

Laura Adriana COJOCARU (ALIONESCU)
Faculty of Economics and Business Administration,
University of the West, Timisoara, Romania

CONSIDERATION REGARDING CURRENT ASSETS IN THE CONSTRUCTION ENTITIES

Empirical
study

Keywords

Current assets
Accounting policies
Stock
Claims
Money

JEL Classification

M41, Q10

Abstract

Accounting for current assets mainly aims to obtain useful information on the management of their best in order to make management decisions. Counting efficiency of these assets, their importance, provides improved performance of the entity.

In this paper we want to study the degree of implementation of policies and accounting treatments on the current assets in the specific construction economic entities, the problems of implementation and thus better addressing their theoretical and procedural to improve the information provided by financial statements. Due to the importance of proper conduct of business owned entities, accounting current assets should result in optimal and efficient control of current assets.

1. Introduction

The report in 2011 Global Construction Perspectives and Oxford Economics stated that construction in Romania will record the dynamic pronounced during 2010-2015, as it is a contribution of the state sector worth 22 billion dollars.

Globally significant increases in construction in 2020 will occur in countries such as China, USA, India, Indonesia, Canada, Australia and Russia. These increases are the result of population growth in countries like China, India and Indonesia.

Economic analysts in Romania talk about growth trend during 2014 in construction output with increasing stock of contracts and hence the number of employees in the field. The anticipated increase in the construction sector at the beginning was about 23% (Press INS 73/2014, http://www.insse.ro/cms/files/statistici/comunicate/tendinte_ec/a14/tea_mart14.pdf) and would slope upward from the end of 2013, when an increase of about 4.0% (http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/4-18122013-AP/EN/4-18122013-AP-EN.PDF). Thus, if other European countries such as Slovakia, Germany and Spain have been at the end of 2013 production decreases in construction in Romania has been the growth of this sector, with other sectors such as retail, manufacturing and services. It grows so particularly sectors in which current assets are essential, which is why the theme chosen is of utmost importance.

Development of construction is the result of government projects to restore the infrastructure and construction projects starting highways linking Europe Romania. Their construction began in the West Zone and is an economic engine for the area. Until 2016 it is wanted to be completed the highway sections commenced in the west, namely complete sections –N dlag-Arad and Timisoara-Sibiu-Deva.

The methodology used in preparing this paper is scientific observation and economic synthesis aimed improving the perception of accounting policies and accounting treatments related to current assets in the construction entities. In this paper we proposed including the use of qualitative research methods such as prospective case studies, cumulative or narrative. Also using other research methods that involve collecting information, processing and interpretation, coupled with techniques such as selective study of literature, synthesizing available information, correlations between them. We will also use methods such as studying existing information, collecting new data, in order to build a database of their own, their synthesis is presented in graphs and tables.

2. Features of the entity in the construction of the West Zone

Study on the implementation of accounting policies and the importance given to the entity level in the construction of the West Zone, was conducted to see how their approach by users and the extent to which they reflect and facilitate the preparation of the financial and economic-financial. To find answers to the problems studied, and for in-depth research of construction activity and therefore treatments and accounting policies on related current assets, we studied eight representative entities analyzed field operating within that area.

Entities selection was made in the private sector and among the three types of entities prevailing Romanian economy: medium and large that we find in the West Region. Western Region of Romania consists of four counties: Timis, Caras-Severin, Arad and Hunedoara.

Entities in the study whose main field of activity: Construction of residential and non-residential NACE 4120. As secondary activities are authorized under the following categories of work: construction of roads, construction of bridges and tunnels, construction of utility projects for fluids, hydraulic structures, sanitary plumbing, heating and air conditioning, demolition of buildings and other construction installation works, works Plastering, Floor and wall tiling, painting works, painting and glazing and other finishing works coverings, roofs and terraces construction and other special trade construction works.

They are members of the Romanian Association of Construction Entrepreneurs RACE, obtaining Certificate of Qualification for construction activity, and technically certified by the Professional Association of Roads and Bridges in Romania, Banat branch. In the period 2008-2013, the average comparative evolution of the turnover achieved by the entities is shown in figure no. 1.

