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FACULTY OF ECONOMIC SCIENCES

DEPARTMENT OF ACCOUNTING AND ECONOMIC INFORMATICS

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ANALYSIS OF THE ECONOMIC AND FINANCIAL ACTIVITY

WORKBOOK

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Conținutul lucrării se concentrează pe procedeele și instrumentele specifice utilizate în evaluarea activității economico-financiare a entității, în special pe analiza activității de marketing, a eficienței utilizării factorilor de producție, a profitului și rentabilității, a situației financiar-patrimoniale.

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PREFACE

The activity of any entity, under the conditions of the market economy, takes place in a dynamic and aggressive environment. The fundamental problems faced by each entity mainly aim at establishing and consolidating the place it occupies in the particular economic space in which it operates, the major objective towards which it is heading, the costs involved and competitiveness. In this context, the entity is determined to constantly relate to the market demand, it must anticipate the dynamism of the competition, self-evaluate the resources it has and act in the direction of increasing the efficiency of their use. In the systemic approach to the issue of the entity, a special role belongs to the economic and financial analysis, as a tool for monitoring its activity and performance.

The economic and financial analysis through the methodology, procedures and specific techniques at its disposal, evaluates the state of various processes and phenomena, discovers their structure, establishes the causal relationships, the factors that influence them, discovers the laws of their formation and development, and on this basis offers the management of the entity the possibility of adopting decisions regarding the improvement of the activity in the future.

Analysis in the marketing system is part of marketing research systems, including such procedures as the systematic collection, recording, processing and analysis of data on aspects related to the entity's economic and financial activity in order to make effective management decisions.

This paper aims to carry out an analysis of the economic and financial activity of the entity under its multiple aspects and has the role of forming the following professional skills:

General skills:

1. The ability to explain and interpret processes, phenomena, states and trends circumscribed to the economic and financial activity of the entity.
2. The ability to apply and solve particular problems related to the economic and financial activity of the entity.
3. The ability for critical analysis and evaluation of particular situations.
4. The ability to draw conclusions and formulate proposals to improve the economic and financial activity.

Specific skills:

1. Being aware of the stages that must be completed for the substantiation of the economic and financial analysis.
2. Identification of economic and financial analysis methods and techniques.

3. Calculation of the indicators that characterize the production and marketing activity, the efficiency of the use of human and material resources, profit rates, profitability rates, net worth, asset structure and efficiency rates, liquidity rates, etc.
4. Quantification of the quantitative influence of the factors on the modification of the economic and financial results.
5. Identifying reserves for increasing sales volume, profit, financial stability and reducing distribution expenses, the degree of indebtedness of the entity, etc.
6. Being aware of the contents of the Financial Statements, as an informational basis for performing the economic and financial analysis.

The problems regarding the analysis of the economic and financial activity of the entity are presented within 8 sections, which aim to analyse the marketing activity, the efficiency of the use of production factors, profit and profitability, the patrimonial financial situation, by trying to formulate conclusions and proposals depending on the specific conditions.

The paper has a didactic, formative and instructive aim, and through the presented applications it is, at the same time, a practical guide available to those interested, who are familiar with the specific procedures and tools used in the evaluation of the economic and financial activity. The self-assessment tests are intended to evaluate and appreciate the learning results, which represent the set of skills and knowledge accumulated by the students at the end of each section.

The collection of practical applications and tests was developed in accordance with the curriculum of the course "Analysis of the economic and financial activity" provided in the educational plan. They are intended for students of the all economic specialties.

Section 1. THEORETICAL AND METHODOLOGICAL BASES OF THE ANALYSIS OF ECONOMIC AND FINANCIAL ACTIVITY

Aim To study the calculation methodology and the analysis of economic indicators.

Key Terms

- Absolute deviation
- Chain index
- Fixed base index
- Growth rate
- Moving arithmetic average
- Simple arithmetic mean
- Share

Reference objectives

RO1. To determine absolute deviations and growth rates.
RO2. To calculate weighted quantities.
RO3. To determine simple arithmetic mean and moving arithmetic average.
RO4. To calculate fixed base and chain indexes.

Task 1 (RO1). According to the data from the table, determine the absolute deviations and growth rates of the main economic and financial indicators of the entity. Make the conclusions.

***Table 1.1*. The dynamics of the entity's main economic and financial indicators**

Order No	Indicators	Years		Absolute deviation (±)	Growth rate, %
		previous	current		
1	Sales revenue, thousand MDL	5,958.92	7,145.54		
2	Gross profit (gross loss), thousand MDL	751.65	1,335.61		
3	Profit (loss) before taxation, thousand MDL	198.09	384.01		
4	Net profit (net loss) of the management period, thousand MDL	198.09	332.75		
5	Return on assets, %	0.04	0.07		x

Order No	Indicators	Years		Absolute deviation (±)	Growth rate, %
		previous	current		
6	Return on sales revenue, %	3.32	5.37		x
7	Return on equity, %	0.19	0.27		x
8	General solvency ratio	1.256	1.260		

Conclusions:_____
_____
_____
_____
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Task 2 (RO2). According to the data from the table, determine the structure of sales revenue in the internal trade of goods. Make the conclusions.

***Table 1.2*. Analysis of the composition and structure of sales revenues in internal trade of goods**

Order No	Commodity groups	Previous year		Current year	
		thousand MDL	share, %	thousand MDL	share, %
I	**Food products**	**19,068**		**21,266**	
1	Fresh fruits and vegetables	1,421		1,871	
2	Processed fruits and vegetables	195		254	
3	Meat	946		1,149	
4	Meat products	1,211		1,326	
5	Bakery products	1,260		1,258	
6	Dairy products	1,877		2,178	
7	Coffee, tea, cocoa and spices	921		976	
8	Edible oils and fats	343		410	
9	Other food products	10,894		11,844	
II	**Non-food items**	**36,169**		**37,328**	
1	Computer and communication equipment	2,118		2,960	
2	Construction materials	5,530		6,637	

Order No	Commodity groups	Previous year		Current year	
		thousand MDL	share, %	thousand MDL	share, %
3	Household items	4,617		5,416	
4	Pharmaceutical and medical items	3,828		4,194	
5	Clothing and footwear	2,593		2,338	
6	Cultural and recreational goods	1,014		1,118	
7	Other non-food items	16,469		14,665	
	Total	**55,237**	**100**	**58,594**	**100**

Conclusions:_____
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Task 3 (RO3). According to the data from the table, determine the simple arithmetic mean and the moving arithmetic average with an interval of 3 years for each type of price index. Make the conclusions.

***Table 1.3*. Price indices by sectors of the economy, %**

Order No	Indices	20__	20__	20__	20__	20__	20__
1	Consumer Price Index (CPI)	106.4	106.57	103.05	104.84	103.77	105.11
2	Industrial production price index	104.5	103.30	100.40	101.80	102.60	108.50
3	The price index for the production sold by agricultural enterprises	96.6	97.90	92.50	103.80	122.50	113.70
4	Aggregate construction cost index	106.8	103.20	103.50	103.30	99.40	107.20

Order No	Indices	20__	20__	20__	20__	20__	20__
5	Export unit value index	96.5	105.50	105.10	96.40	108.50	111.70
6	Import unit value index	93.7	104.90	109.60	96.90	94.50	114.80

Conclusions:_____
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_____
_____
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_____

Task 4 (RO4). According to the data from the table, determine fixed base and chain indices on each indicator. Make the conclusions.

***Table 1.4*. Main indicators regarding the economic and financial activity of economic agents**

Order No	Indices	20__	20__	20__	20__	20__	20__
1	Sales revenue, million MDL	300,733	330,963	356,663	397,910	381,896	488,014
2	Profit (loss) before taxation, million MDL	15,026	24,634	23,081	26,247	18,541	40,416
3	The financial result of profitable enterprises, million MDL	22,374	30,414	29,335	33,537	30,347	47,436
4	Net profit (net loss) of the management period, million MDL	12,540	21,527	19,814	22,343	14,859	35,045

Conclusions:_____
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SELF-ASSESSMENT TESTS

1. Analysis is a method through which there occurs:
   a) bringing together the elements, the isolated sides, into a whole, in order to appreciate its characteristic essential features;
   b) decomposition or disassembly of a whole (phenomenon, process, object) into its component elements, as well as establishing the factors and links that generated it;
   c) establishment of some conclusions, starting from the general to the particular;
   d) establishment of some conclusions, starting from the particular to the general.
2. What is the fundamental purpose of the economic and financial activity analysis?
   a) drawing up the analysis report;
   b) assessment of entity's economic-financial position and performances;
   c) assessment of entity's organizational activity;
   d) drawing up the work plan of the entity.
3. Which principle of analysis implies the need to study economic processes, taking into account all the links that exist between these processes?
   a) the principle of the prior necessity of theoretical qualitative analysis before proceeding to the application of quantitative calculation methods;
   b) the principle of operation;
   c) the principle of the complexity of the analysis;
   d) the principle of relying on scientific and real information.
4. Specify the object of the analysis of the economic and financial activity:
   a) preparing materials in order to make management decisions of the entity;
   b) thorough study of all the phenomena and processes of the economic and financial activity of the enterprises in terms of supply, production, marketing and finance, reflected in a system of economic indicators;
   c) detection of errors in the accounting documents of the entity;
   d) researching the correlation between economic phenomena.
5. The content of the indicator reflects:
   a) the factors that influence the modification of indicators;
   b) the links between indicators;
   c) the specific expression of the indicator;
   d) the essence of the studied processes and phenomena.
6. Highlight the type of links between the indicators in which the factors correlate with each other, in the calculation formula of the result indicator, by means of "+" and "-" signs:
   a) additive;

b) multiplicative;
c) combined
d) resultative.

7. What does the notion of factor represent in the analysis of economic and financial activity?
   a) the conditions in which the production processes are carried out;
   b) the causes influencing the obtained results;
   c) the conditions in which the production processes are carried out, as well as the causes that influence the obtained results.
8. Which of the mentioned conditions reflect the content of the general factors?
   a) they have a decisive role on an economic process or result;
   b) the action of the factors does not directly affect the economic activity;
   c) they are linked to additional resource investments;
   d) they influence the activity of all entities;
   e) they act throughout the entire analysis period;
   f) they reflect the efficiency of the resources use.
9. What does the notion of reserves represent in the analysis of the economic and financial activity?
   a) the possibilities of increasing the production volume;
   b) the possibilities of increasing the production quality;
   c) cost reduction ways;
   d) the unused possibilities or those of increasing production and its quality, as well as cost reduction.
10. The methods of qualitative analysis assume:
   a) studying the essence of the phenomena, as well as the causes that influenced their modification;
   b) determining the action of different factors on the analyzed phenomena;
   c) highlighting the internal reserves for improving the economic-financial results.

