



**ANALYSIS OF THE PROFIT FOR THE YEAR - DRE - AS A MANAGEMENT TOOL FOR
THE ADMINISTRATOR**

**THE ANALYSIS OF THE YEAR INCOME STATEMENT - DRE - AS MANAGEMENT
TOOL FOR THE ADMINISTRATOR**

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SUMMARY

The Statement of Income for the Year is a tool designed to express an entity's accounting situation, making a company's profits or losses ascertained. This work intends to demonstrate the importance of analyzing a DRE for the development of an administrator's activities, reporting in detail the role of each one, both of the tool (DRE), which assists the administrator in decision making and to accurately demonstrate reports that show the financial life of the company, as well as the manager himself who plays an extremely important role within an organization. In this article we mention the role of the administrator and the way he has, over time, played an important role within his social group and, also, how the new tools came to streamline and assist in performance and decision making, making the market have a significant gain in this aspect, which is of paramount importance in the management process of a company. Thus, we can conclude that the administrator has become an important part in the process of globalization and updating of the business system, considering that management knowledge and the use of new tools to solve problems that ratify the evolution of Administration as a science.

KEY WORDS: DRE, MANAGEMENT, ADMINISTRATOR.

ABSTRACT

The Statement of Income is a tool to express the accounting situation of an entity, making it determine the profits or losses of a company. This work aims to demonstrate the importance of analyzing a DRE for the development of an administrator activities, reporting in detail the function of each, both the tool (DRE), which assists the administrator in decision making and to demonstrate accurately reports showing the financial life of the company, as the administrator himself has extremely important role within an organization. In this article we quoted the trustee's role and the way he was, over time, playing an important role within your social group as well as new tools come and help boost the performance and decision-making the market had a significant gain in that respect, it is of paramount importance in the process of managing a company.

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1. Introduction

The management of an enterprise is a task that needs to be very well performed by the Administrator. From it we can obtain decisions that can lead the company to succeed or that can lead to failure.

It is known that the competitiveness between companies increases every day, therefore it is necessary to search for new tools that help the administrator within a company to make decisions and succeed in dynamizing the entire management process, thus being the A company's internal information system must be decentralized so that information can be better disseminated.

It is in this context that the company's Statement of Income for the Company gains space, in an attempt that the information contained therein may facilitate decision making, which will allow the company to be more prominent and to proceed with prudence and more security in the competitive market.

2. The Statement of Income for the Year (DRE) and its Purpose in the Administrative area

Companies seek recognition for having the great competitive advantage, however, most companies do not know how to analyze some information that can become very relevant. Thus, having a tool that helps in the act of running a company, is of great importance to stand out from the unforeseen that the market imposes. Based on this assumption, it is up to the administrator to know how to conduct the company according to the information he deems most important for the company's growth and evolution as a whole. For Ludícibus (2004):

The Income Statement for the Year is an ordered summary of the company's income and expenses for a given period. It is presented in a deductive (vertical) form, that is, from the revenues, the expenses are subtracted and then the result (profit or loss) is indicated.

DRE is so necessary, since it is present in public and private organizations, such as banks, in the reports of investors and administrators, in the government, among others. Through the income statement for the year, the company has the ability to modify its shares and its management as a whole. The facts obtained with the analysis of the DRE, obliges the

company to reorganize its structure and seek more and more efficiency, being flexible to the interests of its customers or users.

The income statement for the year in Brazil complies with the accrual basis principle. In this principle, revenues and expenses are inserted in the context of obtaining the result of the moment when they occurred, simultaneously, regardless of payment or receipt.

According to Gonçalves (1996) The Income Statement for the Year presents, in a summarized form, the operations carried out by the company, during the fiscal year, demonstrated in order to highlight the net income for the period.

In accordance with Brazilian law (Law 6,404, of 15 - 12 - 1976, Brazilian Corporation Law), companies must discriminate in the Statement of Income for the Year: Gross revenue from sales and services, deductions from sales, rebates and taxes; Net revenue from sales and services, cost of goods sold and services rendered and gross profit; Selling expenses, financial expenses, deducted from revenues, general and administrative expenses, and other operating expenses; Operating profit or loss, other income and other expenses; The income for the year before income tax and the provision for such tax; Debenture holdings, employees, administrators and founders, even in the form of financial instruments,

3.ADMINISTRATION AS SCIENCE AND THE ROLES OF THE ADMINISTRATOR

The Administration started to be treated as science from the industrial revolution, a movement that brought countless changes in the social, political and economic context. Thus, it was necessary to use tools capable of managing the various sectors of society. It aims to improve and optimize previously defined objectives with less difficulty and greater speed. Among its main functions are planning, organization, direction, control.

