

Behavioral Economics in Cyberspace Practical Work  
No. 6

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# Analysis of the activities of Ukrainian/Norwegian utility companies in the context of the development of the digital economy.

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Performed by students of group IA-401

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## INTRODUCTION

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One of the key tasks of modern management is to find the optimal ratio between the level of costs and the volume of production, which ensures the maximization of profit with minimal resource consumption. For this, it is important to use analytical methods of cost estimation, comparison of variable and fixed costs, analysis of factors that affect their value, as well as conduct inter-farm comparisons to identify the most effective practices.

Within the framework of this practical work, the structure, dynamics and efficiency of costs of two enterprises are assessed - the Ukrainian OJSC "Budynok pobuty Stolichny" and the Norwegian KP "OddaProdukt". This approach allows not only to identify differences in cost management systems in different economic environments, but also to identify areas for increasing the efficiency of resource use in national practice.

**The purpose** of practical work is to assess the level, structure, and feasibility of the enterprise's expenses, identify trends in their change, conduct a factor analysis of the impact of the main components on the total amount of expenses, and determine the optimal level of expenses to ensure stable profitability.

# TASK 1.

Classification and general  
characteristics of costs

## Classification and general characteristics of costs

### OJSC "House of Life Stolichny" (Kyiv, Ukraine)

Table 1.1

No	Classification code 1	Types of	Examples for the company	Economic characteristics
	By economic elements	expenses Material expenses	Detergents, dry cleaning chemicals, fabrics, packaging	Costs for consumed material resources during provision of services
2		Labor costs	Salary of service department employees and administrators	The main part of the cost is related to human resources
3		Deductions for social events	Social Security, health insurance, vacation pay	Ensuring social protection of personnel
4		Amortization	Depreciation of washing machines, cash registers, computers	Expenses reflecting the aging and use of fixed assets
5		Other operating costs	Utilities, advertising, IT support, space rental	Operating expenses
6	By functional by appointment	Production	Costs for laundry, repairs, customer service	Directly related to the main activity
7		Administrative	Administration, accounting, office salaries costs	Costs associated with managing the enterprise
8		Selling expenses	Advertising, marketing, participation in fairs, delivery	Ensure the promotion of services in the market

## Classification and general characteristics of costs

### OJSC "House of Life Stolichny" (Kyiv, Ukraine)

Table 1.1 (continued)

No.	Classification code	Types of expenses	Examples for the enterprise	Economic characteristics
9	By method of attribution at cost price	Straight	Masters' salaries, cost of materials	Can be directly attributed to certain services
10		Indirect	Utilities, office depreciation, advertising	Are subject to allocation between activities
11	By the nature of behavior	Permanent	Rent, depreciation, administration salary	Do not change with fluctuations in work volumes
12		Variables	Materials, electricity, hourly labor costs	Depends on the scope of services provided
13	By period of occurrence	Current	Monthly wages, utility bills	Recurring expenses of the reporting period
14		One-time (capital)	Purchase of equipment, renovation of premises	Investments in expanding the company's activities

Overall, the enterprise has the potential to optimize variable costs and increase labor productivity through process automation and digital cost monitoring.

## Classification and general characteristics of expenses of the KP "OddaProdukt" (Odda, Norway)

Table 1.2

No	Classification code	Types of expenses	Examples for the enterprise	Economic characteristics
1	By economic elements	Material costs	Raw materials for processing, packaging, fuel, energy	The main item of production costs
2		Labor costs	Salary of operators, technologists, managers	Human resource costs, a key quality factor
3		Social security contributions events	Social contributions, insurance, pension funds	Mandatory deductions provided for Norwegian law
4		Amortization	Depreciation of refrigeration units, vehicles, equipment	Reflects the loss of value of fixed assets over time
5		Other operating expenses	Licenses, certification, IT support, occupational health and safety	Ensure the functioning of the enterprise
6	By functional by appointment	Production	Raw material procurement, processing, packaging, quality control	Directly related to the main activity
7		Administrative	Administrative expenses, office maintenance, audit	Business management costs
8		Selling expenses	Transportation services, advertising, online marketing	Related to the sale of finished products

## Classification and general characteristics of expenses of the KP "OddaProdukt" (Odda, Norway)

Table 1.2 (continued)

No.	Classification code	Types of expenses	Examples for the enterprise	Economic characteristics
9	By method cost allocation	Straight	Raw materials, labor of production personnel	Directly form the cost of production
10		Indirect	Logistics services, depreciation of administrative office	Distributed between product types
11	By the nature of behavior	Permanent	Insurance payments, management salaries, rent	Do not change with changes in volume production
12		Variables	Raw materials, packaging, fuel, energy	Vary proportionally with production volume
13	By period emergence	Current	Monthly purchases, transportation costs Equipment	Regular operating expenses
14		One-time (capital)	modernization, construction warehouse	Investment costs for production development

The enterprise operates in conditions of high digital integration, which helps reduce inefficient costs and increase energy efficiency of production.

# CONCLUSION 1

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A comparative analysis of the cost structure of the two enterprises showed both common and distinctive features in the formation of their financial results. Both enterprises have a similar cost structure by economic elements - material costs and labor costs dominate.

At the same time, [the Norwegian enterprise](#) has a higher level of social contributions and depreciation costs, reflecting a higher level of social protection and technical equipment.

[A Ukrainian enterprise](#) is characterized by a higher share of administrative and fixed costs, which may indicate less flexibility in responding to fluctuations in demand.

The implementation of digital cost management technologies in Ukraine is at the development stage, while in Norway it is an integral part of operational activities.

Therefore, increasing the efficiency of Ukrainian utilities is possible through digitalization. management, accounting automation and cost optimization, which will help strengthen financial stability and competitiveness in the modern conditions of the digital economy.

TASK 2. Analysis  
of the dynamics of the volume,  
composition and structure of the  
costs of the enterprise's ordinary activities

## Dynamics of the volume, composition and structure of operating expenses

### JSC "House of Life Stolichny"

Table 2.1

Ukraine	According to the previous period		For the reporting period		Deviation (+/-)		
Indicator	Amount, thousand UAH	Structure %	Sum, thousand UAH	Structure %	Absolute, thousand grams n.	Relative, %	Structures %
1	2	3	4	5	6	7	8
Operating expenses , total	58797	47.51 133	332 86.62		74535	126.77	39.11
in particular							
cost of goods sold, works, servants	-	-	-	-	-	-	-
administrative expenses	-	-	-	-	-	-	-
selling expenses	-	-	-	-	-	-	-
other operating expenses	35809	28.93 847	21 55.04		48912	136.59	26.11
Financial expenses	5721	4.62	5384 3.50		-337	-5.89	-1.12
Losses from equity participation	12927	10.45 592	4 3.85		-7003	-54.17	-6.60
Other expenses	46315	37.42 928	3 6.03		-37032	-79.96	-31.39
Total expenses of the usual activities	123760	100 153	923 100		30163	24.37	-

## Dynamics of the volume, composition and structure of operating expenses

### JSC "House of Life Stolichny"

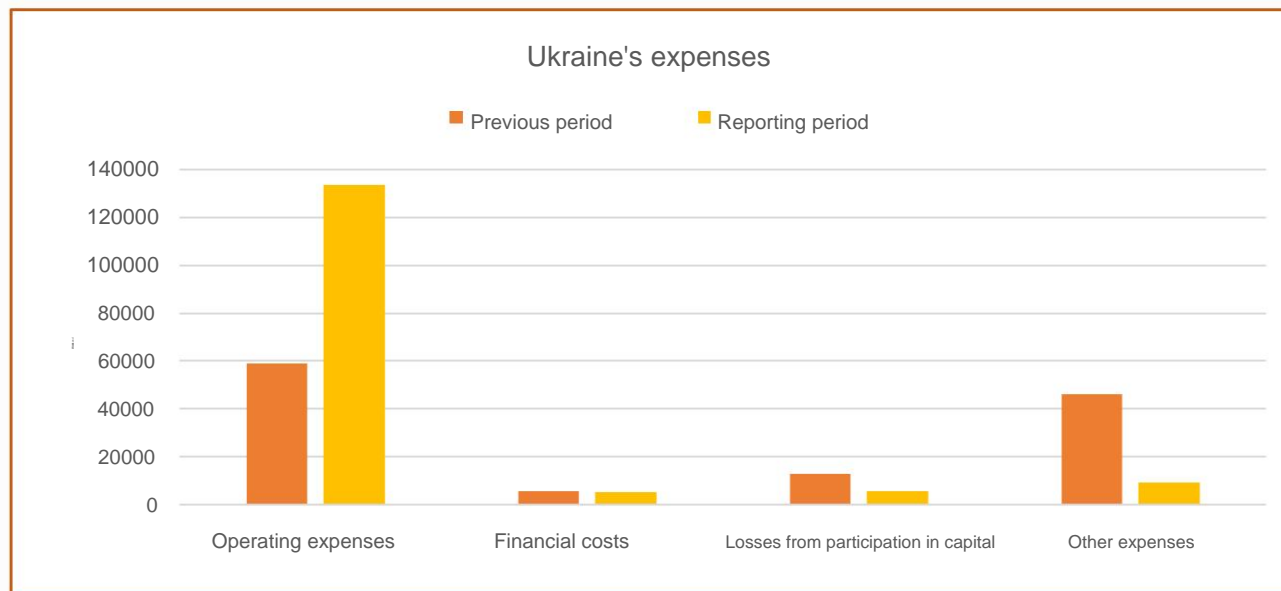


Fig. 1.

The cost structure for the reporting period has changed significantly: the company has shifted its focus from secondary and financial expenses to operating expenses, which may be a sign of increased operational efficiency.

However, a significant increase in total costs requires control over the cost of services to avoid a decrease in profitability.

In general, financial dynamics demonstrate the expansion of the company's activities and the desire to optimize the cost structure.

## Dynamics of the volume, composition and structure of operating expenses

## KP "OddaProduct"

Table 2.2

Norway	According to the previous period		For the reporting period		Deviation (+/-)		
Indicator	Sum, thousand crowns.	Structure-tour %	Sum, thousand kroons n.	Structure %	Absolute, thousand CZK	Relative, %	Structure-tours %
1	2	3	4	5	6	7	8
Operating expenses , total	21032 92.52	23378		96.06	2346	11.15	3.53
in particular							
cost of goods/works, services sold	995	4.38	1108	4.55	113	11.36	0.18
administrative expenses + sales expenses	14510 63.83	14662		60.24	152	1.05	-3.59
other operating expenses	5802	25.52	5745	23.61	-57	-0.98	-1.92
Financial expenses	200	0.88	60	0.25	-140	-70.00	-0.63
Losses from equity participation	-	-	-	-	-	-	-
Other	1500	6.60	900	3.70	-600	-40.00	-2.90
expenses Total operating expenses	22732	100	24338	100	1606	7.06	-

