Quantification of the Volume of Products to Achieve the Break-Even Point and Desired Profit in Non-Homogeneous Production

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Abstract

Managerial decision-making is closely associated with the providing of basic financial transactions information and with their impact on the financial situation and economic results of the enterprise. Nowadays basic tools and methods of every manager includes, besides budgets and calculations, effective and efficient usage of information obtained from the managerial accounting. Each managerial decision is original and specific is also its information support. The information requirements therefore indirectly relate to the character of decision-making tasks and to their basic classification. The basic decision-making tasks classification in terms of time provides division into short-term and long-term decision-making tasks. The ideal information database for such addressing is variable costs calculation. The determination of the critical capacity utilization and the determination of the minimum acceptable profit is a fundamental task in managerial decision making. It provides information for the relevant product-type and capacity-type tasks associated with the initial conditions of problem solution. The aim of this paper is to interpret through the case study, the relevance and impact of absolute and relative contribution margin indicator for quantification of the volume of performances to achieve the break-even point and required profit in non-homogeneous production.

Keywords: Contribution margin, break-even point, non-homogeneous production;

1. Introduction

In order to be able to effectively manage the transformation process of any enterprise, it is necessary to have correct information. The information system in good quality is required in current times. Atkinson et al. (2011), Drury (2001) and Potkany (2011) are inclined to the view that the necessity for managers to obtain the relevant data...
is the calculation system. Kral et al. (2012) state, that in the enterprise it is consisting of calculations compilation and relations among them, and therefore is often extensive and variant. According their view we can also understand calculation as an activity, that leads to the costs results of exact type, volume and qualitatively defined performance.

The current market situation has resulted in difficult competitive struggle and making of profit has become a fundamental issue of decision making. Therefore every single product, that covers its share of the fixed costs and contributes to the positive economic result, is important. Popesko (2009) declare that the indicator, which tries to integrate that information to decision process, is named as the absolute contribution margin. It plays a very important role in the short-term decision-making tasks. It is also part of one calculation method - variable costs method, which can be considered as one of so. nonabsorbent calculation methods. Macik (2008) says that the nonabsorbent calculation methods are based only on certain group of costs and do not take into account all of the cost items. The method of variable costs, according to him, is based on knowledge of the average variable costs of products and their price. Information, we are able to get by this method is, in what extent the product is able to cover that part of fixed costs and profit, which we are not able to calculate directly. These are the fixed costs, which are mutual for all product groups and their coverage is also mutual.

Division of costs into fixed and variable can be used to identify the break-even point. It is a situation, in which an enterprise is not in loss, but it also does not reach profit. Macik (2008) says, that through the analysis of this indicator, we can better evaluate the profit making. It also provides a clear statement about company solvency. It is based on the fact, that the amount of profit and certainty of its achievement are important information, which lead to the successful company management of the company.

2. Methodics

Determination of the absolute level of the contribution margin may be specified by a formula 1, where \( p \) per unit of production and \( VC \) per unit is the indication of the variable costs per unit of production. Macik (2008) claims, that the absolute contribution margin is the value more stable than profit, because its height remains relatively the same regardless of the quantity of products.

\[
CM_{\text{Absolute}} = \frac{p - VC}{p} \times 100 \%
\]

Macik (2008) further says, that the knowledge of this indicator is a substantial decision basis for management of the enterprise. According to him it enables to react to certain facts faster, if they deviate from the intentions of the company management.

Relative expression of contribution margin is named as the contribution to sales, the covering factor or the covering percentage. The methodical procedure of its determination shows the formula 2.

\[
CM_{\text{Relative}} = \frac{p - VC}{p} \times 100 \%
\]

The result is value, that represents the part of revenue, that remains after the coverage of the total variable costs. It expresses how every average euro of revenues contribute to the coverage of fixed costs and to profit making. Moreover it is necessary to state, that the calculation itself can be used only in case of stabilized structure of production.

It is possible to use the contribution margin in many product decision-making tasks, but also for the calculation of break-even point. In particular we can use contribution margin for the calculation of revenue, that enterprise needs to achieve, in order to not be in loss, but non-making profit either.