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Section 2. ANALYSIS OF THE ENTITY'S MARKETING ACTIVITY

Aim To know and understand the correlations between the main indicators of production and marketing activities.

Key Terms

- Balance Production
- Competitiveness
- Consumer Complaint
- Market Position
- Production Quality
- Weighted Average Price

Reference objectives

RO1. To determine the balance of production and to examine the mutual relationship between the indicators that reflect the volume of production and marketing activities.
RO2. To assess the quality of production activity.
RO3. To assess the quality of the sold products on the basis of customers' complaints.
RO4. To calculate and assess the relative indicators for evaluating the entity's position on the market.

Task 1 (RO1). Using the formula for calculating the balance of production, examine the mutual relationship between the indicators that reflect the volume of production and marketing activity. Make the appropriate conclusions.

***Table 2.1*. Balance of production (thousand MDL)**

Order No	Indicators	Previous year	Current year	Absolute deviation (±)	Growth rate, %
1	The balance of production in stocks at the beginning of the current year	8,286	8,227		
2	The volume of manufactured output	62,084	76,745		
3	The surplus found as a result of the finished production inventory at the entity's warehouses	201	218		
	Total				

Order No	Indicators	Previous year	Current year	Absolute deviation (±)	Growth rate, %
4	The volume of sold production	63,124	74,628		
5	Shortages detected as a result of the finished production inventory at the entity's warehouses	192	183		
6	The balance of production in stocks at the end of the current year	7,255	10,379		
	Total				

Conclusions:_____
_____
_____

Task 2 (RO2). According to the data from the table, determine the amount of the weighted average price at the estimated and actual level, of the average coefficient by quality, as well as the influence of the factors that contributed to the change in the sale revenue of the product. Make the conclusions.

***Table 2.2*. Initial data for the assessment of production activity by quality**

Quality categories	Unit price, MDL	Estimated		Actual	
		sold quantity, pieces (Q_p)	sales revenue, thousand MDL (V_p)	sold quantity, pieces (Q_e)	sales revenue, thousand MDL (V_e)
Superior quality	154.49	34,000	5,252.66	32,000	4,943.68
Quality I	123.75	18,000	2,227.50	24,000	2,970.00
TOTAL	**x**	**52,000**	**7,480.16**	**56,000**	**7,913.68**

The sequence and method of carrying out the task:

1. The weighted average price is determined at the estimated and actual level:

$$\overline{P_p} = \frac{V_p}{Q_p}$$

$$\overline{P_e} = \frac{V_e}{Q_e}$$

2. The average coefficient by quality is determined:

$$K_c = \frac{\overline{P_e}}{\overline{P_p}} \times 100$$

3. The influence of the factors that contributed to the change in the sale revenue of the analyzed product is determined:
   a) of the sold quantity:

$$\Delta V^Q = \left[\left(Q_e - Q_p\right) \times \overline{P_p}\right]$$

   b) of the weighted average price:

$$\Delta V^{\bar{P}} = \left[\left(\bar{P}_e - \bar{P}_p\right) \times Q_e\right]$$

   c) balance of factors influence:

$$V_e - V_p = \Delta V^Q + \Delta V^{\bar{P}}$$

Conclusions:_____
_____
_____
_____

Task 3 (RO3). According to the data from the table, determine trends in complaints change in dynamics. Make the conclusions.

***Table 2.3*. The evaluation of the sold production quality based on complaints in dynamics**

Order No	Indicators	Previous year	Current year	Absolute deviation (±)
1	The sold production volume, thousand MDL	28,286	28,227	
2	The claimed products value, thousand MDL	1,284	1,045	
3	The share of the claimed products in the total volume of the sold production, %			

Conclusions:_____
_____
_____
_____

Task 4 (RO4). According to the data from the table, calculate the value of the relative indicators for the evaluation of the entity's position on the market. Make the conclusions.

***Table 2.4*. The calculation and assessment of the relative indicators for the evaluation of the entity's position on the market**

Order No	Indicators	Previous year	Current year	Absolute deviation (±)
	Initial data:			
1	Sold production volume at the analyzed entity, thousand MDL	28,286	28,227	
2	Sold production volume at competing entity, thousand MDL	34,367	33,135	
3	Sold production volume at the analyzed entity through specialized stores, thousand MDL	16,320	15,468	
4	The volume of total sales on the market, thousands MDL	132,270	138,651	
	Calculation data:			
5	The entity's share on the absolute sales market, %			
6	The entity's share on the relative sales market, %			
7	The entity's share on the specific sales market, %			

Conclusions:_____
_____
_____
_____

SELF-ASSESSMENT TESTS

1. The analysis of the dynamics of the production and marketing activity mainly aims at:
   a) the degree of achievement of the objectives and the causes that determined the changes;
   b) the objectives established in relation to the achievements of the current period;
   c) the objectives established in relation to the achievements of the previous period
2. The correlation between the value indicators of the production and marketing activity is reflected as follows:
   a) $Sp_i + VMP - Ri_{(+)} = VSP + Ri_{(-)} - Sp_f$
   b) $Sp_i - VMP + Ri_{(+)} = VSP - Ri_{(-)} + Sp_f$

c) $Sp_i + VMP + Ri_{(+)} = VSP + Ri_{(-)} + Sp_f$
d) $Sp_i - VMP - Ri_{(+)} = VSP - Ri_{(-)} - Sp_f$

3. The production structure means:
   a) the variety of manufactured products, which differ by type, destination, categories;
   b) the share of each kind of product (or group of products) in the total volume of manufactured production;
   c) the particular properties of each manufactured product, which correspond to the requirements strictly determined by the market or satisfy certain needs of the consumer;
   d) the compliance of the manufactured product with the requirements of the market.
4. The range of production means:
   a) the variety of manufactured products, which differ by type, destination, categories;
   b) the share of each kind of product (or group of products) in the total volume of manufactured production;
   c) the particular properties of each manufactured product, which correspond to the requirements strictly determined by the market or satisfy certain needs of the consumer;
   d) the compliance of the manufactured product with the requirements of the market.
5. Based on the relationship $\bar{P} = \frac{VMP}{Q}$ it is determined:
   a) average structure coefficient;
   b) rhythmicity coefficient;
   c) the percentage of completion of the production schedule
   d) weighted average price of the manufactured product.
6. The basic principle of the average assortment coefficient is the following:
   a) compensating non-achievements in some assortments with overachievements in other assortments;
   b) non-compensating non-achievements in some assortments with overachievements in other assortments;
   c) achieving the production schedule both in total and in assortments;
   d) achieving and exceeding the production schedule for all assortments.
7. Share on the absolute sales market characterizes:
   a) the share of production sold through special customer service in the company's stores;
   b) the degree of of buyers' (consumers') satisfaction;
   c) the company's competitive position on the market.

8. The correlation between the sales of the analyzed entity and the sales volume of the most important competitor reflects the share on the market:
   a) specific;
   b) absolute;
   c) relative.
9. If the relative share tends to 100%, then:
   a) the entity's position on the respective market is insignificant;
   b) the entity occupies the leading position on the production sales market;
   c) that level does not influence the place of the entity on the market.
10. Based on the relationship $P_a = \frac{S_e}{\sum S} \times 100$ it is determined:
   a) the share on the specific sales market;
   b) the share on the absolute sales market;
   c) the share on the relative sales market.

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Section 3. ANALYSIS OF THE PROVISION OF THE ENTITY WITH HUMAN RESOURCES AND THE EFFICIENCY OF THEIR USE

Aim

To learn how to calculate the indicators specific to the analysis of human resources and how to formulate proposals regarding the improvement of human resources management.

Key Terms

- Human Resources
- Labor Movement
- Labor Productivity
- Revenue per Employee
- Work Schedule
- Working Time

Reference objectives

RO1. To assess the provision of the entity with human resources in dynamics.
RO2. To assess the efficiency of the working time use.
RO3. To examine labor productivity and the factors that influence the change of this indicator.
RO4. To calculate and assess the consequences of the use of labor factors on the entity's economic and financial results.

Task 1 (RO1). According to the data from the table, analyse the provision of the entity with human resources in dynamics. Make the conclusions.

***Table 3.1*. The appreciation of the provision of the entity with human resources in dynamics**

Order No	Human resources categories	Previous year		Current year		Absolute deviation (±)	Growth rate, %
		people	share, %	people	share, %		
1	Sellers						
2	Operators						
3	Advertising and marketing managers						
4	Supply specialist						
5	Storekeepers						

Order No	Human resources categories	Previous year		Current year		Absolute deviation (±)	Growth rate, %
		people	share, %	people	share, %		
6	Dispatch drivers						
7	Porters						
	Total human resources						

Conclusions:_____

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Task 2 (RO2). According to the data from annex 6, calculate and value the change in the time fund used by applying the absolute differences method. Make the conclusions.

***Table 3.2*. Initial data for the factor analysis of the used time fund**

Indicators	Conventional signs	Years	
		previous	current
Factor:			
Average number of workers, people	$\overline{N_m}$		
Average number of days worked by a worker per year, days	$\bar{Z}$		
Average duration of the working day, hours	$\bar{h}$		
Resultative:			
Used time fund, man-hours	T_h		

The sequence and method of carrying out the task:

Resulting from the calculation formula $T_h = \overline{N_m} \times \bar{Z} \times \bar{h}$, the influence of factors on the change of the resultative indicator is determined by the method of absolute differences:

a) of the average number of workers:

$$\Delta T_h^{\overline{N_m}} = \left[(\overline{N_{m(c)}} - \overline{N_{m(p)}}) \times \overline{Z_{(p)}} \times \overline{h_{(p)}}\right]$$

b) of the average number of days worked by a worker per year:

$$\Delta T_h^{\overline{Z}} = \left[(\overline{Z_{(c)}} - \overline{Z_{(p)}}) \times \overline{N_{m(c)}} \times \overline{h_{(p)}}\right]$$

c) of the average duration of the working day :

$$\Delta T_h^{\overline{h}} = \left[(\overline{h_{(c)}} - \overline{h_{(p)}}) \times \overline{N_{m(c)}} \times \overline{Z_{(c)}}\right]$$

d) balance of factors influence:

$$T_{h(c)} - T_{h(p)} = \Delta T_h^{\overline{N_m}} + \Delta T_h^{\overline{Z}} + \Delta T_h^{\overline{h}}$$

Conclusions:_____
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Task 3 (RO3). According to the data from annex 6, calculate labor productivity indicators and their change in dynamics. Quantify the influence of those factors on changing the average annual productivity of an employee. Make the conclusions.