Entities focused their material resources in order to ensure the necessary facilities, cutting-edge fixed assets, which are necessary for the work in different areas of construction: backhoe loaders, compressors, compactors, rollers, wheel loader, excavator, trucks MAN, semi trailer, etc.

Entities also have their own ballast feature extraction dragline aggregates, aggregates sorting stations, hoppers, conveyors, screens, wash plants, binders, hammer mills for grinding refusal screen, crawler dozers, wheel loaders, dump trucks, scales, mechanical workshops, IMA 45 asphalt plants, concrete plants.

Investments have allowed a broad portfolio of work: Construction of residential and nonresidential buildings, construction roads, construction of utility projects for fluids.

In addition to contract work as contract holders entities working in subcontracting running parts of the work contracted to other entities in the area.

Efficiency is the ability to turn inventory into cash available at the lowest cost. An economic entity becomes effective if the transformation process is able to manage inventory to meet customer expectations. Fundamental criterion of expression of the efficient use of current assets is profit (Figure no. 2).

Development expenses curve reflects higher net profit in the year 2013 resulting in a profit decreased in relation to turnover obtained. In the other two years 2011 and 2012, the net profit respect proportionality and turnover, revenue and expenditure line keeping turnover.

The most profitable year 2012 revenue is far higher that caused very high turnovers in the year 2012, have generated claims with high level, they are more difficult to convert into cash available for this type of activity. Their high level of "inherited" and in 2013, even if the turnover decrease. Weight their collection derives from monetary crisis in the market and that inevitably entities were engaged in paid work at the state and local budgets. Even if they have received Ordinance no. 13 of 23 August 2012 regarding the revision of the state budget for 2012, it still has to recover money from the public (Figure no.3).

Materialization stocks works in 2011-2012 caused a low level compared to their 2013 Year 2013 is the lack of available time due to failure to collect receivables is characterized by a high level of inventory waiting to be used.

In terms of available cash at its highest level is the year 2011 The weakest link of the current assets of entities active in the field of construction is available cash, the result of the monetary crisis in the market and the provision of services to budgetary units.

At the level of its construction, current assets accounting organization is based on the definition of detailed accounting policies according to organizational structure, technology and methods and not least the size of entities.

→ raw materials and auxiliary supplies, inventory, planed goods, products necessary to conduct the production process or services;

→ the entities with the object of construction, we find stocks under the following forms:

→ finished goods produced and intended for sale in the ordinary course of business, goods in custody;

→ purchased land for the construction and sale of assemblies or complexes housing, etc.

The level of stock in the course of construction, will meet including: aprons, cement, sand, concrete, wood, fuel, tools, etc.

Stock management policy in the construction entities must have based on cost analysis and determining their optimal level.

As IAS 2 states and their assessment at the time of entry in the entity is based on the acquisition cost of inventories (of production) which includes as appropriate: purchase price or cost of production, fees, transport, handling, etc.

Subsequent measurement of stocks most commonly caused their deterioration is equivalent to the lower of cost and net realizable value. This phenomenon has implications for economic performance assessment, but also on taxation. Value changes for stocks will necessarily present the explanatory notes stating the completion of the financial statements.

For a more rigorous internal control of inventory in the internal accounting management Entities in the construction of most stocks are highlighted analytical range. This is possible because the computer system specialized in strict keeping of inventories, such systems are now devoid of all economic entities.

A common aspect in construction activity is impairment of inventories due to environmental or physico-chemical properties. These impairments are reflected in accounting terms, but also influence the tax side of the business entity.

Thus, activities such as transport, handling, drying, spreading generate phenomena such as drying, evaporation, melting, oxidation, cracking, crumbling, fermentation storable material which causes impairment of inventories and accounts need to reflect default occurs perishability.

Within the limits set by law are allowed due to depreciation expenses as deductible expenses for income taxes. Beyond these limits are perishable and influences tax deductible tax generating entity.

Also in the area we fit deductible expenses and stocks destroyed by calamities in areas where a state of emergency was imposed and those destroyed by fire, accident, war status, etc.

Perishable inventory are identified with factual and not considered perishable losses caused by theft or other causes attributable to persons responsible for stock management.

