

ASPECTS REGARDING THE EVALUATION OF TRADE RESULTS AND PERFORMANCES BASED ON S.C. "KOSAROM" S.A. PASCANI INDICES

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Abstract

A business turnover increase with 48,759,051 Ron (66.84%) is observed during 2010-2012 due to the sold increased production with 45,332,086 Ron (72.67%). Production of the year grew with 45,941,666 Ron (60.3%) due to the sold increased production and the diminish of stored production with 7.94%. In dynamic, the value indicators such as the business turnover, the production of the year and the added value have increased. Thus, the adding value increase with 31.82% (2011/2010) or 21.42%, is due to the increased labor productivity and the intermediate consumption reduction. The VA / YP static report, shows the share of intermediate consumption in the production year, and an increase of it in 2011 compared to 2010 and a decrease in 2012 compared to 2011. The dependence on external input in the activity progress is reflected with the help of BT / AV ratio report, having a tendency to increase from 135.48% in 2010 to 140.53% in 2012. Comes out that the AVI / IYP dynamic report has an over-unit value during 2011/2010 and a sub-unit in the 2012/2011. The value of IBT / AVI ratio, shows the degree of external dependence in 2010-2011, its value indicating a high risk, but decreased in 2011-2012 from 1.03 to 1.01. The AVI / IBT dynamic ratio shows the degree of vertical integration and reflects the company's ability to secure it self a number of production phases without external input. Increasing the value of this ratio, from 0.97 to 0.98 means a reduction of the dependence on suppliers risk (being inversely related to the degree of external dependence). The value of ISP / IYA ratio has declined from 1.05 (2011/2010) to 1.02 (2012/2011), which means a slight increase in the share of stored production and capitalised production in the production year fixed.

Key words: (min. 3 – max. 5)

business turnover, performance, profit

Setting goals in the business enterprise of production and marketing is a decisional act on business policy.

The business system is open, and its objectives involves a continuous exchange of resources with the environment, running according to the model "entry-transformation-output" (Vâlceanu Gh, V. Robu, N. Georgescu, 2005).

Economic theory and practice suggests the use of a valuable indicators system whose cognitive power allows the identification and measurement of the defining aspects concerning the dimensions of trading activity, evaluation of the results and its business performance.

Key value indicators used to assess the results and the commercial performance values of the company are:

1. The business turnover is the amount of income related to sold production, sales of goods and income from the services providing.

2. The year production or global production reflects the total volume of activity held by the company during the financial year. This consists

of: sold production, stored production variation and immobilized production.

3. Added value (AV) is the surplus of receipts over the amount of consumption from third parties, or business wealth created by harnessing their potential.

4. The net added value (NAV) is determined by deducting the depreciation of the value added.

Value indicators at SC "KOSAROM" S.A. Pașcani, during 2010 - 2012 are as follows (*tab.1*):

Production value indicators, through the common elements and the differentiation ones, may know different dynamics from one period to another, which requires deepening the interdependence relations that must be taken into account in developing multiplicative models (*tab. 2*). The analysis of the static report between the value indicators provides information on the evolution of the elements that distinguish a value indicator from another (S. Petrescu, 2008) (*tab.3*).

The main static reports between value indicators are:

- the ratio between turnover and year production;

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- the ratio between the added value and year production;
- the ratio between turnover and value added;
- the ratio between added value and turnover;

- the ratio between net added value and value added;
- the ratio between sold production and the year production.

Table 1

Value indicators at SC "KOSAROM" S.A Pașcani, during 2010 - 2012 (lei)

Nr. crt.	INDICATORS	2010	2011	2012
1.	Business turnover (CA)	72.941.724	99.119.832	121.700.775
2.	Year production (YP)	76.178.444	99.278.900	122.120.110
3.	Added value(AV)	53.838.644	70.974.909	86.183.627
4.	Net added value (NAV)	50.886.421	67.382.487	83.511.935

Source : data S.C."KOSAROM"S.A. Pașcani

Table 2

Dynamics of indices during the period 2010-2012 at the S.C. "KOSAROM" Pașcani (lei)

Nr. crt.	INDICATORS	2010	2011	2012	2012 / 2010(%)
1.	Business turnover (BT)	72.941.724	99.119.832	121.700.775	166,84
2.	Year production (YP)	76.178.444	99.987.550	122.120.110	160,30
3.	Added value(AV)	53.838.644	70.974.909	86.183.627	160,07
4.	Net added value (NAV)	50.886.421	67.382.487	83.511.935	164,11
5.	Index BT (%)	-	135,88	122,78	-
6.	Index YP (%)	-	131,25	122,13	-
7.	Index AV (%)	-	131,82	121,42	-
8.	Index NAV (%)	-	132,41	123,94	-

Source : data S.C."KOSAROM"S.A. Pașcani

Table 3

The analysis of the static report between the value indicators at S.C."KOSAROM"S.A. Pașcani -lei-

Nr. crt.	INDICATORS	2010	2011	2012
1.	Business turnover (BT)	72.941.724	99.119.832	121.700.775
2.	Year production (YP)	53.838.644	70.974.909	86.183.627
3.	Added value(AV)	50.886.421	67.382.487	83.511.935
4.	Net added value (NAV)	76.178.444	99.987.550	122.120.110
5.	Sold production (SP)	62.373.100	86.733.400	107.705.186
6.	IBT / IYP (%)	95,75	99,13	99,65
7.	IVA / IYP (%)	70,67	70,98	70,57
8.	IBT / IVA (%)	135,48	139,65	140,53
9.	IVA / IBT (%)	73,81	71,60	70,81
10.	INAV / IVA (%)	94,42	94,92	96,86
11.	ISP / IYP (%)	81,87	86,74	88,19

Source : data S.C."KOSAROM"S.A. Pașcani

The analysis of the dynamic report involves using indices of value indicators with fixed base index and characterize their evolution towards a comparison basis. (tab.4).

