

Revenue streams

Focal points

I: Essence

Revenue streams are the monetary flows generated by each individual customer segment. There are different ways to generate revenue, such as

- setting a fixed price or
- charging customers each time for each use through
 - a subscription or
 - pay-per-use model.

Through each activity, the company realizes revenues. They are formed differently in the various activities, where revenues result from the sale of goods and the provision of material services. In this context, the external manifestation of revenues is the difference between the purchase and sale value of the goods, which essentially represents the trade discount, i.e., the portion of the added value that the manufacturer gives to the trader for the service provided by him in the realization of the goods. Thus, the difference between the two prices – the purchase and the sale price, is the price of the trade service.

Revenues can come from various types of activities:

- industrial,
- purchasing activity,
- transport activity,
- financial activity.

Regardless of the source, revenue is always expressed in value. Based on this, the overall economic category of "revenues" of the economic unit is formed.

II: Classification

We may classify revenues based on their economic essence and the source of revenue formation. Revenue/income in total are:

1. Sales revenue

- a. Revenue from sales of products
- b. Revenue from sales of goods
- c. Revenue from sales of services
- d. Revenue for future periods
- e. Revenue from subsidies and grants
- f. Other revenue

2. Financial revenue

- a. Interest income
- b. Income from equity participation (share-holding)

- c. Income from transactions with movable properties
- d. Income from currency transactions
- e. Other financial revenue

3. Extraordinary revenue

- a. Written-off liabilities
- b. Fines and penalties received
- c. Surpluses from material stocks and other assets
- d. Other extraordinary revenue.

III: Analyses

Revenue/Income analysis begins with the change in their total amount. It represents the sum of income from individual business activities and financial transactions carried out by the economic unit. Changes in the total amount of income are analyzed according to the general scheme, following the basic methodological requirement that changes be examined from the general to the specific. It starts with determining changes in income in absolute and relative terms compared to the base adopted for analysis – the previous year or plan.