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# Applied Methodology of Production Factors' Reflection in the Afferent Profit of Turnover

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## Abstract

*Within the complex activity of combining the factors of production, their consumption takes place and economic goods are obtained in material form, as services or information. The rational entrepriser will permanently compare the acquired results with the utilized factors of production in order to draw real conclusions regarding the outputs of the respective factors. In order to understand the general mechanism of converting the factors of production into the profitability of the company we consider that the approach involving the analysis of profitability (profit and its rates) at the level of the factors that concentrate from informational standpoint the utilizing of work and capital (both fixed and circulating) is beneficial both from the theoretical and from the practical point of view. To this aim, clear patterns and profitabillity analysis are introduced and according to these one can determine the effects of production factors' use.*

**Key words:** *factors of production, profit, turnover, fixed capital, active fixed capital, labour productivity*

**JEL Classification:** *D24, D61, E23*

## Introduction

Any company has at its disposal limited resources, which have a direct impact on its activity thus restricting inevitably the utilized quantities of production factors. In order that the entrepriser should have a higher profit, as a rule he has to increase the volume of goods both produced and sold. Nonetheless, since the factors of production are limited, he may reach this result by increasing the efficiency of utilizing them, the rationality of his activity. The synthetic expression of efficient use of production factors within the mass of production specific to the turnover out of which economic goods follow is productivity understood as fruitfulness, the output of the utilized factors of production respectively[1].

The increase of the output of the production factors through the means of the profit afferent to the turnover has a tremendous importance because: increasing the productivity means reducing the average total cost, the competiveness of the company increases as well as its capacity to face the competion and there is a possibility for the owners of the production factors to obtain higher incomes under the circumstances that the produced goods are sold for the same prices or even lower.

[1] D i n u , E . , *Rentabilitatea firmei în practică*, Editura All Beck, Bucureşti, 2004.

The level and evolution of utilizing the production factors through the profit afferent to the turnover depend on numerous economic and extra-economic circumstances. Of all these the outmost importance is given to: the quality of utilized production factors including the abilities of the entrpriser; the quality of organizing and management of economic activities; economic motivation of the owners of production factors and the extent to which it is accomplished; natural conditions, etc.[2]

## Reflecting the Utilization of Production Factors within the Mass of Profit

In the approached theme we have taken into consideration the reflection of production factors utilization within the mass of profit and furthermore the fixed capital and active fixed capital. As synthesizing patterns of production factors reflection within the sum of the profit afferent to the turnover (out of industial activity) we can take into account[3]:

$$P = \sum qvi \cdot \overline{pi} - \sum qvi \cdot ci \tag{1}$$

$$P = \sum qvi \cdot \overline{pi} \cdot \overline{pr} \tag{2}$$

$$P = T \cdot \frac{Kf}{T} \cdot \frac{Kfa}{Kf} \cdot \frac{\sum qvi \cdot \overline{pi}}{Kfa} \cdot \frac{P}{\sum qvi \cdot \overline{pi}} \qquad where:\ T = \overline{Ns} \cdot \bar{t} \tag{3}$$

where:

P - profit afferent to the turnover;
qvi - sold production is the product „i";
$\overline{pi}$ - average sale price per product „i";
ci - total cost per product „i";
$\sum qvi \cdot \overline{pi}$ - turnover (CA) in sale prices;
$\overline{pr}$ - average profit per 1 leu turnover;
T - total working time;
Kf - fixed capital (fixed means);
Kfa - active fixed capital (active fixed means);
$\overline{Ns}$ - average number of salaried individuals;
$\bar{t}$ - average working hours per salaried individual.

