

Enterprise profitability: current approaches to the essence determination

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Profitability is an important indicator of an enterprise development. Income of an enterprise as one of profitability's indicators plays an important role in the economic indicators, particularly in the transition to a market economy. Ensuring of profitability is a measure of stabilization effect of development and overall economic growth. The article considers an analysis of profitability as economic category and synthesis of existing definitions of the term in current economic conditions, as well as consideration of income and profitability of a company.

The main purpose of the establishment and the operation of any business is to get a fair reward for done work, which is to get a sufficient size income. That will enable the company to cover all costs and continue efficient operations in the future. Income is a category that most fully reflects the financial capabilities of an enterprise and its abil-

ity to increased production activity. It goes without saying that the more income gives more opportunities to the company for economic development and the improvement and expansion of its activities. Profit is a source of increasing the level of welfare; it determines the level of financial stability in the country.

Profitability characterizes two indicators: income and profitability. Income expresses the absolute effect without the resources used, and profitability is a major cost factor of production efficiency that characterizes the return of assets and the extent of capital in the production process. It is directly related to the profit and shows the effectiveness of different enterprises and describes the intensity of their work. Therefore, the study of profitability is a very important factor for the further effective functioning and development of an enterprise.