Receivables are determinants of this type of activity in conditions in which one of the factors that commonly cause blockages current economic and financial economy. They are based on the conclusion of agreements between the manufacturer and the customer firm contracts that the International Accounting Standards IAS subject's 11 "Construction Contracts". "A construction contract may be negotiated for the construction of a single asset such as a bridge, building, dam, pipeline, road, ship or tunnel." (IAS

11, "Construction Contracts", page 46, paragraph 4, 2008)

At the claims construction entities may take the following forms:

– amounts due from customers for goods sold or services provided in the normal course of business;

– claims from employees who are amounts owed to employees for cash on hand or assets allocated in the normal course of business;

– debts to the state budget and tax receivables are amounts due from the consolidated state budget in the normal course of business as a result of the manifestation of the right of recovery, reimbursement, etc.

– claims on social security or social receivables are amounts due from social security in the ordinary course of business as a result of the manifestation of the right of recovery, etc.

– claims against directors, shareholders, members or affiliates;

– different claims

In the current economy claims are sensitive point of the activity of economic entities. Their non-recovery resulted in many lines of business. We can thus say that this component of current assets has a significant impact on the work of construction. These benefits are the result of the construction, often distinct category of works.

Receivables creates gaps of time between registration and the materialisation of the availability of money, large or small gap that may have tax implications often disadvantageous to the owner of the claim.

Initial evaluation of claims is the value entered in the records, so at face value, respecting the principle of historical cost.

Claims of construction entities are represented on a relatively long period of time a few beneficiaries of work (customers). The claims are based on the conclusion of contracts aim to achieve a work in a limited time.

The number of customers is limited and the supplies are high, the provider is conditioned further work liquidity beneficiary. Economic and financial issues that may arise in its work creates considerable problems at the provider's activity and sometimes, depending on the amount receivable can result in blocking the activity, insolvency and bankruptcy.

The current economy is often marked by failure resulting entities often two steps:

- open insolvency proceedings on judgment;
- closing the bankruptcy proceedings on the judgment final and the customer becomes insolvent, not goods ;

In this case the sequence of accounting registration of the claim is as follows:

- initial registration to the billing of the work;

- transition doubtful debt at the time of opening of insolvency proceedings on the judgment and setting an adjustment;

- removal of the asset value of the claim uncertain when bankruptcy closure on final and irrevocable judgment and cancellation adjustment.

Many of entities with construction activity area have contracted with administrative units, public institutions wholly or partly funded from local budgets and public hospitals network local authorities, namely the lack of availability institutions became unable debt payment or the impossibility of the claim by the entities concerned. This affected fiscal issues regarding economic entities, specifically led to the accumulation of debts to the consolidated state budget.

Government Ordinance 13/2012, 17/2013 and 9/2014 on state budget revision, were a step in the recovery of construction claims and avoid bankruptcy for many of those who have completed work for administrative units authorities, public institutions, hospitals, etc.

Of particular importance is the construction entities making payments to the beneficiaries on the basis of the work they generate payments on stocks purchased and also expenses that affect the financial results and the cash. Available cash is the starting point of the activity without which you can not perform the work.

Available cash policy trend in construction is required by the conclusion of the contract, the amount of work performed and ability to pay the beneficiary.

Original contractual provisions clearly establish the possibility of providing advance by the beneficiary. According to these provisions, the manufacturer will use its own cash or a loan in the short term. After the first period (month) to perform works from the collection will make invoice with the attached certificate works (entrepreneurs) and position papers (subcontractors). Being large amounts, receipts are made through bank accounts, as well as payments to suppliers.

For a better understanding of policy costing in construction entities will illustrate, stopping us in the work contracted by one of the entities in the subcontract, in the case of three of a secondary road rehabilitation work required. Rehabilitation works undertaken by subcontract entity are (Table no. 1):

gutter roadway 375 meters;
trapezoidal trench 1200 meters;
support wall 65 meters.

Providing the necessary sand and concrete aprons preparation is done by producing its own

ballast, resulting in low cost of aggregates formed in the cost of obtaining and transportation.

