



The opportunity and need of the cost - volume - profit analysis in agriculture

Mihaela TULVINSCHI, Irina CHIRIȚĂ - "Ștefan cel Mare" University of Suceava

Cost is in reality an interface between financial accounting and management accounting. The aim of the paper is to determine the need and opportunity of the cost - volume – profit analysis for the economic entities in the field of agriculture. Taking into account the peculiarities of agricultural production, the research is based on analysis of the following indicators: the threshold of profitability, coverage factor, the factor of balance and safety. The results of our research suggest that cost - volume – profit analysis is a necessary tool for cost forecasting as well for management cost control. The opportunity of such an analysis in the agricultural sector is justified through that it helps the managers find the best cost, in the sense of the most adequate cost for their administrative problems. The best cost for a firm isn't necessarily the lowest, but that cost that comes at the right time. This analysis is necessary to evaluate new types of crops to plant and to undertake studies on the structure of sales.