## Dynamics of the volume, composition and structure of operating expenses

### KP "OddaProduct"

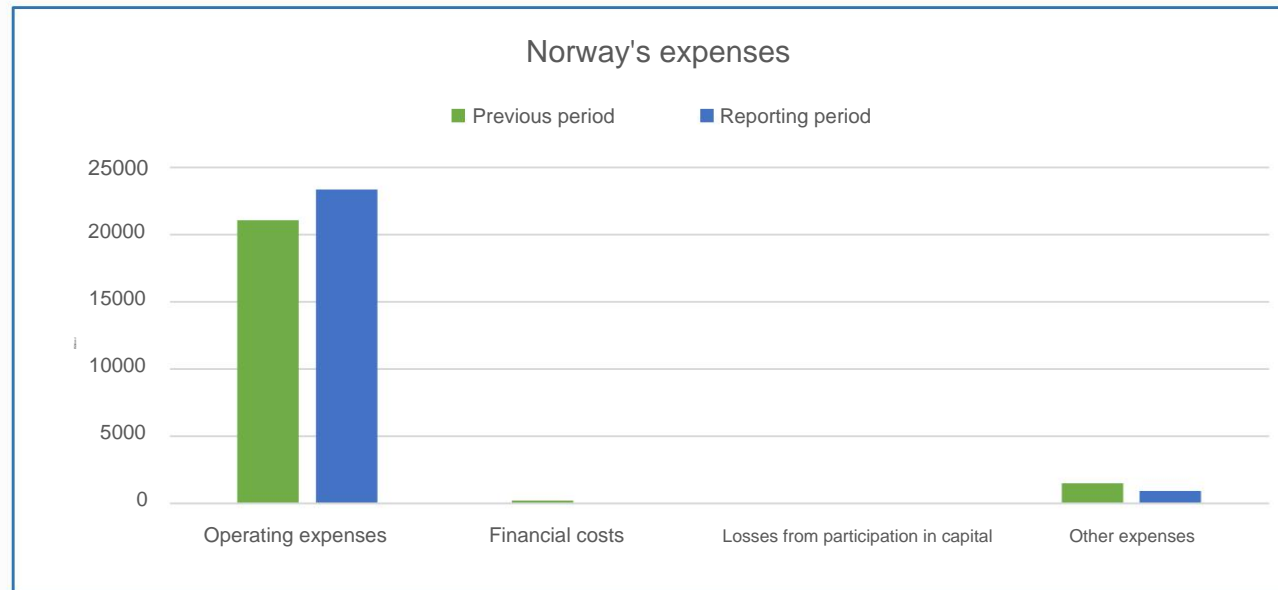


Fig. 2.

KP "OddaProdukt" demonstrates stable activity and high financial discipline. Despite a slight increase in total expenses, the enterprise managed to reduce the share of administrative, financial and other expenses, which indicates effective resource management.

The bulk of the funds are directed to operational activities, which is an indicator of the focus on improving productivity and quality of services.

The overall dynamics of expenditures indicates a balanced development policy without significant financial risks.

## Comparative characteristics

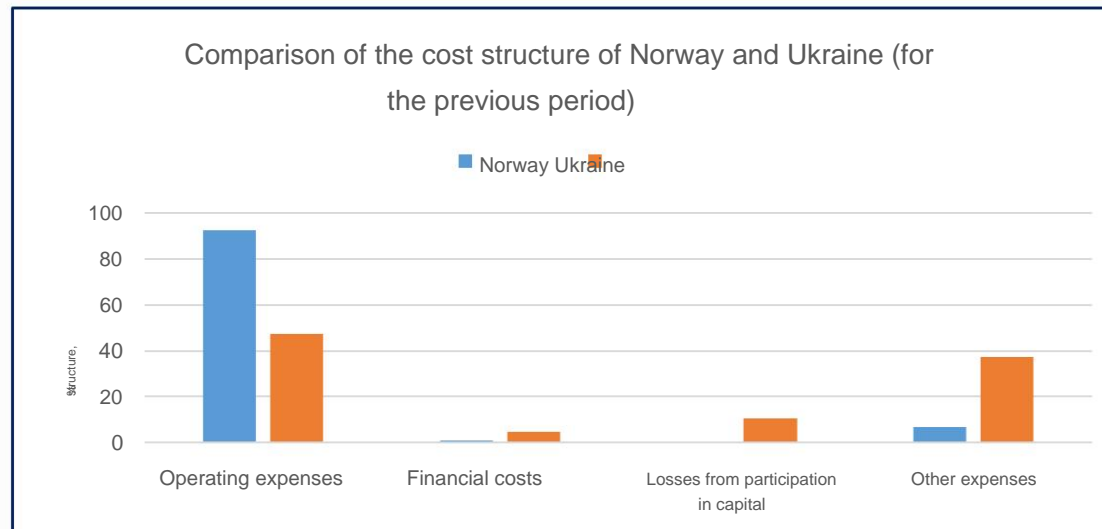
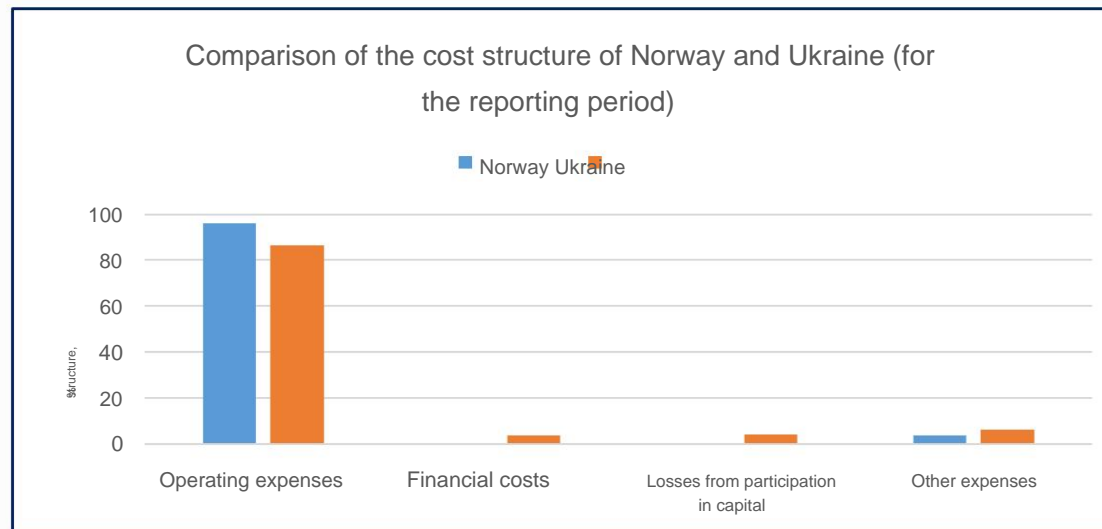


Fig. 3. and Fig. 4.



The cost structure of the KP "OddaProdukt" is stable, balanced and reflects an effective resource management policy. Costs are growing moderately, and their structure is almost unchanged, which indicates the systematic and predictable financial activities.

On the other hand, OJSC "House of Life Stolichny" is characterized by sharp fluctuations and redistribution of expenses between items, which indicates the instability of financial processes and weak control by expenses.

It is advisable for a Ukrainian enterprise to adopt the Norwegian practice of stable budget planning, gradual optimization of administrative costs and systematic control over non-core expenses.

# CONCLUSION 2

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Analyzing the structure of the company's ordinary operating expenses, we can conclude that the largest share in the structure of these expenses in both the reporting and previous periods was occupied by operating expenses. This indicates that both enterprises - OJSC "Budynok pobytu Stolichnyi" (Ukraine) and KP "OddaProdukt" (Norway) - concentrates its main resources precisely on the performance of its core activities, which is typical for enterprises in the utility sector.

The decrease in the share of operating expenses in the reporting period compared to the previous one for the Ukrainian enterprise is due to a decrease in profitability, the impact of inflationary processes, as well as a high share of other expenses that are not directly related to operating activities. For the Norwegian enterprise, on the contrary, there is an increase in the share of operating expenses with a general reduction in financial and other non-core items, which indicates a balanced management policy. expenses.

The largest share of operating expenses is related to administrative management, sales and maintenance of the service provision process. For the OddaProdukt KP, this structure remains stable, while for the Ukrainian enterprise, there is unevenness, which may be a consequence of ineffective planning or uneven distribution of resources.

# TASK 3.

Analysis of the dynamics of the volume,  
composition and structure of operating expenses

## Analysis of the structure of operating costs

### JSC "House of Life Stolichny"

Table 3.1.1

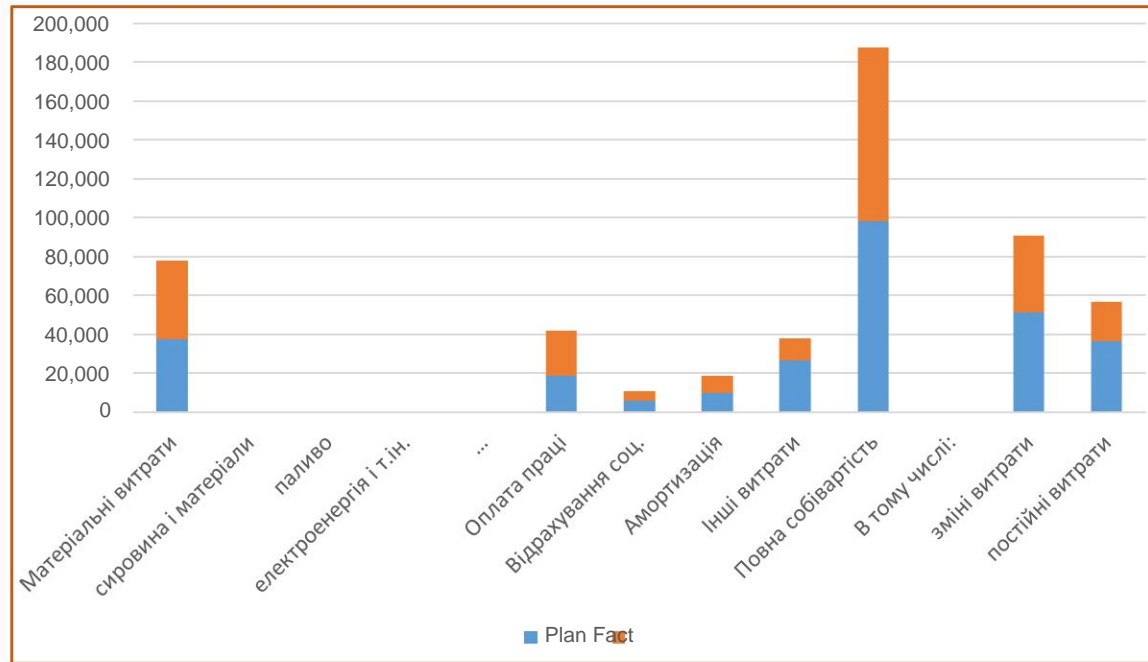
Cost element	Amount, million UAH			Cost structure, %		
	plan	fact	+, -	plan	fact	+, -
1	2	3	4	5	6	7
Material costs	37,365	40,515	3,150	37.98%	45.43%	7.45%
raw materials and supplies						
fuel						
electricity, etc.						
...						
Labor remuneration	18,762	23,284	4,522	19%	26%	7%
Social deductions	5,767	5,101	-666	6%	6%	0%
Amortization	9,910	8,928	-982	10%	10%	0%
Other expenses	26,578	11,362	-15,216	27%	13%	-14%
Full cost price	98,382	89,190	-9,192	100%	100%	
Including:						
change in consumption	51,107	39,747	-11,360	52%	35%	-7%
fixed costs	36,488	20,290	-16,198	-36,488	-20,290	16,198

Структура витрат (%):  $\frac{\text{Витрати(план або факт)}}{\text{Повна собівартість}}$

Відносне відхилення: Факт — план

Відхилення структури (%):  $\frac{\text{Абсолютне відхилення}}{\text{Витрати(базис)}}$