The direct costs of obtaining aggregate (See Table no. 2) expense plus the maintenance fee and leading to a price of 15 lei mc aggregate obtained. The resulting amount, if sold to another customer, the entity practice addition of 20% applied to the cost of obtaining the sum of £ 15, the selling price is 18 USD / m unit.

To determine the direct costs of obtaining a cubic meter of concrete rules to take account of time needed for the operation of each of its production cycle, as is shown is Table no.3.

In determining the cost of production of concrete are being considered for a full calculation, direct and indirect production costs. This will take into account the following expenses: electricity (0.5 lei / mc) gas costs (snow-4 lei / mc), wage costs (8lei / mc), taxes (2 lei / mc), labor maintenance (3 lei / mc) maintenance materials (8 lei / m), and reaching a total 25.5 USD / mc (Table no. 4).

The class used to obtain concrete aggregates used the following materials: sand, 0-4, 4-8 jewel, 8-16 gravel, gravel 16-22.

In terms of costs previously established subcontracting achievement in those three road rehabilitation work required would amount to a material cost of £ 138,491. Current assets, embodied in material stocks in various forms (aggregates, concrete, etc.), the stock obtained from own production enable completion of the work contracted under market price in the area.

The highlighted material costs, final pricing execution of the work, plus transportation costs of materials and staff to do the work, costs related to fixed assets involved, wage costs and a profit margin of 5% of total cost execution of the work. In other words, the construction cost is the result of adding all direct and indirect costs on each paper.

We thus conclude that the organization of record consumption of materials, raw materials, supplies, etc. influence target cost calculation built. So in establishing accounting policies on construction stocks can not ignore specific costing the sector.

Valuable indicators of the structure of balance sheet items under the influence of characteristics of economic, technical and legal work of entities. Resource efficiency has an impact on economic and financial results achieved.

Indicator current assets is decreasing, mainly due to lower inventories and receivables. The drop claims is the result of "stress cashing" existing construction market, as these high values receivable in relation to other types of activities.

Assessment of current asset is carried at production cost or purchase.

Activity costs, similarly, include all costs of purchase, transportation, processing, sale, so all costs necessary to bring inventories to form and where to find it.

Recognition of current active elements in the financial statements is based on inventory and highlights the position of the entity and its performance. Liquidity analysis shows the entity's ability to meet its payment obligations to finance loans and asset efficiency. Management activity planning future work is to analyze financial documents starting point based on indicators of liquidity.

3. Policies and accounting treatments on construction-current assets in entities conclusions and proposals

Starting point in formulating accounting policies of the entities they represent standards, accounting rules related to the object of their activity to provide immediate liquidity in relations with third parties. The IAS 2 "Inventories" perimeter rule applicability "production in progress under construction contracts, including contracts for the provision of services directly related." (IAS 11, "Construction Contracts", paragraph 2 , 2008)

A priority in the construction is the IAS 11 "Construction Contracts" which refers to accounting "construction contracts represents the allocation of contract revenue and contract costs to the accounting periods in which construction work is performed." (IAS 11, "Construction contracts" objectives , 2008)

Accounting for our country by OMPF 3055/2009 includes inventories and assets for which the IAS 11 "Construction Contracts".

The inventory management a very important problem, with implications for the profitability of the entity, is the measurement of inventories at the four stages: input, output, inventory and financial statement. To incorporate inventory costing in construction works and their recognition as an expense in the outcome reflected in the financial statements are elements defining the accounting treatment of this type of activity, reflected in the accounting policies developed by the entity. Oversizing costs resulting in decreased cash, income and tax liability.

If IAS 11 "Construction Contracts" income and expenses are recognized when they become reliable Romanian practice revenue is recognized when the invoice and acceptance of papers. Direct contract costs of obtaining the assets subject to the contract include materials used in construction costs, so the cost of current assets.

Develop manual accounting policies in the entities under study is of a more theoretical than practical. It put a manual customization concerned by the introduction in all of the eight cases, provides a broad description of the entity. The

activity are such certification, portfolio of work, equipment, evolution of the value of turnover, personnel structure and not least the quality policy, environmental, health and safety. A separate chapter is dedicated to management and support factor, stimulate and promote business development.