1. The size of the general labor productivity indicators of trade personnel is determined.

Table 3.3.1. **Calculation and analysis of general labor productivity indicators**

Order No	Indicators	Previous year	Current year	Absolute deviation (±)	Growth rate, %
	Initial data:				
1	Sales revenue, thousand MDL				
2	Number of employees - total people				
	including: operational emloyees				
3	Total number of man-days worked				
4	Total number of man-hours worked				
	Calculation data:				
5	Share of operational workers in the total number of employees, %				

Order No	Indicators	Previous year	Current year	Absolute deviation (±)	Growth rate, %
6	Average annual volume of sales calculated per:				
	- an employee, MDL				
	- an operational employee, MDL				
7	Average sales volume per day, MDL				
8	Average sales volume per hour, MDL				

Conclusions:_____
_____
_____
_____
_____

2. The change in labor productivity is assessed by applying the method of absolute differences.

***Table 3.3.2*. Initial data for the factor analysis of labor productivity**

Indicators	Conventional signs	Years	
		previous	current
Factor:			
Average number of days worked by an employee per year, days	$\bar{Z}$		
Average duration of the working day, hours	$\bar{h}$		
Average sales volume per hour per employee, MDL	$\overline{P_h}$		
Resultative:			
Average annual sales volume per employee, MDL	$\overline{P_a}$		

The sequence and method of carrying out the task:

Based on the calculation formula $\overline{P_a} = \bar{Z} \times \bar{h} \times \overline{P_h}$, the influence of the factors on the change of the resultative indicator is determined by the method of absolute differences:

a) of the average number of days worked by an employee per year:

$$\Delta P_a{}^{\bar{Z}} = \left[(\overline{Z_{(c)}} - \overline{Z_{(p)}}) \times \overline{h_{(p)}} \times \overline{P_{h(p)}}\right]$$

b) of the average duration of the working day:

$$\Delta P_a^{\overline{h}} = \left[(\overline{h_{(c)}} - \overline{h_{(p)}}) \times \overline{Z_{(c)}} \times \overline{P_{h(p)}}\right]$$

c) of the average sales volume per hour per employee:

$$\Delta P_a^{\overline{P_h}} = \left[(\overline{P_{h(c)}} - \overline{P_{h(p)}}) \times \overline{Z_{(c)}} \times \overline{h_{(c)}}\right]$$

d) balance of factors influence:

$$P_{a(c)} - P_{a(p)} = \Delta P_a^{\overline{Z}} + \Delta P_a^{\overline{h}} + \Delta P_a^{\overline{P_h}}$$

Conclusions:_____
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Task 4 (RO4). According to the data from annex 6, calculate and assess the change in sales revenue under the influence of general labor factors by applying the method of absolute differences. Make the conclusions.

***Table 3.4*. Initial data to assess the influence of general labor factors on sales revenue deviation**

Indicators	Conventional signs	Years	
		previous	current
Factor:			
Average number of workers, people	$\overline{N_w}$		
Average annual sales volume per employee, MDL	$\overline{V_e}$		
Resultative:			
Sales revenue, thousand MDL	S_R		

The sequence and method of carrying out the task:

Based on the calculation formula $V_v = \overline{N_s} \times \overline{V_s}$, the influence of the factors on the change of the resultative indicator is determined by the method of absolute differences:

a) of the average number of workers:

$$\Delta S_R^{\overline{N_w}} = \left[(\overline{N_{w(c)}} - \overline{N_{w(p)}}) \times \overline{V_{e(p)}}\right]$$

b) of the average annual sales volume per employee:

$$\Delta S_R^{\overline{V_e}} = \left[(\overline{V_{e(c)}} - \overline{V_{e(p)}}) \times \overline{N_{w(c)}}\right]$$

c) balance of factors influence:

$$S_{R(c)} - S_{R(p)} = \Delta S_R^{\overline{N_w}} + \Delta S_R^{\overline{V_e}}$$

Conclusions:_____

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SELF-ASSESSMENT TESTS

1. Depending on the activity carried out, the company's staff is classified into:
   a) personnel from the basic activity; personnel from the secondary activity;
   b) employees (workers); clerks.
2. The basic factor influencing the stability of the productive staff is:
   a) the staff's qualification degree;
   b) the movement of personnel in a certain period of time;
   c) seniority of the staff.
3. The more intense the movement of the labor force is, the staff's stability is:
   a) lower;
   b) higher;
   c) does not change.
4. Which of the following is not related to the normal movement of labor?
   a) company reprofiling;
   b) illnesses;
   c) leaving work on one's own initiative;
   d) increasing the degree of automation of various works.
5. By the ratio between the number of permanent workers and the salary category, the following is determined:
   a) the seasonal coefficient;
   b) the coefficient of the profitable time use;
   c) the average coefficient of qualification;
   d) the coefficient of insurance with labor resources.

6. Annual labor productivity expresses:
   a) value production per man-day;
   b) value production per man-hour;
   c) value production per worker.
7. The influence with plus sign of the change in average annual productivity of an employee on sales revenue means:
   a) decrease in labor productivity and sales revenue;
   b) increase in labor productivity and sales revenue;
   c) decrease in labor productivity and increase in sales revenue;
   d) increase in labor productivity and decrease in sales revenue.
8. Labor productivity analysis can be performed:
   a) only at the product level;
   b) only at the enterprise level;
   c) both at the enterprise level and at the product level.
9. Establish the correlation between the notions and the method of their calculation. Enter the letter in the space provided.

____ the ratio between the actual number om man-hours/man-days worked and the possible number of man-hours/man-days;

a. Average coefficient of qualification

____ the ratio between the actual number of man-hours/man-days and the average annual/monthly number of man-hours/man-days;

b. Coefficient of the profitable time use

____ the ratio between the number of permanent workers and salary category;

c. Coefficient of insurance with labor resources

____ the ratio of the average actual number of staff and the maximum average number of staff required.

d. Seasonal work coefficient

10. In the free space write the aspects of labor force movement (normal/abnormal) related to each cause.

Order No	Causes of labor movement	Aspects of labor movement
1	Increase or decrease in the size of the entity	
2	Violation of labor discipline	
3	Leaving work on one's own initiative without the approval of the entity's management	
4	Entity reprofiling	

Order No	Causes of labor movement	Aspects of labor movement
5	Increasing the degree of mechanization and automation of various works	
6	Illnesses	

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1. BALANUTA, Vladimir. *Management analysis: didactic and practical-applicative work in the field of diagnosis of the activity of the production enterprise*. Chisinau: ASEM, 2003.
2. GEORGESCU, Nicolae; ROBU, Vasile. *Financial and economic analysis*. Bucharest: ASE, 2001.
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5. TCACI, Natalia; TCACI, Alexandru. *Management analysis:* Course support. Chisinau: CEP USM, 2013.
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Section 4. ANALYSIS OF THE PROVISION OF THE ENTITY WITH FIXED ASSETS AND THE EFFICIENCY OF THEIR USE

Aim

To learn how to calculate specific indicators for the fixed assets use and how to formulate proposals regarding the improvement of fixed assets management.

Key Terms

- Amortization
- Average Net Fixed Assets
- Fixed Assets
- Fixed Assets Movement
- Functional State of Fixed Assets
- Return on Fixed Assets

Reference objectives

RO1. To assess the dynamics, structure and functional state of fixed assets.
RO2. To assess the efficiency of fixed assets use based on generalizing indicators.
RO3. Factorial analysis of the return on fixed assets.
RO4. To calculate and assess the consequences of fixed assets use on the entity's economic and financial results.

Task 1 (RO1). According to the data from annex 5, analyze the structure of fixed assets of the entity in dynamics. Make the conclusions.

Table 4.1. **The assessment of the entity's fixed assets structure in dynamics**

Order No	Types of non-current assets	Previous year		Current year		Absolute deviation (±)	Growth rate, %
		amount, thousand MDL	share, %	amount, thousand MDL	share, %		
1	Building						
2	Special constructions						
3	Machines, equipment and transmission installations						
4	Means of transport						

Order No	Types of non-current assets	Previous year		Current year		Absolute deviation (±)	Growth rate, %
		amount, thousand MDL	share, %	amount, thousand MDL	share, %		
5	Tools and inventory						
6	Other fixed assets						
	Total fixed assets						

Conclusions:_____
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Task 2 (RO1). According to the data from annnex 5, determine the indicators of movement and functional status of fixed assets. Make the conclusions.

***Table 4.2*. The assessment of fixed assets movement and functional status**

Indicators	Calculation formula	Years	
		previous	current
The coefficient of fixed assets renewal	$K_r = \frac{FA_i}{FA_f}$		
The ratio of fixed assets output	$K_{op} = \frac{FA_i + FA_{tr}}{FA_{in}}$		
The coefficient of accumulated amortization of fixed assets	$K_{am} = \frac{\sum A_{ac}}{FA_f}$		
The coefficient of fixed assets utility	$K_{ut} = 100 - K_{am}$		

Conclusions:_____
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Task 3 (RO2). According to the data from annexes 5 and 6, detrmine the generalizing indicators of the efficiency of means use. Make the conclusions.

Table 4.3. **The assessment of the efficiency of means use based on generalizing indicators**

Indicators	Calculation formula	Years	
		previous	current
The return on fixed assets, MDL	$R_{FA} = \frac{SR}{\overline{FA}}$		
Fixed assets capacity, MDL	$C_{FA} = \frac{\overline{FA}}{SR}$		
Work provision with fixed means, MDL	$P_{FA} = \frac{\overline{FA}}{N_w}$		

Conclusions:_____

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Task 4 (RO3). According to the data from annexes 5 and 6, calculate and assess the change in return on fixed assets by applying the method of chain substitutions. Make the conclusions.

Table 4.4.1. **Initial data for factor analysis of return on fixed assets**

Indicators	Conventional signs	Years	
		previous	current
Factor:			
The average value of a unit of fixed assets, MDL	$\overline{V_{FA}}$		
The share of the active part in the total value of fixed assets, %	$\%P_{FA}$		
The average working time of a unit of fixed assets, hours	$\overline{D_h}$		
The average hourly productivity of fixed assets, MDL	$\overline{P_h}$		
Resultative:			
The return on fixed assets, MDL	R_{FA}		

The sequence and method of carrying out the task:

We calculate the influence of detailed factors on the change in the return on fixed assets by the method of chain substitutions:

***Table 4.4.2*. Calculation of detailed factors influence on the change in the return on fixed assets by the method of chain substitutions**

Number of calculation	Number of substitution	Correlated factors				Resultative indicator (R_{FA}), MDL	Calculation of factors influence	Size of factors influence (±), MDL	Causes of influence
		$\overline{V_{FA}}$	$\%P_{FA}$	$\overline{D_h}$	$\overline{P_h}$				
1	0								
2	1								
3	2								
4	3								
5	4								

Balance of factors influence:

$$R_{FA(c)} - R_{FA(p)} = \Delta R_{FA}{}^{\overline{V_{FA}}} + \Delta R_{FA}{}^{\%P_{FA}} + \Delta R_{FA}{}^{\overline{D_h}} + \Delta R_{FA}{}^{\overline{P_h}}$$

Conclusions:_____

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Task 5 (RO4). According to the data from annexes 2, 5 and 6, calculate and evaluate the change in sales revenue under the influence of general factors of fixed assets by applying the method of absolute differences. Make the conclusions.