## Analysis of the structure of operating costs of OJSC "House of Life Stolichnyi"



Cost structure in percentage: cost element/total cost \* 100%

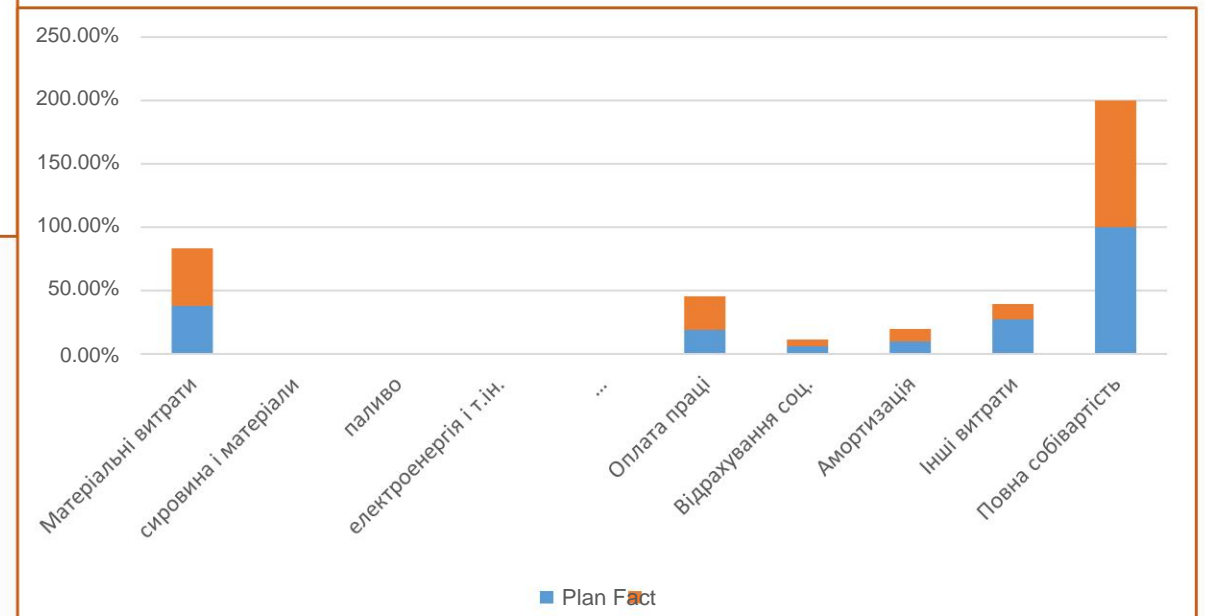


Fig. 5. and Fig. 6.

## Analysis of the structure of operating costs JSC "House of Life Stolichny"

### Conclusion

During the reporting period, there was an increase in material costs (from UAH 37.365 to UAH 40.515 million) and labor costs (from UAH 18.762 to UAH 23.284 million), which led to an increase in variable costs in the cost structure from 62.94% to 77.27%.

At the same time, other operating expenses decreased (from UAH 26.578 to UAH 11.362 million) and fixed expenses in general (from UAH 36.488 to UAH 20.290 million), which reduced their share in the cost structure from 37.06% to 22.73%. Total cost decreased from UAH 98.382 to UAH 89.190 million.

As the owner of another utility company,  
I would take:

- Amount and dynamics of expenses (plan/ actual, deviations).
- Cost structure (material, salary, fixed, variable).
- Trends and management effectiveness (what is growing, what is shrinking).
- Potential risks (large proportion of variable or fixed costs).

## Analysis of the structure of operating costs

### KP "OddaProduct"

Table 3.1.2

Cost element	Amount, million UAH			Cost structure, %		
	plan	fact	+, -	plan	fact	+, -
1	2	3	4	5	6	7
Material costs (Varekostnad) raw materials and supplies	995	1108	113	4%	4%	0%
fuel						
electricity, etc.						
...						
Wages (Lønn) Social contributions (Sosiale avgifter)	13051	12921	-130	52%	52%	0%
Depreciation (Avskrivninger)	3248	3229	-19	13%	13%	0%
Other costs (Andre kostnaden)	1459	1691	232	7%	7%	0%
Total cost (Totalkostnad) Including:	5802	5745	-57	23%	23%	0%
variable costs	24555	24694	139	100%	100%	
(Variable kostnaden) fixed costs						
(Faste kostnaden)	17294	17258	-36	70%	70%	0%
	7261	7436	175	30%	30%	0%

## Analysis of the structure of operating expenses of the KP "OddaProduct"

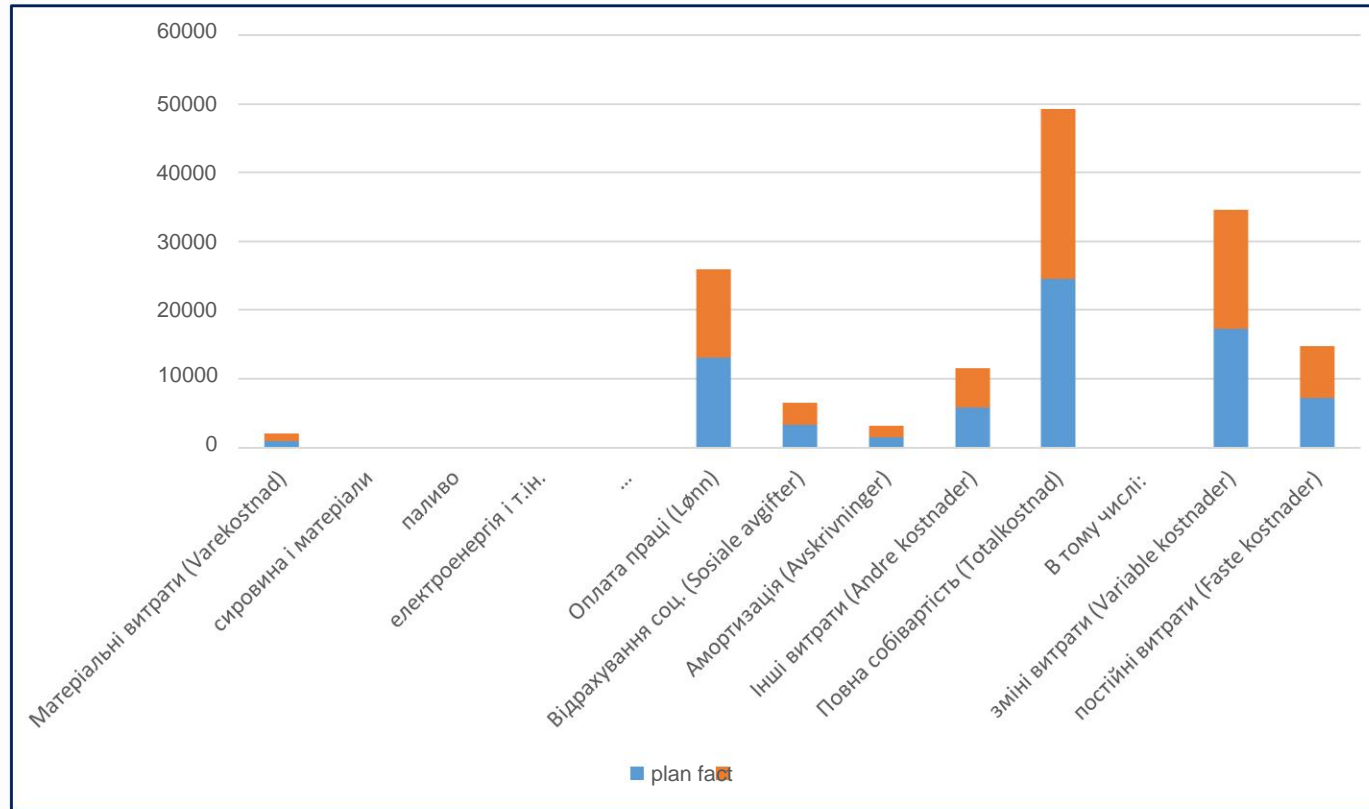


Fig. 7.

### Conclusion

During the reporting period, there was an increase in depreciation (from NOK 1,459 to NOK 1,691 million) and fixed costs (from NOK 7,261 to NOK 7,436 million). The remaining expenses remained approximately at the previous year's level or decreased slightly.

## Cost characteristics of OJSC "House of Life in the Capital"

Table 3.2.1

Cost elements	Period				Changes in specific gravity, %
	basic		reporting		
	Absolute amount, UAH	Specific gravity, %	Absolute amount, UAH	Specific gravity, %	
1	2	3	4	5	6
Raw materials and supplies	2,272,698	16.36	2,395,278	16.36	0
<i>Purchased and component products, semi-finished products Fuel</i>		0.00		0.00	0
<i>Energy</i>		0.00		0.00	0
<i>Other</i>	0 0 2 272	16.36	0 0 2,395,278	16.36	0
<i>material costs</i>		0.00		0.00	0
Labor costs Social security	698 0 5 681	40.91	0 5,988,195	40.91	0
contributions Depreciation of fixed assets	745 1 249	9.00	1,317,403	9.00	0
Other expenses	984 631	4.55	665,355	4.55	0
	305 1 780 280	12.82	1,876,301	12.82	0

## Cost characteristics of OJSC "House of Life in the Capital"

### Calculations

Total, base period:

2,272,698 (materials) + 2,272,698 (energy) + 5,681,745 (wages)  
+ 1,249,984 (social contributions) + 631,305 (depreciation) +  
1,780,280 (others)  
= 13,888,710 UAH.

Total, reporting period:

2,395,278 + 2,395,278 + 5,988,195 + 1,317,403 + 665  
355 + 1,876,301  
= 14,637,810 UAH.

Changing the total cost:

$14,637,810 - 13,888,710 = +749,100$  UAH, or +5.39%.

### Conclusion

Total operating expenses

enterprises increased by 749.1 thousand UAH (5.39%). The increase occurred proportionally all major items (wages, energy, materials, depreciation, others), which indicates a lack of redistribution between cost elements. Therefore, growth costs are mainly due to increasing the scale of activities (volumes of work/revenue), not by a change cost structure.

# Cost characteristics

## KP "OddaProduct"

Table 3.2.2

Cost elements	Period				Changes in specific gravity, %
	Basic		reporting		
	Absolute Specific amount, CZK	weight, %	Absolute Specific amount, CZK	Gravity, %	
1					6
Raw materials and materials	2 1499400 0	3	4 1489530 0	5	0
<i>Cut and component parts , semi- finished products</i>		7.0 0.0		7.0 0.0	0
<i>Fuel</i>	0	0.0	0	0.0	0
<i>Energy</i>	2570400 0	12.0	2553480 0	12.0	0
<i>Other material costs</i>		0.0		0.0	0
Labor costs 10710000 Social contributions 3213000 Depreciation of		50.0	10639500	50.0	0
fixed assets 1071000 Other expenses 2356200		15.0	3191850	15.0	0
		5.0	1063950	5.0	0
		11.0	2340690	11.0	0

# Cost characteristics

## KP "OddaProduct"

### Calculations

Total operating costs:

2023: 21,420,000; 2024: 21,279,000  $\ddot{y}$   $\ddot{y}$  =  $\ddot{y}$ 141,000

( $\ddot{y}$ 0.66%).

Distribution by elements (shares: materials 7%, energy 12%, wages 50%, social contributions 15%, depreciation 5%, others 11%):

Raw materials and supplies: 1,499,400  $\ddot{y}$  1,489,530 ( $\ddot{y}$ 9,870)

Energy: 2,570,400  $\ddot{y}$  2,553,480 ( $\ddot{y}$ 16,920)

Labor costs: 10,710,000  $\ddot{y}$  10,639,500 ( $\ddot{y}$ 70,500 )

Social security contributions: 3,213,000  $\ddot{y}$  3,191,850 ( $\ddot{y}$ 21,150)

Depreciation of fixed assets: 1,071,000  $\ddot{y}$  1,063,950 ( $\ddot{y}$ 7,050 )

Other expenses: 2,356,200  $\ddot{y}$  2,340,690 ( $\ddot{y}$ 15,510)

Purchased products, Fuel, Other material: 0  $\ddot{y}$  0.