The universal formula for determination of the break-even point (BEP) presents the formula 3, where FC are fixed costs, R total revenue and VC the total variable costs.

\[
BEP = \frac{FC}{R} \times VC
\]
Fibirova et al. (2007) claim, that the level of revenue necessary to achieve break-even point or required profit is dependent on the relative contribution margins of individual products. They also state that, when the production has the same absolute contribution margin per unit, with structural change the amount of revenue, which is necessary to reach break-even point, changes, but natural volume of production to achieve the break-even point remains the same – unchanged. These arguments we will consider as hypothesis, which the following case study is trying to verify.

3. The case study

Employees of the Woodsfurniture s. r. o. deal with the assignment to determine the structure of production in the division of chairs production. The owner needs to revaluate the production program and therefore he needs to have certain information. Currently the company is considering to place 3 product lines of chairs on the market – Alder, Cherry and Walnut. Each one contains 3 homogeneous products. Table 1 presents available data on prices, variable costs (VC) and planned sales quantity of products. Information about the amount of FC for the given period, the value of 15 000 €, is also important.

<table>
<thead>
<tr>
<th>Product Line</th>
<th>Alexa</th>
<th>Alder</th>
<th>Aurélia</th>
<th>Elsa</th>
<th>Ema</th>
<th>Erika</th>
<th>Daniela</th>
<th>Diana</th>
<th>Denisa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price €/pcs</td>
<td>35</td>
<td>40</td>
<td>50</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>36</td>
<td>32</td>
<td>34</td>
</tr>
<tr>
<td>VC/pcs</td>
<td>15</td>
<td>20</td>
<td>30</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>32.40</td>
<td>28.80</td>
<td>30.60</td>
</tr>
<tr>
<td>Q (pcs)</td>
<td>200</td>
<td>400</td>
<td>800</td>
<td>400</td>
<td>450</td>
<td>380</td>
<td>500</td>
<td>1500</td>
<td>400</td>
</tr>
</tbody>
</table>

Source [own study]

The company owner has the permanent interest in the maintenance of the trend of quality and effective structure of product range. He is also interested in the levels of various indicators, in their development and he also follows the trends of the market. Finance and Planning employees therefore quantified the value of absolute (CM$_{Abs}$) and relative (CM$_{Rel}$) contribution margin. Based on the results they came to conclusion (Tab. 2), that the products of Alder product line have identical height of CM$_{Abs}$, the products of Cherry product line are on identical levels for both variables and the products of Walnut product line are the same for value CM$_{Rel}$.

<table>
<thead>
<tr>
<th>Product Line</th>
<th>Alexa</th>
<th>Alder</th>
<th>Aurélia</th>
<th>Elsa</th>
<th>Ema</th>
<th>Erika</th>
<th>Daniela</th>
<th>Diana</th>
<th>Denisa</th>
</tr>
</thead>
<tbody>
<tr>
<td>CM$_{Abs}$</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>3.6</td>
<td>3.2</td>
<td>3.4</td>
</tr>
<tr>
<td>CM$_{Rel}$</td>
<td>57 %</td>
<td>50 %</td>
<td>40 %</td>
<td>32 %</td>
<td>32%</td>
<td>32%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source [own study]

Based on the data, which were accepted in the previous analysis, it was subsequently possible to establish a preliminary overview of revenue and costs for the projected volume of sales in the form of the progressive calculation of VC (Tab. 3).

<table>
<thead>
<tr>
<th>Product Line</th>
<th>Alexa</th>
<th>Alder</th>
<th>Aurélia</th>
<th>Elsa</th>
<th>Ema</th>
<th>Erika</th>
<th>Daniela</th>
<th>Diana</th>
<th>Denisa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>7 000</td>
<td>16 000</td>
<td>40 000</td>
<td>10 000</td>
<td>11 250</td>
<td>9 500</td>
<td>18 000</td>
<td>48 000</td>
<td>13 600</td>
</tr>
<tr>
<td>- VC</td>
<td>3 000</td>
<td>8 000</td>
<td>24 000</td>
<td>6 800</td>
<td>7 650</td>
<td>6 460</td>
<td>16 200</td>
<td>43 200</td>
<td>12 240</td>
</tr>
<tr>
<td>CM$<em>{I</em>{Abs}}$</td>
<td>4 000</td>
<td>8 000</td>
<td>16 000</td>
<td>3 200</td>
<td>3 600</td>
<td>3 040</td>
<td>3 800</td>
<td>4 800</td>
<td>1 360</td>
</tr>
<tr>
<td>- FCCompany</td>
<td>15 000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit/Loss</td>
<td>30 800</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source [own study]