**Table 1.** The indicators utilized in conversion of factors of production

| No. | Indicators | $P_0$ | $P_1$ |
|---|---|---|---|
| 1. | Turnover in sale prices - lei | 23.512.376 | 29.382.540 |
| 2. | Turnover in costs - lei | 20.827.250 | 24.632.540 |
| 3. | Turnover (sold production in $P_1$ in sale prices $P_0$) - lei | x | 25.122.598 |
| 4. | Turnover (sold production in $P_1$ in costs of $P_0$) - lei | x | 22.619.120 |
| 5. | Turnover in costs depending on :<br>-physical consumption out of $P_1$ resources;<br>-charge prices out of $P_0$. | x | 21.500.000 |
| 6. | Profit afferent to the turnover- lei | 2.685.126 | 4.750.000 |
| 7. | Total working time - hours | 3.386.930 | 3.309.955 |

[2] C i o b a n u , A . , *Analiza performanţei întreprinderii*, Editura ASE, Bucureşti, 2006.
[3] C ă r u n t u , C., *Analiza reflectării muncii şi capitalului real în principalele performanţe economico-financiare ale întreprinderii*, Editura Hermes, Bucureşti, 1998.

*Table 1 (cont.)*

| | | | |
|---|---|---|---|
| 8. | Average number of salaried individuals | 2.089 | 2.016 |
| 9. | Average working hours per salried person | 1.621,3 | 1.641,8 |
| 10. | Average hourly turnover (labour productivity - lei | 6,942 | 8,877 |
| 11. | Rate of commercial profitability (%) | 11,42 | 16,17 |
| 12. | Rate of consumed resources profitability (%) | 12,89 | 19,28 |
| 13. | Fixed capital -lei | 5.878.100 | 6.000.000 |
| 14. | Circulating capital - lei | 2.612.486 | 2.798.337 |
| 15. | Real total capital – lei | 8.490.586 | 8.798.337 |
| 16. | Active fixed capital (means) - lei | 2.939.050 | 3.120.000 |
| 17. | Average number of salaried individuals | 2.089 | 2.016 |
| 18. | Prices index | - | 1,10 |

Source: Căruntu, C., *Analiza reflectării muncii şi capitalului real în principalele performanţe economico-financiare ale întreprinderii*, Hermes Publishing House, Bucharest, 1998

At synthetizing level, the conversion of the factors of production in the aforementioned case follows from:

1. The influence of the volume value of the turnover (sold production):

$$\left[\left(\sum qvi_0 \cdot \overline{pi}_0 - \sum qvi_0 \cdot ci_0\right) \cdot \frac{\sum qvi_1 \cdot \overline{pi}_0}{\sum qvi_0 \cdot \overline{pi}_0}\right] - \left(\sum qvi_0 \cdot \overline{pi}_0 - \sum qvi_0 \cdot ci_0\right) =$$

$$= \left[\left(23.512.376 - 20.827.250\right) \cdot \frac{25.122.598}{23.512.376}\right] - \left(23.512.376 - 20.827.250\right) = \quad (4)$$

$$= \left(2.685.126 \cdot 1,0685\right) - 2.685.126 = 2.869.057,131 - -2.685.126 = +183.931,131\ lei$$

or

$$\left(P_0 \cdot I_{Qv}\right) - P_o = \left(2.685.126 \cdot 1,0685\right) - 2.685.126 = \quad (5)$$

$$= 2.869.057,131 - 2.685.126 = +183.931,131\ lei$$

of which:

- The influence of the total working time:

$$\left(P_0 \cdot I_{Qv'}\right) - P_o = \left(2.685.126 \cdot 0,9773\right) - 2.685.126 = \quad (6)$$

$$= 2.869.057,131 - 2.685.126 = -60.952,36\ lei$$

where:

$$I_{Qv'} = \frac{T_1 \cdot \overline{cah}_0}{T_0 \cdot \overline{cah}_0} = \frac{3.309.955 \cdot 6,942}{3.386.930 \cdot 6,942} = \frac{22.977.707,61}{23.512.068,06} = 0,9773 \quad (7)$$

