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STATISTICAL METHODS FOR TIME SERIES AND PANEL DATA ANALYSIS

ANA-GABRIELA BABUCEA *

ABSTRACT: *Analysis of time series and panel data is a very large area of methodology. In this brief presentation of these classes of models, I am exchanging depth for breadth in an attempt to point particular types of models that may need to investigate further in doing empirical work.*

KEY WORDS: *time series, panel data, methods, hazard models, Cox regression*

1. BASIC PROBLEMS THAT TIME SERIES PRESENT

I'll start with some basic terminology that's relevant to longitudinal data because the term 'longitudinal data' implies that one has panel data, that is, data collected on multiple units across multiple points in time. Time Series typically refers to repeated observations on a single observational unit across time and Multiple Time Series means multiple observational units observed across time. This can also be considered a panel study, although the usage often differs depending on the unit of analysis. Generally, micro data is considered panel data, while macro data is considered time series data. Multivariate Time Series means there are multiple outcomes measured over time. A Trend is a general pattern in time series data over time.

There are really very few differences between the approaches that are used to analyze time series or panel data and the basic linear regression model. However, there are four basic problems that such data present:

1) *Error correlation within units across time.* This problem requires alternative estimation of the linear model, or the development of a different model.

2) *Spuriousness due to trending.* When attempting to match two time series, it may appear that two aggregate time series with similar trends are causally related, when in fact, they aren't.

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3) *Few units*. Sometimes, time series data are relatively small. When dealing with a single time series, we often have relatively few measurements. This makes it difficult to observe a trend.

4) *Censoring*. Although our power to examine relationships is enhanced with time series and panel data, such data presents its own problems in terms of ‘missing’ data.

2. TIME SERIES METHODS

2.1. The First Differences Approach

As a first effort to eliminate auto-correlated errors, and to produce stationarity in a time series, we can use the first differences approach. In that approach, we compute $y^* = y_t - y_{t-1}$, $\forall t$.

We also difference the covariates. Then, we can be conducted on the new data (which has $n^* = n - 1$). We can repeat the differencing approach if necessary.

2.2. Autoregressive (AR) and Moving Average (MA) Models

Rather than using difference models, we can simply specify structure for the error term. A flexible models’ class that do so are Autoregressive-Moving Average Models (ARMA). Typically, we first construct an autocorrelation plot, which is a plot of the autocorrelation of the data (or errors, if a model was previously specified) at various lags. The function is computed:

$$AC_L = \frac{m \sum (\theta_t - \bar{\theta})(\theta_{t-L} - \bar{\theta})}{(m-L) \sum (\theta_t - \bar{\theta})^2} \quad (1)$$

where m is the number of time series data points and L is the number of lags. The shape of this function across L often tells us what type of model we need. For example, if the plot shows an exponential decay of the autocorrelation across lags, an AR($\#$) model is needed in which $\#$ tells us the number of lagged terms to include to reduce the autocorrelation to nonsignificance.

An AR(1) model simplifies the error covariance matrix for GLS estimation by decomposing the original OLS error term into two components: $\varepsilon_t = \rho \varepsilon_{t-1} + v_t$. Here the error at one time point is simply a function of the error at the previous time point plus a random shock at time $t(v)$. Higher order AR models are obtained by allowing the error to be a function of errors at lags >1 .

Typically, autoregressive models are estimated by incorporating a lagged y variable into the model. So long as the absolute value of the coefficient for the lagged term(s) does not exceed 1, the series can be considered stationary. An MA[1] model specifies structure on the random shocks: $\varepsilon_t = \sigma v_{t-1} + v_t$.

As with the AR models, higher order MA models can be obtained by adding additional lagged terms. Moving average models are more difficult to estimate than autoregressive models, however, because the error term depends on the coefficients in the model, which, in turn, depend on the error.

3. METHODS FOR PANEL DATA

Economists and demographers often deal with aggregate time series. Sociologists and others often deal with time series in the context of panel data: repeated measures on multiple individuals across time.

Panel data approaches really aren't different from other time series approaches, but certain models have become more popular for sociologists.