Despite the owner permanent interest in progress of his company, last years were affected by unfavorable situation in profit-making. However, based on the results of the progressive calculation of VC for planned volume of production, the company should be able to make profit in the given period. Within the available analysis such
questions should be answered as, whether the economic result can be even higher, whether the revenue can be increased and whether possibly lower customer interest in products will significantly affect the value of economic result. The remaining question is to find the level of revenue, which this company has to achieve to avoid the fall to the level of loss. Based on the results of progressive calculation of VC it is obvious, that the company would achieve the profit of 30 800 € in the given period. Total revenue would be at 173 350 € and VC at 127 550 €. On the basis of the formula 3 the BEP could be quantified.

\[
BEP = \frac{15 000}{173 350} = 56 774,02 \text{ €}
\]

Every product of the product line contributed to its achievement with the different amount of revenue. The volume of performance, that would contribute to the achievement of the BEP, was found. It was quantified by using of the individual products share of revenue to the total revenue. On the basis of available product range structure the BEP for each product line, as well as for all products, can be determined on the basis the formula 4. The methodological solution is presented through the product Chair Alexa. Pieces are always rounded up, since every chair should be made as a complete product.

\[
BE_P_{Product \ Line \ (Product)} = \frac{Revenue_{Product \ Line \ (Product)}}{Total \ Revenue} \times BE_P_{Company} \times \frac{Average \ Selling \ Price \ Of \ The \ Product \ Line \ (Product)}{(4)}
\]

\[
BE_P_{Alexa} = \frac{7 000}{173 350} \times 56 774,02 = 65,50 \approx 66 \text{ pcs}
\]

The data of reporting period have provided information, that the company will cover its full costs by given product prices and also by planned volume of marketed production already by the turnover of 56 774,02 €. It is however assumed, that the amount of FC and VC, prices and planned volume of marketed production remains unchanged.

The owner of the company intends to change the structure of the production volume for each product line. Therefore he is interested, whether this change will contribute to better results. Primarily he needs to identify the amount of profit/loss after the change, the BEP and the volume of production, which has to be sold in order to achieve the critical point.

As the decision criterion it is appropriate to use the contribution margin. The product range remained the same by every product line. Changes (Tab. 4) were related only to the quantity of planned marketed pieces of each product. The most important detection has become the determination of what changes occur through the examination of CM_{Abs.} and CM_{Rel.}.

Table 4. Changes in the volume of production

<table>
<thead>
<tr>
<th></th>
<th>Alexa</th>
<th>Alica</th>
<th>Aurélia</th>
<th>Elsa</th>
<th>Chair</th>
<th>Ema</th>
<th>Erika</th>
<th>Daniela</th>
<th>Diana</th>
<th>Denisa</th>
</tr>
</thead>
<tbody>
<tr>
<td>pcs</td>
<td>pcs</td>
<td>pcs</td>
<td>pcs</td>
<td>pcs</td>
<td>pcs</td>
<td>pcs</td>
<td>pcs</td>
<td>pcs</td>
<td>pcs</td>
<td>pcs</td>
</tr>
<tr>
<td>1. Alternative</td>
<td>1100</td>
<td>250</td>
<td>50</td>
<td>400</td>
<td>400</td>
<td>450</td>
<td>380</td>
<td>500</td>
<td>1500</td>
<td>400</td>
</tr>
<tr>
<td>2. Alternative</td>
<td>200</td>
<td>400</td>
<td>800</td>
<td>400</td>
<td>100</td>
<td>130</td>
<td>500</td>
<td>1500</td>
<td>300</td>
<td>900</td>
</tr>
<tr>
<td>3. Alternative</td>
<td>200</td>
<td>400</td>
<td>800</td>
<td>400</td>
<td>450</td>
<td>380</td>
<td>1200</td>
<td>300</td>
<td>900</td>
<td></td>
</tr>
<tr>
<td>4. Alternative</td>
<td>1100</td>
<td>250</td>
<td>50</td>
<td>1000</td>
<td>100</td>
<td>130</td>
<td>1200</td>
<td>300</td>
<td>900</td>
<td></td>
</tr>
</tbody>
</table>

