SUMMARY

There is no point in making a division in economics between social economics and business economics if the business organization cannot be conceived as an independent economic subject with objects of its own.

Looking through the business organization and seeing only labourers, capitalists and suppliers of other factors of production the problems are none other than those which are treated in social economics in its micro-economic conception.

If the business organization is conceived as an independent economic subject it is also possible to speak of the own objectives of the business organization, objectives which need coincide neither with those of the workmen, nor with those of the moneygivers, nor with other interested parties.

A theory of value in business economics must consequently see the business organization as the valuing subject.

The business organization determines the extent of its sacrifices both in the exchange and in the determination of the profit with reference to its objects.

The object of the business organization may be described as the formation of income via the exchange of the goods or services produced by it. This income is nothing but what it gets back in exchange for its goods and services. It must enable the business organization to maintain itself in the economic process. This does not mean that it always maintains the same production process, but that it maintains the stream of income raised by it.

If we accept the acquirement of income as the object of the independent business organization, the method of valuation, as given by the theory of the replacement value is easily accounted for.

With the application of goods that cannot be replaced the business organization will be guided by the yield in the most important alternative possibility of application. In this case the yield value will determine the valuation. If the goods are replaceable the business organization need only sacrifice the replacement prices, the valuation being guided by this sacrifice. The replacement value then determines the valuation. Conceptions like technical and economic replacement also acquire a more concrete meaning, if the replacement is considered in connection with the formation of income. Economic replacement then means a replacement which has the same meaning for the formation of the income as the original goods.

The valuation according to replacement prices and yieldprices takes place both in the exchange and in the determination of the profit. In the determination of the profit we shall still have to value those sacrifices of which the connection with the processes of production could not be determined and therefore could not be valuated in calculating the cost-price.

The valuation of those sacrifices also concerns the whole stock.

In view of the character of the valuation in the business organization a continuous registration of the value is impossible. What can in fact be continuously and automatically registrated are only price changes.

Valuations can and must only be made in the business organization when decisions have to be taken, decisions referring to the exchange or decisions referring to the determination and distribution of the profit.