3.1. Event history, hazard models, and Cox regression

Event history models are useful when we have a particular dichotomous event (e.g., mortality, marriage, etc.) that we are interested in modeling. If the time units in which the respondents are measured for the event are discrete, we can use 'discrete time event history methods;' if the time units are continuous (or very closely so), we can use 'continuous time event history methods.'

When time units are discrete, the dichotomous event of interest naturally puts us into a logistic or probit modeling framework, since the outcome variable is no longer continuous. However, we shouldn't simply model the dichotomous outcome, because we lose information that is relevant to the timing of the event.

Thus, the primary adaptation that these methods require is the construction of a unit-time dataset. Every unit is treated as multiple observations, one for each year (or other time unit) the unit was observed until s/he experienced the event. If the individual never experienced the event, then the individual is 'right censored,' but this is not a problem. For example, consider a panel study with waves in 1981, 1992, 1997, and 2002. Suppose we were interested in studying mortality. In that case, we would give every individual up to 22 person-records.

The dependent variable would be a "died" dummy variable, which would take value 0 for all person-year records until the year in which the individual died. And, if the respondent didn't die during the time period, she/he takes a '0' value on the d.v. for all 22 years.

For a person who does die, at the point of death, the individual would take value 1 on the dummy variable, and no additional person-year records would be added for that individual. Say we had an individual who died in 1995 and who was 65 at baseline. That person would contribute the following records to the data:

ID	Year	Age	Died
1	1991	65	0
1	1992	66	0
1	1993	67	0
1	1994	68	0
1	1995	69	1

Someone, on the other hand, who died in 1982 and was 76 at baseline would contribute:

ID	Year	Age	Died
1	1991	76	0
1	1992	77	1

If we extrapolate this, you can imagine examining the mean of the ‘died’ dummy variable for every age (or other variable) would give you a measure of the ‘hazard’ for dying at each age (notice, by the way, how the time-varying covariate ‘age’ was included in the model - any time varying variable can be included in this fashion).

More correctly, it would be a measure of the probability for dying at each age, but as the time intervals became narrower (say they were in days rather than years), this probability becomes a hazard:

$$\lim_{\Delta t \rightarrow 0} \frac{p(\text{dies between } t \text{ and } t + \Delta t \mid \text{survived to } t)}{\Delta t} \quad (2)$$

When the time periods become very close together, we often use continuous time hazard models. Most continuous time hazard models specify a parametric form for the ‘baseline hazard,’ which is the hazard for individuals with covariate values of ‘0’ on all variables.

Generally, we use either the exponential hazard (baseline hazard is linear across time: $h(t) = \exp(X\beta)$) or the Gompertz (baseline hazard increases exponentially across time: $h(t) = \exp(X\beta + ct)$). (There are other specifications, Weibull: $h(t) = \exp(X\beta + ct \cdot \ln(t))$). Sometimes specification of a hazard is difficult, because the parameterization is not quite right.

Cox regression is an approach that does not require specification of a baseline hazard function. So long as the hazards are proportional across levels of each covariate, and there aren’t many ‘ties’ in the data the model works well (ties are simultaneous occurrences of events). Of course, one could simply specify a discrete time logit model and use dummy variables to capture the nonlinearity in the baseline hazard. The basic discrete time model can be extended to handle multiple types of events via use of the multinomial logit or multinomial probit models. Repeated events can also be handled, although such is beyond the scope of this discussion.

3. 2. Fixed Effects, Random Effects, Growth Curve Models

The discrete and continuous time models discussed above have two primary limitations/shortcomings. One is that we must deal with a dichotomous (or possibly polytomous) event. If we are interested in something other than an event (income trajectories), we must move to other types of models.

The other shortcoming is that autocorrelation of observations (or unobserved heterogeneity) is ignored. There may be factors within individuals that differentiate them from other individuals but are not picked-up in the models discussed above because we have ignored the fact that there are multiple observations per person.

A simple method to capture some of this heterogeneity is to include a dummy variable in the model for each individual (except for one, of course). This approach is called a ‘fixed effects’ model and is equivalent to subtracting individuals’ scores from their own mean and conducting OLS regression.