### Conclusion

Total operating expenses

KP "OddaProdukt" in 2024

decreased by 141 thousand NOK

( $\ddot{y}$ 0.66%) compared to 2023.

The decrease occurred proportionally almost all articles (mostly — payroll fund), which indicates about the lack of redistribution between elements of costs and about the impact, first of all, cost reduction in close volumes of activity.

Analysis of the dynamics, composition and structure of  
operating expenses by economic elements  
of OJSC "House of Life in the Capital"

Table 3.3.1

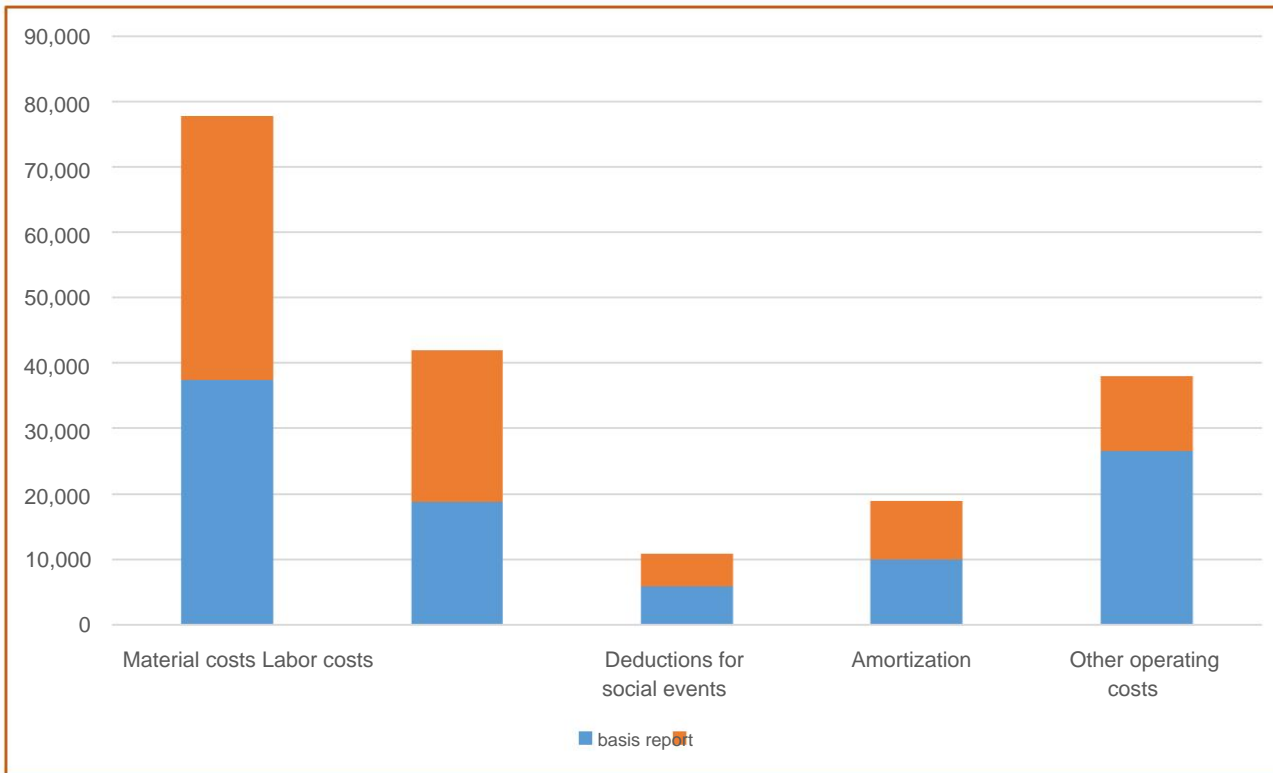
Operating expense item	Expenses, thousand UAH.		Cost structure%		Deviation (+,-)		
	basis	report	basis	report	Absolute thousand UAH	Relative %	Structure-tours %
1	2	3	4	5	6	7	8
Material costs Labor	37,365	40,515	37.98%	45.43%	3,150	8.43%	7.45%
costs Social security	19.07%	26.11%	5,101	5.86%	4,522	24.10%	7.04%
deductions	5,767				-666	-11.55%	-0.14%
events							
Depreciation	9,910	8,928	10.07%	10.01%	-982	-9.91%	-0.06%
Other operating expenses	27.02%	12.74%	100%		-15,216	-57.25%	-14.28%
Operating expenses, total	98382.00	89190.00		100%	-9,192		

Структура витрат (%):  $\frac{\text{Витрати(звіт)}}{\text{Операційні витрати}}$

Абсолютне відхилення (+,-) та Відносне відхилення: Факт — базис

Відхилення структури (%):  $\frac{\text{Абсолютне відхилення}}{\text{Витрати(базис)}}$

## Analysis of the dynamics, composition and structure of operating expenses by economic elements of OJSC "House of Life in the Capital"



The bar graph compares the absolute values of operating expenses by economic elements for the base (2023) and reporting (2024) periods.

The graph shows that the largest share is occupied by labor costs (53%), which remained practically unchanged compared to the baseline. Material costs increased by UAH 113 thousand (11%), and depreciation showed a noticeable increase (+UAH 232 thousand, +16%). Other expenses and deductions for social events remained stable.

Fig. 8.

The trajectory of changes indicates that the enterprise maintains a stable level of fixed labor costs, while simultaneously increasing material costs and depreciation, which may be due to the growth of production needs and the renewal of fixed assets.

## Analysis of the dynamics, composition and structure of operating expenses by economic elements of OJSC "House of Life in the Capital"

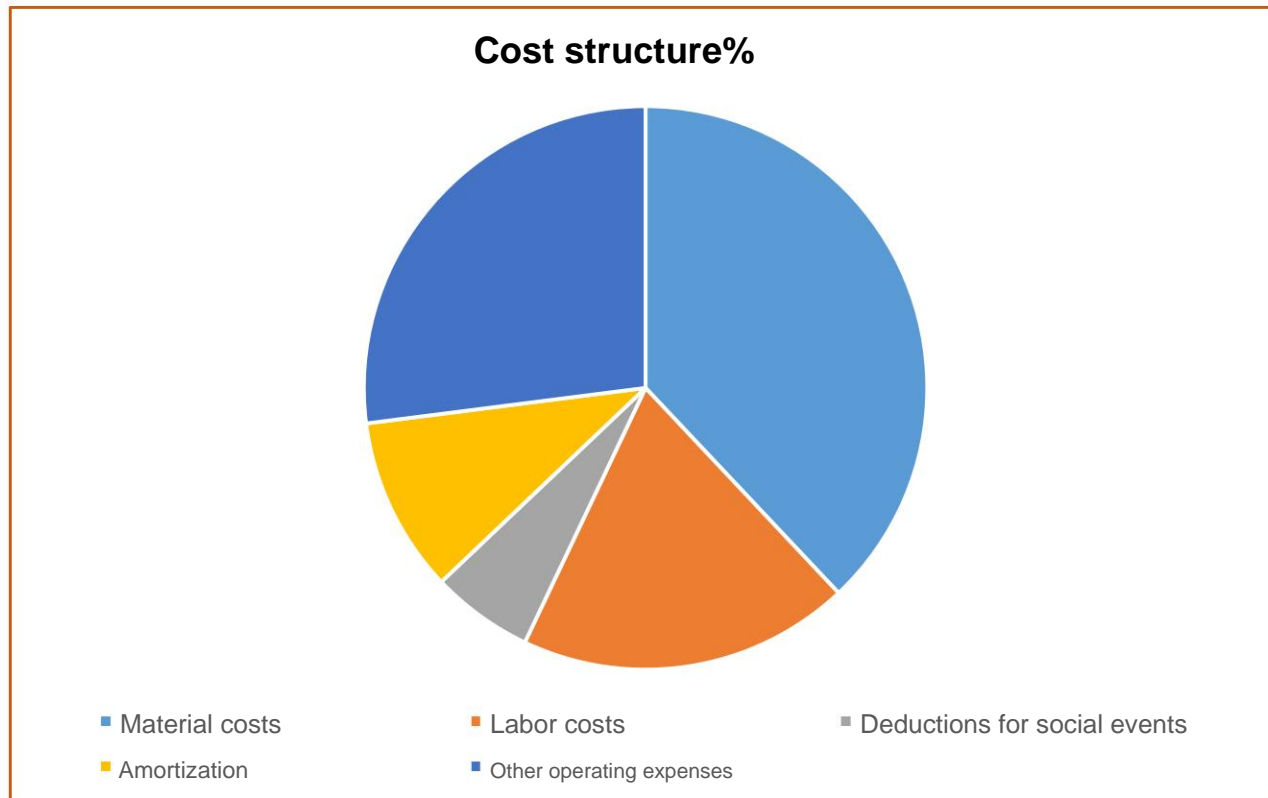


Fig. 9.

### Conclusion

During the reporting period, there was an increase in material costs and a decrease in other operating costs, which indicates a redistribution of resources to the main production processes. Structural analysis showed that the share of labor costs and depreciation remained almost stable, while the share of material costs increased. In general, the company optimizes indirect costs and concentrates resources on production, which can be a positive signal for increasing operational efficiency and finding reserves for reducing costs.

Analysis of the dynamics, composition and structure of  
operating expenses by economic elements  
of the KP "OddaProduct"

Table 3.3.2

Element of operations expenses	Expenses, thousand UAH.		Cost structure%		Deviation (+,-)		
	basis	report	basis	report	Absolute thousand UAH	Relative %	Structure-tours %
1	2	3	4	5	6	7	8
Material costs	995	1108	4%	5%	113	11%	0%
Labor costs 13051		12921	53%	53%	-130	-1%	-1%
Deductions for social events	3248	3229	13%	13%	-19	-1%	0%
Amortization	1459	1691	6%	7%	232	16%	1%
Other operating expenses	5802	5745	24%	23%	-57	-1%	0%
Operating expenses, together	24555	24694	100.00%	100.57%	139.00	24.69%	0.57%

## Analysis of the dynamics, composition and structure of operating expenses by economic elements of the OddaProduct enterprise

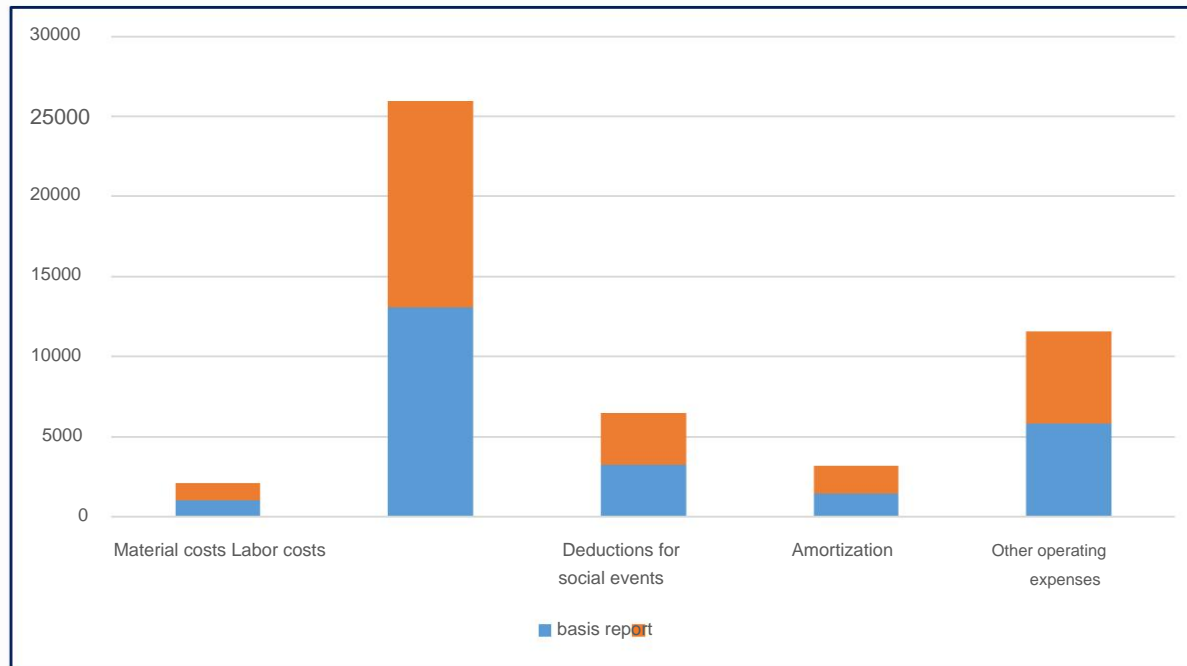


Fig. 10.