***Table 4.5*. Initial data for assessing the influence of general factors of fixed assets on the deviation of sales revenue**

Indicators	Conventional signs	Years	
		previous	current
Factor:			
The average value of fixed assets, thousand MDL	$\overline{FA}$		
The return on fixed assets, MDL	R_{FA}		
Resultative:			
Sales revenue, thousand MDL	S_R		

The sequence and method of carrying out the task:

Using the data from the table, the factors influence on the change in the result indicator is determined by the method of absolute differences:

a) of the average value of non-current assets

$$\Delta S_R{}^{\overline{FA}} = \left[(\overline{FA}_{(c)} - \overline{FA}_{(p)}) \times R_{FA(p)}\right]$$

b) of the return on non-current assets

$$\Delta S_R{}^{R_{FA}} = \left[(R_{FA(c)} - R_{FA(p)}) \times \overline{FA}_{(c)}\right]$$

c) balance of factors influence:

$$S_{R(c)} - S_{R(p)} = \Delta S_R{}^{\overline{FA}} + \Delta S_R{}^{R_{FA}}$$

Conclusions:_____

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SELF-ASSESSMENT TESTS

1. The conditions that an asset must meet in order to enter the category of a fixed asset are:
   a) the unit price does not exceed the ceiling established by the legislation and the duration of use is more than one year;

b) the unit price exceeds the ceiling established by the legislation and the duration of use is more than one year;
c) the unit price exceeds the ceiling established by the legislation and the duration of use is less than one year;
d) the unit price does not exceed the ceiling established by the legislation and the duration of use is less than one year.

2. Which of the listed elements are part of the category of fixed means?
a) land;
b) computer programs;
c) buildings;
d) equipment intended for installation;
e) mineral resources.

3. Through the ratio between the value of fixed assets entered in a certain management period and the value of all fixed assets at the end of this period, the following is determined:
a) the coefficient of fixed assets accumulated depreciation;
b) the coefficient of fixed assets renewal;
c) the coefficient of fixed assets utility;
d) the coefficient of fixed assets output.

4. In analytical practice, the situation is examined positively when:
a) the coefficient of fixed assets renewal is higher than the coefficient of fixed assets output;
b) the coefficient of fixed assets renewal is lower than the coefficient of fixed assets output;
c) the coefficient of fixed assets renewal is equal to the coefficient of fixed assets output.

5. The ratio between the average value of the fixed means of production and the volume of manufactured production determines:
a) the return on fixed assets;
b) the capacity of fixed assets;
c) fixed means provision with work.

6. Which of the listed indicators reflect the use efficiency of fixed assets?
a) the coefficient of fixed assets renewal;
b) the coefficient of fixed assets output;
c) the coefficient of fixed assets utility;
d) the coefficient of work provision with fixed means.

7. The situation in which the coefficient of fixed assets accumulated depreciation is lower than the coefficient of utility characterizes the functional state of fixed assets as:

a) positive;
b) negative;
c) neutral.

8. The efficiency of fixed assets use reflects:
   a) reduction of the average value of the production fixed means;
   b) reduction of the degree of provision with fixed assets;
   c) increase in the return on fixed assets;
   d) increase in the rate of fixed assets depreciation.
9. The influence with plus sign of the change in the return on fixed assets on sales revenue means:
   a) decrease in the return on fixed assets and sales revenue;
   b) increase in the return on fixed assets and sales revenue;
   c) decrease in the return on fixed assets and increase in sales revenue;
   d) increase in the return on fixed assets and decrease in sales revenue.
10. Determine fixed assets value, using the following data: spare parts – 8,000 MDL; raw materials – 12,000 MDL; truck – 75,000 MDL; finished products – 46,000 MDL; cold storage – 9,400,000 MDL; low-value and short-lived objects – 10,000 MDL; production and household inventory – 82,000 MDL. Choose the correct answer:
    a) 9,483,000;
    b) 9,557,000;
    c) 76,000;
    d) 151,000;
    e) 167,000.

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1. National Accounting Standard "Intangible and Tangible Assets". In: *Official Monitor of the Republic of Moldova*, 2013, No. 233-237 (with subsequent amendments and additions).
2. BALANUTA, Vladimir. *Management analysis: didactic and practical-applicative work in the field of diagnostics of the activity of the production enterprise*. Chisinau: ASEM, 2003.
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Section 5. ANALYSIS OF THE SUPPLY, ASSURANCE AND EFFICIENCY OF THE MATERIAL RESOURCES USE

Aim

To learn how to calculate the indicators specific to the analysis of material resources and how to formulate proposals regarding the improvement of material resources management.

Key Terms

- Material Resources
- Material Stocks
- Provision of Resources
- Raw materials
- Resource Assurance
- Resource Consumption
- Resource Efficiency

Reference objectives

RO1. To assess the composition and movement of material stocks.
RO2. To examine the entity's supply and provision with material resources.
RO3. To determine the general indicators of the efficiency of material resources use.
RO4. To calculate and assess the consequences of the use of material resources on the economic and financial results of the entity.

Task 1 (RO1). According to the data fron annex1, analyze the composition and movement of material stocks. Make the conclusions.

***Table 5.1*. Assessment of the composition and movement of material stocks (thousand MDL)**

Order No	Material resources in stocks	Balance at the beginning of the current period	Movement		Balance at the end of the current period
			inputs	outputs	
1	Raw materials and basic materials				
2	Auxiliary materials				
3	Spare parts				
4	Fuel				
5	Package				
6	Tires and batteries				
7	Agricultural materials				

Order No	Material resources in stocks	Balance at the beginning of the current period	Movement		Balance at the end of the current period
			inputs	outputs	
8	Construction materials				
9	Other materials				
	Total materials				

Conclusions:_____
_____
_____
_____

Task 2 (RO2). According to the data from the table, determine the indicators of the supply and provision of the entity with material resources. Make the conclusions.

***Table 5.2*. Initial data for assessing the supply and provision of the entity with material resources (MDL)**

Indicators	Years	
	previous	current
The required amount of material resources	96,820	97,500
Input amount of material resources	87,024	87,750
The input amount of material resource to ensure the requirements	90,457	91,000

The sequence and method of carrying out the task:

1. The size of the coefficient of supply with material resources is determined:

$$K_{sr} = \frac{MR_{in}}{MR_t} \times 100$$

2. The size of the coefficient of assurance (provision) with material resources is determined:

$$K_{as} = \frac{MR_{en}}{MR_t} \times 100$$

Conclusions:_____
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Task 3 (RO3). According to the data from the table, determine the generalizing indicators of the efficiency of material resources use. Make the conclusions.

***Table 5.3*. The assessment of the efficiency of material resources use based on generalizing indicators**

Indicators	Years		Absolute deviation (±)
	previous	current	
Initial data:			
The total consumption of materials, thousand MDL	23,840	23,227.4	
The volume of manufactured production (services rendered), thousand MDL	35,160	36,467	
Calculation data:			
The return on consumed material resources, MDL			
The specific consumption of materials, MDL			

Conclusions:_____
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_____
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Task 4 (RO4). According to the data from table 5.3, calculate and evaluate the change in the volume of manufactured production (provided services) under the influence of the general factors of material resources by applying the method of absolute differences. Make the conclusions.

***Table 5.4*. Initial data for assessing the influence of general factors of material resources on the volume deviation of manufactured production (provided services)**

Indicators	Conventional signs	Years	
		previous	current
Factor:			
The total consumption of materials, thousand MDL	CT_m		
The return on consumed material resources, MDL	R_m		

Indicators	Conventional signs	Years	
		previous	current
Resultative:			
The volume of manufactured production (services rendered), thousand MDL	VMP		

The sequence and method of carrying out the task:

Using the data from the table, the factors influence on the change in the resultative indicator is determined by the method of absolute differences:

a) of the total consumption of the material:

$$\Delta VMP^{CT_m} = \left[(CT_{m(c)} - CT_{m(p)}) \times R_{m(p)}\right]$$

b) of the return on the consumed material resources:

$$\Delta VMP^{R_m} = \left[(R_{m(c)} - R_{m(p)}) \times CT_{m(c)}\right]$$

c) balance of factors influence:

$$VMP_{(c)} - VMP_{(p)} = \Delta VMP^{CT_m} + \Delta VMP^{R_m}$$

Conclusions:_____

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SELF-ASSESSMENT TESTS

1. Select the definition that reflects the essence of material resources:
   a) the set of employees of the entity whose purpose is to coordinate, plan and organize its activity;
   b) physical components of an entity necessary for carrying out the production process;
   c) monetary elements that the entity uses in its activity;
   d) technology-based means for activity coordination.
2. Which of the listed elements are part of material resources category?
   a) activity licenses;
   b) spare parts;

c) bank deposits;
d) cash in the cash register.

3. Through the ratio between the incoming amount of material resources and the required amount of material resources, the following is determined:
   a) the coefficient of provision with material resources;
   b) the coefficient of supply with material resources;
   c) the return on material resources;
   d) the specific consumption of materials.
4. In analytical practice, the situation is examined positively when:
   a) the rate of increase in the volume of manufactured production is higher than the rate of increase in material stocks;
   b) the growth rate of manufactured production volume is lower than the growth rate of material stocks;
   c) the growth rate of manufactured production volume is equal to the growth rate of material stocks.
5. The calculation formula $D_i = \frac{SM_t \times N_z}{SM_e}$ determines:
   a) the return on material resources;
   b) the immobilization period of material stocks;
   c) the specific consumption of materials.
6. Which of the listed indicators reflect the efficiency of material resources use?
   a) the coefficient of supply with material resources;
   b) the coefficient of provision with material resources;
   c) the immobilization period of material resources;
   d) the return on material resources.
7. The lower the specific consumption of materials is, the efficiency of material resources use is:
   a) bigger;
   b) smaller;
   c) does not change.
8. The efficiency of material resources use reflects:
   a) increase in the average value of material resources;
   b) decrease in the degree of provision with material resources;
   c) increase in the return on material resources;
   d) increase in the specific consumption of materials.
9. The influence with the plus sign of the change in the return on material resources on the manufactured production volume means:
   a) decrease in the return on material resources and in the manufactured production volume;

b) increase in the return on material resources and in the manufactured production volume;
c) decrease in the return on material resources and increase in the manufactured production volume;
d) increase in the return on material resources and decrese in the manufactured production volume.

10. Determine the immobilization duration of the stock of materials, using the following data: the stock of materials, total – 17,916.67 MDL; the value of the outgoing materials – 75,000 MDL; the value of the input materials – 46,000 MDL. Choose the correct answer:
    a) 140 days;
    b) 86 days;
    c) 53 days;
    d) 151 days.