Source [own study]

The 1. alternative, which was considered, was the change in the structure of chair production volume in product line Alder. CM_{Abs.} of the given product line is the same (20 €/pcs) (Tab. 2). The volume of production was changed, based on the value CM_{Rel.} (Tab. 2) for each product. The product with the highest CM_{Rel.} was preferred and its volume of planned production was increased to detriment of the planned sales volume of the remaining two types of chairs. However rankings were preserved. Thus the alternative of first variation was based on the number of units in
a ratio of 1 100:250:50 (Tab. 4).

The 2. alternative had to relate to structure variation of chairs of product line *Cherry*. The products of this product line dispose the same level of CM<sub>Abs</sub> and CM<sub>Rel</sub> (Tab. 2), decision criterion for increase or decrease of the planned production volume was market research. Based on the results of marketing research the customer interest in individual product lines, as well as in the products themselves, was determined. On the basis of these data the planned sales volume of each product was then increased or decreased – in the ratio1 000:100:130 (Tab. 4).

The 3. alternative was related to chairs of product line *Walnut*. The products of this product line have the same CM<sub>Rel</sub> (10 %). The changes in planned production volume were made on the basis of the amount of CM<sub>Abs</sub> (Tab. 2) in a ratio of 1 200:300:900 (Tab. 4).

### Table 5. The new vision

<table>
<thead>
<tr>
<th>The Initial Situation</th>
<th>Alternative 1</th>
<th>Alternative 2</th>
<th>Alternative 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BEP (€)</strong></td>
<td>56 774.02</td>
<td>52 843.89</td>
<td>56 774.02</td>
</tr>
<tr>
<td><strong>Profit/Loss (€)</strong></td>
<td>30 800</td>
<td>30 800</td>
<td>30 800</td>
</tr>
<tr>
<td><strong>BEP (pcs)</strong></td>
<td>1 654</td>
<td>1 653</td>
<td>1 653</td>
</tr>
<tr>
<td><strong>BEP</strong>&lt;sub&gt;Aldra&lt;/sub&gt;</td>
<td>66</td>
<td>361</td>
<td>66</td>
</tr>
<tr>
<td><strong>BEP</strong>&lt;sub&gt;Alica&lt;/sub&gt;</td>
<td>132</td>
<td>82</td>
<td>132</td>
</tr>
<tr>
<td><strong>BEP</strong>&lt;sub&gt;Aurélia&lt;/sub&gt;</td>
<td>263</td>
<td>17</td>
<td>263</td>
</tr>
<tr>
<td><strong>BEP</strong>&lt;sub&gt;Elia&lt;/sub&gt;</td>
<td>132</td>
<td>132</td>
<td>132</td>
</tr>
<tr>
<td><strong>BEP</strong>&lt;sub&gt;Enia&lt;/sub&gt;</td>
<td>148</td>
<td>148</td>
<td>148</td>
</tr>
<tr>
<td><strong>BEP</strong>&lt;sub&gt;Erika&lt;/sub&gt;</td>
<td>125</td>
<td>125</td>
<td>125</td>
</tr>
<tr>
<td><strong>BEP</strong>&lt;sub&gt;Antila&lt;/sub&gt;</td>
<td>164</td>
<td>164</td>
<td>164</td>
</tr>
<tr>
<td><strong>BEP</strong>&lt;sub&gt;Denia&lt;/sub&gt;</td>
<td>492</td>
<td>788</td>
<td>492</td>
</tr>
<tr>
<td><strong>BEP</strong>&lt;sub&gt;Porina&lt;/sub&gt;</td>
<td>132</td>
<td>132</td>
<td>132</td>
</tr>
</tbody>
</table>

*deviations are due to rounding up to whole pieces  
Source [own study]

