

An approach to the Income function movement when its components change according to the principle of the geometric progression

¹ STEVO GJORGIEV, ² VLATKO KOCHOVSKI

¹ Faculty of Natural Sciences and Mathematics, ² Faculty of Economics,
Ss. Cyril and Methodius University of Skopje, R. Macedonia
stevo_gvg@yahoo.com, vlatko.k09@gmail.com

The income as a component plays a great role in the overall operation of an enterprise. Its variations are directly related to survival and principles of liquidity and profitability of the operation of a company. Although in theory, in the process of mathematical modeling, the income is defined as monotonous growing function, in practice it turns out that deviations from such expectations are greater. Analyzing the factors that affect the movement of income, we can predict its future trends and with it, we can react appropriately to prevent large losses for the company. Reduction of the costs as a key component of the income function, intuitively leads to the conclusion that the profit will grow, during this presentation through a concrete example in the analysis of the reports of a company with greater relevance for the Macedonian economy, we will show that cost reduction not always leads to profit increase. In fact we will try in some way to determine the movements of the income curve in cases, when the costs are moving as a geometric progression, and thereby optimize, maximize revenue, directly or indirectly reacting on the other components of the function of income.