

## MANAGEMENT ANALYSIS OF PRODUCT SALES PROCESS IN GRAIN PROCESSING ENTERPRISES

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**Abstract:** The article discusses the issues of conducting a management analysis of the volume of product sales in grain processing enterprises, including the influence of external and internal factors, variable and fixed costs, marginal revenue, break-even point, financial stability reserve indicators, and considers the possibilities of using CVP analysis.

**Key words:** Product sales volume, internal factors, external factors, turnover index, CVP analysis, variable cost, fixed cost, marginal revenue, break-even point, financial stability reserve.

In today's market economy, where competition is growing, more problems arise in the sales process than in the production of products. The increase in forms of ownership, which is the main basis of the market economy, is the reason for the strengthening of the competitive environment in the market. The wide range of opportunities for small and medium-sized business representatives to change the form of production or the type of product based on the demand and supply in the market is the reason for their rapid entry into the market. Because small enterprises produce small-scale products using techniques and technologies with small production capacity. Small and medium-sized enterprises, as freely operating entities, independently define trade relations. The increase of such enterprises has created requirements for large enterprises to overcome a number of problems, to maintain their own brand, to increase the quality of their products, to increase the variety of products, and to start production based on customer demand as much as possible. In particular, the same problems have arisen in front of grain processing enterprises.

A number of internal and external factors also affect the change in sales volume. Internal factors include such factors as the size of stock, product quality, assortment of products, pricing policy of the enterprise, benefits given by the enterprise to customers, and external factors include the permanence or seasonality of the need for manufactured products, the income of the population, the availability of similar goods, the activities of competing enterprises in capturing the market, as well as, state policy, fixed taxes.

In the analysis of the product sales process, it is necessary to determine the level of influence of the factors affecting the execution of the sales plan, its dynamics, and its change.

**Table 1**

**Dynamic analysis of the volume of product sales of "Andijondon products" JSC (tons)**

Product types	2019 year	2020 year	2021 year	2022 year	2023 year	The difference between 2023 and 2019	
						absolute	relative %

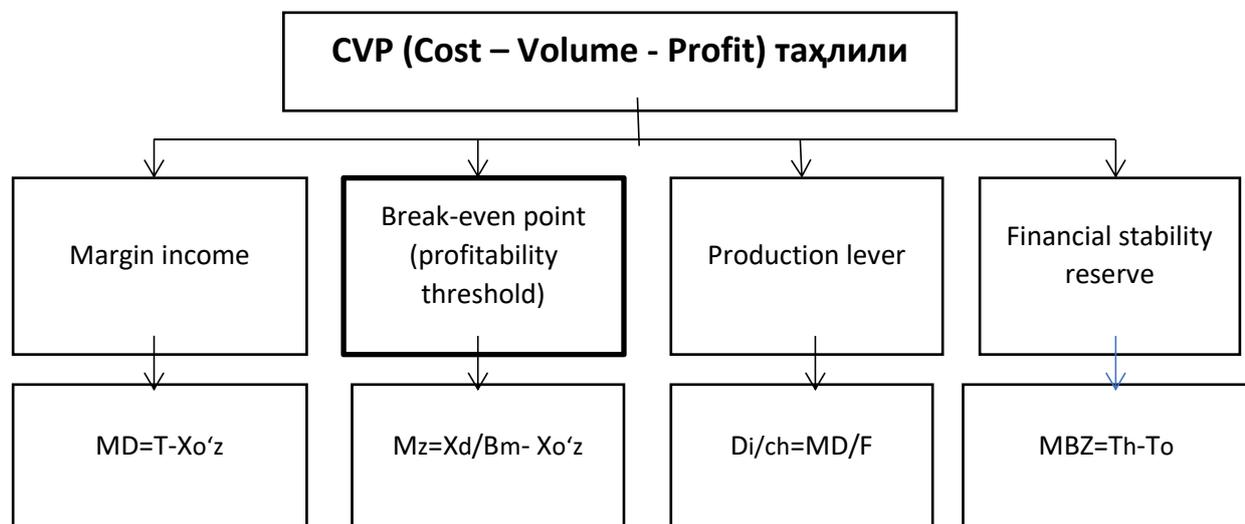
Flour	45484	50715	45708	40228	11201	-34283	24.63
Amishta feed	18606	21584	19726	170979	3928	-14677	21.11
Total:	64090	72299	65433	57308	15129	-48961	23.61

According to the table, the volume of product sales of the enterprise is sharply decreasing. In 2023, compared to 2019, the sales volume of flour products decreased by 34,283 tons, and the sales volume of mixed fodder decreased by 14,677 tons. In general, the volume of product sales decreased by 4861 tons. It can be seen that the total sales volume has decreased by 78.39 percent.