References:

1. National Accounting Standard "Inventories". In: *Official Monitor of the Republic of Moldova*, 2013, No. 233-237 (with subsequent amendments and additions).
2. BALANUTA, Vladimir. *Management analysis: didactic and practical-applicative work in the field of diagnostics of the production enterprise's activity*. Chisinau: ASEM, 2003.
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Section 6. ANALYSIS OF THE ENTITY'S INCOME AND EXPENSES

Aim

To learn how to calculate the indicators specific to income and expenses analysis and how to formulate proposals regarding the improvement of operational activity.

Key Terms

- Cost of sales
- Distribution Cost
- Expenses
- Income/Revenue
- Sales Revenue
- Tax Expense

Reference objectives

RO1. General assessment of the size and evolution of the entity's income.
RO2. General assessment of the size and evolution of the entity's expenses.
RO3. Structural examination of revenues and expenses from operating activities.
RO4. Factor analysis of sales revenue and cost of sales.

Task 1 (RO1). According to the data from annex 2, examine the size and evolution of the entity's revenues. Make the conclusions.

***Table 6.1*. General assessment of the size and evolution of the entity's revenues**

Revenue items	Years				Absolute deviation (±)	
	previous		current			
	amount, thousand MDL	share, %	amount, thousand MDL	share, %	thousand MDL	percentage points
Revenues from operating activities						
Revenues from financial activities						
Revenues from non-current assets and exceptional events						
Total revenues						

Conclusions:_____
_____
_____

Task 2 (RO2). According to the data from annex 2, examine the size and evolution of the entity's expenses. Make the conclusions.

Table 6.2. **General assessment of the size and evolution of the entity's expenses**

Expenses items	Years				Absolute deviation (±)	
	previous		current			
	amount, thousand MDL	share, %	amount, thousand MDL	share, %	thousand MDL	percentage points
Operating expenses						
Financial activity expenses						
Expenditure on non-current assets and exceptional events						
Income tax expenses						
Total expenses						

Conclusions:_____
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Task 3 (RO3). According to the data from annex 2, examine the structure of operating income and expenses. Make the conclusions.

Table 6.3. **Assessment of the structure of revenues and expenses from operational activity**

Items of income and expenses	Years				Absolute deviation (±)	
	previous		current			
	amount, thousand MDL	share, %	amount, thousand MDL	share, %	thousand MDL	percentage points
Revenues from operating activities - total		100		100		x
including:						

Items of income and expenses	Years				Absolute deviation (±)	
	previous		current			
	amount, thousand MDL	share, %	amount, thousand MDL	share, %	thousand MDL	percentage points
- sales revenues - other revenues from operating activities						
Operating expenses - total		100		100		x
including:						
- cost of sales - distribution costs - administrative costs - other operating expenses						

Conclusions:_____
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Task 4 (RO4). According to the data from annexes 2 and 6, calculate and assess the change in sales revenue per 1 MDL of manufactured output by applying the method of direct and indirect links. Make the conclusions.

6.4. Initial data for the factor analysis of sales revenue per 1 leu of manufactured product

Indicators	Conventional signs	Years	
		previous	current
Factor:			
Sales revenue, thousand MDL	S_r		
The volume of manufactured production, thousand MDL	VMP		
Resultative:			
Sales revenue per 1 MDL of manufactured production, MDL	S_{MP}		

The sequence and method of carrying out the task:

The influence of the factors on the change of the resultative indicator is determined by the method of direct and indirect links:

a) of sales revenue:

$$\Delta S_{MP}{}^{S_r} = \frac{S_{r(c)}}{VMP_{(c)}} - \frac{S_{r(p)}}{VMP_{(c)}}$$

b) of manufactured production volume:

$$\Delta S_{MP}{}^{VMP} = \frac{S_{r(p)}}{VMP_{(c)}} - \frac{S_{r(p)}}{VMP_{(p)}}$$

c) balance of factors influence:

$$S_{MP(c)} - S_{MP(p)} = \Delta S_{MP}{}^{S_r} + \Delta S_{MP}{}^{VMP}$$

Conclusions:_____

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Task 5 (RO4). According to the data from annex 2, calculate and estimate the change in cost per 1 leu of sales revenue by applying the method of direct and indirect links. Make the conclusions.

***Table 6.5*. Initial data for the factor analysis of cost per 1 leu of sales income**

Indicators	Conventional signs	Years	
		previous	current
Factor:			
Cost of sales, thousand MDL	C_s		
Sales revenue, thousand MDL	S_r		
Resultative:			
Cost per 1 lei of sales revenue, MDL	C_{SR}		

The sequence and method of carrying out the task:

The influence of the factors on the change of the resultative indicator is determined by the method of direct and indirect links:

a) of the cost of sales:

$$\Delta C_{SR}{}^{C_s} = \frac{C_{s(c)}}{S_{r(c)}} - \frac{C_{s(p)}}{S_{r(c)}}$$

b) of sales revenue:

$$\Delta C_{SR}{}^{S_r} = \frac{C_{s(p)}}{S_{r(c)}} - \frac{C_{s(p)}}{S_{r(p)}}$$

c) balance of factors influence:

$$C_{SR(c)} - C_{SR(p)} = \Delta C_{SR}{}^{C_s} + \Delta C_{SR}{}^{S_r}$$

Conclusions:_____
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SELF-ASSESSMENT TESTS

1. Choose the expression that defines the entity's income:
   a) increase in economic benefits recorded during the management period;
   b) inflows of assets or increase in their value;
   c) equity increase as a result of debt reduction;
   d) all variants.
2. According to the type of activity, income is classified as follows:
   a) income from operating activity, income from other activities;
   b) income from the sale of products, income from the execution of works, income from the provision of services;
   c) commercial income, financial income, exceptional income.
3. From the presented income categories, choose the income related to the operational activity:
   a) income from the compensation of losses from disasters;
   b) income from the sale of goods;
   c) income from exchange rate differences;
   d) income from sanctions;
   e) income from the exit of fixed assets.

4. Determine the amount of financial income, using the following data: income from the exit of fixed assets – 18,000 MDL; income from exchange rate differences – 15,000 MDL; income from compensating losses from disasters – 6,000 MDL; income from the sale of goods – 20,000 MDL; income from dividends – 10,000 MDL. Choose the correct answer:
   a) 26,000 MDL;
   b) 25,000 MDL;
   c) 45,000 MDL;
   d) 30,000 MDL;
   e) 39,000 MDL.
5. The influence with plus sign of the change in sales revenue on the financial result means:
   a) reduction of sales revenue and of the financial result;
   b) increase in sales revenue and of the financial result;
   c) decrease in sales revenue and increase in financial result;
   d) increase in sales revenue and decrease in financial result.
6. Choose the expression that defines the entity's expenses:
   a) decrease in the economic benefits recorded during the management period;
   b) outflow of assets or decrease in their value;
   c) decrease in the financial result because of the increase in debts;
   d) all variants.
7. According to the type of activity, expenses are classified as follows:
   a) operating expenses, expenses of other activities;
   b) expenses for the sale of products, expenses for the execution of works, expenses for the provision of services;
   c) commercial expenses, financial expenses, exceptional expenses.
8. From the presented categories of expenses, choose the expenses related to the operational activity:
   a) expenses regarding disasters;
   b) cost of sales;
   c) expenses from exchange rate differences;
   d) costs related to construction contracts;
   e) losses from the depreciation of fixed assets.
9. Determine the amount of distribution expenses, using the following data: expenses for goods transporting – 32,000 MDL; losses from the depreciation of non-current assets – 18,000 MDL; advertising expenses – 5,000 MDL; expenses related to disasters – 6,000 MDL expenses related to discounts – 2,000 MDL; expenses related to sanctions – 1,000 MDL; return expenses – 10,000 MDL. Choose the correct answer:

a) 25,000 MDL;
b) 49,000 MDL;
c) 45,000 MDL;
d) 22,000 MDL;
e) 37,000 MDL.

10. The influence with plus sign of the change in the cost of sales on the financial result means:
    a) decrease in the cost of sales and in the financial result;
    b) increase in the cost of sales and in the financial result;
    c) decrease in the cost of sales and increase in the financial result;
    d) increase in the cost of sales decrease in the financial result.

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Section 7. ANALYSIS OF THE BENEFIT AND PROFITABILITY

Aim To learn how to analyze profit and profitability and how to formulate proposals regarding the improvement of the entity's performance.

Key Terms

- Loss
- Net Profit
- Profit
- Profitability
- Profit Before Tax
- Profit Gross
- Profit Operating
- Return

Reference objectives

RO1. To examine the structure of profit (loss) before tax.
RO2. To determine the influence of factors on the change in profit (loss) from operating activities.
RO3. Factor analysis of profit at the product level.
RO4. To determine the reserves for increasing the profit at the product level.
RO5. To calculate and analys the rates of return dynamics.
RO6. Factor analysis of profitability from the sale of particular products.

Task 1 (RO1). Using the data from annex 2, examine the composition and structure of profit (loss) before tax. Make the conclusions.

***Table 7.1*. Assessment of the dynamics and structure of profit (loss) before tax**

Order No	Indicators	Years				Absolute deviation (±)	
		previous		current			
		amount, thousand MDL	share, %	amount, thousand MDL	share, %	thousand MDL	percentage points
1	Result from operating activities: profit (loss)						
2	Result from financial activities: profit (loss)						

Order No	Indicators	Years				Absolute deviation (±)	
		previous		current			
		amount, thousand MDL	share, %	amount, thousand MDL	share, %	thousand MDL	percentage points
3	Result from operations with fixed assets and exceptional events: profit (loss)						
4	**Profit (loss) before tax** (ind.1+ind.2+ind.3)		100		100		x

Conclusions:_____

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Task 2 (RO2). Using the data from annex 2, calculate the influence of the factors on the change in the profit (loss) from the operating activity, using the balance method. Make the conclusions.

***Table 7.2*. Calculation of the factors influence on profit (loss) from operating activity** (thousand MDL)

Order No	Indicators	Years		Absolute deviation (±)	The result of factors influence (±)
		previous	current		
1	Gross profit (gross loss)				
2	Other revenues from operating activities				
3	Distribution expenses				
4	Administrative expenses				
5	Other expenses from operating activities				
6	**Result from operating activities: profit (loss)** (ind.1+ ind.2–ind.3–ind.4–ind.5)				x

Conclusions:_____

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Task 3 (RO3). Using the data from annex 7, calculate the profit from the sale of the product and quantify the influence of the respective factors on its change. Make the conclusions.