- The influence of average hourly turnover:

$$\left(P_0 \cdot I_{Qv}\right) - \left(P_0 \cdot I_{Qv'}\right) = \left(2.685.126 \cdot 1,0685\right) - \left(2.685.126 \cdot 0,9773\right) = \quad (8)$$

$$= 2.869.057,131 - 2.624.173,64 = +244.883,491\ lei$$

2. The influence of the sold production structure:

$$\left(\sum qvi_1 \cdot \overline{pi}_0 - \sum qvi_1 \cdot ci_0\right) - \left(P_0 \cdot I_{Qv}\right) =$$
$$= \left(25.122.598 - 22.619.120\right) - \left(2.685.126 \cdot 1,0685\right) = \quad (9)$$
$$= 2.503.478 - 2.869.057,131 = -365.579,131 \; lei$$

3. The influence of total costs per products:

$$\left(\sum qvi_1 \cdot \overline{pi}_0 - \sum qvi_1 \cdot ci_1\right) - \left(\sum qvi_1 \cdot \overline{pi}_0 - \sum qvi_1 \cdot ci_0\right) =$$
$$= \left(25.122.598 - 24.632.540\right) - \left(25.122.598 - 22.619.120\right) = \quad (10)$$
$$= 490.058 - 2.503.478 = -2.013.420 \; lei$$

of which:

- The influence of physical consumption of factors of production:

$$\left[\sum qvi_1 \cdot \overline{pi}_0 - \sum qvi_1 \cdot \sum\left(csj_1 \cdot pj_0\right)\right] - \left[\sum qvi_1 \cdot \overline{pi}_0 - \sum qvi_1 \cdot ci_0\right] =$$
$$= \left(25.122.598 - 21.500.000\right) - \left(25.122.598 - 22.619.120\right) = \quad (11)$$
$$= 3.622.598 - 2.503.478 = +1.119.120 \; lei$$

- The influence of purchase prices – charged per unit of consumed resource :

$$\left[\sum qvi_1 \cdot \overline{pi}_0 - \sum qvi_1 \cdot ci_1\right] - \left[\sum qvi_1 \cdot \overline{pi}_0 - \sum qvi_1 \cdot \sum\left(csj_1 \cdot pj_0\right)\right] =$$
$$= \left(25.122.598 - 24.632.540\right) - \left(25.122.598 - 21.500.000\right) = \quad (12)$$
$$490.058 - 3.622.598 = -3.132.540 \; lei$$

4. The influence of prices per products :

$$\left(\sum qvi_1 \cdot \overline{pi}_1 - \sum qvi_1 \cdot \overline{pi}_0\right) = \left(29.382.540 - 25.122.598\right) = +4.259.942 \; lei \quad (13)$$

of which :

- The influence of inflation :

$$\left(\sum qvi_1 \cdot \overline{pi}_0 \cdot IP - \sum qvi_1 \cdot \overline{pi}_0\right) = \left[\left(25.122.598 \cdot 1,10\right) - 25.122.598\right] = \quad (14)$$
$$= 27.634.857,8 - 25.122.598 = +2.512.259,8 \; lei$$

- The influence of prices, with the excluding of the inflation effect :

$$\left(\sum qvi_1 \cdot \overline{pi}_1 - \sum qvi_1 \cdot \overline{pi}_0 \cdot IP\right) = 29.382.540 - \left(25.122.598 \cdot 1,10\right) = \quad (15)$$
$$= 29.382.540 - 27.634.857,8 = +1.747.682,2 \; lei$$

Excluding the influence of structure which can follow the demand and which represents a natural phenomenon or of some flaws in the company activity (management included) as well as the influence of inflation, both through the sale prices and those of the factors consumption (consumed resources), it follows that the difference of profit in $P_1$ comparatively to $P_0$ of 2.064.874 lei is the result of utilizing the factors of production or partially devised as for example:

- the influence of the volume of labour (through the agency of volume value of the turnover) of – 60.952,36 lei;
- the influence of the hourly turnover as an approximate expression of labour utilization of +244.883,491 lei;
- the influence of physical consumption of resources regarding the real total capital (fixed or circulating) and labour with +1.119.120 lei;
- the quality of production in connection with both factors of production taken into consideration (labour and capital) of approximately +1.747.682,2 lei.