The main types of dynamic reports are:

- the ratio between the turnover index and year production index;
- the ratio between the added value index and year production index;
- the ratio between the turnover index and added value index;

- the ratio between the added value index and turnover index;

- the ratio between the net added value index and added value index;
- the ratio between the sold production index and year production index.

MATERIAL AND METHOD

Accomplishing the paper work involved searching current bibliographic material, connections and uniformity in terminology, creation or adaptation of applications of the concepts used.

Research methods have been applied both during the theoretical documentation and during the case study.

Among the most important research techniques which the paper work is based we mentioned:

- Documentary analysis;
- Comparative analysis;
- Activity analysis;

- Case study;

The methodology that was used thru paper work to process the collected information, presenting the results and drawing conclusions, has methods and processes based on sociological and geo-economic study of researched area, agricultural statistics, economic accounts, economic experiment, analysis and synthesis.

Table 4

The analysis of the dynamic report between the value indicators at S.C."KOSAROM"S.A. Pașcani -lei-

Nr. crt.	INDICATORS	2010	2011	2012
1.	Business turnover (BT)	72.941.724	99.119.832	121.700.775
2.	Year production (YP)	53.838.644	70.974.909	86.183.627
3.	Added value(AV)	50.886.421	67.382.487	83.511.935
4.	Net added value (NAV)	76.178.444	99.987.550	122.120.110
5.	Sold production (SP)	62.373.100	86.733.400	107.705.186
6.	IBT / IYP (%)	-	1,035	1,005
7.	IVA / IYP (%)	-	1,004	0,994
8.	IBT / IVA (%)	-	1,03	1,01
9.	IVA / IBT (%)	-	0,97	0,98
10.	INAV / IVA (%)	-	1,004	1,02
11.	ISP / IYP (%)	-	1,05	1,02

Source : data S.C."KOSAROM"S.A. Pașcani

RESULTS AND DISCUSSIONS

A business turnover increase with 48,759,051 Ron (66.84%) is observed during 2010-2012 due to the sold increased production with 45,332,086 Ron (72.67%). Production of the year grew with 45,941,666 Ron (60.3%) due to the sold increased production and the diminish of stored production with 7.94%. Added value and net added value increased in the analyzed period with 60.07% and 64.11%.

In dynamic, the value indicators such as the business turnover, the production of the year and the added value have increased. Thus, the adding value increase with 31.82% (2011/2010) or 21.42%, is due to the increased labor productivity and the intermediate consumption reduction.

Business turnover growth will lead to increased profit making possible for company to form the necessary funds to accomplish new investments for business development. It is noted that the turnover index is higher than year production index in 2011-2012 ($IBT = 122.78\% > IYP = 122.13\%$), which means that the situation is favorable due to the reduction of production stocks. In terms of added value emerges a growth line of it. In the 2011-2012 period the situation is estimated favorable in terms of correlation of the average wage index with annual average productivity index ($133.33 < 140.64$).

Year production marks an increase over the years due mainly to the annual average productivity. Full use of working time has increased annual productivity which caused enrollment of the year production to positive trend. The evolution of the first report: the turnover reported to the year production means that the product stocks has decreased in the 2010-2012 period. The AV / YP static report, shows the share of intermediate consumption in the production year, and an increase of it in 2011 compared to 2010 and a decrease in 2012 compared to 2011.

The dependence on external input in the activity progress is reflected with the help of BT / AV ratio report, having a tendency to increase from 135.48% in 2010 to 140.53% in 2012.

After analyzing the relationship between business turnover and year production, it appears that there is a dynamic relation over-unit in 2011 compared to 2010 and 2012 compared to 2010 (in 2011 was 1,035 and in 2012 was 1,005), the expression of reduction of the proportion of finished products stocks and semi-products for sale. Comes out that the IVA / IYP dynamic report has an over-unit value during 2011/2010 and a sub-unit in the 2012/2011. The value of IBT / AVI ratio, shows the degree of external dependence in 2010-2011, its value indicating a high risk, but decreased in 2011-2012 from 1.03 to 1.01.

The AVI / IBT dynamic ratio shows the

degree of vertical integration and reflects the company's ability to secure it self a number of production phases without external input. Increasing the value of this ratio, from 0.97 to 0.98 means a reduction of the dependence on suppliers risk (being inversely related to the degree of external dependence). The increase of the dynamic ratio between of NAVI and AVI, from 1,004 (2011/2010) to 1.02 (2012/2011) reflects the decrease in the share of depreciation in value added and increased the share of net value added. The value of ISP / IYP ratio has declined from 1.05 (2011/2010) to 1.02 (2012/2011), which means a slight increase in the share of stored production and capitalised production in the fixed year production.

CONCLUSIONS

The final conclusion is that key value indicators used to assess the results and the commercial performance values of the company in 2010-2012 period are inscribed on an ascending line, which will cause increased profit creating the possibility for company to form the funds necessary to accomplish new investments for business development, this having a potential which allows to strengthen their market position.

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