

# Areas and possibilities of applying published economic indicators

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# LECTURE SYLLABUS

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- 1) Indicators characterizing the Czech economy and their availability
- 2) Applicability of real data in consumer and investment decisions
- 3) Applicability of real data when looking for a job or business opportunity
- 4) Applicability of real data in the choice of production program and technologies
- 5) Applicability of real data to ensure stable economic growth
- 6) Indicative value of economic variables

# CLASSIFICATION OF ECONOMIC INDICATORS IN TERMS OF SUBJECT OF FOCUS

- 1) Indicators assessing the economy as a whole - economic performance, price level, unemployment, foreign relations, interest rates or the state budget balance
- 2) Indicators assessing the prosperity of individual industries - numbers of companies and persons employed, value added, prices of products and services, monthly wages, hours worked, amount of capital or its profitability
- 3) Indicators assessing the financial health of specific companies - profitability, activity, liquidity, indebtedness or market value

# SELECTED INSTITUTIONS PUBLISHING ECONOMIC INDICATORS ON THEIR WEBSITE

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- Czech Statistical Office - website [czso.cz](http://czso.cz)
- Eurostat (in Czech) - website [apl.czso.cz](http://apl.czso.cz)
- European Union - website [europa.eu](http://europa.eu)
- Czech National Bank - website [cnb.cz](http://cnb.cz)
- Ministry of Finance of the Czech Republic - website [mfcr.cz](http://mfcr.cz)
- Ministry of Foreign Affairs of the Czech Republic - website [mzv.cz](http://mzv.cz)
- Ministry of Industry and Trade of the Czech Republic - website [mpo.cz](http://mpo.cz)
- Registry court – website [justice.cz](http://justice.cz)

# WORKING WITH REAL DATA IN CONSUMER DECISION MAKING

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- 1) Monitoring the development of prices or at least price levels for purchased products or services and comparison with the development of consumer income
- 2) Calculation of sold quantities of these products and services or at least expenses for them adjusted for the change in the price level for individual years
- 3) Finding out the causes of the year-on-year change in the quantity of products or services sold and their prices
- 4) Selection of preferred products or services for purchase, including available quantities due to budgeted expenditures

# WORKING WITH REAL DATA IN INVESTMENT DECISION-MAKING

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- 1) Survey of interest rates on individual types of bank deposits
- 2) Determination of the ratio of interest paid to interest-bearing liabilities of bond issuers
- 3) Calculation of return on equity for companies with a public offering of shares and comparison with competitors or sector average
- 4) Assessment of their business risk according to solvency, indebtedness or variability of added value
- 5) Selection of investment or investment portfolio

# WORKING WITH REAL DATA WHEN LOOKING FOR A JOB OR BUSINESS

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- 1) Survey of gross monthly wages in various industries and in various positions, including women's and men's averages
- 2) Monitoring the development of the number of employees and hours worked in various industries
- 3) Calculation of the share of wages and profits in value added in various industries
- 4) Evaluation of capital intensity and financial situation of companies in various industries
- 5) Assessment of the market structure in the sector
- 6) Application for a position or business plan

# WORKING WITH REAL DATA WHEN CHOOSING A PRODUCTION PROGRAM AND PROCESS

- 1) Monitoring the development of prices and quantities of products sold in the sector
- 2) Quantification of clients' sensitivity to changes in the prices of purchased products and the impact on sales
- 3) Comparison of the development of these prices with the development of wages in the sector, interest rates, prices of raw materials or market services and the general level of prices in the country
- 4) Assessment of profitability, productivity, solvency and indebtedness of the company
- 5) Decision on production program, amount of labour or capital and form of financing



# WORKING WITH REAL DATA TO ENSURE STABLE ECONOMIC GROWTH

- 1) Monitoring the development of financially expressed production in the country and payments to and from abroad
- 2) Clarification of the impact of tax and interest rates, government expenditures, exchange rates or other policy instruments on this production
- 3) Finding out the impact of this production on the general price level and unemployment in the country
- 4) Prediction of the growth rate of production in the country
- 5) Regulation of the amount of money to keep this rate of growth while preserving price stability and achieving the highest employment in the country

# LIMITATION ON THE EXPLANATORY POWER OF REAL ECONOMIC DATA

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- There are published just average prices, for selected periods, on yearly basis and for the czech national economy or regions, not on municipalities level
- Business results are often skewed by accounting methods and there are available less data for small enterprises
- The listed employees are converted in full time positions
- Values are published within a period, from which it is difficult to determine which economic quantity is the cause and which is a result
- Decisions are also influenced by qualitative factors

**THANK YOU FOR YOUR  
ATTENTION**