

Financing and economics management

Information for economic management cost unit



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Educational goal:

The aim of this theme is to clarify the system of economic management cost unit ACR. Therefore first define the concept of CU ACR further economic system CU ACR and a structure and characteristics of this system.

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(CU = Cost unit = CC =Cost centre)

References

Basic:

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Recommended:

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1. Defining economic system cost unit ACR

Defining economic system cost unit ACR

- **Czech Army** is often defined as an **economic system**, or to talk about the **economic system of the Czech Army**.
- In line with this approach, it can **cost unit ACR** label and considered as **one of the basic elements** of this **system**.
- Similarly, you can access as well as a **cost unit**, and it is possible to **define its economic system** or can be **understood as an economic system**.

2. Cost unit ACR and its general characteristics

Cost unit ACR and its general characteristics

- **cost unit** has a linearly-staff structure.
- **Management - leadership** is also on this level based on an integral command authority and has prescriptive.
- Allows the **commander** of cost unit responsible for carrying out the tasks and orders within the scope of his delegation.
- **Commander** together with professional functionaries cost unit is responsible for all activity cost unit, then? I for its economic security.

Cost unit ACR and its general characteristics

- **Commander** oversees to ensure its consistency on tasks arising from the "Action Plan" cost units for the year.
- The basic requirement is that the tasks to be fulfilled **efficient, economical and effective way**.
- To meet this requirement, the rules on the level of cost unit handles the budget **spending plan**.
- **Commander** in collaboration with professional officers during assembly must ensure its feasibility and compliance spending priorities in order of mandatory spending, security tasks according to work plan and cost unit expenses to enhance the living standard of the cost unit.

Cost unit ACR and its general characteristics

The cost unit as an economic entity can make the following conclusions:

- figures on the **supply side** of the public sector, and takes the form of a structured internally relatively open system, whose goal is not profit formation
- **implements "specific production"** whose essence is the transformation of inputs in the production of rare output, having the form of a partial contribution to ensuring national defense and security,
- This output has the character of a **pure public good** and is intended for final consumption,

Cost unit ACR and its general characteristics

The cost unit as an economic entity can make the following conclusions: (Continued)

- **transformation** of rare production inputs is performed **specific technology - military training**, this technology can theoretically be described using a production function defined as the maximum available volume of one output (in a similar level of training), which is achieved by means of the inputs,
- **necessary production inputs** (especially human capital) cost unit acquires through their rent, at prices that forms on the corresponding factor markets,
- **funds to pay** rent or purchase prices of factors of production cost unit "claims" of **public budgets**.

Cost unit ACR and its general characteristics

The cost unit as an economic entity can make the following conclusions: (Continued)

Finally, this definition is **necessary to add:**

- **target function cost unit ACR** as an economic entity is in proportion to the realization of output in the form of a public option specified range of national defense and security,
- **feeding the objective function cost unit ACR** should be encouraged for this purpose, the corresponding character of its structure and management.

3. Defining economic system cost unit and its basic characteristics



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Defining economic system cost unit and its basic characteristics

Economic system cost unit :

- in general terms can be defined as an ordered set of elements interdependences.
- In the **economic system cost unit** and in one of its various elements can be defined at the same time system of economic management with its **economic information system**.
- We can also say that the individual elements of the economic system blend into other aforementioned systems.

Defining economic system cost unit and its basic characteristics

Economic system cost unit :

- Interpretation of mathematical tools, then can the economic system cost unit (ES_{NS}) by the expression:

$$ES_{NS} = (K, L, f, r)$$

- K - the set of all movable and immovable resources,
- L - the set of all employees (VZP, o.z.),
- f - the set of all flows realistically going to cost units,
- r - the set of all relations arising at a cost unit among employees (formal and informal).

4. Objective, structure and characteristics of the economic system cost unit

Objective, structure and characteristics of the economic system cost unit

The general objectives of cost units:

- Every year are set in the so-called. "Plans departmental activities."
- The aim of the economic system should then be obtained in a given timeframe required, potentially achievable future state, structure, function or output in the consideration of economic opportunities cost unit.
- **The economic system should create economically sustainable conditions** for the fulfillment of the military unit to a time horizon of planning.
- To each factually stated objective has been achieved, must take a number of processes with which it is inextricably linked to the consumption of resources at the cost unit available.

Objective, structure and characteristics of the economic system cost unit

- For each system, and therefore also in the economic system of a cost unit is very **significant and important structure**.
- The structure will be considered a **set of elements and relationships** between them.
- Approaches to display the **structure** may be numerous, but not before the economic system and its structure display in general with an emphasis on existing bonding relationships between its various elements, then to use the criterion of organizational and functional.

Objective, structure and characteristics of the economic system cost unit

- If you want the structure of the economic system of the military unit show in general, we must first of all Realize That every economic object consists of two interrelated information system interface subsystems, Which in some sessions May be Considered systems.
- **Related subsystem** are:
 - management subsystem, respectively. system (body control)
 - controlled subsystem respectively. system (building management).
- **Managing a controlled subsystem** (system) together form an organic unity. Each of them has its own function, and one in relation to another perform specific tasks.

Objective, structure and characteristics of the economic system cost unit

Economic system cost unit:

ES CU can also be understood as a material system consisting of individual elements (material structure), these elements would have no ties apparently showed different behavior, through a system of economic management, then the action moves between these elements dynamics in line with the objective function of the economic system, economic information system then connects this material system with the system of economic management, thus described systems, however, can not be conceived separately, because they blend together.