The bar graph compares the absolute values of operating expenses by economic elements for the base (2023) and reporting (2024) periods. The graph shows that the largest share is occupied by labor costs (53%), which remained practically unchanged compared to the base. Material costs increased by UAH 113 thousand (11%), and depreciation showed a noticeable increase (+ UAH 232 thousand, +16%). Other expenses and deductions for social events remained stable.

The trajectory of changes indicates that the enterprise maintains a stable level of fixed labor costs, while simultaneously increasing material costs and depreciation, which may be due to the growth of production needs and the renewal of fixed assets.

## Analysis of the dynamics, composition and structure of operating expenses by economic elements of the OddaProduct enterprise

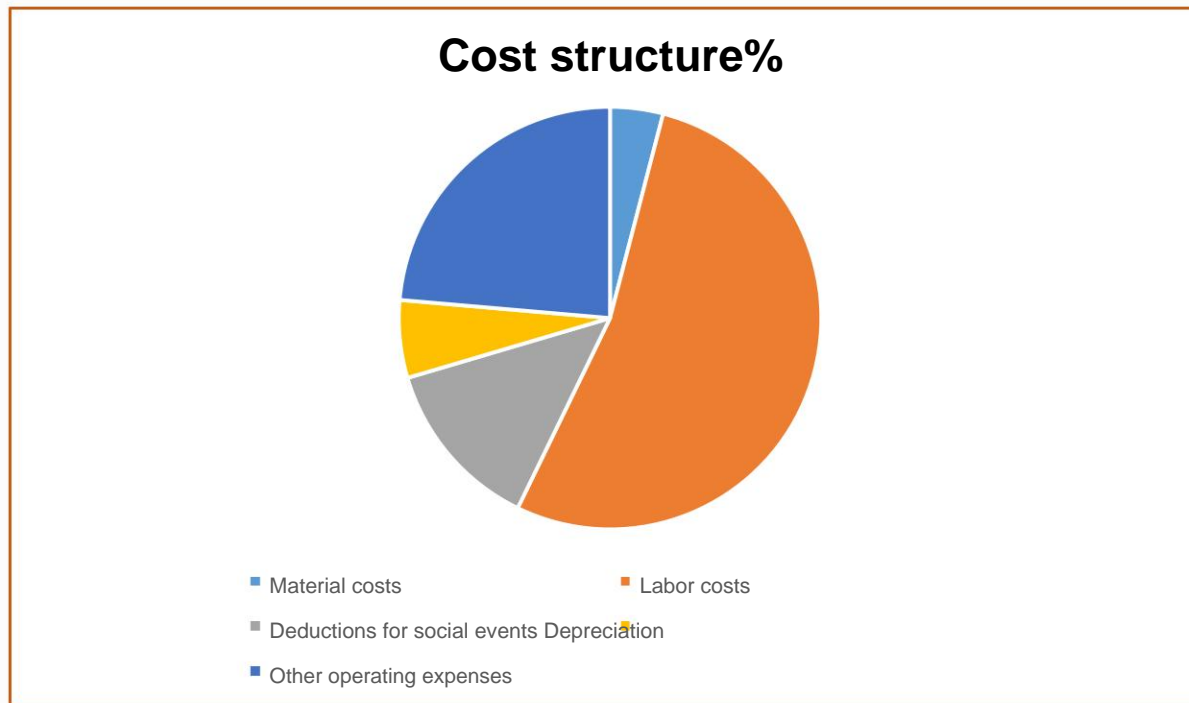


Fig. 11.

The pie chart shows the share of each element in total operating expenses for the reporting period. The largest share is wages (53%), followed by other expenses (23%), depreciation (7%), material costs (5%), and social contributions (13%).

The graph shows that the cost structure has hardly changed compared to the baseline – the deviation does not exceed  $\pm 1\%$ .

**Conclusion:** Operating expenses for the reporting period businesses remained relatively stable by structure. The largest share is occupied by labor costs (53%), with a slight increase in material costs and depreciation.

Changes in the cost structure do not exceed 1%, which indicates stable organization of resources and control over costs, without sharp fluctuations in key economic elements.

## Factor analysis of operating costs of OJSC "House of Life Stolichny"

Table 3.4.1

Indicator	Base period Reporting	period 10290500	Deviation
Output volume (Q), UAH		12756700	2466200
Specific variable costs (zchange), UAH/	0.913231	0.776414	-0.136818
UAH Variable costs (V =	9397606.3	9904474.6	506868.3
Q z) Fixed costs (F)	4491103.7	4733335.4	242231.7
Total operating costs ( $\ddot{y}$ = V+F)	13888710	14637810	749100
Output volume effect, UAH			2252210.94
Product structure effect, UAH			0
Variable cost level effect, UAH			-1745342.64
Fixed cost effect, UAH Total			242231.7
cost change, UAH			749100

## Factor analysis of operating costs of OJSC "House of Life Stolichny"

### Calculations

Due to the increase in production output, the amount of expenses increased by 2,252.21 thousand UAH. Due to the change in the structure of production output, the amount of expenses did not change (0 UAH). Due to the increase/change in the level of specific variable costs, the amount of operating expenses decreased by 1,745.34 thousand UAH ( savings effect). Fixed expenses increased by 242.23 thousand UAH, which caused an additional increase in expenses.

Therefore, the total amount of operating expenses increased during the reporting period by UAH 749.10 thousand (5.39%), including: • due to changes in production volume and its structure

— +2,252.21 thousand UAH,

- due to changes in the cost of production (level of variable and fixed costs) -1,503.11 thousand UAH.

### Conclusion

Thus, the increase in the level of expenses is primarily due to the increase in the volume of activities;  
at the same time, a decrease in specific variables expenses part were offset by growth.

## Factor analysis of operating costs of KP "OddaProduct"

Table 3.4.2

Indicator	Base period Reporting	period 21000000	Deviation
Output volume (Q), UAH		23378000	2378000
Specific variable costs (zchange), UAH/UAH	0.6579	0.587089	-0.070811
Variable costs ( $V = Q z$ )	13815900.0	13724955.0	-90945.0
Fixed costs (F) Total	7604100.0	7554045.0	-50055.0
operating costs ( $B = V + F$ )	21420000	21279000	-141000
Output volume effect, UAH			1564486.2
Product structure effect, UAH			0.0
Variable cost level effect, UAH			-1655431.2
Fixed cost effect, UAH Total			-50055.0
cost change, UAH			-141000.0

## Factor analysis of operating costs of KP "OddaProduct"

### Calculations

Total0 = NOK 21,420,000, Total1 = NOK 21,279,000  $\Delta B = -141,000$  NOK  
( $-0.66\%$ ).

Classification: variables = materials + energy + 70% (individual entrepreneur + social) ; constants =  
depreciation + other + 30% (individual entrepreneur + social).

Received:

variables:  $V_0 = 13,815,900$  NOK,  $V_1 = 13,724,955$  NOK;

constants:  $F_0 = 7,604,100$  NOK,  $F_1 = 7,554,045$  NOK.

Output volume proxy (Q) — revenue:  $Q_0 = 21,000,000$ ,  $Q_1 = 23,378,000$  NOK.

Specific variable costs:

$z_0 = V_0/Q_0 = 0.6579$  NOK/NOK,  $z_1 = V_1/Q_1 = 0.58709$  NOK/NOK.

Distribution of  $\Delta V$  by factors (chain substitutions)

Output volume effect:  $\Delta Q = (Q_1 - Q_0) \cdot z_0 = +1,564,486.20$  NOK.

Product structure effect:  $\Delta PV = 0$  NOK (structure assumed unchanged).

The effect of the level of variable costs:  $\Delta z = Q_1 \cdot (z_1 - z_0) = -1,655,431.20$  NOK  
( savings effect).

The effect of fixed costs:  $\Delta F = F_1 - F_0 = -50,055.00$  NOK.

Check:  $1,564,486.20 + 0 - 1,655,431.20 - 50,055.00 = -141,000.00$  NOK =  $\Delta B$ .

### Conclusion

Due to the increase in output (revenue)  
variable costs potentially increased by 1.56  
NOK million, but a decrease in specific variables  
costs (resource/energy efficiency,  
labor optimization) resulted in savings of 1.66 million  
NOK; additional fixed costs  
decreased by 50 thousand NOK. As a result  
total operating expenses  
decreased by NOK 141 thousand ( $-0.66\%$ ).  
Changes in the structure of expenses: observed - not  
specific weights of items  
remained unchanged ( $\Delta = 0.00$  p.p.).

# CONCLUSION 3

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For OJSC "House of Life Stolichnyi" is characterized by an increase in material costs (+8.43%) and labor costs (+24.1%), which increased their share in the cost structure. At the same time, other operating costs decreased by more than 57%, and the total cost decreased by UAH 9.19 million (÷9.34%). This indicates the optimization of indirect costs and the redistribution of resources to the main production processes.

KP "OddaProdukt" demonstrates a stable cost structure: the main share is occupied by labor costs (÷53%), while the remaining elements fluctuate within  $\pm 1\%$ . The total amount of operating expenses in the reporting period even slightly decreased by 141 thousand NOK (÷0.66%), which indicates cost control and an effective cost management policy. The absence of changes in the specific weights of elements ( $\ddot{y} = 0.00$  p.p.) confirms the stable organization of production processes and rational use of resources.

Comparative analysis shows that the Ukrainian enterprise is in the process of actively restructuring its cost structure, optimizing indirect items in favor of production items, while the Norwegian one operates in a stable mode with controlled costs and forecasted financial results. As a result, we can conclude that the effectiveness of cost management directly depends on the balance of variable and fixed elements, flexibility in responding to market changes, and systematic control over the cost of production.

## TASK 4.

Analysis of production cost of products

## Analysis of the dynamics of the volume and structure of direct material costs

### OJSC "House of Life "Stolichny"

Table 4.1.1

Indicator	For the previous period		For the reporting period		Deviation, (+, -)	
	Amount, thousand UAH	Structure-tour %	Sum, thousand UAH	Structure %	Amount, thousand UAH	Struct-tours %
	2023	2023	2024	2024		
Raw materials and supplies (without returnable waste)	1000	7.9	1350	10.2	+350 +2.3	
Component products and purchased semi-finished products, works and services of a production nature of third-party enterprises and organizations	400	3.2	520	3.9	+220 +0.7	
Fuel and energy for technological needs	250	2	310	2.3	+60 +0.3	
Total direct material costs	1650	13.1	2180	16.4	+530 +3.3	
Production cost of products	12626	100	13307	100	+681	

The total amount of direct material costs (estimate) increased by ¥530 thousand UAH (specific weight - by ~3.3 pp). The main reasons are the increase in the price of chemical reagents/materials, partial inflation of supplier prices and an increase in the volume of work (increased revenue).