According to the model: $P = T \cdot \frac{Kf}{T} \cdot \frac{Kfa}{Kf} \cdot \frac{\sum qv \cdot \overline{p}}{Kfa} \cdot \frac{P}{\sum qv \cdot \overline{p}}$ profit reflection is accomplished through the following influences[4]:

1. The influence of the total working time:

$$\begin{aligned}
&\left(T_1 - T_0\right) \cdot \frac{Kf_0}{T_0} \cdot \frac{Kfa_0}{Kf_0} \cdot \frac{CA_0}{Kfa_0} \cdot \frac{P_0}{CA_0} = \\
&= \left(3.309.955 - 3.386.930\right) \cdot \frac{5.878.100}{3.386.930} \cdot \frac{2.939.050}{5.878.100} \cdot \frac{23.512.376}{2.939.050} \cdot \frac{2.685.126}{23.512.376} = \\
&= \left(-76.975\right) \cdot 1,73552 \cdot 0,50 \cdot 7,99999 \cdot 0,11420 = -61.024,59 \ lei
\end{aligned} \tag{16}$$

of which:

1.1. The influence of the average number of salaried individuals:

$$\begin{aligned}
&\left[\left(\overline{Ns}_1 - \overline{Ns}_0\right) \cdot \bar{t}_0\right] \cdot \frac{Kf_0}{T_0} \cdot \frac{Kfa_0}{Kf_0} \cdot \frac{CA_0}{Kfa_0} \cdot \frac{P_0}{CA_0} = \\
&= \left[\left(2.016 - 2.089\right) \cdot 1.621,32\right] \cdot 1,73552 \cdot 0,50 \cdot 7,99999 \cdot 0,11420 = \\
&= \left[\left(-73\right) \cdot 1.621,32\right] \cdot 1,73552 \cdot 0,50 \cdot 7,99999 \cdot 0,11420 = \\
&= \left(-118.356,36\right) \cdot 1,73552 \cdot 0,50 \cdot 7,99999 \cdot 0,11420 = -93.831,09 \ lei
\end{aligned} \tag{17}$$

1.2. The influence of average number of hours per salaried individual:

$$\begin{aligned}
&\left[\overline{Ns}_1 \cdot \left(\bar{t}_1 - \bar{t}_0\right)\right] \cdot \frac{Kf_0}{T_0} \cdot \frac{Kfa_0}{Kf_0} \cdot \frac{CA_0}{Kfa_0} \cdot \frac{P_0}{CA_0} = \\
&= \left[2.016 \cdot \left(1.641,84 - 1.621,32\right)\right] \cdot 1,73552 \cdot 0,50 \cdot 7,99999 \cdot 0,11420 = \\
&= \left(2.016 \cdot 20,52\right) \cdot 1,73552 \cdot 0,50 \cdot 7,99999 \cdot 0,11420 = \\
&= 41.368,32 \cdot 1,73552 \cdot 0,50 \cdot 7,99999 \cdot 0,11420 = +32.796,16 \ \ lei
\end{aligned} \tag{18}$$

2. The influence of the fixed capital per unit of time (technical endowment of labour):

[4] B u ş e , L . , *Analiză economico-financiară*, Editura Economică, Bucureşti, 2005.

$$T_1 \cdot \left( \frac{Kf_1}{T_1} - \frac{Kf_0}{T_0} \right) \cdot \frac{Kfa_0}{Kf_0} \cdot \frac{CA_0}{Kfa_0} \cdot \frac{P_0}{CA_0} =$$
$$= 3.309.955 \cdot \left( \frac{6.000.000}{3.309.955} - \frac{5.878.100}{3.386.930} \right) \cdot 0,50 \cdot 7,99999 \cdot 0,11420 = \quad (19)$$
$$= 3.309.955 \cdot (1,81271 - 1,73552) \cdot 0,50 \cdot 7,99999 \cdot 0,11420 =$$
$$= 3.309.955 \cdot 0,07719 \cdot 0,50 \cdot 7,99999 \cdot 0,11420 = +116.710,16 \ lei$$

