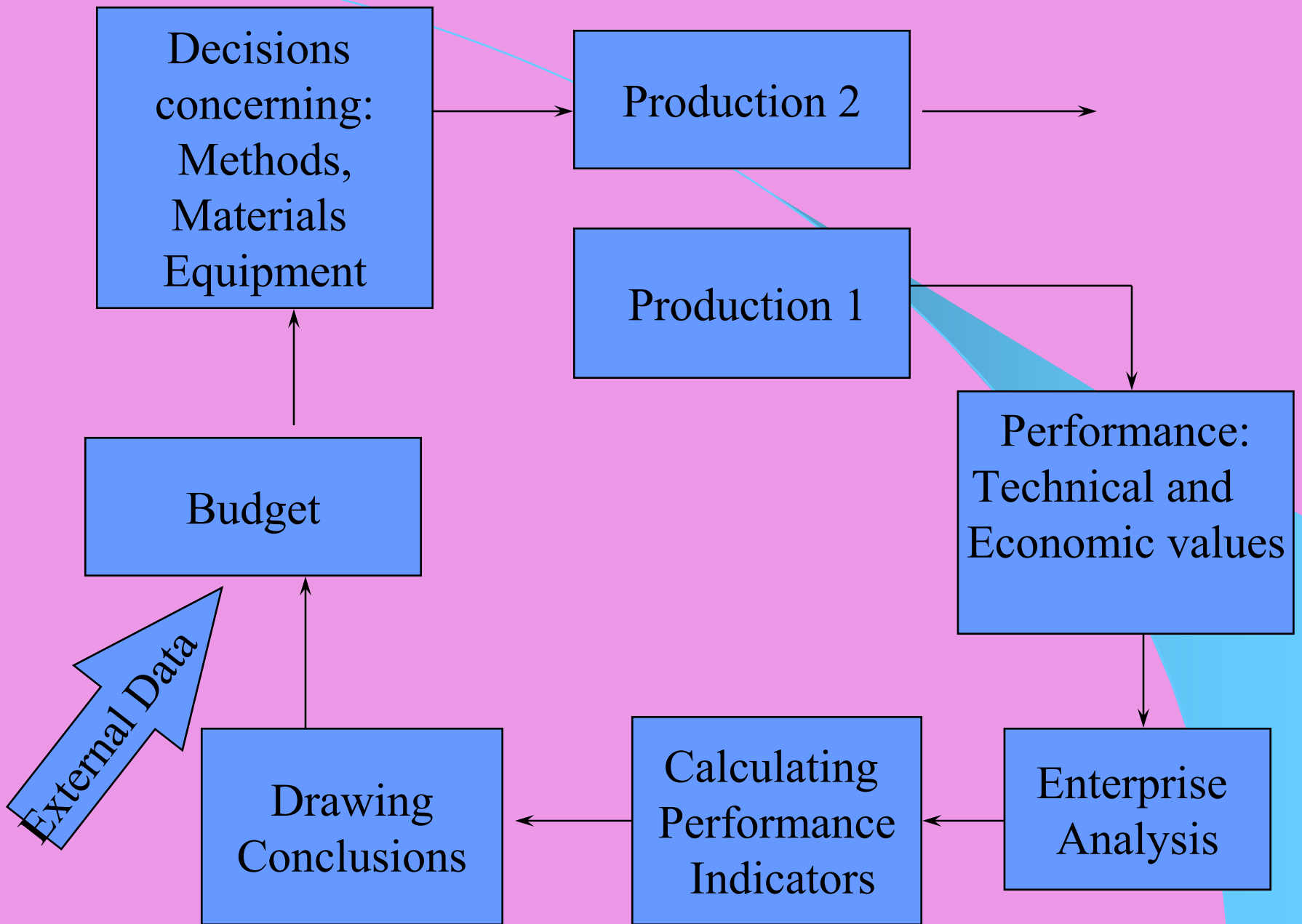


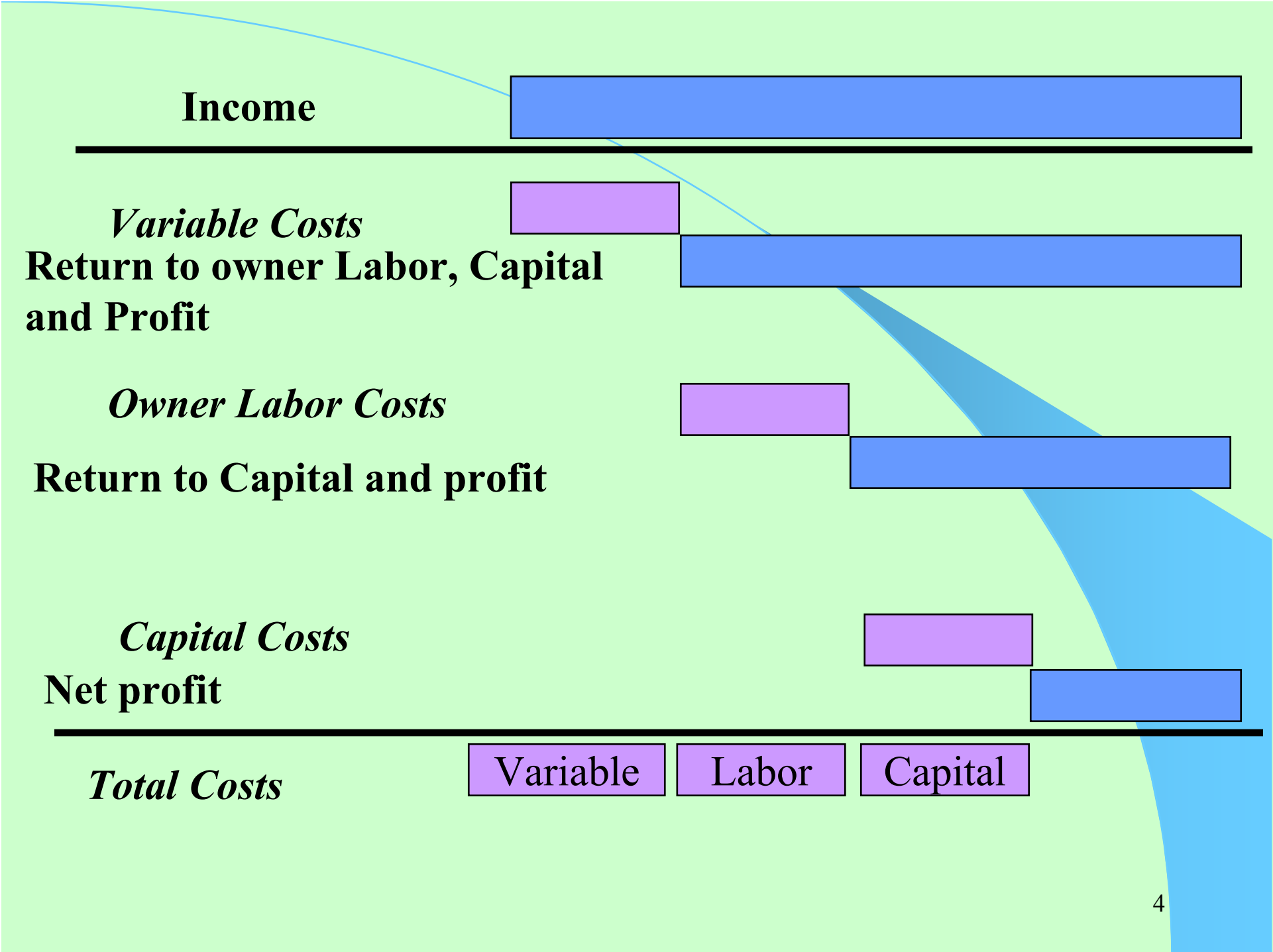
# Enterprise Analysis

- The analysis evaluates the income and costs as they were in the past
- The analysis answers the question What was the profit gained and what were reasons for it



# The Goals of Enterprise Analysis

- to evaluate the profitability, and the reasons for it.
- to enable comparisons to other enterprises and other years.
- to identify weak points in order to improve performance.
- to supply data for public institutions and government.
- to prepare budgets.
- to prepare whole-farm plan



# Definitions of returns

- Return to owner's labor, capital and profit  
Revenue minus variable expenses  
(including hired labor)
- Return to capital and profit  
Return to owner's Labor, capital and profit  
minus the cost of owner's Labor
- Profit  
Return to owner's labor and profit minus  
capital expenses