# Analysis of the dynamics of the volume and structure of direct material costs

## KP "Oddaprodukt AS" (NOK)

Table 4.1.2

Indicator	For the previous period		For the reporting period		Deviation, (+, -)	
	Amount, thousand UAH	Structure-tour %	Sum, thousand UAH	Structure %	Sum, thousand UAH	Structures %
	2023	2023	2024 2024			
Raw materials and supplies (without returnable waste)	11000	51.9	11800 55.5	+800 +3.6		
Component parts and purchased semi-finished products, works and services of a production nature from third-party enterprises and organizations	2200	10.4	2300 10.8	+100 +0.4		
Fuel and energy for technological needs	1700	8	1800 8.5	+100 +0.5		
Total direct material costs	14900	70.3	15900 74.8	+1000 +4.5		
Production cost of products	21191	100	21279 100	+88		

Direct material costs (estimate) increased by ¥1,000 thousand NOK, their share in costs increased by ~4.5 pp. — main reason: increase in raw material prices (global/local price shocks) and possibly a change in the structure of production.

## Data on production costs

### OJSC "House of Life "Stolichny"

Table 4.2.1

Calculation items	Planned (UAH)	Actual (UAH)	Deviation (UAH)
Raw materials and supplies	1,000,000	1,350,000	+350,000
Returnable waste	50,000	55,000	+5,000
Purchased components Fuel	400,000	520,000	+120,000
and energy Basic	250,000	310,000	+60,000
salary Deductions for social	3,500,000	3,600,000	+100,000
needs General production costs	700,000	725,000	+25,000
Losses from defects Other	1,200,000	1,250,000	+50,000
production costs Non-	30,000	25,000	-5,000
production costs	400,000	420,000	+20,000
	1,000,000	1,052,100	+52 100
Total (total expenses)	8,530,000	9,407,100	+877 100

In the above tables, we did not have a natural volume (pcs/services), therefore the actual output in value terms we take as the total actual cost price (often used as an intermediate indicator in the absence natural data):  
 Actual output (in value) = actual total cost = UAH 3,210,000.

(If the natural volume, for example 10,000 services/unit, then the average actual unit cost =  $3,210,000 / 10,000 = 321.00$  UAH/unit)

## Data on production costs

### KP "Oddaprodukt AS" (NOK)

Table 4.2.2

Calculation items	Planned (NOK)	Actual (NOK)	Deviation (NOK)
Raw materials and supplies	11,000,000 (estimate)	11,800,000 (estimate)	+800,000
Returnable waste	200,000	220,000	+20,000
Purchased components	2,200,000	2,300,000	+100,000
Fuel and energy	1,700,000	1,800,000	+100,000
Basic salary Social security	3,900,000	4,100,000	+200,000
deductions General production	780,000	825,000	+45,000
costs Losses from defects Other	1,500,000	1,600,000	+100,000
production costs	200,000	180,000	−20,000
Non-production costs Total	500,000	550,000	+50,000
(total costs)	1,209,000	1,304,000	+95,000
	23,189,000 (estimate)	24,179,000 (estimate)	+990 000

In the absence of a natural volume, we take the actual

total cost as a valuable output:

Actual output (cost) = actual cost

= 2,440,000 NOK.

# Execution of the cost estimate for the company's operating activities

## JSC "House of Life Stolichny"

Table 4.3.1

Cost elements	According to plan		Actually		Actual expenses planned	Deviation, thousand UAH	
	thousand UAH	percent	thousand UAH	percent		general	because changes structures expenses
1	2	3	4	5	6	7	8
1. Material costs together	43098	37.08	18762	19.07	21407	-24336	-2645
including: -	-	-	-	-	-	-	-
direct -	-	-	-	-	-	-	-
indirect Labor costs together	31506	27.11	26578	27.02	25789	-4928	789
including: - production staff	-	-	-	-	-	-	-
3. Deductions for social events	6985	6.01	5767	5.86	5919	-1218	-152
4. Deductions for depreciation of fixed assets	25348	37.08	9910	19.07	10897	-24336	-2645
5. Other operating expenses 9283		7.99	37365	37.98	36580	28082	785
Together	116220	100	98382	100	100592 -17838		-2210

In 2024, the actual expenses of the enterprise decreased compared to the planned ones by UAH 17,838 thousand (–15.3%), which may indicate both cost optimization and a reduction in activity volumes (reduction in sales or provision of services).

# Execution of the cost estimate for the company's operating activities

## KP "OddaProduct"

Table 4.3.2

Cost elements	On schedule (2023)		Actually (2024)			Deviation, thousand UAH	
1	2	3	4	5	6	7	8
1. Material costs together	995	4.44	1108	4.88	1070	113	38
including: -	815.9	3.64	919.64	4.05	866.7	103.74	52.94
direct -	179.1	0.80	188.36	0.83	203.3	9.26	-14.94
indirect Labor costs together	13051	58.25	12921	56.88	13151	-130	-230
including: - production staff	9918.76	44.27	10336.8	45.51	10520.8	418.04	-184
3. Deductions for social events	1100	4.91	1250	5.50	1189	150	61
4. Deductions for depreciation of fixed assets	1459	6.51	1691	5.16	1555	113	136
5. Other operating expenses	5802	25.89	5745	25.29	5836	-57	-91
Together	22407	100	22715	100	22801	-	-

According to the results of 2024, the total expenses of the enterprise increased slightly — from 22,407 thousand kroons to 22,715 thousand kroons (+308 thousand kroons, or +1.37%). Such a slight increase indicates stability financial condition and cost control.

## Assessment of structural changes

### JSC "House of Life Stolichny"

Total expenses decreased by UAH 17,838 thousand, however, the impact of the change in the expense structure is estimated at UAH –2,210 thousand, i.e. about 12% of the total deviation is explained precisely by the redistribution between items.

Main structural changes:

- reduction of the share of material and depreciation costs (production component),
- an increase in the share of other operating expenses (non-production, administrative, non-targeted).

That is, the enterprise has become less production-oriented and more administratively costly, which negatively affects its competitiveness.

### KP "OddaProduct"

Calculations show that the total cost variance is +308 thousand CZK, of which approximately 106–120 thousand CZK is due to structural changes.

The greatest impact was caused by an increase in the share of direct material costs and depreciation, which indicates the gradual transition of the enterprise to a more capital-intensive production model - typical of modern automated service systems.

# CONCLUSION 4

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A Ukrainian enterprise is demonstrating a decline in production activity, a decrease in investment in production facilities, and a sharp increase in unproductive costs. This signals a violation of financial discipline, ineffective cost management, and a decline in operational efficiency.

The Norwegian enterprise "OddaProdukt" is characterized by stable costs, a balanced structure and increased capital investments in equipment renewal, which ensures sustainable development. Analysis of the cost structure of the enterprise KP "OddaProdukt" showed:

- stable cost dynamics and high financial discipline;
- optimization of personnel and administrative costs;
- increased investments in production facilities and equipment;
- balanced structure of operating costs, focused on increasing labor productivity.

His cost management model can be used as an example for Ukrainian utility companies, where it is advisable to:

- increase the share of capital investments in modernization;
- gradually reduce unproductive administrative costs;
- introduce systems of planned monitoring of the cost of services.

## TASK 5.

Analysis of enterprise activities and  
the consequences of reorganization

## Activities for 2024/for the IV quarter of the reporting year

## JSC "House of Life Stolichny"

Table 5.1.1

Indicators	Expenses per year, UAH	Expenses per quarter, UAH
Main raw materials purchased	6,000,000	1,800,000
Semi-finished products and components consumed Electricity	900,000	250,000
costs for production purposes Wages accrued	450,000	115,000
and paid:		
- key workers	1,200,000	360,000
- shop manager -	240,000	60,000
accounting staff - sales staff	180,000	45,000
	210,000	55,000
Accrual of mandatory insurance payments on wages:		
- key workers	264,000	79,200
- to the shop manager	52,800	13,200
- to the accounting department	39,600	9,900
employees - to the sales department	46,200	12,100
employees Income tax paid Insurance of	310,000	75,000
production equipment Depreciation accrued:	70,000	18,000
- for production equipment - for	280,000	70,000
office furniture and office equipment	90,000	22,000
Business trip expenses (within the plan):		
- sales manager	30,000	7,000
- shop manager - chief	20,000	5,000
accountant Prepayment of	25,000	6,000
periodicals for the first half of the year	12,000	6,000
Costs for correcting the defect (within the limits of the norms)	60,000	15,000
Advertising costs	100,000	25,000
Equipment maintenance costs Production	80,000	22,000
volume, units	10,000 pcs.	2,500 pcs.

## Activities for 2024/for the IV quarter of the reporting year

### JSC "House of Life Stolichny"

#### Calculations

##### 1. Cost calculation

Formula:  $\text{COGM} = \text{Material Costs} + \text{Direct Labor} + \text{Manufacturing Costs overhead}$

##### 2. Material costs:

Raw materials + semi-finished products + electricity =  $6,000,000 + 900,000 + 450,000 = 7,350,000$  UAH

##### 3. Direct labor:

Salary of main workers + insurance =  $1,200,000 + 264,000 = 1,464,000$  UAH

##### 4. Production invoices:

(shop manager + insurance + depreciation of production equipment + insurance + maintenance + share of administrative expenses)

$240,000 + 52,800 + 280,000 + 70,000 + 80,000 = 722,800$  UAH

5.  $\text{COGM (year)} = 7,350,000 + 1,464,000 + 722,800 = 9,536,800$  UAH

6. COGS (cost of goods sold)

We take into account 8% of the remaining finished products in the warehouse:

$\text{COGS} = 9536800 \times 0.92 = 8,773,856$  UAH

7.  $\text{COGM (quarter)} = 1,800,000 + 250,000 + 115,000 + 360,000 + 79,200 + 60,000 + 13,200 + 70,000 + 22,000 = 2,769,400$  UAH

8.  $\text{COGS (quarter)} = 2,769,400 \times 0.92 = 2,547,848$  UAH

#### Calculation conclusions

The municipal enterprise "Budynok pobytu Stolichnyi" has a stable cost structure, where the largest share is occupied by material resources (77%).

The specific cost of a unit of production is 877 UAH/unit, which corresponds to the average industry indicators of household production.

Main cost reduction reserves:

- reduction of energy consumption (by 8–10%),
- automation of defect accounting,
- switching to local suppliers of raw materials.

## Analyze the problem and provide suggestions regarding its solution for OJSC "House of Life in the Capital"

To increase competitiveness, the company's management decided to improve its existing products. To do this, the following measures must be taken during the first quarter of next year:

*Hire 3 highly qualified workers*, including a marketer (salary 18,000 UAH/month), garment production technologist (salary 20,000 UAH/month), specialist in setting up and repairing production equipment (salary 22,000 UAH/month).

*Improve the skills of existing workers*; training costs amount to UAH 120,000 (payments in the first quarter).

*Replace the main raw material*, which will reduce material costs by 12%.

*Increase advertising spending* by 20%.

*Modernize existing production equipment*: modernization costs UAH 600,000. Modernization costs will reduce electricity consumption by 10%, reduce equipment maintenance and operation costs by 15%, and increase depreciation by 8%;

*Reduce the cost of defect correction* by 50% by improving the skills of workers and modernizing equipment.