***Table 7.3*. Initial data for the factor analysis of the profit from the sale of cupboards**

Indicators	Conventional signs	Years	
		previous	current
Factor:			
Number of sold cupboards, units	N_{sc}		
The average selling price of a cupboard, MDL	$\bar{P}_c$		
The average cost of a sold cupboard, MDL	$\bar{C}_c$		
Resultative:			
Profit from the sale of the cupboards, MDL	B		

The sequence and method of carrying out the task:

1. The average selling price of a cupboard, the unit cost and the profit from the sale of the cupboards are calculated.
2. The change in profit from the sale of cupboards is quantified, using the absolute differences method:
   a) of the number of sold cupboards:

$$\Delta B^{N_{sc}} = \left(N_{sc_{(c)}} - N_{sc_{(p)}}\right) \times \left(\bar{P}_{c_{(p)}} - \bar{C}_{c_{(p)}}\right)$$

   b) of the average selling price of a cupboard:

$$\Delta B^{\bar{P}_c} = N_{sc_{(c)}} \times \left(\bar{P}_{c_{(c)}} - \bar{P}_{c_{(p)}}\right)$$

   c) of a unit cost of a cupboard:

$$\Delta B^{\bar{C}_c} = -\left[N_{sc_{(c)}} \times \left(\bar{C}_{c_{(c)}} - \bar{C}_{c_{(p)}}\right)\right]$$

   d) balance of factors influence:

$$B_{(c)} - B_{(p)} = \Delta B^{N_{sc}} + \Delta B^{\bar{P}_c} + \Delta B^{\bar{C}_c}$$

Conclusions:_____

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Task 4 (RO4). Using the data from table 7.3, determine the product-level profit increase reserves due to the increase in the quantity of the sold product. Make the conclusions.

Table 7.4. **Calculation of the product-level profit increase reserves due to the increase in the the quantity of the sold product**

Product type	Internal reserve for the sold quantity increase (deviation from the previous year), physical units	Profit per product unit in the current year, MDL	Profit increase reserve, MDL
A	1	2	3=1×2
Cupboards			

Note: *the internal reserve for the profit increase due to the increase in the quantity of the sold products is determined by multiplying the reserve for increasing the quantity of each sold product to the actual size of the profit per product unit (current year).*

Conclusions:_____
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Task 5 (RO5). Using the data from annexes 1 and 2, determine the magnitude and change in dynamics of the rates of return. Make the conclusions.

Table 7.5. **The assessment of the rates of return in dynamics (%)**

Indicators	Calculation formula	Years		Absolute deviation (±)
		previous	current	
Profitability of consumed resources	$R_{rc} = \frac{P_g}{CS} \times 100$			
Return on sales	$R_s = \frac{P_g}{SR} \times 100$			
Economic profitability	$R_e = \frac{P_{tax}}{\overline{TA}} \times 100$			
Financial profitability	$R_f = \frac{P_n}{\bar{E}_q} \times 100$			
Return on permanent equity	$R_{pm} = \frac{P_n}{\bar{E}_{pm}} \times 100$			

Conclusions:_____
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Task 6 (RO6). According to the data in annex 7, calculate the profitability of the sold cupboards and quantify the factors influence on its change, applying the method of direct and indirect links. Make the conclusions.

Table 7.6. **Initial data for factor analysis of returns on sales of cupboards**

Indicators	Conventional signs	Years	
		previous	current
Factor:			
Profit calculated per unit sold, MDL	P_s		
Average cost of a sold cupboard, MDL	$\bar{C}_c$		
Resultative:			
Profitability of cupboards, %	R_c		

The sequence and method of carrying out the task:

The factors influence on the change in the profitability of the cupboards is determined by the method of direct and indirect links:

a) of the profit calculated per a sold cupboard:

$$\Delta R_c^{P_s} = \frac{P_{s(c)}}{\overline{\bar{C}_{c(c)}}} - \frac{P_{s(p)}}{\overline{\bar{C}_{c(c)}}}$$

b) of a unit cost:

$$\Delta R_c^{\overline{\bar{C}_c}} = \frac{P_{s(p)}}{\overline{\bar{C}_{c(c)}}} - \frac{P_{s(p)}}{\overline{\bar{C}_{c(p)}}}$$

c) balance of factors influence:

$$R_{c(c)} - R_{c(p)} = \Delta R_c^{P_s} + \Delta R_c^{\overline{\bar{C}_c}}$$

Conclusions:_____

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SELF-ASSESSMENT TESTS

1. Profit is a qualitative indicator of the entity's effectiveness that expresses:
   a) the difference between what is collected and what is paid in an economic activity;
   b) the difference between the selling price and the cost of the product (service) derived from an activity;
   c) monetary gain from an economic-financial activity;
   d) all variants.
2. According to the content, the profit is classified as follows:
   a) legitimate profit, illegitimate profit;
   b) gross profit, net profit;
   c) normal profit, surplus profit.
3. The result obtained after paying all taxes and obligations expresses:
   a) gross profit (gross loss);
   b) profit (loss) before tax;
   c) profit (loss) from the operating activities;
   d) the net profit (net loss) of the management period.
4. Determine the amount of gross profit, of operating profit and net profit, using the following data: sales revenue – 150,000 MDL; salary expenses – 35,000 MDL; rent – 10,000 lei; utilities (electricity and thermal energy, sewage, water, gas, telephone, etc.) – 5,000 MDL; expenses related to the sale of products – 60,000 MDL; interest payments – 5,000 MDL; taxes and fees – 4,000 MDL. Choose the correct answer:
   a) gross profit – 40,000 MDL, operating profit – 20,000 MDL, net profit – 4,000 MDL;
   b) gross profit – 80,000 MDL, operating profit – 35,000 MDL, net profit – 25,000 MDL;
   c) gross profit – 90,000 MDL, operating profit – 40,000 MDL, net profit – 31,000 MDL;
   d) gross profit – 70,000 MDL, operating profit – 45,000 MDL, net profit – 9,000 MDL.
5. The influence with plus sign of the change in sales revenue on gross profit means:
   a) decrease in sales revenue and in gross profit;
   b) increase in sales revenue and in gross profit;
   c) decrease in sales revenue and increase in gross profit;
   d) increase in sales revenue and decrease in gross profit.
6. Profitability is an indicator that expresses:
   a) the economic efficiency of the entity's activity;

b) the ability of the entity to obtain profit;
c) the performance of the entity's activity;
d) all variants.

7. The efficiency of the use of the entity's own capital is reflected by:
   a) commercial profitability;
   b) financial profitability;
   c) economic profitability.
8. Based on the calculation formula $R = \frac{P_n}{E_q} \times 100$ the following profitability indicator is determined:
   a) financial profitability;
   b) economic profitability;
   c) commercial profitability;
   d) return on permanent capital.
9. The profitability threshold means:
   a) sales volume = sales cost;
   b) sales volume > sales cost;
   c) sales volume < sales cost.
10. Determine the level of profitability per product unit, using the following data: average unit sales price – 5,800 MDL; cost per product unit – 3,000 MDL. Choose the correct answer:
    a) 95%;
    b) 93.33%;
    c) 51.72%;
    d) 57%.

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Section 8. PARTIMONIAL FINANCIAL SITUATION ANALYSIS

Aim

To learn how to analyze the financial and patrimonial situation of the entity and how to formulate proposals regarding the improvement of patrimony management.

Key Terms

- Assets
- Cash Flow
- Equity
- Financial Situation
- Liabilities
- Liquidity
- Net Worth
- Patrimony

Reference objectives

RO1. To examine the structure and dynamics of the entity's patrimony at its real value.
RO2. Net worth calculation and dynamic structure analysis.
RO3. To appreciate the efficiency of the assets use.
RO4. To calculate and analyse the utilization rates of the assets sources.
RO5. To determine and analyse the liquidity rates.
RO6. Cash flow analys.

Task 1 (RO1). Using the data from annex 1, assess the composition and structure of the patrimony in dynamics at its real value. Make the conclusions.

Table 8.1. **Analysis of the composition and structure of the patrimony at its real value in dynamics**

Patrimonial elements	Years				Absolute deviation (±)	
	previous		current			
	amount, thousand MDL	share, %	amount, thousand MDL	share, %	thousand MDL	percentage points
Non-current assets						
including:						
• intangible assets						
• tangible assets in progress						

Patrimonial elements	Years				Absolute deviation (±)	
	previous		current			
	amount, thousand MDL	share, %	amount, thousand MDL	share, %	thousand MDL	percentage points
• land						
• fixed assets						
• long-term biological assets						
• long-term financial investments in unrelated parties						
Current assets						
including:						
• materials						
• current biological assets						
• law-value and short-term assets						
• production in progress and products						
• commodities						
• trade receivables						
• current advances provided						
• receivables from the budget						
• other current receivables						
• cash in hand and current accounts						
• other cash items						
• other current assets						
TOTAL ASSETS		**100**		**100**		**x**

Conclusions:_____
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Task 2 (RO2). Using the data fron annex 1, determine the net partimony and assess its structure in dynamics. Make the conclusions.

***Table 8.2*. Calculation of net patrimony and structural analysis in dynamics**

ASSETS	At the end of the year, thousand MDL		LIABILITIES	At the end of the year, thousand MDL		NET PATRIMONY			
						at the end of the previous year		at the end of the current year	
	previous	current		previous	current	amount, thousand MDL	share, %	amount, thousand MDL	share, %
A	1	2	B	3	4	5=1-3	6	7=2-4	8
1. Non-current assets			1. Long-term liabilities						
2. Current assets			2. Current liabilities						
TOTAL ASSETS (ind.1+ind.2)			TOTAL LIABILITIES (ind.1+ind.2)				100		100

Conclusions:_____
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Task 3 (RO3). Using the data from annexes 1 and 2, determine the size and change in dynamics of the indicators of the efficiency of assets utilization. Make the conclusions.

***Table 8.3*. The assessment of the efficiency of assets utilization**

Indicators	Calculation formula	Years		Absolute deviation (±)
		previous	current	
Number of turnovers of total assets, ratio	$N_{AT} = \frac{SR}{\overline{AT}}$			
Number of turnovers of current assets, ratio	$N_{AC} = \frac{SR}{\overline{AC}}$			

Indicators	Calculation formula	Years		Absolute deviation (±)
		previous	current	
Total assets turnover time, days	$D_{AT} = \frac{360}{N_{AT}}$			
Current assets turnover time, days	$D_{AC} = \frac{360}{N_{AC}}$			
Return on total assets, %	$R_{AT} = \frac{P_{tax}}{\overline{AT}} \times 100$			

Conclusions:_____

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Task 4 (RO4). Using the data from annex 1, determine the size and change in dynamics of the utilization rates of the assets sources. Make the conclusions.

