

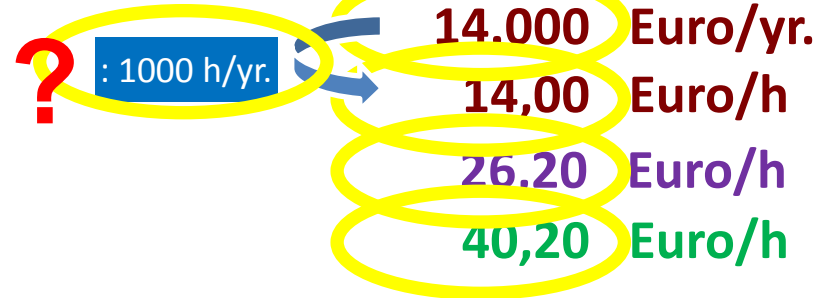


WE NEED A TRACTOR! TO BUY OR TO RENT?

Comparative costs and
minimum extent of utilization

Costs of internal mechanization (to buy):

Fixed machinery costs per yr.
Fixed machinery costs per h
+ Variable machinery costs per h
= Total costs per h



Costs of external mechanization (to rent):

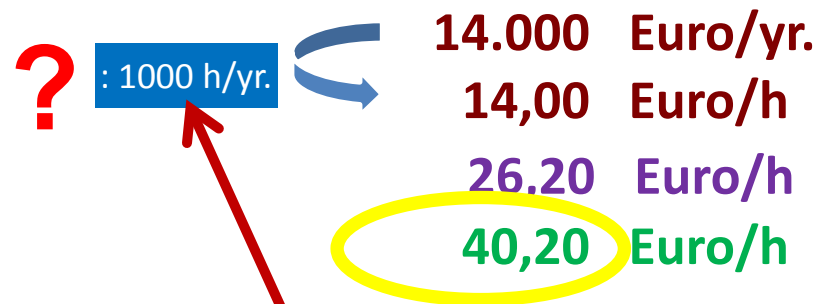
Billing rate per h

54,00 Euro/h

Minimum extent of utilization (h/year) ???

Cost of internal mechanization (to buy):

- Fixed machinery costs per year
- Fixed machinery costs per h
- + Variable machinery costs per h
- = Total costs per h



Costs of external mechanization (to rent):

Billing rate per h



Costs of internal mechanization

Costs of external mechanization

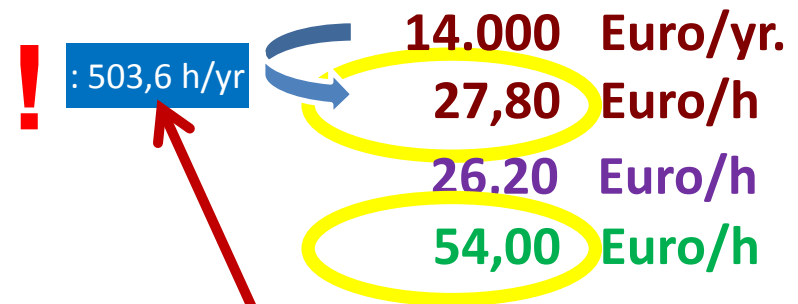
Fixed costs + variable costs
 $\frac{14.000 \text{ €/y.}}{X \text{ h/y.}} + 26,20 \text{ €/h}$

= Billing rate
 = 54 €/h

Minimum extent of utilization: $X \text{ h/y.} = \frac{14.000 \text{ €/y.}}{54 \text{ €/h} - 26,20 \text{ €/h}} = 503,6 \text{ h/y.}$

Cost of internal mechanization (to buy):

- Fixed machinery costs per year
- Fixed machinery costs per h
- + Variable machinery costs per h
- = **Total costs per h**



Costs of external mechanization (to rent):

Billing rate per h

54,00 Euro/h

Costs if internal mechanization

Costs of external mechanization

Fixed costs + variable costs

14.000 €/y. + 26,20 €/h

X h/y.

= Billing rate

= 54 €/h

Minimum extent of utilization: X h/y. = $\frac{14.000 \text{ €/y.}}{54 \text{ €/h} - 26,20 \text{ €/h}}$ = 503,6 h/yr.

Costs of internal mechanization (to buy):

Fixed machinery costs per year
 Fixed machinery costs per h
 + Variable machinery costs per h
 = Total costs per h

Boris
 14.000
 : 1000 h/yr
 14,00
 26,20
40,20
Buy !!

Alexander
 12.500 Euro/yr.
 : 350 h/yr
 35.71 Euro/h
 22.85 Euro/h
58,57 Euro/h

Costs of external mechanization (to rent):

Billing rate per h

Rent !!
 54,00 Euro/h

Costs of internal mechanization

Costs of external mechanization

Fixed costs + variable costs
 $\frac{14.000 \text{ €/y.}}{X \text{ h/y.}} + 26,20 \text{ €/h}$

Billing rate
 54 €/h

Minimum extent of utilization X h/y. = $\frac{14.000 \text{ €/y.}}{54 \text{ €/h} - 26,20 \text{ €/h}}$ = 503,6 h/y.