The 1. alternative brought lower rate of revenue, that needs to be achieved, so the company will not be at loss (52 843.89 €). This happened because the products do not have the same level of CM<sub>Rel</sub>, and they do not contribute to 1 € selling prices in equal measure. The production volume increased by products with higher value of this indicator, what has caused this situation and the company achieved lower level of BEP in money terms. This change was also related to BEP of product line *Alder* itself. The result is presented by the formulas 5, 6 and 7 on product line Alder.

\[
\text{Distribution Percentage Of FC For Each Product Line (Products)} = \frac{FC_{\text{Company}}}{VC_{\text{Company}}} \tag{5}
\]

\[
\text{Distribution Percentage Of FC For Each Product Line (Products)} = \frac{15 000}{127 550} = 11.76 \%
\]

\[
FC_{\text{Product Line (Product)}} = \text{Distribution Percentage Of FC For Each Product Line (Products)} \times VC_{\text{Product Line}} \tag{6}
\]

\[
FC_{\text{Alder}} = 11.76 \% \times 35 000 = 4 116 \€
\]

For the data calculation by first alternative the value of FC of product line *Alder* in initial situation (4 116 €) will be used, because it is understood that the FC are fixed, they remain the same.

\[
BEP = \frac{FC_{\text{Product Line}}}{1 - \frac{VC_{\text{Product Line}}}{K_{\text{Product Line}}}} \tag{7}
\]
The volume of revenue needed to achieve BEP of this product line has changed (it has decreased by 1 764 €). The economic result remained the same even after the volume change of sales structure (30 800 €). This situation was caused by the same level of CM_{Abs} by chairs of product line Alder. Each product of this line contributes to the FC covering and profit making in equal measure, what has just reflected in the fact that there was no change in economic result and economic result remained the same as in the initial situation. The total level of performance volumes (1 653 pcs), which this company needs to sell, in order to ever achieve the BEP, remained also the same. However the changes appeared in the share of individual products of product line Alder in natural expression of company’s BEP (Alexa: increase of 295 pcs, Alica: reduction of 50 pcs, Aurélia: reduction of 246 pcs), but the overall share of product line in BEP in natural expression remained the same (460 pcs). If the change in the production volume was as follows – 50:250:1 100 – the company would made a profit of 30 800 € and BEP at 58 002,18 € and 1 653 pcs. From this we can conclude, that if the increase in production volume for products was in different order, this change will cause that the BEP will change differently. It depends on CM_{Rel} for individual products. If the production volume for products with lower CM_{Rel} would increase at the expense of those, which have higher value of this indicator, the total amount of revenue needed to achieve the zero economic result would drop by a lower rate than it would than it would drop in the opposite case.

The 2. alternative brought the same results as those in the initial situation. Changes occurred in the share of each chair of product line Cherry in BEP in natural expression. The products of the given product line have the same level CM_{Abs}, so the change in the sales volume by the maintenance of the total sales volume does not affect the amount of achieved economic result in comparison to the initial situation. The products also have the same level of CM_{rel}. The volume of revenue necessary to achieve BEP remained the same. By re-calculation of the situation from the perspective of product line Cherry we find, that the amount of revenue of this product line remains the same after the change too. The result is presented by the calculation by formulas 6 and 7 for the product line Cherry.

\[
FC_{Cherry} = 11,76\% \times 20\,910 = 2\,459,02\,\text{€}
\]

\[
BEP_{Initial\,Situation} = \frac{2\,459,02}{1\,\frac{20\,910}{30\,750}} = 7\,684,44\,\text{€}
\]

\[
BEP_{2\,Alternative} = \frac{2\,459,02}{1\,\frac{20\,910}{30\,750}} = 7\,684,425\,\text{€}
\]

The 3. alternative has brought a higher level of BEP in money terms (57 541,14 €), as it was in the initial situation. Profit has increased (by 380 €), which was caused by the fact, that the sales volume has increased by chairs of product line Walnut with higher CM_{Abs} (in order - Daniela, Denisa, Diana). The decrease appeared in the natural expression of BEP (to 1 637 pcs) and the share of individual products to reach BEP has changed too. The 3. alternative is characteristic by the same level of CM_{Rel}. After the change in structure of sold quantities in this product line BEP in money terms will change completely. From the perspective of the product line Walnut we find, that the revenue volume of this line will remain the same even after the structure change. Based on the formulas 5, 6, and 7 it shows that BEP in money terms reaches the same value in the starting position and the 3. alternative too (84 248,60 €).