Objective, structure and characteristics of the economic system cost unit

Economic system cost unit:

- **Economic** system allows real achievement of the objectives and functions of the military unit. Its structure, which we understand the elements and links between them can be viewed from different perspectives. First, we can talk about **the material structure, organizational structure, functional structure or the economic structure.**
- **From a functional** point of view, then the cost unit structure can contain elements of production, management, control, and more. The **economic structure** is usually a reflection of the organizational structure. Can it be organizational structure is the same, but this may not be the rule. Economic structure creates conditions for economic management of the economic system.

Objective, structure and characteristics of the economic system cost unit

Economic system cost unit :

- The cost unit, as already mentioned, may be defined **economic information system**.
- It often gives equate economic information system and accounting, but we have committed a fundamental error.
- **Accounting** is of course the heart of every economic information system, but it is only its component parts.
- **Economic information system** is a system that covers all the information flows of economic character of the organization (accounting, tax, suppliers, warehouses, transportation, employee wages, production activities, etc.), But also serves as an important management tool to support their decision making.

Objective, structure and characteristics of the economic system cost unit

Economic system cost unit :

- **The system of economic** management is a system whose elements are partial acts deciding subtasks, the place of information and data, along with man as a critical and integral component.
- Constraints in the system by, among others, should represent mutually sharing and transfer of information and data about planned, systematically measured, recorded and evaluated demands on resources.

5. Definition of external and internal links and functions of the economic system cost unit

External and internal links and functions of the economic system

- If we understand CU as a system with a finite number of elements which aims to achieve a certain goal, we must consider the other hand:
 - relations of the system to its surroundings,
 - secondly relationships between elements within the system.

External and internal links and functions of the economic system

External links ES CU:

- Surroundings MU and ES is quite extensive and diverse.
- Interaction between MU and its surroundings is an important factor that affects the operation of the department as a whole while acting on its ES.
- An important role is played:
 - legislation, which is represented by laws and regulations,
 - regulations, which are based on the MOD environment.
- The neighborhood is also made up of institutions with which it comes into contact formation:
 - suppliers of services purchased formations,
 - energy suppliers,
 - Furthermore financial institutions, insurance companies,

External and internal links and functions ES

Organizational Structure ES CU:

- Organizational leaders look to the military unit provides information on the organization and management of its individual parts.
- It provides us with information about:
 - arrangement of the individual steps,
 - breakdown organization in terms of both horizontal and vertical,
 - breakdown of the components and the connections between them.
- Generalized organizational leaders look at military unit gives us the following diagram.

External and internal links and functions ES

Functionally-process structure ES CU:

- When defining the functional process structure of the military unit will **accentuate features and processes** that are within it fulfilled and implemented.
- For the primary function of a cost unit to consider production function, which is directly linked to fulfilling the mission and goals of our economic monitored object.
- To simplify for secondary functions we consider the function of management and administrative functions (the functions correctly, then we will have further concretize).
- A special place in our concept will feature **economical**.

External and internal links and functions ES

Functionally-process structure ES CU:

- For primary function MU mark here, that directly meets the mission of the military department, which is implemented through the so-called. executive branches.
- For secondary function MU we consider the function of management, administrative functions and economic function.
 - The control function is fulfilled through elements of the first and second stages of the proceedings.
 - On the implementation of the administrative functions involved command unit plus individual command rot together with the company logistics.
- Specific place VU has an economic function.
 - Making it possible to look at the military department as an organization whose mission is partial, both in the short and long term, management respecting the general principle of rationality.

External and internal links and functions ES

Internal links ES CU:

Generally, we can at a cost unit to distinguish the following internal links :

- links between parts department performing the primary function (production elements)
- ties expressing inputs included in the department performing secondary functions in a part of the department performing primary function,
- ties expressing inputs from parts department performing the primary function of a body part to filling a secondary function,
- links between components performing secondary functions.

6. Defining economic information system cost unit

Defining EIS CU

Economic Information System :

- It is a connecting node between the system of economic management and the material elements of the economic system.
- Provides an organization's management information in the required format and quality, in order to adequately implement all the functions which are appropriate (management function).
- **Economic information system through collection, storage and transmission of data and information, creating conditions' for the formation of the feedback that is essential for economic management object generally.**

Defining EIS CU

Economic Information System MU:

- This information system has as its main objective to collect, store? Transmit and economic information necessary for economic management department.
- In terms VÚ it is information that is directly related to the process of securing primary and secondary functions MU.
- Generally, this **information** is distributed across all IS, which is currently at the level of the military unit exist:
 - Staff Information System (SIS)
 - Information System for Logistics (ISL)
 - information system services, and personnel (ISSP)
 - Financial Information System (FIS).

Defining EIS CU

- **Financial Information System (FIS) is defined as a tool for:**
 - Information support economic management of the military unit,
 - realization of financial security planning,
 - execution and control of budgetary management MoD identified him,
 - double-entry bookkeeping and controlling equity flows.

Defining EIS CU

- **Information System for Logistics (ISL) is designed to provide:**
 - information support for the management of logistics activities.
 - It aims to ensure the collection of information directly from their source, processing and distribution directly to all users and provided for a central logistics management.
 - Distribution of information is carried out in a controlled time mode, including procedures that allow you to control the efficiency of logistics processes..

Defining EIS CU

- **Information System and service personnel (ISSP) is understood as a system:**
 - collection, transfer, processing, including validation, registration, analysis, preparation and output of information on current and past staff of the military unit.
 - The aim is to fulfill the above-mentioned processes and activities of HR, calculations and disposal of monetary liabilities. Information System about the service and staff is an information system that is focused on the automation of personnel processes.

Questions?

Thank you for your attention



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