3. The influence of active fixed capital within the total of the fixed capital (technological constituents of the fixed capital):

$$T_1 \cdot \frac{Kf_1}{T_1} \cdot \left( \frac{Kfa_1}{Kf_1} - \frac{Kfa_0}{Kf_0} \right) \cdot \frac{CA_0}{Kfa_0} \cdot \frac{P_0}{CA_0} =$$
$$= 3.309.955 \cdot 1,81271 \cdot \left( \frac{3.120.000}{6.000.000} - \frac{2.939.050}{5.878.100} \right) \cdot 7,99999 \cdot 0,11420 = \quad (20)$$
$$= 3.309.955 \cdot 1,81271 \cdot (0,52 - 0,50) \cdot 7,99999 \cdot 0,11420 =$$
$$= 3.309.955 \cdot 1,81271 \cdot 0,02 \cdot 7,99999 \cdot 0,11420 = +109.631,65 \ lei$$

4. The influence of the turnover per 1 leu of fixed capital (efficiency of the active fixed capital) :

$$T_1 \cdot \frac{Kf_1}{T_1} \cdot \frac{Kfa_1}{Kf_1} \cdot \left( \frac{CA_1}{Kfa_1} - \frac{CA_0}{Kfa_0} \right) \cdot \frac{P_0}{CA_0} =$$
$$= 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot \left( \frac{29.382.540}{3.120.000} - \frac{23.512.376}{2.939.050} \right) \cdot 0,11420 = \quad (21)$$
$$= 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot (9,41748 - 7,99999) \cdot 0,11420 =$$
$$= 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 1,41749 \cdot 0,11420 = +505.056,39 \ lei$$

5. The influence of the average profit per 1 leu turnover:

$$T_1 \cdot \frac{Kf_1}{T_1} \cdot \frac{Kfa_1}{Kf_1} \cdot \frac{CA_1}{Kfa_1} \cdot \left( \frac{P_1}{CA_1} - \frac{P_0}{CA_0} \right) =$$
$$= 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot \left( \frac{4.750.000}{29.382.540} - \frac{2.685.126}{23.512.376} \right) = \quad (22)$$
$$= 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot (0,161166 - 0,11420) =$$
$$= 3.309.955 \cdot 1,8127 \cdot 0,52 \cdot 9,4175 \cdot 0,04746 = +1.394.492,57 \ lei$$

of which:

5.1. The influence of the structure of production:

$$T_1 \cdot \frac{Kf_1}{T_1} \cdot \frac{Kfa_1}{Kf_1} \cdot \frac{CA_1}{Kfa_1} \cdot \left( \overline{pr}^{/} - \overline{pr}_0 \right) =$$
$$= 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot (0,09965 - 0,11420) = \quad (23)$$
$$= 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot (-0,01455) = -427.515,10 \ lei$$

where:

$$\overline{pr}^{/} = 1 - \frac{\sum qvi_1 \cdot ci_0}{\sum qvi_1 \cdot \overline{pi}_0} = 1 - \frac{22.619.120}{25.122.598} = 1 - 0,90035 = 0,09965 \tag{24}$$

5.2. The influence of sale prices:

$$\begin{aligned} & T_1 \cdot \frac{Kf_1}{T_1} \cdot \frac{Kfa_1}{Kf_1} \cdot \frac{CA_1}{Kfa_1} \cdot \left( \overline{pr}^{//} - \overline{pr}^{/} \right) = \\ & = 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot (0,23019 - 0,09965) = \\ & = 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot 0,13054 = +3.835.589,12 \ \ lei \end{aligned} \tag{25}$$

where:

$$\overline{pr}^{//} = 1 - \frac{\sum qvi_1 \cdot ci_0}{\sum qvi_1 \cdot \overline{pi}_1} = 1 - \frac{22.619.120}{29.382.540} = 1 - 0,76981 = 0,23019 \tag{26}$$

of which:

5.2.1. The influence of inflation:

$$\begin{aligned} & T_1 \cdot \frac{Kf_1}{T_1} \cdot \frac{Kfa_1}{Kf_1} \cdot \frac{CA_1}{Kfa_1} \cdot \left( \overline{pr}^{(i)} - \overline{pr}^{/} \right) = \\ & = 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot (0,18151 - 0,09965) = \\ & = 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot 0,08186 = +2.405.249,93 \ \ lei \end{aligned} \tag{27}$$

5.2.2. The influence of prices excluding the effect of inflation:

$$\begin{aligned} & T_1 \cdot \frac{Kf_1}{T_1} \cdot \frac{Kfa_1}{Kf_1} \cdot \frac{CA_1}{Kfa_1} \cdot \left( \overline{pr}^{//} - \overline{pr}^{(i)} \right) = \\ & = 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot (0,23019 - 0,18151) = \\ & = 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot 0,04868 = +1.430.339,20 \ \ lei \end{aligned} \tag{28}$$

where:

$$\overline{pr}^{(i)} = 1 - \frac{\sum qvi_1 \cdot ci_0}{\sum qvi_1 \cdot \overline{pi}_0 \cdot IP} = 1 - \frac{22.619.120}{25.122.598 \cdot 1,10} = 1 - \frac{22.619.120}{27.634.857,8} = 1 - 0,81849 = 0,18151 \tag{29}$$

5.3. The influence of costs per products:

$$\begin{aligned} & T_1 \cdot \frac{Kf_1}{T_1} \cdot \frac{Kfa_1}{Kf_1} \cdot \frac{CA_1}{Kfa_1} \cdot \left( \overline{pr}_1 - \overline{pr}^{//} \right) = \\ & = 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot (0,16166 - 0,23019) = \\ & = 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot (-0,06853) = -2.013.581,45 \ \ lei \end{aligned} \tag{30}$$

of which:

5.3.1.The influence of physical consumption per factors of production:

$$\begin{aligned} & T_1 \cdot \frac{Kf_1}{T_1} \cdot \frac{Kfa_1}{Kf_1} \cdot \frac{CA_1}{Kfa_1} \cdot \left( \overline{pr}^{(csj)} - \overline{pr}^{//} \right) = \\ & = 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot (0,26836 - 0,23019) = \\ & = 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot 0,03817 = +1.121.529,32 \ \ lei \end{aligned} \tag{31}$$

5.3.2. The influence of purchase – charge prices per unity of consumed factor:

$$T_1 \cdot \frac{Kf_1}{T_1} \cdot \frac{Kfa_1}{Kf_1} \cdot \frac{CA_1}{Kfa_1} \cdot \left(\overline{pr}_1 - \overline{pr}^{(pj)}\right) =$$
$$= 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot (0,16166 - 0,26836) = \quad (32)$$
$$= 3.309.955 \cdot 1,81271 \cdot 0,52 \cdot 9,41748 \cdot 0,1067 = -3.135.110,77 \ \ lei$$

In the same way as the operating model has emphasized, having a strong synthesizing degree, aspects of interests connected with different forms of involving the factors of production have resulted.

For example, the labour factor taken into account as a volume (through the agency of total working time) under the circumstances of the other variables, influences the mass of profit with -61.024,59 lei; technical endowment of labour ($\frac{Kf}{T}$), technological constituents of the fixed capital ($\frac{Kfa}{Kf}$) and the efficiency of the active capital ($\frac{CA}{Kfa}$) which through aggregation of multiplicative type: $\frac{Kf}{T} \cdot \frac{Kfa}{Kf} \cdot \frac{CA}{Kfa} = \frac{CA}{T} = \overline{wh}$ represents the output of work, its productivity respectively, influences the mass of the profit with +731.386,13 lei.