***Table 8.4*. The assessment of the entity's capital utilization rates in dynamics**

Indicators	Calculation formula	Years		Absolute deviation (±)
		previous	current	
Financial autonomy ratio	$K_{af} = \frac{SE}{TL}$			
Debt collection ratio	$K_{dc} = \frac{LTL+CL}{TL}$			
Debt-to-equity ratio	$K_{eq} = \frac{LTL+CL}{SE}$			
General solvency ratio	$R_{sg} = \frac{TL}{LTL+CL}$			
Equity coverage ratio	$R_{ec} = \frac{TL}{SE}$			

Conclusions:_____

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Task 5 (RO5). Using the data from annex 1, determine the size and change in dynamics of liquidity ratios. Make the conclusions.

Table 8.5. **The assessment of liquidity ratios in dynamics**

Indicators	Calculation formula	Years		Absolute deviation (±)	Theoretical ceiling
		previous	current		
Absolute liquidity ratio	$L_a = \frac{CCA}{CL}$				0.2 – 0.25
Intermediate liquidity ratio	$L_i = \frac{CCA+CFI+CR}{CL}$				0.7 – 0.8
Current liquidity ratio	$L_c = \frac{AC}{CL}$				2.0 – 2.5

Conclusions:_____
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Task 6 (RO6). Using the data from annex 4, analyze in dynamics cash flows within the entity. Make the conclusions.

Table 8.6. **The analysis of the dynamics of cash flows within the entity** (thousand lei)

Indicators	Years		Absolute deviation (±)
	previous	current	
1. Cash flows from operating activities			
including:			
• receipts from operating activities			
• payments from operating activities			
2. Cash flows from investment activities			
including:			
• receipts from investment activities			
• payments from investment activities			

Indicators	Years		Absolute deviation (±)
	previous	current	
3. Cash flows from financial activities			
including:			
• receipts from financial activities			
• payments from financial activities			
Total net cash flow (ind.1+ind.2+ind.3)			

Conclusions:_____
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SELF-ASSESSMENT TESTS

1. Choose the expression that defines the property of the entity:
   a) the entity's commitments for the received credits and loans;
   b) all the rights and obligations with economic value, as well as the material goods to which these rights refer, belonging to a natural or legal person;
   c) the amounts to be collected from customers or debtors, as result of loans or other financial obligations;
   d) all variants.
2. The net patrimony value is determined as follows:
   a) the difference between total assets and total liabilities;
   b) the sum of total assets and liabilities;
   c) the difference between total assets and equity;
3. The analysis of the efficiency of the assets use is carried out with the help of the indicator:
   a) average annual value of assets;
   b) asset turnover rate;
   c) income from sales;
   d) the average stock of assets.
4. Accelerating the speed of assets turnover, i.e. increasing the number of turnovers or reducing the duration of turnovers in days, means:
   a) faster recovery of the capital invested in the entity's assets;
   b) reducing the volume of assets needed to obtain production;

c) increasing the production obtained in a certain period of time with the same volume of assets;
d) all variants.

5. From the point of view of economic content, the sources of assets are:
   a) all material assets belonging to a natural or legal person;
   b) the financial investments of the entity's owners;
   c) all the rights of the owners and the obligations of the economic agent;
   d) cash on current accounts in national currency and foreign currency.
6. Based on the calculation relationship $K = \frac{SE}{TL}$ the following indicator of the structure of assets financing sources is determined:
   a) debt ratio;
   b) debt concentration ratio;
   c) the coefficient of financial autonomy;
   d) general solvency rate;
   e) equity coverage rate.
7. Choose the expression that defines the assets liquidity:
   a) the entity's ability to honor its obligations when due;
   b) the self-financing capacity of the assets;
   c) the capacity of patrimonial elements to turn into money.
8. The content of absolute liquidity reflects:
   a) the share of current debts that the entity is able to pay by mobilizing cash, short-term investments and current receivables;
   b) the share of current debts that the entity is able to pay immediately using the cash available at the moment;
   c) the share of current debts that the entity is able to pay by mobilizing current assets.
9. According to the economic content, the cash flow represents:
   a) all cash receipts and payments made during the management period;
   b) cash receipts and payments in current accounts;
   c) received and paid dividends;
   d) receipts and payments of taxes
10. The net cash flow is:
   a) all the receipts obtained during the management period;
   b) the difference between the cash balance at the end and at the beginning of the management period;
   c) the difference between cash receipts and cash payments made during the management period.

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ANNEXES

Annexes to NAS
,,Presentation of financial statements"
Approved by the Ministry of Finance
of the Republic of Moldova

„_____"_____20___
Date of receipt

FINANCIAL STATEMENTS
for the period 01.01.20___ - 31.12.20____

Entity: State Road Administration S.E.
CUIIO Code: 20297255
IDNO Code: 1003600023559

Headquarters:
MD 2004
Sector (municipality): 105, DDF Buiucani
CUATM Code: 0120, Sec. Buiucani
Street: Bucuriei, no. 12

Main activity: Regulation and efficiency of economic activities
Form of ownership: State ownership
Legal form: State Enterprise

Contacts:
Telephone: 022358040
WEB: asd.md
E-mail: adm.drum@asd.md

Name and contact details of the chief accountant:
Mr. (Ms) _____
Tel.: _____

Average number of employees during the management period: 159 people
People responsible for signing the financial statements _____

Unit of measure: MDL

Annexe 1

BALANCE SHEET

on 31.12.20XX

Nr. cpt.	ASSET	Row code	Balance at	
			Beginning of reporting period	End of reporting period
A	**NON-CURRENT ASSETS**			
	I. Intangible assets			
	1. Intangible assets in progress	010	2 882 736	2 947 736
	2. Intangible assets in operation, total	020	237 062	207 016
	of which:			
	a. concessions, licenses and trademarks	021	98 400	71 564
	b. copyrights and protective titles	022		
	c. computer software	023	138 662	135 452
	d. other intangible assets	024		
	3. Goodwill	030		
	4. Advance payments for intangible assets	040		
	Total intangible assets (r. 010+r. 020+r. 030+r. 040)	050	3 119 798	3 154 752
	II. Tangible assets			
	1. Tangible assets in progress	060	6 213 416 731	7 408 909 298
	2. Land	070	15 861 585	16 542 933
	3. Fixed assets, total	080	6 954 208 709	1 494 930 092
	of which:			
	a. buildings	080	122 978	115 649
	b. special constructions	082	6 950 499 667	7 489 825 708
	c. machinery, equipment and technical installations	083	2 581 282	4 059 245
	d. transport means	084	400 046	412 536
	e. inventory and furniture	085	100 571	79 396
	f. other fixed means	086	504 165	437 558
	4. Mineral resources	090		
	5. Non-current biological assets	100		
	6. Real estate investments	110		
	7. Advance payments for tangible assets	120	905 243 229	853 581 554
	Total tangible assets (r. 060+r. 070+r. 080+r. 090+r.100+ r. 110+r. 120)	130	14 088 730 254	15 773 963 877

	III. Long-term financial investments			
	1. Long-term financial investments in unrelated parties	140	86 400	
	2. Long-term financial investments in related parties, total	150	197 000	197 000
	of which:			
	2.1. stocks and shares held in related parties	151	197 000	197 000
	2.2. loans to related parties	152		
	2.3. loans related to participation interests	153		
	2.4. other financial investments	154		
	Total long-term financial investments (r. 140+r. 150)	160	283 400	197 000
	IV. Long-term receivables and other non-current assets			
	1. Long-term commercial receivables	170		
	2. Long-term accounts receivable of related parties	180		
	including: receivables related to participation interests	181		
	3.Other long-term receivables	190	9 127 359	8 648 123
	4. Estimated long-term expenses	200	47 585 968	53 958 232
	5. Other non-current assets	210		
	Total long-term receivables and other non-current assets (r.170+r.180+r.190+r.200+r. 210)	220	56 713 327	62 606 355
	TOTAL NON-CURRENT ASSETS (r.050 + r.130 + r.160 + r.210)	230	14 148 846 779	15 839 921 984
B	**CURRENT ASSETS**			
	I. Inventory			
	1. Materials and low-value and short life items	240	954 924	2 024 904
	2. Current biological assets	250		
	3. Work in progress	260		
	4. Products and merchandise	270	96 077	96 077
	5. Advance payments for inventory	280		
	Total inventory (r.240+r.250+r.260+r.270+r.280)	290	1 051 001	2 120 981

	II. Current receivables and other current assets			
	1. Current commercial receivables	300	34 483	74 328
	2. Current receivables of related parties	310	5 448	
	including: receivables related to participation interests	311		
	3. Receivables regarding budget settlements	320	800 231	646 962
	4. Receivables regarding personnel settlements	330	316 053	
	5. Other current receivables	340	4 325 111	9 640 462
	6. Estimated current expenses	350	16 808 643	57 600
	7. Other current assets	360	96 473	67 947
	Total current receivables and other current assets (r.300+r.310+r. 320+r.330+r.340+ r.350+r.360)	370	22 386 442	10 487 299
	III. Current financial investments			
	1. Current financial investments in unrelated parties	380		
	2. Current financial investments in related parties	390		
	Total current financial investments (r.380+r.390)	400		
	IV. Cash and cash documents	410	1 402 443 107	1 146 593 670
	TOTAL CURRENT ASSETS (r.290 + r.370 + r.400 + r.410)	420	1 425 880 550	1 159 201 950
	TOTAL ASSETS (r.230 + r.420)	430	**15 574 727 329**	**16 999 123 934**

Nr. cpt.	LIABILITIES	Row code	Balance at	
			Beginning of reporting period	End of reporting period
C	**OWNER'S EQUITY**			
	I. Share and unregistered capital			
	1. Share capital	440	17 082 652	17 082 652
	2. Unpaid capital	450		
	3. Unregistered capital	460		
	4. Withdrawn capital	470		
	5. Patrimony received from the state with property rights	480		
	Total share and unregistered capital (r.440+r.450+r.460+r.470+r.480)	490	17 082 652	17 082 652
	II. Capital premiums	500		
	III. Reserves			
	1. Reserve capital	510		
	2. Statutory reserves	520	777 513	841 296
	3. Other reserves	530	6 960 150 380	7 959 237
	Total reserves (r.510+r.520+r.530)	540	6 960 927 893	8 800 533
	IV. Profit (loss)			
	1. Corrections of previous years' results	550	x	
	2. Undistributed profit (uncovered loss) of previous years	560	637 825	
	3. Net profit (net loss) of the reporting period	570	x	(70 003 029)
	4. Profit used in the reporting period	580	x	
	Total profit (loss) (r.550+r.560+r.570+r.580)	590	637 825	(70 003 029)
	V. Revaluation reserves	600	14 648	14 648
	VI. Other elements of owner's equity	610	2 901 757 224	7 491 519 207
	TOTAL OWNER'S EQUITY (r.490 + r.500 + r.540 + r.590 + r.600 – r. 610)	620	9 880 420 242	7 447 414 011
D	**LONG-TERM LIABILITIES**			
	1. Long-term bank credits	630		
	2. Long-term loans (borrowings)	640		

