

# The Application of Cost Statistics In Statistical Analysis

Wu Wenfang

*unit 706 of JianMin building,*

*88 dongda road, fuzhou, fujian, china*

*wenfang3761@sohu.com*

Cost Statistics is an important part of enterprise finance statistics. Analyzing labor consume, expense as well as direct factors that affects the improvement of profits by indexes formed by cost Statistics is quite helpful in strengthening power of market competition and polishing up management of the enterprise. Consulting relative financial statistic data of industrial corporations in Fujian Province's, this article makes comparative analysis of cost expense of different types of enterprises from three aspects namely labor consume, taxes and mid-term expense to post the inner factor of enterprise cost differentia and provide countermeasures and advices accordingly.

## **I. Contents of cost statistics**

According to the financial rules, sell profits = sell earning – sell cost – sell expenses – sell taxes and extra charges, business profits = sell profits – management expenses – financial expenses – other profits, while total profits = business profits + investment earning + net extra-business income and expenses + subsidy income. So, cost is the main factor that directly decides profits of an enterprise and it's also important symbol indicating an enterprise's capability of making profits.

There are mainly three kinds of statistical indexes reflecting cost i.e.: firstly, indexes reflecting labor consume, such as cost of main business, salary, welfare etc., secondly, indexes reflecting taxes expenses, such as taxes and extra charges of main business, value-add tax etc., thirdly, indexes reflecting mid-term expenses, such as salary, welfare, sell expenses, management expenses and financial expenses etc..

## **II. Contrast analysis of statistics indexes of cost of enterprises of different types.**

Cost expenses of different types of enterprises are quite different because of their specified system and circumstances. Now we'll analyse scales of enterprise cost differences for three aspects namely labor consume, taxes and mid-term expenses.

### **1. Labor Consum**

Proportion of labor consum of state-owned enterprises is much more than that of private businesses, Hongkong, Macao, Taiwan and foreign enterprises. Ratio of sell salary and sell welfare of Hongkong, Macao, Taiwan and foreign enterprises account to 73.2% and 50.4% of that of state-owned enterprises also falls into the sweeping catalog of this province respectively in 1999. And that of private businesses in comparison with the state-owned enterprises in the same year is 79.8% and 40.2% respectively. And in the group of loss maker, these two indexes of Hongkong, Macao, Taiwan and foreign enterprises are only 43.9% and 34.7% of that of the state-owned enterprises respectively.

### **2. Taxes**

In enterprises of all catalogs, the state-owned enterprises' proportion of sell taxes and extra charges is 430%, 340%, 580%, 1007% of that of collective enterprises, joint-stock companies, private businesses and Hong Kong, Macao, Taiwan and foreign enterprises respectively. And that of proportion of due-to-pay value added tax in sell income is 190% 140% 260% 250%. While on level of tax burden per person the

state-owned enterprises reached to 190% of the provincial average, that is 310%130%370%270% of that of collective enterprises, joint-stock companies, private businesses and Hong Kong, Macao, Taiwan and foreign enterprises respectively.

### 3. Mid-term

Expenses during production operations mainly include sell expenses, management expenses as well as financial expenses. State-owned enterprises is the lowest judge form proportion of sell expenses in sell income, only accounts to 45.2% of the average level of all the large-scale enterprises. While judge from proportion of management expenses in sell income, one of the state-owned enterprises' obvious features is its high management expenses, that of it is 200%260%190% of that of collective enterprises, joint-stock companies, private businesses and Hong Kong, Macao, Taiwan and foreign enterprises respectively. That of losing state-owned enterprises are much higher reaches to 16.80% that means 16.8 of management expenses in a 100 sell income and that is 300% of the provincial average. Another feature of the state-owned enterprises is high financial expenses. Proportion of financial expenses in sell income of the state-owned enterprises is 200% and 160% of that of collective enterprises, private businesses and Hong Kong, Macao, Taiwan and foreign enterprises respectively. Proportion of interest expenses in sell income of state-owned enterprises is 240% and 170% of that of collective enterprises, private businesses and Hong Kong, Macao, Taiwan and foreign enterprises respectively. For the losing state-owned enterprises 10.38 of financial expenses is needed in a 100 sell income, that is 430% of the large-scale enterprises' average.

### III. Countermeasures and Ideas of Reducing Cost Differences

From the above analysis, we recommend the following ways to cut cost differences i.e.. Firstly, adjust tax policies, enforce tax watch and control and guarantee justice tax burden; secondly, resolve the problem of heavy debt burden of state-owned enterprises from a large variety of channel; thirdly, boost distribution of excess manpower; fourthly, establish and consummate social security system step-by-step to provide powerful support to ease the state-owned enterprises' headache of redundant personnel; fifthly, strengthen internal supervision to cut expenses and reduce cost.

### References

- [1] Fujian statistics bureau ,Fujian statistical yearbook 2000,China statistics press,2000.
- [2] The Ministry of Finance CPA examination committee office, The official guidance books for 2000 uniform CPA examination (accounting), china finance press, 2000.

### Resume

La statistique du co?t de production constitue une part importante dans la statistique finan?i?re des entreprises. L'analyse du co?t des ressources humaines, les divers d?penses et les factors affectant la rentabilit?, en basant sur les indices des compositions du co?t de production, va aider les entreprises ? perfectioner leurs syst?mes de gestion et va leur donner des avantages dans la comp?tition. Bas?e sur les donn?es finan?i?res des entreprises du province de Fujian, cet article a compar? et analys? les co?t de production de diff?rente typed'entreprises dans le domaine du co?t des r?sources humaines, le charge de taxes et les diverses d?penses, et aussi a relev? les factors affectant le co?t de production et donn? des conseils pour augmenter la productivit?.