The determined influence of the utilized factors of production is taken over by the average profit per 1 leu turnover through the agency of costs (the cut of physical consumption of factors per products with +1.121.529,32 lei) and through the agency of sale prices excluding the effect of inflation within the limits in which they reflect the quality of the respective products excluding other influences of the market under the impetus of demand and supply (in the given case + 1.430.339,20 lei taking into account only the quality of products)[5].

If we want to demonstrate this model's compatibility with the previous one, then as it has been followed before, we proceed using the model transformed in the following relation: $P = T \cdot \overline{wh} \cdot \overline{pr}$ resulted from $T \cdot \frac{CA}{T} \cdot \frac{P}{CA}$ *respectiv* $T \cdot \overline{wh} \cdot \overline{pr}$. In the examined case it would result:

1. The influence of the total working time (volume of work):

$$(T_1 - T_0) \cdot \overline{wh}_0 \cdot \overline{pr}_0 =$$
$$= (3.309.955 - 3.386.930) \cdot 6,942 \cdot 0,1142 = \quad (33)$$
$$= (-76.975) \cdot 6,9421 \cdot 0,1142 = -61.024,84 \ lei$$

of which:

1.1. The influence of the average number of salaried individuals:

$$\left(\overline{Ns}_1 - \overline{Ns}_0\right) \cdot \bar{t}_0 \cdot \overline{wh}_0 \cdot \overline{pr}_0 =$$
$$= (2.016 - 2.089) \cdot 1.621,32 \cdot 6.9421 \cdot 0,1142 = \quad (34)$$
$$= (-73) \cdot 1.621,32 \cdot 6.9421 \cdot 0,114 = -93.831,48 \ lei$$

[5] B a l u , M . E . , *Analiza economico – financiară. Teorie şi aplicaţii practice*, Editura Fundația „România de mâine", Bucureşti, 2008.

1.2. The influence of the average number of hours per salaried individual:

$$\begin{aligned}&\left[\overline{Ns}_1\cdot\left(\bar{t}_1-\bar{t}_0\right)\right]\cdot\overline{wh}_0\cdot\overline{pr}_0=\\&=\left[2.016\cdot\left(1.641,84-1.621,32\right)\right]\cdot6,9421\cdot0,1142=\\&=2.016\cdot20,52\cdot6,9421\cdot0,1142=+32.796,30\ lei\end{aligned}\tag{35}$$

2. The influence of the average hourly productivity:

$$\begin{aligned}&T_1\cdot\left(\overline{wh}_1-\overline{wh}_0\right)\cdot\overline{pr}_0=\\&=3.309.955\cdot\left(8,877-6,9421\right)\cdot0,1142=\\&=3.309.955\cdot1,9349\cdot0,1142=+731.386,13\ lei\end{aligned}\tag{36}$$

3. The influence of the average profit per 1 leu turnover:

$$\begin{aligned}&T_1\cdot\overline{wh}_1\cdot\left(\overline{pr}_1-\overline{pr}_0\right)=\\&=3.309.955\cdot8,877\cdot\left(0,1617-0,1142\right)=\\&=3.309.955\cdot8,877\cdot0,0475=+1.395.667,35\ lei\end{aligned}\tag{37}$$

of which:

3.1. The influence of the structure of production:

$$\begin{aligned}&T_1\cdot\overline{wh}_1\cdot\left(\overline{pr}^{/}-\overline{pr}_0\right)=\\&=3.309.955\cdot8,877\cdot\left(0,0997-0,1142\right)=\\&=3.309.955\cdot8,877\cdot\left(-0,0145\right)=-426.045,82\ lei\end{aligned}\tag{38}$$

