience of these countries shows that it is possible to establish some wine farms viable provided focus all efforts - both the owners and the state - so that the funds received from the European Union, World Bank, etc.. be fully and efficiently used. Only in this way, Romania may maintain one of the top ten spots on the surface it holds wine production. It would be a shame as the result of work done by several generations so easily be lost, for none of the wine countries with conditions similar to ours, did not miss the chance to adapt them to the requirements viticulture era in which we live.

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