	of which :			
	2.1. loans from the issue of bonds	641		
	2.2. other long-term loans	643		
	3. Long-term commercial liabilities	650		
	4. Long-term liabilities to related parties	660		
	5. Long-term received advances	670	101 460	97 064
	6. Estimated long-term revenues	680	2 797 349	3 349 283 834
	7. Other long-term liabilities	690	4 769 172 459	5 498 158 983
	TOTAL LONG -TERM LIABILITIES (r.630+r.640+r.650+r.660+r.670+ r.680+r.690)	700	4 772 071 268	8 847 539 881
E	**CURRENT LIABILITIES**			
	1. Short-term bank credits	710		
	2. Short-term loans, total	720		
	of which:			
	2.1. loans from the issue of bonds	721		
	2.2. other short-term loans	722		
	3. Current commercial liabilities	730	294 175 832	174 092 208
	4. Current liabilities to related parties	740	29 002 138	
	5. Current received advances	750	2 855	
	6. Debts owing to employees	760	5 318 806	3 922 273
	7. Debts regarding social and medical insurance	770	1 028 575	781 316
	8. Debts to the budget	780	93	64 042
	9. Debts owing to owners	790		
	10. Estimated current revenues	800	263 196 051	65 302 534
	11. Other current liabilities	810	329 511 469	451 578 127
	TOTAL CURRENT LIABILITIES (r.710+r.720+r.730+r.740+r.750+r.760+r.770+r.780+r.790+r. 800+r.810)	820	922 235 819	695 740 500
F	**PROVISIONS**			
	1. Provisions for employee benefits	830		2 350 627
	2. Provisions for guarantees given to buyers/customers	840		4 885 053

3. Tax provisions	850		564 150
4. Other provisions	860		629 712
TOTAL PROVISIONS (r.830+r.840+r.850+r.860)	870		8 429 542
TOTAL LIABILITIES (r.620+r.700+r.820+r.870)	880	**15 574 727 329**	**16 999 123 934**

Annexe 2

PROFIT AND LOSS STATEMENT

from 01.01.20XX to 31.12.20XX

Indicators	Row code	Reporting period	
		previous	current
1	*2*	*3*	*4*
Sales revenues, total	010	64 052 794	1 621 760
including:			
revenues fron the sale of products and merchandise	011	419 148	1 559 812
revenues from the provision of services and execution of works	012	63 633 646	61 948
revenues from construction contracts	013		
revenues from leasing contracts	014		
revenues from microfinancing contracts	015		
other sales revenues	016		
Cost of sales, total	020	49 911	147 617
including:			
book value of the products and merchandise sold	021	49 911	147 617
cost of services rendered and of works executed to third parties	022		
costs related to contstruction contracts	023		
costs related to leasing contracts	024		
costs related to microfinancing contracts	025		
other costs related to sales	026		
Gross profit (gross loss) (r.010–r. 020)	030	64 002 883	1 474 143
Other revenues from operating activities	040	865 581 790	70 873 031
Distribution expenses	050		
Administrative expenses	060	63 216 940	69 613 856
Other revenues from operating activities	070	865 646 300	78 227 158

1	*2*	*3*	*4*
The result of the operational activities: profit (loss) (r.030+r. 040–r.050–r.060–r.070)	080	721 433	(75 493 840)
Financial revenues, total	090	222 453 694	330 029 342
including:			
revenues from participation interests	091		
interest revenues	093		
revenues from other long-term financial investments	095	485 937	475 786
revenues from the outflow of financial investments	098		
revenues related to exchange rate differences and to the amount	099	221 967 757	329 553 556
Financial expenses, total	100	222 562 347	324 538 531
including:			
interest expenses	101	102 000	86 400
expenses related to the outflow of financial investments	104	485 937	475 786
expenses related to exchange rate differences and to the amount	105	221 974 410	323 976 345
The result: financial profit (loss) (r.090-r.100)	110	(108 653)	5 490 811
Revenues from non-current and exceptional assets	120	1 154 495 514	505 737 338
Expenditure on non-current and exceptional assets	130	1 154 204 990	505 737 338
The result of operations with non-current and exceptional assets: profit (loss) (r.120-r.130)	140	290 524	0
The result of other activities: profit (loss) (r.110+r.140)	150	181 871	5 490 811
Profit (loss) before tax (r.080 + r.150)	160	903 304	(70 003 029)
Income tax expenses	170	113 373	
Net profit (net loss) of the reporting period (r.160 – r.170)	180	789 931	(70 003 029)

Annexe 3

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

from 01.01.20XX to 31.12.20XX

Order No.	Indicators	Row code	Balance at the beginning of the reporting period	Increases	Decreases	Balance at the end of the reporting period
1	*2*	*3*	*4*	*5*	*6*	*7*
I	**Share and unregistered capital**					
	1. Share capital	010	17 082 652			17 082652
	2. Unpaid capital	020	( )	( )	( )	( )
	3. Unregistered capital	030				
	4. Withdrawn capital	040	( )	( )	( )	( )
	5. Patrimony received from the state with property rights	050				
	Total share and unregistered capital (r.010+r.020+r.030+r.040+r.050)	060	17 082 652			17 082 652
II	**Capital premiums**	070				
III	**Reserves**					
	1. Reserve capital	080				
	2. Statutory reserves	090	777 513	63 783		841 296
	3. Other reserves	100	6960150380	255 130	6952446273	7 959 237
	Total reserves (r.080+r.090+r.100)	110	6960927893	318 913	6952446273	8 800 533
IV	**Profit (loss)**					
	1. Corrections of previous years' results	120	x			

1	*2*	*3*	*4*	*5*	*6*	*7*
	2. Undistributed profit (uncovered loss) of previous years	130	637 825		637 825	0
	3. Net profit (net loss) of the reporting period	140	x	2 569 841	72 572 870	-70 003 029
	4. Profit used in the reporting period	150	x	( )	( )	( )
	Total profit (loss) (r.120 + r.130 + r.140 + r.150)	160	637 825	2 569 841	73 210 695	-70 003 029
V	**Revaluation reserves**	170	14 648			14 648
VI	**Other elements of owner's equity**	180	2901757224	7967395487	3377633504	7491519207
	Total owner's equity (r.060+r.070+r.110+r.160+ r.170+r.180)	190	9880420242	7970284241	10403290472	7447414011

Annexe 4

CASH FLOW STATEMENT

from 01.01.20XX to 31.12.20XX

Indicators	Row code	Reporting period	
		previous	current
1	*2*	*3*	*4*
Cash flows from operating activities			
Proceeds from sales	010	635 925	1 840 191
Payments for stocks and services procured	020	2 464 671 650	1 464 814 580
Payments to employees and social and medical insurance bodies	030	46 374 209	46 353 486
Interest payments	040		
Income tax payments	050		50 000
Other proceeds	060	2 812 680 740	1 511 178 840
Other payments	070	95 568 011	95 293 709
Cash flow from operating activities (r.010 – r.020 – r.030 – r.040 – r.050 + r.060 – r.070)	080	206 702 795	(93 492 744)
Cash flow from investing activities			
Proceeds from the sale of non-current assets	090	331 085	
Payments related to non-current asset entries	100	746 168 483	853 441 384
Received interests	110		
Received dividents	120		
Other proceeds (payments)	130		
Net cash flow from investing activities (r.090 – r.100 + r.110 + r.120 ± r.130)	140	(745 836 678)	(853 441 384)
Cash flow from financing activities			
Proceeds in the form of credits and loans	150		
Payments related to repayment of credits and loans	160		
Dividends paid	170	430 628	318 912
Proceeds from capital operations	180		
Other proceeds (payments)	190	1 188 060 847	750 685 109

1	*2*	*3*	*4*
Cash flow from financing activities (r.150 – r.160 – r.170 + r.180 ± r.190)	200	1 187 630 219	750 366 197
Total net cash flow (± rd.080 ± rd.140 ± rd.200)	210	648 496 336	(196 567 931)
Favorable (unfavorable) exchange rate differences	220	31 887 515	(59 281 506)
Cash balance at the beginning of the reporting period	230	722 059 256	1 402 443 107
Cash balance at the end of the reporting period (± r.210 ± r.220 + r.230)	240	1 402 443 107	1 146 593 670

Annexe 5

Information on fixed assets

Indicators	Row no.	Stock at the beginning of the period (at input cost)	Accumulated amortization at the beginning of the period	Accumulated depreciation at the beginning of the period	Entry during the period (at input cost)	Output during the period (at input cost)	Stock at the end of the period (at input cost)	Accumulated amortization at the end of the period	Accumulated depreciation at the end of the period
A	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*
1. Intangible assets in operation	100	71 000				71 000			
2. Intangible assets in use, total	200				71 000		71 000	26 278	
including: 2.1. patents and trademarks	210				15 000		15 000	9 167	
2.2. activity licenses	220								
2.3. computer programs	230				56 000		56 000	17 111	
3. Tangible fixed assets in operation	300								
4. Lands	400	85 600	x				85 600	x	
5. Fixed assets, total	500	4 900 926	459 588	997 789	70 329	1 271792	3 699 464	419 282	361 657
of which: 5.1. buildings	510	1 435 500	260 101	997 789		1 129097	306 403	173 481	212 399

A	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*
5.2. special constructions	520	1 985 586	87 359				1 985 586	172 021	149 258
5.3. machines, equipment, transmission installations	530	1 294 839	105 961		70 329	142 695	1 222 475	55 280	
including: computing	531								
5.4. transport means	540	185 000	6 167				185 000	18 450	
5.5. tools and inventory	550								
5.6. subsequent costs related to objects not recorded in the balance sheet	560								
5.7. fixed assets received in financial leasing	570								
5.8. fixed assets received in economic management	580								
5.9. other fixed assets	590								
6. Mineral resources	600								
7. Real estate investments, total	700				1 910 449		1 910 449		

Annexe 6

The information base for the analysis of the entity's provision with production factors and the efficiency of their use

Order No	Indicators	Years	
		previous	current
1	Volume of manufactured production, thousand MDL	62 084	76 745
2	Average number of employees, people	1 584	1 612
3	Average number of workers, people	1 236	1 247
4	Total actual time used, man-days	201 400	204 108
5	Total actual time used, thousand man-hours	1 560	1 564
6	Average number of installed machinery, units	580	610
7	Fund of actual working time, machine-hours	1 238 602	1 246 207

Annexe 7

Information base for factor analysis of profit and profitability at the product level

Order No	Indicators	Years	
		previous	current
1	Number of cupboards sold, units	300	420
2	Income from the sale of cupboards, thousand MDL	1 950	2 940
3	Total cost of the cupboards sold, thousand MDL	1 050	1 680

Silvia ZAHARCO

ANALIZA ACTIVITĂȚII ECONOMICO-FINANCIARE

Culegere de aplicații practice și teste

(în limba engleză)

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