

Агеенко Владимир Андреевич

студент

ФГБОУ ВО «Санкт-Петербургский

государственный экономический университет»

г. Санкт-Петербург

CAPITAL TURNOVER. CIRCULATION OF CAPITAL

Аннотация: в настоящей работе в виде краткого обзора раскрыты сущности круговорота и оборота капитала, представлена формула движения капитала, описаны стадии движения капитала и время оборота капитала.

Ключевые слова: круговорот капитала, денежный капитал, движение капитала, оборот капитала, время обращения.

Abstract: in this paper, the essence of the circulation and turnover of capital is revealed in the form of a brief review, the formula of capital movement is presented, the stages of capital movement and the time of capital turnover are described.

Keywords: capital circulation, money capital, capital movement, capital turnover, circulation time.

The circulation of capital is the movement of capital, in which, passing through various stages, it returns to the form with which it began its movement. Every individual, as well as social capital, is in constant motion. This is the sphere of his life.

Money capital (E) is advanced by the capitalist on acquisition of means of production (JV) and labor force (RS) which, being connected in the course of production (P), continue to interact up to release of finished goods (goods) (T). When selling goods, the capitalist receives its value in cash (E), initially the advanced amount of capital returns to its owner but has increased by a determining value.

The General formula of capital flows can be represented as follows:

$$D - T_{sp} RS \dots P \dots T_1 - D_1,$$

where the points show the entry of capital into and out of production. Two other operations related to the purchase of means of production, labor and sales of finished products occur in the sphere of circulation.

At three stages of movement there is a change of forms of the capital: the monetary form passes into productive, the productive form is replaced at the second stage by the commodity form, and at the third stage there is a return to the original monetary form.

1. The first stage is carried out in the sphere of circulation and is that money capital is invested in the acquisition of means of production and labor, that is, capital moves from monetary form to production.

2. The second stage takes place in the field of production. The factors of production bought in the market are connected in the production process, creating goods with the necessary usefulness and containing the newly arising cost, including profit. In this movement, the productive form of capital is transformed into a commodity form.

3. The third stage consists in the fact that the commodity capital with the increased cost is again transformed into the monetary one containing the profit.

Simple reproduction of individual capital is a continuous repetition of creative activity. At the same time, the scale of production, the size of the created product and the size of the operating capital (production funds) remains unchanged. Thus, capital makes a kind of circular motion. The circulation of capital is one cycle of its movement, which covers the process of production and circulation of goods produced and ends with the return of capital to its original monetary form.

Such a consistent transformation of capital from one functional form to another, its movement through three stages and represents the circulation of capital. The desire to make a profit pushes the entrepreneur to continuously let their capital into circulation. This continuous circular movement of capital forms its turnover. The time that is required to complete a full turn is the turnaround time. It is calculated from the moment the capital is invested until it is returned in the same monetary form, but with an increased value. Each capital circulates continuously, constantly repeating it. Thus, capital makes its turnover. Capital turnover is called its circulation, taken not as a single act, but as a periodically renewed and repeated process.

Capital turnover time is the sum of production time and circulation time. In other words, the turnover time is the period from the time of the advance of the capital in a

certain form to the time when the capital returns to the capitalist in the same form but increased by the amount of the added value. Production time is the time during which capital is in the production sphere. The most important part of production time is the working period during which the processed object is exposed to direct effects of work. The working period depends on the nature of the industry, the level of technology in a particular enterprise and other conditions. The production time is usually longer than the working period. It also includes breaks in processing, during which the object of labour is exposed to certain natural processes, such as wine fermentation, tanning of the skin, the growth of wheat, etc. With the time many of these processes are reduced.

Circulation time is the time during which capital is transformed from a monetary form into a productive one and from a commodity form into a monetary form. The duration of treatment time depends on the conditions of purchase of means of production and sale of finished goods, the proximity of the market, the degree of development of means of transport and communication.

The circulation of industrial capital, seen as a continuously renewable process, forms its turnover. The rate of turnover of capital is measured by the number of turnovers committed in the course of the year. If the capital, for example, turns in four months, then in the year it will make three turns. The speed of capital turnover depends on a variety of factors: the structure of the most productive capital, the duration of the working period in the production, the state of vehicles and highways, completeness and rhythm in the work of equipment and machines, setting trade, etc. Depending on the speed of turnover and the method of transferring value to the finished product, productive capital is divided into fixed and circulating.

References

1. Zhuravleva G.P. Economics. – M.: Lawyer, 2002.
2. Course of economic theory / Under the editorship of M.N. Chepurina. – Kirov, 2000.
3. Nureyev R.M. Microeconomics Course. – M.: Norma, 2003.
4. Economy: The Textbook / Under the editorship of A.S. Bulatov. – M.: Lawyer, 2002.