We can imagine data on an observation (i) for two time points, with one fixed covariate (x) and one time-varying covariate (z):

$$\begin{aligned}
 Y_{it} &= \beta_0 + \beta x_i + \gamma z_{it} + \varepsilon_1 \\
 Y_{it-1} &= \beta_0 + \beta x_i + \gamma z_{it-1} + \varepsilon_2 \\
 Y_{idif} &= 0 + 0 + f(\gamma)[z_{it} - z_{it-1}] + f(\varepsilon)
 \end{aligned}
 \tag{3}$$

The intercept term and the fixed covariates drop from the model. We typically don’t do this subtraction, especially since with multiple times of observation it isn’t clear how we would.

Thus, if we include a dummy variable for each individual, we capture the individual’s mean on the outcome variable and the effect of the fixed covariates that have dropped from the model above without doing the subtraction. This highlights a limitation of the model: when we use a fixed effects model, we cannot use any fixed covariates in the model. The effects of such covariates cannot be identified independent of the individual-level dummy’s effect.

A second limitation of this approach is that the results are no longer generalizable, because the dummy coefficients are unique to the sampled individual - we cannot make inference about the fixed effects.

As an alternative, we may use a ‘random effects’ model. In order to understand the random effects model as distinct from the fixed effects model, we need to think from a Bayesian perspective. A fixed effects model specifies no informative prior distribution (thus a uniform prior) on the fixed effects. A random effects model, on the other hand, specifies an informative prior on the random effects. The inclusion of the informative prior allows us to identify the effect of fixed covariates distinct from the random effect, thus allowing us to include fixed covariates in the model.

The model also allows generalizable inference, because the random effects are realizations from a probability distribution. The drawbacks to the model are that a) it is more complicated (although most packages estimate them) and b) the random effects cannot be correlated with any of the regressors in the model. [On a technical note, my understanding is that they in fact can be correlated in the posterior, but cannot be specified a priori for being correlated with other variables.]

Sometimes simply capturing individual differences in the mean of an outcome variable is not sufficient—individuals may vary in their trajectory of the outcome variable over time as well. In addition to including a random intercept term for an individual, we can also include random slopes. This gives rise to random effects models with random intercepts and slopes, and, by another name, a growth curve model. A growth curve model can be specified as follows:

$$\begin{bmatrix} y_1 \\ y_2 \\ \vdots \\ y_k \end{bmatrix} = \begin{bmatrix} 1 & f(t_1) \\ 1 & f(t_2) \\ \vdots & \vdots \\ 1 & f(t_k) \end{bmatrix} \begin{bmatrix} \alpha \\ \beta \end{bmatrix} + \begin{bmatrix} e_1 \\ e_2 \\ \vdots \\ e_k \end{bmatrix} \quad (4)$$

$$\begin{bmatrix} \alpha \\ \beta \end{bmatrix} = \begin{bmatrix} \mu_\alpha \\ \mu_\beta \end{bmatrix} + \begin{bmatrix} \gamma_{\alpha x_1} & \gamma_{\alpha x_2} & \cdots & \gamma_{\alpha x_j} \\ \gamma_{\beta x_1} & \gamma_{\beta x_2} & \cdots & \gamma_{\beta x_j} \end{bmatrix} \begin{bmatrix} x_1 \\ x_2 \\ \vdots \\ x_4 \end{bmatrix} + \begin{bmatrix} \zeta_\alpha \\ \zeta_\beta \end{bmatrix} \quad (5)$$

In equation 4, the errors for the time (k)-specific outcome measures (y) are assumed to be normally-distributed random noise with mean vector 0 and covariance matrix Σ_{ee} . Σ_{ee} can be diagonal (implying e_i and e_j are uncorrelated $\forall i \neq j$), or it can incorporate additional sources of unmeasured heterogeneity (via error correlations).

For a linear specification, $f(t)$ measures the distance from baseline (in years, months, or other units), with $t_1=0$ (so $f(t) \equiv t$). α and β are considered to be normally distributed with mean vector $\begin{bmatrix} \mu_\alpha & \mu_\beta \end{bmatrix}^T$ and covariance matrix $\Sigma_{\alpha\beta}$. This equation thus models variability in individual trajectories around the mean trajectory for the (sub)sample. This variability (heterogeneity) can be then modeled at a second level, by allowing $\begin{bmatrix} \mu_\alpha & \mu_\beta \end{bmatrix}^T$ to be a function of covariates/predictors.