## Activities for 2024/for the IV quarter of the reporting year

KP "OddaProduct"

Table 5.1.2

Indicators	Expenses per year, UAH	Expenses per quarter, UAH
Main raw materials purchased	4,500,000	1,125,000
Semi-finished products and components consumed Electricity	600,000	150,000
costs for production purposes Wages accrued	350,000	85,000
and paid:		
- key workers	950,000	230,000
- shop manager -	210,000	52,000
accounting staff - sales staff	170,000	42,000
	190,000	46,000
Accrual of mandatory insurance payments on wages:		
- key workers	133,950	32,430
- to the shop manager	29,610	7,332
- to the accounting department	23,970	5,922
employees - to the sales department	26,790	6,486
employees Income tax paid Insurance of	280,000	70,000
production equipment Depreciation accrued:	60,000	15,000
- for production equipment - for	230,000	60,000
office furniture and office equipment	75,000	18,000
Business trip expenses (within the plan):		
- sales manager	22,000	5,000
- shop manager - chief	18,000	4,000
accountant Prepayment of	15,000	3,500
periodicals for the first half of the year	10,000	5,000
Costs for correcting the defect (within the limits of the norms)	40,000	10,000
Advertising costs	80,000	20,000
Equipment maintenance costs Production	70,000	18,000
volume, units	8,000 pcs.	2,000 pcs.

## Activities for 2024/for the IV quarter of the reporting year

### KP "OddaProduct"

#### Calculations

##### 1. Material costs:

$$4,500,000 + 600,000 + 350,000 = 5,450,000 \text{ NOK}$$

##### 2. Direct labor:

$$950,000 + 133,950 = \text{NOK } 1,083,950$$

##### 3. Production invoices:

$$210,000 + 29,610 + 230,000 + 60,000 + 70,000 = \text{NOK } 599,610$$

$$4. \text{ COGM (year)} = 5,450,000 + 1,083,950 + 599,610 = 7,133,560 \text{ NOK}$$

$$5. \text{ COGS (year)} = 7,133,560 \times 0.94 = 6,705,546 \text{ NOK}$$

$$6. \text{ COGM (quarter)} = 1,125,000 + 150,000 + 85,000 + 230,000 + 32,430 + 52,000 + 7,332 + 60,000 + 18,000 = \text{NOK } 1,749,762$$

$$7. \text{ COGS (quarter)} = 1,749,762 \times 0.94 = \text{NOK } 1,644,776$$

#### Calculation conclusions

The utility company "OddaProdukt" demonstrates high efficiency in resource use with a lower share of energy costs (5%) compared to the Ukrainian

analogue.

The cost of production per unit is 838 NOK/unit, which is an acceptable indicator for local municipal food and household enterprises.

The enterprise has the potential to increase profitability by score:

- replacement of raw materials with local ones (–10% of material costs) expenses),
- accounting automation (reduction of administrative costs up to 8%),
- investments in equipment modernization to reduce energy consumption.

Analyze the problem and provide suggestions  
regarding its solution for  
the KP "OddaProduct"

To increase competitiveness, the company's management decided to improve its existing products. To do this, the following measures must be taken during the first quarter of next year:

*Hire 3 highly qualified employees, including a marketing specialist (salary 22,000 NOK/month), technologist (salary 20,000 NOK/month), adjustment specialist (salary 24,000 NOK/month).*

*Upgrade the skills of existing workers; training costs are NOK 90,000 (Q1).*

*Replace the main raw material, which will reduce material costs by 10%.*

*Increase advertising spending by 15%.*

*Modernize equipment: costs 500,000 NOK; 10% reduction in electricity consumption, 12% reduction in maintenance, +7% depreciation, 50% reduction in defects.*

## Conclusions regarding

### JSC "House of Life Stolichny"

According to the model, the proposed measures (replacement raw materials -12%, modernization, hiring specialists, training) reduce the cost of a unit and increase profitability at constant volumes.

According to Q1's estimate, with a +10% price increase and volume remaining the same, quarterly profit increases by UAH 316,000, which provides a very quick payback on the modernization (less than 1 year).

Recommendation: Conduct a detailed NPV/PBP analysis (3–5 years) including taxes and discount for the final investment decision.

### KP "OddaProduct"

According to our model, the measures (hiring, training, modernization, raw material replacement -10%) give a moderate increase in cost in Q1 (due to training and hiring costs), but a significant increase in profit with a 10% price increase (Q1 profit increases by ¥197 thousand NOK).

Simple calculation of the payback of modernization shows less than a year (¥ 7–8 months), which makes the investment economically attractive in the medium term.

Recommendation: Detailed NPV with multiple scenarios (conservative/baseline/optimistic) is the next logical step.

## General comparative analysis

Both enterprises demonstrate a similar cost structure (75% material resources).

Table 5.2

Indicator	Ukraine (UAH)	Norway (NOK)
Material costs (%) Direct	77%	76%
labor (%) Energy	15%	15%
in cost structure Unit cost	5%	4–5%
	877	838 NOK
Main reduction reserve	UAH Electricity, shortage	Materials, accounting
Projected modernization effectiveness	10–12%	8–10%

For Kyiv, the main optimization reserve is:  
energy efficiency and  
production automation.

For Odda – efficiency  
achieved through the  
localization of supplies and the  
digitalization of management.

## General comparative analysis

Modernization, staff training, and raw material replacement are economically feasible, as they reduce the cost of production by 8–10% in the medium term (1–2 years).

12% and increase competitiveness.

Both enterprises have similar "bottlenecks" - a high share of material costs and costs for defects. Investments in modernization + personnel training provide obvious reductions in defects and energy costs.

In the short term, Q1 will incur additional costs (training, hiring), but the medium-term effect is reduction in cost and significant increase in profitability with the possibility of price increases.

Practical: conduct a detailed financial model (NPV, IRR, scenarios) taking into account taxes and discount - for the final investment decision.

## Expected consequences of production reorganization JSC "House of Life Stolichny"

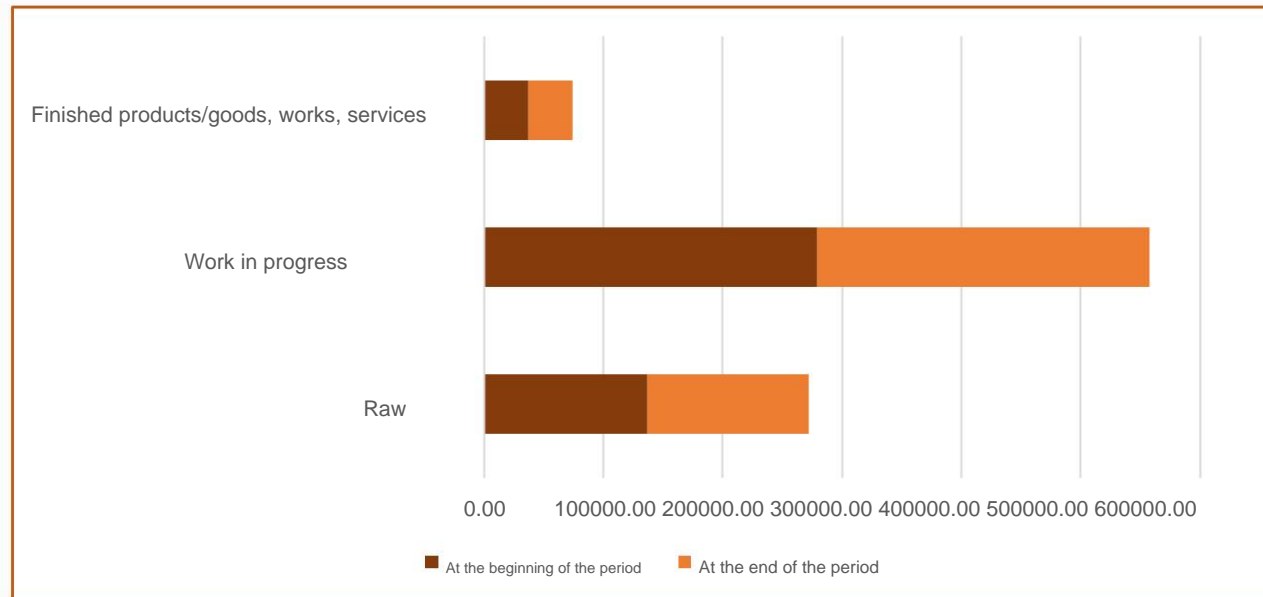


Fig. 12.

Raw materials decreased slightly (136,538 ÷ 135,508), which may indicate more efficient use of materials or inventory optimization.

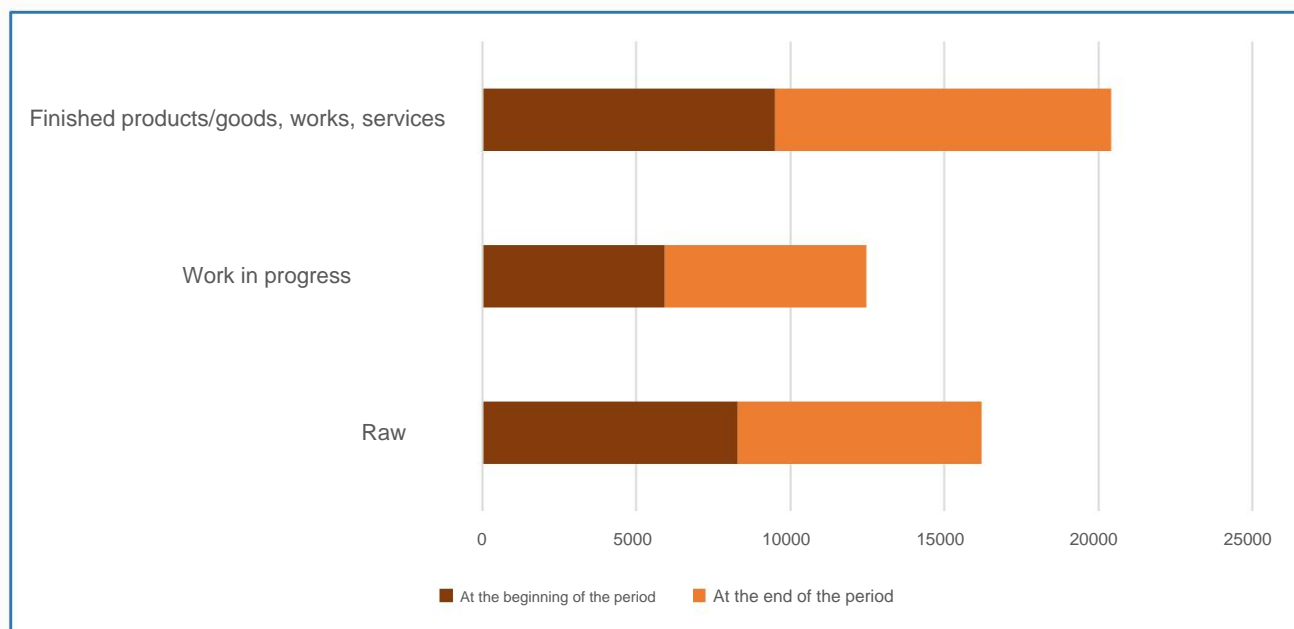
Work in progress remained almost unchanged (279,365 ÷ 278,252), indicating a stable level of production processes and control over product flows.

Finished products / goods, works, services increased slightly (37,141 ÷ 37,276), which indicates support for sales volumes and product readiness for sale.

Overall, the data indicates effective management of the company's current assets, without sharp fluctuations, which creates a stable basis for further reorganization of production or expansion of activity.