Planning requires the administrator to define objectives, guidelines, plans, determine working methods and processes and so on. Planning means determining, in advance, the results to be achieved and the means by which the company can achieve them. The organization can be understood as the construction of the entire business structure, in order to obtain the necessary resources for the execution of the plans previously established.

The direction refers to the function that the administrator will do so that his subordinates perform what was planned, the administrator will use the motivation and

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encouragement to make it happen and the control focuses on verifying the steps performed and evaluating the results obtained .

The administrator needs, above all, to know how to coordinate his company in aspects such as hiring, training employees, defining the level of autonomy of each one, being informed with internal and external issues, having analytical capacity and systemic interpretation of the facts related to the area in question, having the ability to relate to a team, being open to dialogue and opinions, knowing how to say no, conducting meetings objectively and serving as a model to others with regard to conduct, in addition to being prepared to face challenges.

Managerial accounting information can help administrators through measures of the company's economic condition, such as cost and profitability of products, services, customers and the company's activities. In addition, managerial accounting information is one of the primary means by which employees, managers and executives receive feedback on their performance, enabling greater learning and better performance in the future.

The administrator must have knowledge when using accounting as a tool in his administrative activity, since wrong decisions produce a negative effect, in some cases irreparable for the organization.

Another important issue is decision making in the role of the administrator. Based on the accounting analysis, it is possible to obtain relevant results and evaluate the position that the company occupies in the competitive market. In the business environment, indecision turns out to be an obstacle in the evolution of the organization, as well as the fear of investment in certain markets, products, innovation and in potential customers.

Here too, the role of accounting is important, as most of its reports are technical, which makes it difficult for managers to understand, in this case accounting has a fundamental role, helping senior management to understand and guide the decision-making process. . According to Crepaldi (2006):

THE accounting information has to be reliable. The work done by Accounting must inspire confidence, to the point that the user of the information has security in the information provided. Agile - Beautiful accounting work can be done, but if it is not presented in a timely manner to be enjoyed, the information loses its meaning, especially in countries with an unstable economy. Elucidative - Each user of the information has a degree of knowledge; identifying it is essential for the works to be

elucidative. Source for decision-making - No decision involving business is taken haphazardly, as Patrimony is at stake, which was not constituted in a smooth manner; thus, whoever controls the Patrimony has an obligation to generate a foundation for decision.

According to the Accounting Pronouncements Committee (2009), it is the role of the administrator to determine the accounting policy in the organization. Every organization must establish an accounting policy that results in financial statements, which contain relevant and reliable information about all transactions or other events in which the company participated.

Accounting has become one of the pillars of management as an evolution of the company as a whole. Allied to it, the management roles can be highlighted, as well as tools such as ERP (Enterprise Resource Planning) or integrated management system - software in which it also analyzes the general situation of the company - reduces costs and time in carrying out processes previously performed manually.

4. DRE as a Management Tool

Management tools can be considered as administrative instruments, which aim to obtain effectiveness in carrying out an activity. Currently, management tools have spread, and quickly, to companies. They can help the manager in a meaningful and efficient way to understand the universe in which he works, which will allow him a much more realistic definition of the results he wants to achieve, as well as elaborate a plan for future actions.

For BRAGA (1999), the strategically developed management tools are always used when actions to responses from competitors can seriously affect the desired result of the business.

The relevance of the progress of these tools serves to increase productivity and contributes to competitiveness in companies. Thus, we understand that the management tools can involve several factors, among them the operationalization and implementation of plans, actions and tactics, that is, ways to be followed by the entrepreneur to reach a goal.

It should be noted, however, that companies that do not use these resources encounter many obstacles to develop new strategies, in addition to having a high index of

complexity of the relationships to remain in the market, which may imply a possible cause of bankruptcy. of an enterprise.

The use of management tools in companies becomes relevant to develop studies and research that correlate competitiveness in companies, comparing those that work without planning with those that use the tools.

