

EXPENDITURE MANAGEMENT AND PRICE POLICY ON ENTERPRISE

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Prices are one of the critical points of the economic and social life of a society in which the interests of importers and exporters, producers and consumers, all without exception, of economic relations converge.

To ensure stable high profitability while simultaneously increasing sales to producers will be possible only through an effective combination of cost management and price policy, since the cost of the product is most affected by the cost of its production. Therefore, it is very important to timely reflect the actual costs of production for the relevant articles, provide information for operational control of production, prevention of production costs and losses, and identify reserves for reducing costs. All this determines the perspective directions of development of the theory and practice of management of production costs and calls for the application of new innovative methods of cost management.

Only by effectively managing the costs and prices of their products or services producers will be able to provide a stable high profitability while simultaneously increasing sales.

According to the main provisions of economic theory, the price level depends on the current ratio of supply and demand; production costs due to labor productivity; level and rate of inflation; degree of monopolization of the market.

Price policy describes the activities of the enterprise for the purposeful use of specific prices. It is based on the formation of a market price taking into account the specifics of the market situation.

When setting the price of products, enterprises need to analyze: comparative characteristics of novelty and product quality, prices of competitors' products, additional services, guarantees provided by the enterprise-producer, and also take into account the possibility of reducing its cost.

It is expedient to implement pricing policy on the basis of observance of such essential principles: target orientation; scholarship; the unity of the process of pricing and controlling compliance with prices; continuity of the pricing process.

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