\[
FC_{Walnut} = 11,76\% \times 71\,640 = 8\,424,86\,\text{€}
\]

\[
BEP_{Initial\,Situation} = \frac{8\,424,86}{1\,\frac{71\,640}{79\,600}} = 84\,248,60\,\text{€}
\]

\[
BEP_{3\,Alternative} = \frac{8\,424,86}{1\,\frac{75\,060}{83\,400}} = 84\,248,60\,\text{€}
\]

If the change in the volume of marketed production will be as follows - 300:1 200:900, the lower profit of 30 820 € would be achieved. That would be the result of the fact, that the products with higher CM_{Abs} were not preferred.
So the products with a lower $CM_{Abs.}$ would cover FC and would cover profit making with higher pcs amount. In the case of product line with same $CM_{Rel.}$ this change in the marketed production structure would not cause change in the amount of revenue necessary for BEP achievement. BEP would remain at 84 248,60 €.

However, the owner was also interested in **alternative of introducing new technology**. This would allow him to reduce the amount of VC of chair Alica. The new system does not require large investments, but the owner cares, if it would be worth to implement. With its use the level of VC could fall to the level of 17,20 €/pcs. Profit height after the implementation of the new technology would increase (by 31 920 €). Such situation would occur due to the increase of $CM_{Abs.}$ of chair Alica (from 20 €/pcs to 22,80€/pcs). It would reflect in the 1 120 € increase of the total amount of $CM_{Abs.}$.

If the owner will sell more units of chair Alica, this would cause higher increase of economic result. For example, if he will increase the production of Alder product line in the ratio of 300:1 000:100, profit would reach the level of 33 600 €, BEP 51 188,27 € and 1 556 pcs.

If the new technology would be successful, he could implement it with minor adjustments in the production of chairs **Aurélia** too. VC would be reduced to the level of 21,50 € for this product. Then the amount of revenue required to achieve the zero economic result would significantly reduce (to 48 403,76 € and 1 408 pcs), while the share structure of individual products to its size would also change. $CM_{Abs.}$ would increase by chairs Aurélia (from 20 €/pcs to 28,50€/pcs). Overall the $CM_{Abs.}$ would increase from 46 920 € to 53 720 € (+ 6 800 € increase) – bringing more profit (38 720 €). $CM_{Rel.}$, which has increased in chairs Aurélia to 57 %, decreased the revenue amount needed to achieve BEP. The whole situation of the new technology implementation and its related changes presents figure 1.

![Fig. 1. Comparison of break-even point levels after the new technology implementation](source[own study])

### 4. Conclusion

The summary of previous analysis results of the various alternatives shows, that when the structure of the sales volume will change, but the total quantity of marketed production remains the same:

- if the products have the same level of $CM_{Abs.}$, profit/loss will not change (Alter. 1, 2);
- if the products have the same level of $CM_{Abs.}$, BEP in natural expression remains unchanged, but the required sales volume for each products to achieve the BEP will change (Alter. 1, 2);
- if priorities are given to products with higher value of $CM_{Abs.}$, the economic result will increase (Alter. 3);
- if the products have the same level of $CM_{Rel.}$, the volume of revenue needed to achieve BEP will not change (Alter. 2, 3);
- if priorities are given to products with higher value of $CM_{Rel.}$, amount of revenue needed to achieve BEP will be reduced (Alter. 1).

Based on these findings it is possible to confirm presented hypothesis, that was defined in the methodology of this work and the results can be adjusted into the following statements:
“Prioritization of the relative contribution margin indicator of individual products with higher value has positive impact on the reduction of the amount of revenue needed to achieve the BEP, yet at fixed form of the profit/loss amount providing the same level of the absolute contribution margin of these products.”

“Prioritization of the absolute contribution margin indicator of individual products with higher value has a positive impact on the economic result increase, yet at fixed form of the revenue amount needed to achieve the BEP providing the same level of the relative contribution margin of these products.”

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References