A sharp decrease in the volume of product sales causes problems in the enterprise. Therefore, it is necessary to study not only internal factors, but also the influence of external factors when determining production programs. The effect of factors can be determined using methods such as balance, chain link, index method. At the same time, it is advisable to use innovative methods of management analysis.

Such an analysis can evaluate the overall change in the sales volume of the enterprise, but cannot determine the break-even point of production or the profitability threshold connecting the production and sales process. Because, in order to determine the sales plan, the company needs to pay attention not only to the supply and demand in the market, but also to the internal opportunities.

Cost - Volume - Profit (Cost - Volume - Profit) analysis of CVP will help to find a solution to the above problem.



**Figure 1. The main elements of CVP analysis and the procedure for their determination**

Here:

T is revenue from product sales

A variable cost

Xd is a fixed cost

$B_m$  is the price of a product unit

$F$  is profit

$T_h$  is the actual income

$T_o$  is the threshold income

A certain time interval must be taken to perform the CVP analysis. Therefore, we use the procedures of "Andijondon products" JSC implemented in November 2023.

Using the information in Table 2, we use the break-even formula to make it more precise:

$$M_z = X_d / B_m - X_{own} = 971237 / (456400 - 336700) = 8.11$$

That is, the sale of 811 tons of flour determines the break-even point of the enterprise, and the sale of 812 tons is the creation of an opportunity for the enterprise to make a profit.

**Table 2**

**Analysis of costs - production volume - profit (CVP) of "Andijondon products" JSC**

Product volume (tons)	Sales revenue (thousand soums)	Variable cost (thousand soums)	Marginal revenue (thousand soums)	Fixed cost (thousand soums)	Total cost (thousand soums)	Profit from sale (thousand soums)
0	0	0	0	971237	971237	-971237
100	456400	336700	119700	971237	1307937	-851537
200	912800	673400	239400	971237	1644637	-731837
300	1369200	1010100	359100	971237	1981337	-612137
400	1825600	1346800	478800	971237	2318037	-492437
500	2282000	1683500	598500	971237	2654737	-372737
600	2738400	2020200	718200	971237	2991437	-253037
700	3194800	2356900	837900	971237	3328137	-133337
800	3651200	2693600	957600	971237	3664837	-13637
900	4107600	3030300	1077300	971237	4001537	106063
1000	4564000	3367000	1197000	971237	4338237	225763
1100	5020400	3703700	1316700	971237	4674937	345463
1200	5476800	4040400	1436400	971237	5011637	465163

Graphical representation of the break-even point using the data of Table 2 allows a clear visualization of the situation under analysis.

The break-even point has the same meaning as the break-even point, the break-even point, the margin of safety, and the critical volume point.

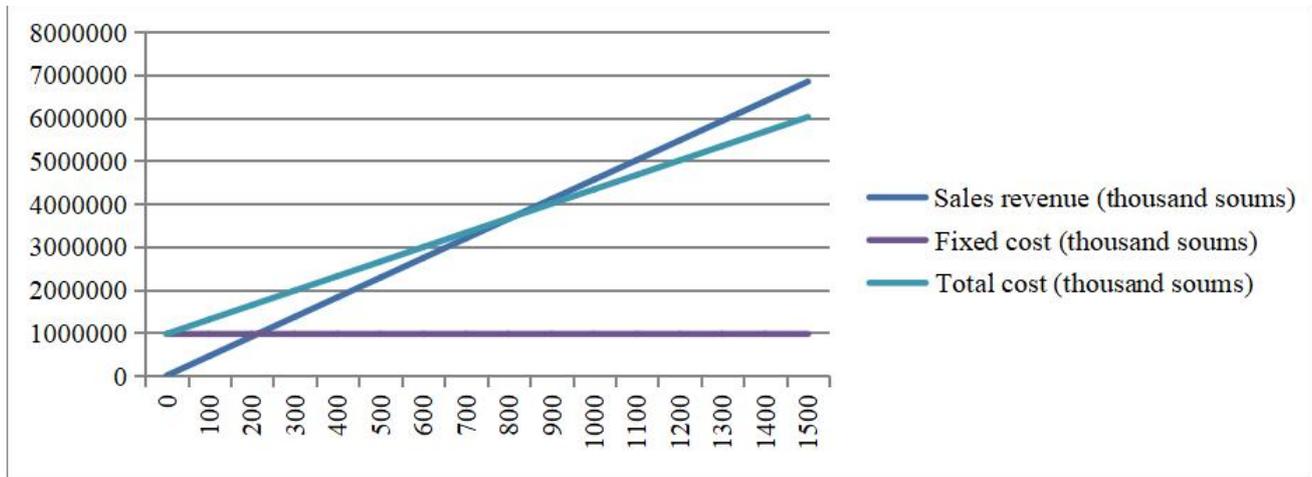


Figure 2 . Determining the break-even point (break-even point) for flour products at "Andijondon products" JSC