3.2. The influence of the sale prices per product:

$$\begin{aligned}&T_1\cdot\overline{wh}_1\cdot\left(\overline{pr}^{//}-\overline{pr}^{/}\right)=\\&=3.309.955\cdot8,877\cdot\left(0,2302-0,0997\right)=\\&=3.309.955\cdot8,877\cdot0,1305=+3.834.412,40\ \ lei\end{aligned}\tag{39}$$

3.3 The influence of costs per products:

$$\begin{aligned}&T_1\cdot\overline{wh}_1\cdot\left(\overline{pr}_1-\overline{pr}^{//}\right)=\\&=3.309.955\cdot8,877\cdot\left(0,1617-0,2302\right)=\\&=3.309.955\cdot8,877\cdot\left(-0,0685\right)=-2.012.699,23\ lei\end{aligned}\tag{40}$$

*Note*: Since only the compatibility of models has been demonstrated, the sale prices have not been studied thoroughly with the pointing out of the inflation effect and costs by establishing the influence of the physical consumption of factors per products.

*A diagnosis thus structured* places the estimation of system operation, its regulation and strengthening within the area of the turnover mainly through[6]:

- production factors utilization especially from the point of view of their output;

[6] Căruntu, C., Lăpăduşi, M. L., Căruntu, G., *Analiză economico-financiară la nivel microeconomic*, Editura Universitaria, Craiova, 2005.

- the structure of the turnover under the conditions of its correlation with the structure of the demand;
- costs as an expression of the consumption of the production factors being a competitive premise of prices (here under the incidence of control the entire process of their form is included, respectively from purchasing the factors to the technologic level of their utilization). The price demonstrates not only performances in accomplishing its infrastructure (cost and quality), but also the commercial policies of the economic agent in the two positions on the market: monopoly and oligarchy.

## Conclusions

*Reflecting the utility of the factors of production within the mass of profit afferent to the turnover* starting with elements like: production of exercise, the average sale price, average profit afferent to the turnover, fixed capital, active fixed capital and the total working time has a tremendous importance for the economic agents who are interested in forecasting as realistic as possible the evolution of business outputs and in performing at high standards, compatible with the exigency of the competition. Thus the output of the factors of production irrespective of the point of view adopted in their analysis can record an objective tendency of increase under the circumstances of normal economic mechanism operation. In case of certain flaws in the economy's functioning such as unemployment, inflation, recession etc, the outputs will be influenced specifically.

Within the general context two special *emphases* should be made:

- the influence of structure irrespective of sense is considered normal condition to the extent to which it is determined by the demand ;
- decrease of resource consumption does not have to influence the products' quality which has to be the result of the technical, technological and human potential of the firm.

The level and dynamics of the production factors through the agency of the profit afferent to the turnover are influenced by numerous *circumstances*, of which the following are fundamental:

- the technical level of the production (first and foremost the quality level of the utilized fixed capital);
- human factor training;
- the degree of production and labour organisation;
- the quality of working conditions and the social climate in the company;
- the natural conditions and the degree of interest of the labour factor.

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# Metodologia aplicată a reflectării factorilor de producție în profitul aferent cifrei de afaceri

## Rezumat

*În acțiunea complexă a combinării factorilor de producție are loc consumarea acestora, obținându-se bunuri economice sub formă materială, servicii sau informații. Întreprinzătorul rațional va compara permanent rezultatele dobândite cu factorii de producție utilizați pentru a desprinde concluzii veridice asupra randamentelor factorilor respectivi. Pentru înțelegerea mecanismului general al conversiei factorilor producției în rentabilitatea întreprinderii, considerăm utilă - atât pentru teorie, cât şi pentru practică - abordarea analizei rentabilității (profitului şi ratelor acesteia) la nivelul factorilor care concentrează informațional atât utilizarea muncii, cât şi a capitalului (fix şi circulant). În acest sens se prezintă modele edificatoare şi analiza rentabilității, pe baza lor determinându-se şi preluarea efectelor utilizării factorilor producției.*