Chapters two to seven categories explains point balance, theoretical issues related to them, making the few lines refer to the policies implemented by the entities.

In the context of accounting policy on the current assets, the more formal and generally consider it necessary to mention the general characteristics of the construction sector, which should be considered:

The accounting treatment for the first component of current assets in construction entities, namely the quantity and value stocks is by using the perpetual inventory method.

Inventories are valued at the lower of cost and net realizable value.

Cost of stored objects include acquisition costs, processing, transportation, weighing, and other costs necessary to bring inventories to final form.

Claims are largely represented by the commercial character and the number of clients is limited provision is high and initial assessment of claims is the value entered in the records, so at face value, respecting the principle of historical cost.

Policy on available cash in the construction industry should consider contracts, the amount of work performed and ability to pay the beneficiary.

Regarding component short-term investments, it is almost nonexistent in the accounts of many of the entities in question.

Accounting policies are approved by management as required by the decision, Article 10 of the Order of the Ministry of Public Finance no. 3055/2009 approving the Accounting Regulations in accordance with European directives.

Based on the facts uncovered in the construction of the entity, analyzing current active chapter point components, we find that in the construction entities, especially those who hold the gravel and concrete plants, stocks high values recorded in the financial statements.

In our attempt to recommend ways to improve the current asset policies, we find the existence of stocks with low utilization, inventories and certain categories of varieties used in small quantities to obtain concrete, but which are found in high quantities in the management of ballast. Thus, we recommend promoting policies to reduce slow moving inventories of materials, thus reducing storage costs and inventories.

For materialization of this recommendation, we propose accounting policies promoting trade discounts for customers interested

in material surplus stock, to their marketing and setting up a website to promote these items stored.

As we noticed in the previous example the construction cost of inventories includes labor and personnel related costs. Promoting policies to reduce costs in inventories entity can create a market advantage.

Being storable items with different physicochemical properties, items subject to transport natural phenomena and even theft occurs frequently depreciation risk. Should consider such evidence in the accounting policy manual treatments impairments or losses on items stored, with direct implications on the outcome of the exercise.

In light of the current reality, the construction entities with "problems" of current assets represent claims that large values are often difficult to recover. Such policies are needed to promote recovery of bad debts receivable from customers. These policies must be the starting point contracts with the beneficiaries, contractual clauses aimed at the recovery of loans, when and how collection. Also need to promote recovery policies of claims-paying customers sue and recover contractual penalties related.

The existence of high risk in this area, on the insolvency or bankruptcy of customers, generating the need to highlight the accounting policies set treatment of the debtor in difficulty.

In the current context, an expanding construction market, with competition as traditional companies outside the country, it is necessary to promote policies and practices knowledge of costs used by those who use the processes and similar actions.

The accounting policies on the availability of money based on the appearance of high values received by the bank and the risk of uncertainty in collections. In this respect it is advisable to promote policies collection to use as a tool for collection or payment, CEC, empower payer.

Punctually the manual of accounting policy on the current assets issued by entities building should include:

- generalities on current assets (definition, composition);
- recognizing specific classifications construction sector stocks (raw materials, consumables and ancillary, inventory, semi-, commodities, necessary for carrying out the production process or services, finished goods produced and intended for sale in the ordinary course of business, goods in custody, or complex combinations of housing, land purchased for the construction and sale of assemblies or housing complexes, etc.) documents used in stock management;
- development phase of the inventory management methods (we recommend the perpetual inventory accounting organization quantitative analytical

method-value inventory at the central warehouse in ballast and intermittent inventory method sites) ;

- determining how to evaluate stocks on the four moments: the entry into management, out of respect to the inventory, the financial statements (recommend using FIFO "first in - first out). This chapter will establish the rules necessary steps inventories, necessary and legal regulations,

- highlighting the costs of inventory composition necessary to bring these types of current assets in the form and where to be found (at the end of each period under construction, or teaching part of the paper, according to the contractual provisions, there shall estimate the work performed and thus realize the cost calculation includes direct and indirect costs attributable to construction works such as stocks),