Equation 5 provides us this half of the model. In this equation, the mean vector has been decomposed into an adjusted mean and a linear combination of covariates $[x_1 \ x_2 \ \dots \ x_j]^T$, which are, in this case, assumed to be measured without error.

The second level error vector, $[\mu_\alpha, \mu_\beta]^T$, is assumed to have a 0 mean vector and a covariance matrix Σ , which represents unexplained between-individual heterogeneity. These models can be estimated using standard structural equation modeling software. If the covariates/predictors are allowed to contain measurement error, then the full latent variable model presented by Bollen (1989) can be used.

Below, in figure 1, is a graphic depiction of a growth curve model. Errors of measurement are not included in the path drawing, due to space constraints, but they are included in the models.

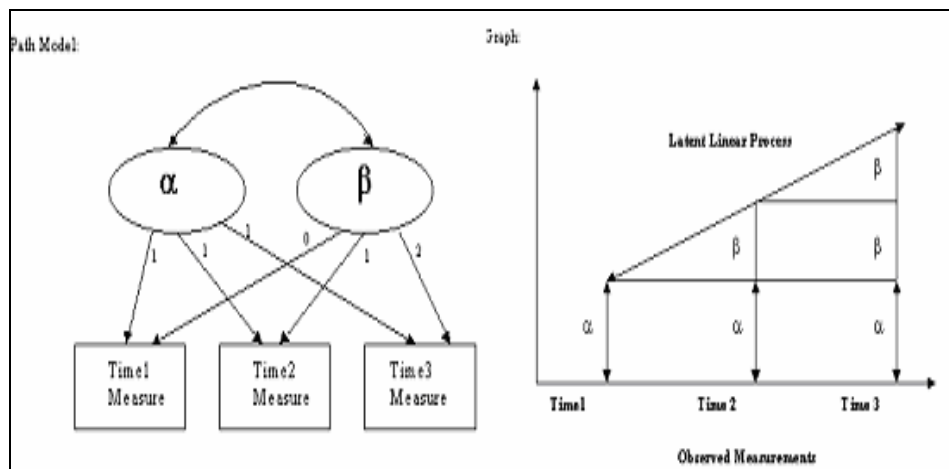


Figure 1. Path drawing and Graph of Univariate Latent Growth Curve

The growth curve model and the random slopes model are virtually identical, even though different notation is used.

$$\begin{aligned}
 y_{it} &\sim N(\alpha_i + \beta_i t, \sigma^2) & \beta_0 &\sim N(0,1000) \\
 \alpha_i &\sim N(\alpha_0, \tau_\alpha) & \sigma^2 &\sim IG(.001, .001) \\
 \beta_i &\sim N(\beta_0, \tau_\beta) & \tau_\alpha &\sim IG(.001, .001) \\
 \alpha_0 &\sim N(0,1000) & \tau_\beta &\sim IG(.001, .001)
 \end{aligned}$$

This model says that y for the i -th individual at time t is normally distributed with a mean equal to an individual-specific random intercept plus an individual-specific random slope, and a variance. The second level equations specify the structure of the individual-specific random intercepts and slopes. The overall means for these random effects are given vague hyperprior distributions, as are all of the variance terms in the model.

The structure placed on the random effects in the second-level equations allows the effect of fixed covariates to be identified. Covariates can be included at any level of the model; if they are included in the second level equations, then the model is practically identical to the growth curve above (except in the growth curve model, we gave the second level parameters a bivariate normal distribution - we could do that here as well).

