

Example of research paper on general motors fixed costs

[Business](#), [Company](#)



In its 2011, Annual Report General Motors Co. cites industry wide high fixed costs as one of its items of concern. . However, it remains determined to reduce those costs to remain competitive on a global scale by reducing that cost so that it may offer effective in the growing world economy and take advantage of foreign markets. . These costs include Cost of Sales; Operating, Administrative and other Expenses; and loss of Goodwill caused by its uncertain financial future for both the failed company and its successor. . These items resulted in total fixed, life cycle, operating, and variable costs of \$ 144, 620, 000, 000. The high cost structure in 2011 affected the corporate income structure and produced income of \$ 5, 985, 000, 000 before taxes and equity income. After factoring in those items, the net income was \$ 9, 287, 000, 000. A loss of \$97, 000, 000 attributable to non controlling resulted in a net income attributable to stockholders of \$9, 190, 000, 000 plus a Net Income attributable to common stockholders of \$7, 585, 000, 000. .

The company's management the data collected from vehicle sales and production volume provide valuable information in getting operating results. the units produced by the firm's manufacturing assembly facilities are generally in line with current revenue and sales, since the organization charges the transporter with the responsibility of ensuring that the vehicles reaches the dealer immediately after its completion. The records for sales include fleet and retail sales but do not directly correlate with the revenues recognized during the same period.

Outside sources confirm that going by sales of its motor vehicles, General Motors Co. is the world's largest manufacturer of automobiles. The corporate goals of creating a presence in the world marketplace have certainly been

realized by its presence in 157 different countries. Even after its consolidation and staff reduction, it still employs 202, 000 people. Additionally, it has enjoyed consistent growth for the past twelve years, especially in the potentially lucrative markets of the People’s Republic of China. In China, its sales rose by 66% in 2009. .

Operating costs

Automotive cost of sales and other automotive expenses \$149 million

Interest income and other non-operating income, net\$481 million

Automotive interest expense\$427 million

Operating and leased vehicle expenses\$0. 4 billion

Interest expenses\$0. 2 billion

Provision for loan losses\$0. 2 billion

Purchase of finance receivables.\$0. 8 billion

General and administrative expenses and automotive selling\$27 million

Financial operating expenses..\$16 million

A portion of the company’s success can be attributed to its ability to repay the \$6. 7 billion loan from the United States’ government. This increased both goodwill and customer confidence resulting in improved sales. The announcement of the corporate 60-day money back guarantee also contributed to customer confidence and helped it recover its positive corporate image.

Even though General Motors Co. changed chief executive officers and chief financial officers three times, it remains tarnished by the government bailout it needed and needs to work to leave that image behind it. One way it is

doing that is by restructuring to what President Obama called a leaner, greener company so that it can break even at a lower sales rate. . This is consistent with a worldwide desire to receive assurance that its motor vehicles are not only more energy efficient, but that the entire manufacturing process that creates them has a smaller carbon footprint. The Stock Market has responded positively to the corporate image, sales, leadership restructuring process, and General Motors Co. enjoyed market upgrades throughout 2011. It can be anticipated that if it remains consistent to its own vision this growth pattern will continue as well.

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