

CHAPTER - VII  
R E V E N U E

The viability of an industry to a large extent depends on the ability to generate adequate revenue. In organised sector industry has some say over price; in unorganised sector, industry like Brick Industry under review has little control over the price situation. Consequently, it has to depend largely on the market forces that determine the product prices for the Industry. Keeping this reality in view the following Table 7.1 has been constructed to calculate the Gross Revenue earned by an unit of Brick Industry under the 5 size categories. The computed Gross Revenues for different years may not be exactly precise, but it is hoped that they would be closer to the true situation.

The methodology adopted to construct the Average Revenue (per unit) Table needs a sort of explanation. The Brick Field Owners, for various reasons, were unwilling to share with the present Researcher the revenue figures. However, data regarding total finished product(in terms of whole brick) could be collected; but the same for different categories of product were not made available by the Brick Field Owners. From the Bengal Brick Field Owners' Association, some information regarding ratios of green bricks to different classes of brick (Picked Brick, Rain Spotted Bricks, Jhama, Bats and wastage), could be collected. The ratios have already been mentioned

in earlier pages. The Uttarpara Kotrung Brick Field Owners' Association was good enough to provide us with rates of prices for different categories of product during the whole period of our study.

By using the ratios of green bricks to different categories of products, we have first computed production volume of all categories and then using the prevailing price rate revenues have been computed. The revenues thus computed per unit under each categories are as follows: Table No. 7.1.

The second observation that can be made, is that the average revenue per unit registered a linear rise throughout the period for all the categories. This is in consonance with the rise in average production per unit for all categories as well as the rise in prices of various types of products.

A preliminary look into the Table No. 7.1, table shows the category III units worked as a divider in the sense that units under category I & II generated less revenue than this modal group, and units under category IV & V generated more revenue than it. The implication of this fact is that units under category I & II by employing more capital (i.e., 2½ lakhs and above) and labour generated less revenue than the units under categories IV & V that employed less capital (i.e., 2 lakhs and below) and labour. The only explanation that can be

Table - 7.1

Average Revenue per Unit under Different Size Category (in Rupees)

Year size category	1970-71 Rs.	1971-72 Rs.	1972-73 Rs.	1973-74 Rs.	1974-75 Rs.	1975-76 Rs.	1976-77 Rs.	1977-78 Rs.	1978-79 Rs.	1979-80 Rs.
Gr. I	79,385	77,400	1,03,846	98,827	1,28,133	1,78,061	1,82,119	1,88,399	1,94,770	2,44,919
Gr. II	86,000	86,601	1,13,286	1,14,859	1,85,940	1,92,453	1,95,090	1,99,230	2,12,475	2,61,413
Gr. III	92,858	93,105	1,22,376	1,23,077	1,60,362	1,99,387	2,05,034	2,11,253	2,26,963	2,75,889
Gr. IV	1,05,846	91,946	1,21,153	1,21,153	1,68,667	2,36,833	2,31,999	2,49,999	2,54,281	3,24,933
Gr. V	1,19,077	1,11,136	1,55,770	1,55,770	2,03,753	2,61,000	2,66,799	2,70,000	2,95,814	3,58,799

offered to this strange behaviour of the units under consideration is that smaller units under categories IV & V utilise all inputs, including capital, more efficiently as their owner's had higher stake in the survival and success of them. All these have already been discussed in detail in previous pages.

To study the trend of average revenue earnings by the different categories and by individual category during the period of study the following indices of average revenue have been constructed (Table No. 7.2).

1970-71 has been selected as the base year. This selection is an arbitrary one as because the year is the first year of our study; there is no special reason, neither from industry's point of view, nor from the point of view of the national economy as a whole.

Over the 10 years period units under category III registered the minimum rise of 197 points, and units under category I registered the maximum of 208 points. In between these two extreme points, units under category II experienced rise of 203 points, units under category IV 207 points and units under category V 201 points. Though category III units experienced the minimum rise over the 10 years period, if year wise changes in revenue index is taken into consideration

