



Long-term assets and material as production factors

- Long-term assets
 - Useful life of long-term tangible assets
 - Capacity of long-term tangible assets and its use
- Material
 - Material times
 - Material usage



Long-term assets

Long-term tangible assets:

- Grounds
- Buildings and structures
- Machines and production equipment
- Tools
- Transport vehicles and equipment
- Office equipment, etc.

Long-term intangible assets:

- Patents
- Software
- Goodwill etc.

Long-term financial assets:

- Stocks
- Bonds (received)
- Equity shares, etc.



Useful life of long-term tangible assets

- Economic useful life
- Technical useful life

- Useful value
- Market value

- Balance depreciation
- Calculation depreciation



Capacity of long-term tangible assets and its use

- Technical capacity
- Economic capacity
- Minimum capacity

- Capacity utilization rate

$$\text{Capacity utilization rate} = \frac{\text{real production}}{\text{possible production}} * 100$$



Capacity of long-term tangible assets and its use

Time funds of production equipment:

- calendar time fund
- nominal time fund
- usable (effective) time fund

calendar time fund	
nominal time fund	non-working day
usable time fund	scheduled downtime



Material

Material means all goods, of which the final products are formed by changing their shape, substance or by incorporation.

Production Material:

- raw materials
- supporting substances
- operating substances
- finished parts



Material times

- „just-in-time-production“
= sales management in such a way that no stocks of finished products are produced or the stocks are as small as possible; Similarly, the material is provided so that it is available at the start of production



Material usage

Material Losses:

- **a dud** resulting from a processing error or material,
- **waste material** created for example by machining when changing the shape of the material when it is transformed into a product.



Material usage

An organization may **prevent the generation of waste and duds** by:

- purposeful purchase of material,
- the use of rational and technically advanced technologies,
- workers' interest in material savings and quality of work.



Material usage

Losses that are caused by existing duds and waste (or the their disposal) can be reduced by:

- sale of waste and duds,
- waste treatment for by-products,
- waste recycling.