Carrying out such an analysis allows you to determine how many products need to be sold so that the revenue can cover the costs incurred, or, conversely, predict how many products the revenue generated from the sale can cover the costs incurred. It is also used to determine the minimum level of product pricing.

At the next stage of the analysis, the financial stability reserve is determined. The financial stability reserve is found by subtracting the threshold income from the actual income:

October:  $5476800 - 3701404 = 1775396$  thousand soums

November:  $5705000 - 3715096 = 1989904$  thousand soums

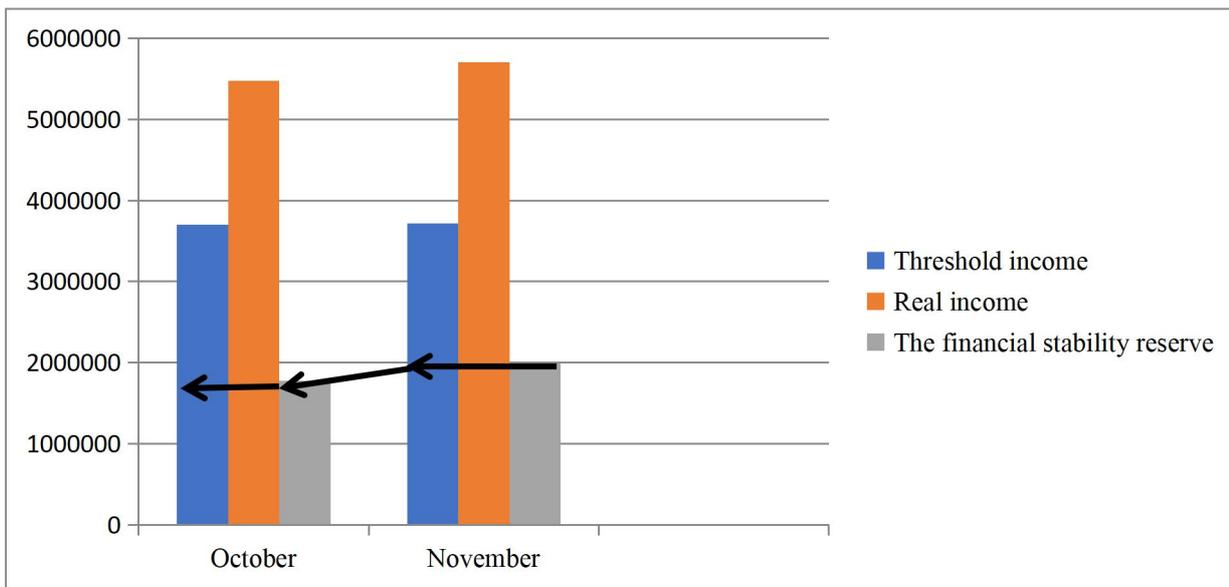


Figure 3. Financial Stability Reserve Analysis

So, a 4% increase in real income ( $5705000/5476800 \times 100 = 104\%$ ) leads to a 12% increase in the financial stability reserve ( $1989904/1775396 \times 100 = 112\%$ ). A 1% increase in revenue from product sales leads to a 3% increase in the financial stability reserve, or vice versa, a 1% decrease in the revenue from sales leads to a 3% decrease in the financial stability reserve ( $4/12 = 1/3$ ).

Based on the above research, we draw the following conclusions:

1. The efficiency of all processes in enterprises depends on the volume of product sales. To achieve the indicators set in the business plan, first of all, business plans should be developed on a scientific basis.
2. Cost - Volume - Profit (Cost - Volume - Profit) CVP analysis is necessary for the development of production programs, as well as for making operational management decisions on the sales process.
3. The results of the CVP analysis showed that the sale of 812 tons of products in the enterprise during one month ensures the undamaged operation of the enterprise. Therefore, the company should pay attention to this indicator when setting the production program for the next month.
4. Determining the reserve of financial stability and studying its ratio with income from product sales allows to diagnose the enterprise's activities in the next period.

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