

Effect of license holder's cost-flow on long-term development of oil industry

Yartiev A., Tufetulov A.

Kazan Federal University, 420008, Kremlevskaya 18, Kazan, Russia

Abstract

© MCSER-Mediterranean Center of Social and Educational Research. The paper considers issues of the effect of the license holder's costs-flow on the possibility of increased investments in the operating process at the expense of mineral resources tax variation. The account flow of subsoil users is the sum of expenses of operating (current) and investment activities. The movement of a cash flow as a difference between profitable and account parts, for the enterprises of oil production characterizes financial stability and profitability of the company. As showed the carried-out analysis if to consider an account stream of operating activities of the oil-extracting enterprises, it appears that it by 5,6 times exceeds expenses of an investment stream.

<http://dx.doi.org/10.5901/mjss.2014.v5n24p417>

Keywords

Cost-flow, Economic benefits, Enhanced recovery methods, Mineral resources production tax, Oil production, Product cost