## Expected consequences of production reorganization

### KP "OddaProduct"



For the distribution of assets of the KP "OddaProduct" the average industry inventory structure according to IFRS Disclosure Examples (2023) was used, where the share of raw materials is 35%, work in progress - 25%, finished goods - 40%, accounts receivable - 15%.

Fig. 13.

The reorganization of production led to a 6.7% improvement in resource efficiency and an increase in finished product volumes, which creates positive conditions for the expansion of the company's activities. At the same time, it is important to control the level of work in progress to avoid overloading production processes.

## Expected consequences of production reorganization. Comparison of enterprises

Table 5.3

Assets	Ukraine (start ÿ end)	Change	Norway (start ÿ end)	Change
Raw	136,538 ÿ 135,508 –0.76%	8,311.1	ÿ 7,895.55 –5.26%	
Unfinished production	279,365 ÿ 278,252 –0.39%	5,936.5	ÿ 6,530.15 +9.09%	
Finished products / goods, works, services	37,141 ÿ 37,276 +0.36%	9,498.4	ÿ 10,923.16 +13.04%	

## Assessment of the expected consequences of production reorganization

### JSC "House of Life Stolichny"

Table 5.4.1

Indicators	Costs, UAH		
	to implementation events	after the implementation events	absolute deviation
Cost of goods sold products	276220.50	274634.00	-1586.50
Revenue from product sales	2971280	2982080	10800.00

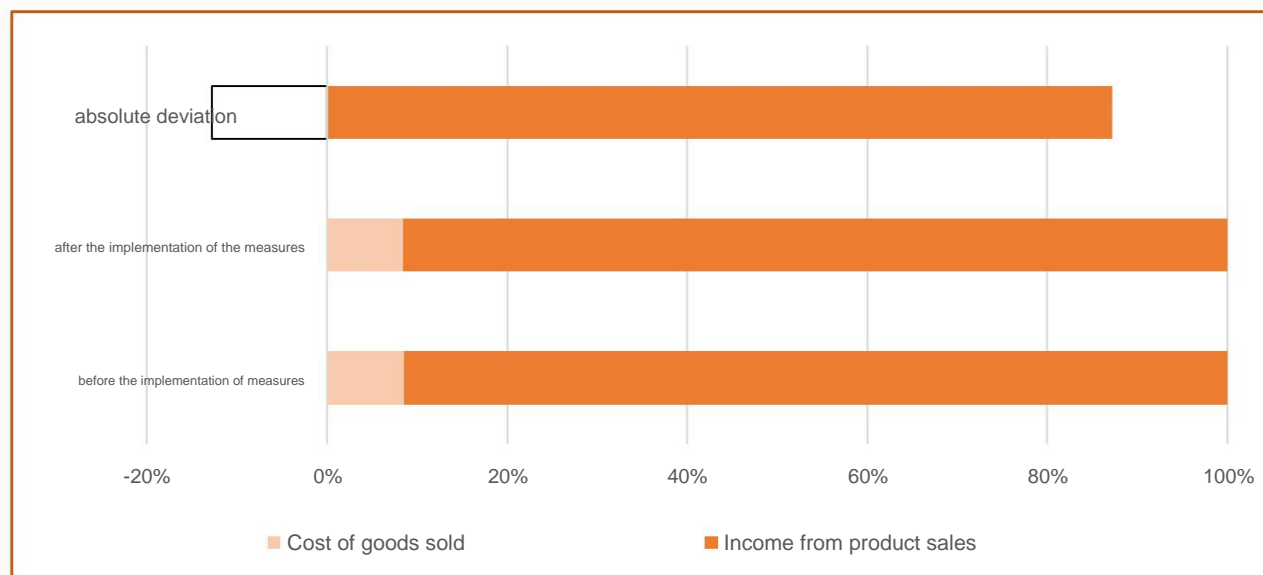


Fig. 14.

The cost of goods sold decreased by UAH 1,586.50 (276,220.50 ÷ 274,634.00), which indicates a more efficient use of raw materials and optimization of production processes.

Revenue from product sales increased by UAH 10,800.00 (2,971,280 ÷ 2,982,080), which indicates support for sales volumes and increased efficiency of product sales.

Absolute deviations show that the reorganization of production contributed to cost savings and simultaneous revenue growth, that is, to an improvement in the financial performance of the enterprise.

## Assessment of the expected consequences of production reorganization

### KP "OddaProduct"

Table 5.4.2

Indicators	Costs, UAH		
	to implementation events	after the implementation events	absolute deviation
Cost of goods sold products	11279.35	11160.62	-118.73
Income from product sales	9498.4	10923.16	1424.76

The cost of goods sold decreased by NOK 118.73 thousand (11,279.35 ÷ 11,160.62), which indicates optimization of raw material costs and increased efficiency of production processes.

Revenue from sales increased by NOK 1,424.76 thousand (9,498.4 ÷ 10,923.16), which indicates an increase in the output of finished products and an improvement in the financial results of the company.

Absolute deviations show that the reorganization of production contributed to reducing costs and increasing income, which has a positive effect on the economic efficiency of the enterprise.

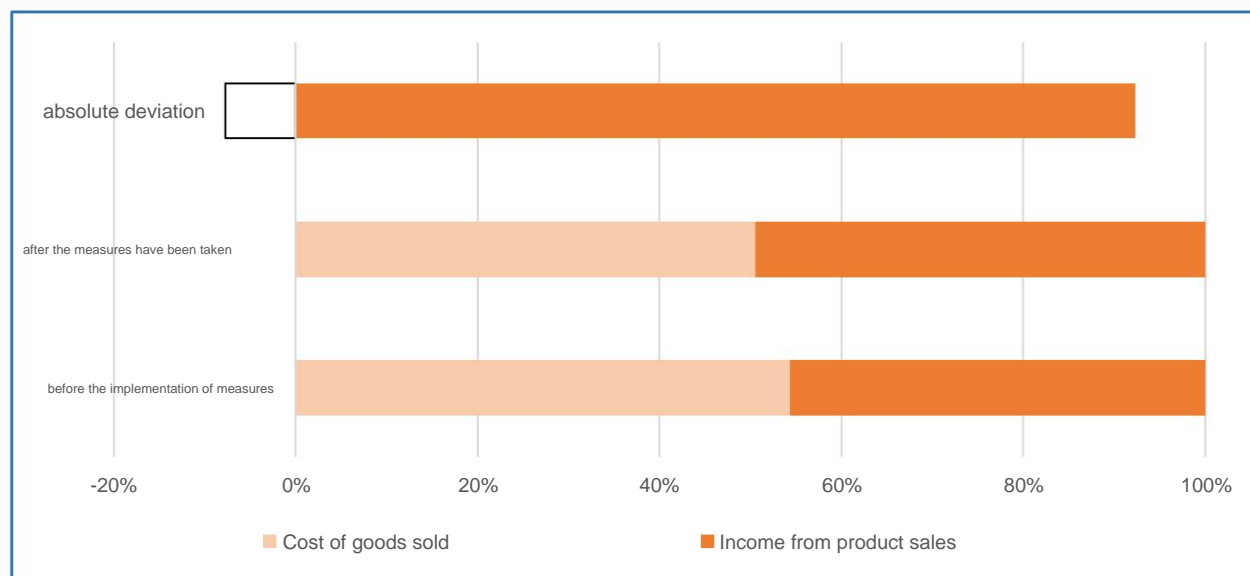


Fig. 15.

## Assessment of the expected consequences of production reorganization. Comparison of enterprises

Table 5.4.3

Indicators	Ukraine	Norway
Cost of goods sold	276,220.50 ÷ 274,634.00	11,279.35 ÷ 11,160.62
products, thousand UAH/NOK	(−1,586.50)	(−118.73)
Sales revenue	2,971,280 ÷ 2,982,080	9,498.40 ÷ 10,923.16
products, thousand UAH/NOK	(+10,800)	(+1,424.76)

In Ukraine, the company demonstrates stability and controlled changes: minimal cost reduction and small increase in income. This creates a reliable base for further development, but the effect reorganization is moderate.

In Norway, the reorganization yielded significant financial effect: simultaneous cost reduction and significant revenue growth, reflecting effective expansion of production capacity and increase sales volumes.

Financial effect of reorganization in both cases contributed to reducing costs and increasing revenues, but the effect is more pronounced in Norway, especially regarding income growth.

Overall, the reorganization of production is positive affected the economic efficiency of both enterprises, but in Norway the effect is more noticeable, especially due to increased income from product sales.

# CONCLUSION 5

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A comparative analysis of two enterprises — OJSC "Budynok Pobuty Stolichnyi" (Ukraine) and KP "OddaProdukt" (Norway) — showed that both business entities have a similar production cost structure, but differ in the efficiency of resource use and the level of technological development.

The Ukrainian enterprise demonstrates a higher share of material costs (over 75%), which is typical for production with high raw material dependence. In contrast, the Norwegian enterprise is characterized by a greater balance between material, labor and overhead costs, as well as lower energy costs (5% of total costs), which indicates greater energy efficiency of production.

Thus, both companies have proven that a comprehensive strategy to increase competitiveness — through innovation, staff training, cost reduction, and optimization of production processes — is a key factor in increasing profitability.

For OJSC "Budynok Pobytu Stolichnyi", it is advisable to focus on energy modernization, digitalization of shortage accounting, and the transition to local suppliers, which will reduce material dependence.

For the OddaProdukt KP, it is recommended to deepen automation, reduce administrative costs, and expand innovative personnel training programs.

# CONCLUSIONS

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Based on the results of practical work on the assessment and analysis of the costs of Ukrainian and Norwegian enterprises, the following generalizations can be made:

The level and structure of costs at both enterprises reflect the specifics of their activities and the level development of the digital economy. OJSC "House of Life Stolichny" is characterized by a high share of material and labor costs, while KP "OddaProdukt" is characterized by a balanced structure with clear control of administrative and energy costs.

The dynamics of expenses shows that the Ukrainian enterprise is at the stage of restructuring its financial processes: operating expenses increased, but at the same time the share of unproductive items decreased. This indicates a gradual optimization of cost management. For a Norwegian company, costs remain stable, without sharp fluctuations, which demonstrates a mature financial control system. The effectiveness of cost

management in OJSC "Budynok pobytu Stolichnyi" is increased due to redistribution of resources to core activities and reduction of indirect costs. At the same time, the enterprise should pay attention to reducing material consumption and implementing internal controlling systems. KP OddaProdukt has proven its high efficiency thanks to digital accounting, automation, and rational use of resources.

# CONCLUSIONS

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Factor analysis showed that changes in the total costs of a Ukrainian enterprise (growth by 5.39%) are primarily due to increased production volumes, while the reduction in specific variable costs ensured resource savings. In the OddaProdukt enterprise, total costs even decreased (−0.66%) due to increased labor efficiency and energy efficiency.

The level of reasonable costs is determined by the ratio between the costs necessary to ensure the production process and the potential savings from their optimization. For a Ukrainian enterprise, it is advisable to maintain the total cost level within 88–90 million UAH per year, subject to further automation and reduction of indirect costs. For KP "OddaProdukt" the optimal level remains about 21 million NOK per year, which ensures stable profitability.

A comparison of the results showed that the Norwegian cost management model is more systematic and predictable, with a high level of digitalization of financial processes. Ukrainian enterprises can adapt these approaches by implementing ERP systems, automatic resource accounting and systematic budget planning. Overall, the analysis

confirmed that effective cost management is a key factor competitiveness of enterprises in the digital economy.

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THANK YOU FOR YOUR ATTENTION

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