In this sense, the lack of competitiveness is linked, among other causes, to the low managerial practice of tools that enable organizations to properly practice them in the management of technologies necessary for the end activity. And for those who practice, show the benefits of using these tools, which make these companies increasingly competitive in the market.

We believe that Accounting and its resources are used, by the administrators and managers of an enterprise, to clarify to society about the most diverse public aspects that are the company's responsibility. It aims to reveal, to all interested people, information about equity and results, in order to enable knowledge and analysis of its performance in the market.

According to MARION (2003), the DRE is extremely relevant to evaluate the company's performance and the efficiency of managers in obtaining a positive result, with profit being the main objective of companies.

That said, we show the analysis of the DRE as an important factor for the decision making of a manager, because through analysis of the financial statements, it is possible to make important considerations about the company's performance and project its future results.

The Income Statement for the Year also serves to ascertain the composition of the entity's economic result, that is, it is a criterion for organizing revenues and expenses in the period, in order to show whether an entity had profitability or loss in a certain period of the year. year.

Analyzing from this perspective, when monitoring is rigid and constant, it is possible to reverse certain unexpected and unwanted situations, so that before the end of the financial year, the strategies and actions of an organization are modified and point to a path that presents better results.

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For this, however, it is necessary that the administrator has knowledge in the area, so that the interpretation of the accounting documents allows him, in fact, to know the real economic and financial situation of the company, in order that all the necessary procedures for business leverage are ensured. In this context and according to PEREZ (1996):

The disclosure of the financial statements has brought in its content, in addition to the required reports, analytical tables and supplementary statements that facilitate users of the information in order to improve the understanding of the company's economic and financial situation.

Thus, it is incumbent upon the administrator, in an indelible manner, to seek the improvement of his knowledge to interpret not only the Income Statement for the Year, but all possible reports that may accompany him, including the Balance Sheets and Balance Sheets of Verification.

On the other hand, according to BRAGA (1999): It is important to note that the interpretation of the financial statements, for example, is of interest not only for end-of-year analysis, but also for normal administrative activity.

This means that many administrative issues can be reformulated or even eliminated when there is a parameter to measure some indexes that can be more actively controlled, such as administrative expenses that involve, among other things, unnecessary expenses with paper, ink / toner, electricity, telephony, etc.

And it is precisely in this context that we find the DRE as a great management tool, which portrays as clearly as possible all the revenues and expenses of an entity, being able to influence a company's vision, values and posture in the market, considering that the adequate use of available resources is increasingly being sought, in order to obtain greater productivity, aiming to achieve goals and objectives established by the organization.

Thus, it is also necessary for the financial administrator to analyze the company's past earnings, to understand its previous operating performance and obtain data to project its future goals, considering data and information on how some elements of market risk affect the expected return. The analysis of the financial statements, therefore, also examines the risk aspects for the company.

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The analysis of a DRE constitutes a task of great value for a company and becomes a competitive differential in the market, which configures a relationship of trust between business administrators, investors, financial and governmental institutions, etc.

However, the Income Statement for the Year is still underused for most managers and company administrators. There are still many managers who are unaware of this basic and vitally important tool for managing the enterprise.

This is due to the fact that, as it is an accounting document, it is understood that whoever should analyze it would be only a professional in the area of Accounting Sciences, which is a mistake and can have serious consequences for the company. Certainly an accounting advisory will be necessary, however, under no circumstances, the administrator should delegate the responsibility of analyzing and making decisions that best favor the organization.

Thus, the responsibility for analysis and decision-making can be shared, so that the feeling of seeking improvements, changing attitudes and reducing unnecessary administrative expenses is transmitted to the other departments of the company. Everything, of course, with the support of the manager and under his command.

However, it remains to demonstrate that the DRE can be a powerful management tool, which when used well, can guide in a practical and safe way the strategic planning of an organization. Planning that aims, as well as the essence of a company, the growth and profitability of the business, in a responsible and legal way.

Parallel to this, we can affirm that the DRE can generate, within a business environment, a more sustainable, safe and solid space, promoting firmer and more accurate decision-making, increasing the internal and external credibility of the enterprise, attracting great business opportunities and investments.

From the above arguments, we conclude, then, that it is not enough to just observe a DRE. It is necessary to analyze it, thoroughly, and check where are the points that can and should be improved. But above all, the only stance that should not be taken, is not to take advantage of the resources available for the company's good conduct, which, in fact, would not characterize the attitude of a true manager.

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