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THE CONTRIBUTION OF THE „ROMANIAN BANK” TO THE „NATIONALIZATION” OF THE COAL COMPANIES IN THE JIU VALLEY

MIRCEA BARON, OANA DOBRE-BARON *

ABSTRACT: *The paper is an attempt to point out the role of a series of Romanian financial and credit institutions in the transfer of certain industrial companies, and in our case of mining companies from the property of foreign capital into property of the Romanian capital.*

KEY WORDS: *Romanian Bank, „nationalization”, inter war-period, The Jiu Valley, mining companies.*

The problem of „nationalization” was dealt with in detail in a previous paper¹, in which we tried to point out the role of the Romanian capital in such an enterprise. The respective research reveals the importance of the „Banca Românească” = „Romanian Bank” in the stimulation and completion of this process. The present study is an attempt to motivate the statement made above and to show that the „Romanian Bank” successfully carried out its role as a „managing”² bank of the „Consortium” that was trying to put into practice one of the directions required by the bilateral concept „Through ourselves” and by the realities of the Romanian society after the Great Union. We shall deal strictly with the „nationalization” process, without overlooking the fact that the „Romanian Bank” was to continue its presence in the life of the companies to whose setting up it had contributed.

In the inter-war period, the Jiu Valley continues an activity begun after the latter half of the XIXth century, and the investments made by the Hungarian, Austrian,

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¹ M. Baron, *Cărbune și societate în Valea Jiului (perioada interbelică)*, Editura Universitat, Petroșani, 1998, p. 131-149.

² The term used in the period was „directrice”

German, and French capital constituted to exploit the rich brown coal resources of this coal basin were a solid basis for an expanding economy.

There were mainly companies constituted in time, namely „Salgótarján” Company, which, since 1895, had been exploiting the mines Petrila, East Petroșani, West Petroșani, Dâlja, Aninoasa and Vulcan Group (mines: Dr. Chorin, East, West); „Uricani – Valea Jiului” Company, created in 1892, which exploited the Lupeni mines: North, Ștefan, Ileana, Victoria, Carolina; both these companies were created with private capital and had owned, since 1903 an equal share of the „cuxas” of „Valea Jiului de Sus” Company, created in 1895 and exploiting three coal perimeters at Vulcan. The state was exploiting, through „The State Mines Lonea”, coal perimeters in Lonea, Cimpa and Jieț.

After the Great Union, the leadership of the Romanian State, together with politicians and specialists, was in favour of a new management of the country’s resources, and thus, the problem of the ownership and management of useful ores was very much debated, in search of solutions for its solving. In this sense, the legal process of the first years in the inter-war period created the framework for the „nationalization” of the assets owned by foreign capital, especially by the enemy³, for the transformation of mining enterprises into anonymous Romanian companies with mainly Romanian capital and management⁴, and for a better management of the state’s assets by selling some of its enterprises⁵.

This approach to reality was to affect the Jiu Valley as well, and, after the Great Union, we witness a reorganization of its management and production structures⁶; new mining companies are set up, thus continuing an activity begun previously, but under new management, which better represents the interests of the Romanian capital and society; at the same time an entirely new company is created and there are minor attempts to mine outside these companies.

The transformations of the Jiu Valley after the Great Union took place mostly due to the implication of the Romanian capital, especially of the liberal one, grouped around the „Romanian Bank”.

The „Romanian Bank” (1911-1948)⁷ was to play a major role in the development of the Romanian banking system before and after World War I and in the

³ C. Hamangiu, *Codul general al României*, vol. XI–XII, 1922–1926, p. 3–20, p. 617–672.

⁴ *Ibidem*, p. 626–627.

⁵ *Ibidem*, p. 610–617.

⁶ Problem also approached by L. Báthory, *Contribuția industriei carbonifere la dezvoltarea social-economică a României între 1919–1929* (Ph.D. Thesis), Cluj-Napoca, 1981, p. 31–53; Costin Murgescu, N. N. Constantinescu, Radu Paul, Constanța Bogdan, M. Ștefan, *Contribuții la istoria capitalului străin în România*, Editura Academiei, București, 1969, p. 140–144.

⁷ About the „Romanian Bank” see: xxx, *Monografia „Băncii Românești” (1911–1920)*, Atelierele Grafice „Țiparul Românesc”, București, 1921; Pant. M. Sîtescu, *Banca Românească 1911-1936*, București, 1937; Idem, *Băncile comerciale*, in vol. *Enciclopedia României*, IV, Imprimeria Națională, București, 1943, p. 549-580; R. Ionescu, *Fondul Banca Românească S.A. (1910–1951)*, *Revista Arhivelor*, V, 1962, nr. 1, p. 148–160.

ensuring of financial and will resources necessary to apply the liberal concept „Through ourselves”.