- trade discounts (rebates, remises, rebates) and financial (discounts) applied to construction stocks and their treatments (reductions is particularly recommended selling stocks sorts of ballast),

- presentation of annual financial statements information on stocks,

- the recognition, classification of claims in construction (trade receivables, receivables from employees debts to the state budget debts to social security claims on directors, shareholders, members or affiliates, different claims), the recognition of receivables in foreign currencies, documents used in claims management,

- determining how to evaluate claims on the four points: entry into management, out of respect to the inventory, the financial statements, reversible and irreversible impairments recognized, the conditions for the formation of provisions the claims in dispute

- trade discounts (rebates, remises, rebates) and financial (discounts) related claims and accounting treatment applied to them,

- the presentation of information in the financial statements on claims,

- recognized classifications regarding cash on hand (reserves in lei and foreign currency short-term bank loans, interest on bank deposits, cash values, etc.) documents used in the cash management, interest recognition, foreign currency availability and advances to (recommend using CEC) ;

- presentation of annual financial statements information on available money;

- recognition classifications short-term investments (shares, bonds , warrants, contracts "future," treasury bills, certificates of deposit) ;

- establishment of the assessment of short-term investments four times at the entrance to management, out of respect to the inventory, preparation of financial statements ;

- presentation of the annual financial statements of information on short-term investments;

- highlighting specific accounting treatment of current assets in the construction sector.

The recommendations and suggestions made in the construction entities hope to materialize in the accounting policies and therefore the financial statements as a result of management involvement and analysis of business objectives. This will remove the formalities and the theoretical and practical aspect will materialize based on reality, the chances of increasing the profitability of entities.

Acknowledgement

This work was supported from the European Social Fund through Sectorial Operational Programme Human Resources Development 2007 – 2013, project number POSDRU/159/1.5/S/134197, project title "Performance and Excellence in Postdoctoral Research in Romanian Economics Science Domain" .

References

- [1] Order of the Ministry of Public Finance no. 3055/2009 approving the Accounting Regulations in accordance with European directives, M.O no. 6 of January 8, 2014,
- [2] O.G. 13/2012 on state budget revision for 2012, M.O no. 614 of August 27, 2012,
- [3] O.G. 17/2013 on state budget revision 2013 08/05/2013 M.O no. 493 of August 05,2013,
- [4] O.G. 9/2014 on state budget revision 2014 08/05/2013 M.O no. 588 of August 06, 2014,
- [5] Regulation (EC) no.1126/2008 of November 2008 adoption certain international accounting standards in accordance with Regulation (EC) no. 1606/2002 the European Parliament and of Council, 2008,
- [6] Global Construction Perspectives and Oxford Economics, London, 2011,
- [7] Press INS 73/2014, http://www.insse.ro/cms/files/statistici/comunicate/tendinte_ec/a14/tea_mart14.pdf ,
- [8] http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/4-18122013-AP/EN/4-18122013-AP-EN.PDF.

Table no.1 Specific consumption concrete work done

Work name	Specific consumption material / ml concrete	Total consumption materials
1. Channel roadway	0,63 mc/ml concrete C 25/30 (0-31)	236,65 ml concrete C25/30 (0-31)
2. Trapezoidal ditch	0,33 mc/ml concrete C 25/30(0-16)	396 ml concrete C 25/30(0-16)
3. Wall support		
3.1 Foundation supporting wall	1,00 mc/ml concrete C 16/20	65 ml concrete C 16/20
3.2 Elevation retaining wall	0,60 mc/ml concrete C 25/30	39 ml concrete C 25/30

Source: Performed by the authors based on data provided by the entities

Table no. 2 Total direct expenses related -agregat finished product.

