

Assignment

What are the main factors affecting the efficiency of the company. Internal and external factors?

Solution

We can identified two main groups of factors that affect the efficiency of the company:

- external factors that reflect the general level of economic development and are independent of the activities of the entity. The influence of this group of factors can be found in the level of prices for raw materials and energy, the tariffs for transportation, water and other material services, rental rates, the rate of depreciation, social contributions and other statutory payments.

- internal factors that are directly related to the business activities of the entity. This group of factors include : the revenues from sales, wage system, the level of efficiency and playback of the elements of production.