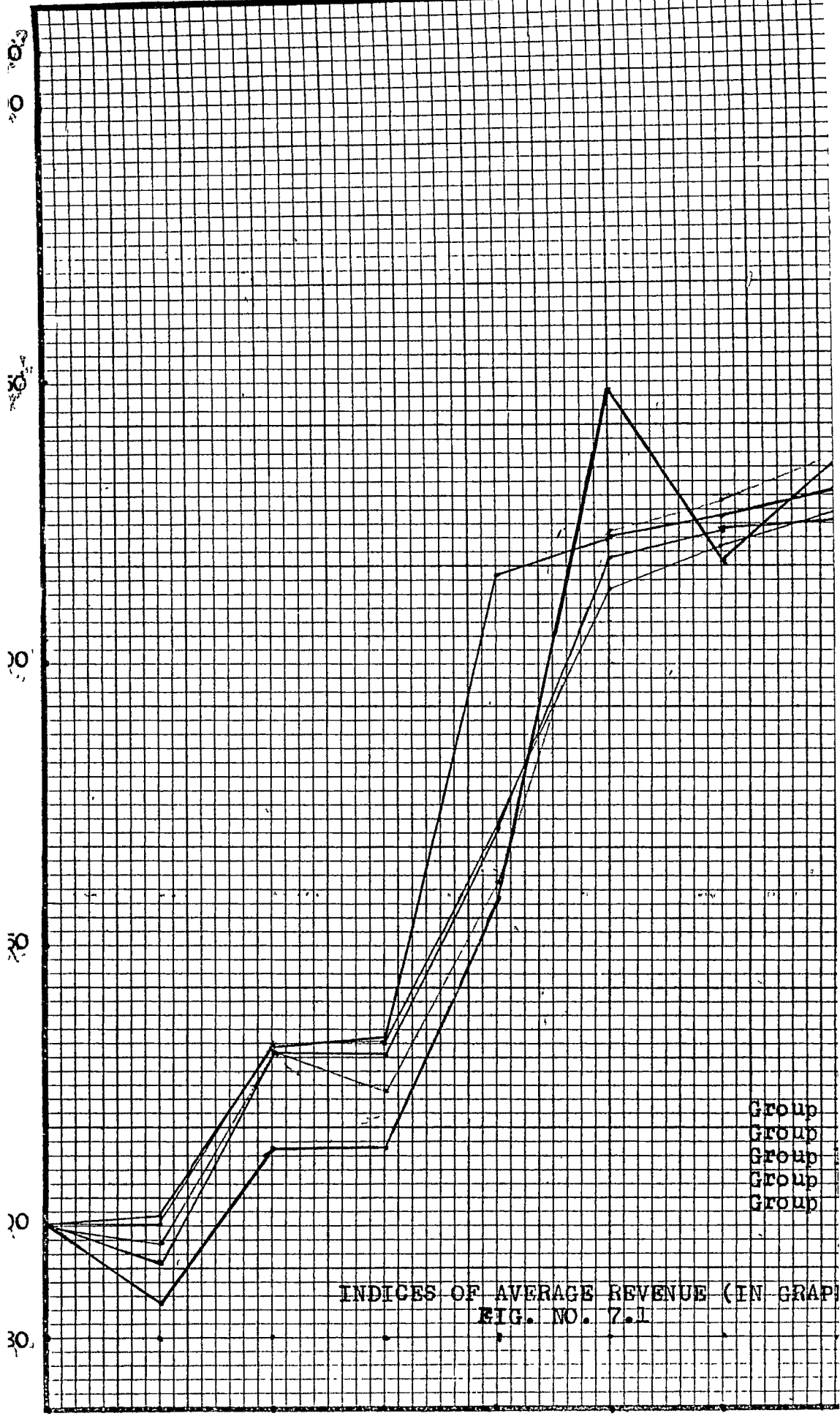
Table - 7.2

Indices of Average Revenue

		(Base year 1970-71)									
Year	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	
size category	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Group I	100.00	97.49	130.81	124.49	161.40	224.30	229.41	237.32	245.34	308.62	
Group II	100.00	100.69	131.72	133.55	216.20	223.78	226.84	231.66	247.06	303.96	
Group III	100.00	100.26	131.78	132.54	172.69	214.72	220.80	227.50	244.41	297.10	
Group IV	100.00	86.86	114.46	114.46	159.35	249.26	219.18	236.19	240.23	307.04	
Group V	100.00	93.33	130.81	130.81	171.11	219.18	224.05	226.74	248.42	301.31	

it will be noticed that category IV units excepting in 1975-76, 1977-78 and 1979-80 registered lowest rise in average revenue earnings in almost all the other years. Since 1972-73, the percentages of rise in average revenue earnings of all the size categories (excepting ofcourse category IV units) were more or less close to each other. Though apparently the rate of rise in average revenue earnings of category IV units was slower than category III upto the year 1974-75 but it became faster after that year. The cumulative effect of slower and faster rates rise, if taken into cognizance, it would be found from the accompanied graphe that faster rate neutralised the slower rate of rise. If the whole situation is taken into view it can be said that category IV units could maintain its superior position in comparison with category III units, though the index table might convey a contradictory impression. The graph also proves the superiority of category V units to those of category III.

In sum it can be said that in respect of average revenue earning, if category III units are allowed to act as the modal category, those under category I & II were inferior to the modal category and those under category IV & V were superior to it.



Group  
Group  
Group  
Group  
Group

INDICES OF AVERAGE REVENUE (IN GRAPH)  
FIG. NO. 7.1