Nr. crt.	Operation	Duration of operation (min/ mc)	Rate operation (lei/min)	Direct expenditure
1	Excavation	1,5 min	4,1	6,2
2	Washing	1 min	3,9	3,9
3	Inland	1 min	1,9	1,9
4	Loading final delivery	1 min	1,6	1,6
	Total			13.6

Source: Performed by the authors based on data provided by the entities

Table no. 3. Total direct expenses related to the finished product -concrete:

Nr. crt.	Operation	Duration of operation (min/ mc)	Rate operation (lei/mc)	Direct expenditure
1	Upload aggregate loader	1,5	6,6	9,95
2	Loading turn aggregates	1	1,23	1,23
3	Weighing units-loading mixer	1	3,01	3,01
4	Weighing -loading cement mixer	1	2,97	2,97
5	Weighing water-loading mixer	1	3,09	3,09
6	Loading balancing-malaxor additive	1	2,99	2,99
7	Mixing concrete	1	1,17	1,17
8	Download blender	1	1,09	1,09
	Total			25,5

Source: Performed by the authors based on data provided by the entities

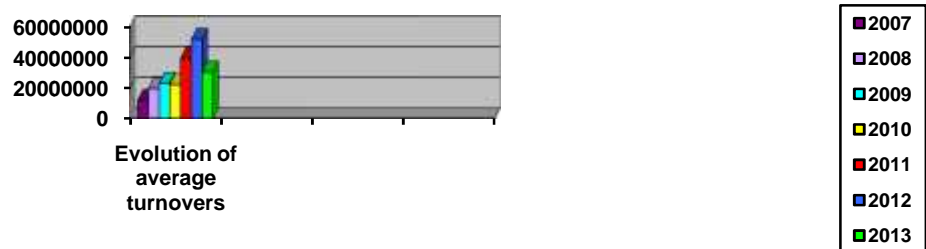
Table no. 4 Expenditure concrete materials finished products

Name feedstock	U. M	Specific consumptionof raw materials to/mc concrete	Cost obtaining raw materials (lei/to raw materials)	Shipping cost raw materials (lei/to)	Cost of raw materials consumed (lei/mc)
Cement	mc	0,300/mc concrete	300 lei/to	30 lei/to	99lei/mc
Aggregates sand 0-4, jewel 4-8, gravel 8-16, gravel 16-22	mc	1,96/ mc concrete	18 lei /to	10 lei /to	54,88 lei/mc

Water	mc	0,22/ mc concrete	-	5 lei/to	1,1 lei/mc
Additive	mc	2,4/ mc concrete	3 lei/to	0,5 lei /to	8,4 lei/mc
Total cost of raw materials					163,38
Direct cost of production					25,5 lei/mc
Cost of production					188,88 lei/mc
Shipping					9,5lei/km
Fixed pump					170lei/or
Autopompe					310lei/or

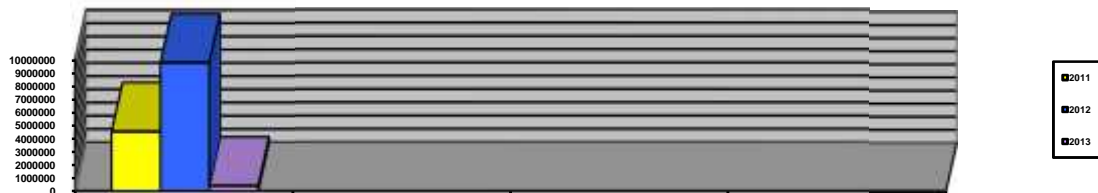
Source: Performed by the authors based on data provided by the entities

Figure 1. Evolution of average turnovers.



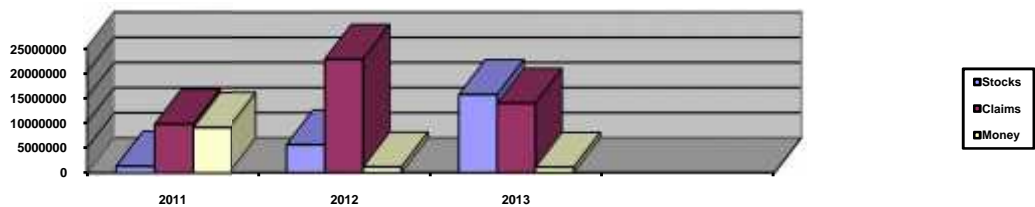
Source: Designed by the authors based on data provided by the entities

Figure 2. Evolution of the average net profit



Source: Designed by the authors based on data provided by the entities

Figure 3. The evolution of current active elements



Source: Designed by the authors based on data provided by the entities