Founded in December 1910 and operational starting with 1911, the bank was set up by 23 persons – among whom B.M. Missir, dr. C. Angelescu, dr. C. Cantacuzino, C.C. Arion – who provided the entire social capital of 17, 5 million lei⁸.

The bank intended to „facilitate and guide the participation of the Romanian capital to the development of commerce, industry and all kinds of enterprises, as well as to provide credits for the banks founded with Romanian capital” (art. 2 from the Statutes)⁹ and to „take part in the setting up of commercial and industrial companies” (art. 16, alin. b. from the Statutes)¹⁰.

The bank will extract its own resources necessary for the application of a policy adequate to its objectives from its social capital and financial reserves, as well as from the credits obtained from the National Bank of Romania, deposits and current accounts¹¹.

With these resources, as early as 1914, the „Romanian Bank” will get involved in the foundation of numerous industrial, commercial and financial companies, and this policy will be stressed after the Great Union in 1918. This policy was doctrine – based, as it was considered that the „Romanian Bank”, as an important financial institution of the country, is meant to encourage and facilitate the participation of national factors to all the branches of economic activities, in solidarity with the permanent interests of the state, in order to ensure our economic independence”; that „a big institution should adopt its economic policy to the permanent interests of the state where it lives” and „avoid being a party tool”; that a big financial institution „doesn’t perform direct exploitation, either industrial, commercial, or agricultural, but confines itself to the financing of such activities”; that „the experience of our commercial and industrial development shows that a big bank *has the role to create and nationalize the economic life, especially in the freed regions...* bringing to life different credit institutes”; and that „in the setting up of new commercial and industrial companies, the „Romanian

⁸ R. Ionescu, *Op. cit.*, p. 149–150; The General Direction of the State Archives, Bucharest Branch, *The „Romanian Bank” Fund. Inventory*, f. 1 (From now on, *Fond „Banca Românească”*).

⁹ „Banca Românească”, *Statute*, Atelierele Grafice „Anuarul general”, București, 1914, p. 3.

¹⁰ *Ibidem*, p. 5.

¹¹ The capital grows continuously: 1912 – 26250000 lei; 1916 – 60 mil. lei; 1920 – 160 mil. lei; 1921 – 200 mil. lei; 1922 – 280 mil. lei; 1938 – 350 mil. lei; 1941 – 500 mil. lei; 1942 – 625 mil. lei (*Fond „Banca Românească”. Inventar*, f. 1; *Fond „Banca Românească”. Secretariat*, Dos. 1/1928–1938, f.f.); the stock fund grows from 1237583 lei in 1912 to 2390379 lei in 1914, 75099251 lei in 1920, 119646001 lei in 1924 etc. (*Ibidem*, Dos. 1/1928–1938, f.f.); interest at B.N.R. raised at 17397722 lei in 1911 and 197486027 lei in 1920 (R. Ionescu, *Op. cit.*, p. 155); deposits were of 69789043 lei in 1912, 114545637 lei in 1914, 810508470 lei in 1920, 1257443232 lei in 1924 (*Fond „Banca Românească”, Loc. cit.*).

Bank”, as a big institution, must preserve its national character, even when foreign capital participates to it”¹²

The report of the Managing Board to the extraordinary general assembly of December 21, 1919 showed that the policy regarding consortium participation had materialized, up to that moment, in the involvement of the bank in the foundation of a number of 18 industrial, commercial, agricultural, transport and credit companies and institutions¹³; it participated to the support of other companies and to the growth of the social capital of several provincial banks. Starting from the new economic perspectives that the new Romania had, it was considered that The Romanian Bank should prepare to meet all possible exigencies. As a first measure to take, it was necessary to increase social capital from 60 to 160 million lei, but two or several issues, this offering the possibility:

1. To continue industrial participation and financing, in order to organize an industry able to turn to account our surface and underground resources.
2. To meet the financial needs of newly freed regions.
3. To maintain a safe relationship between existing resources and the flux of deposits¹⁴.

Having a substantial material and political support, the Romanian Bank will keep up its policy, and the following years were beneficial from this point of view. It is considered that there were nine banks that played a major role in the involvement of banks in the process of nationalization, namely: five with Romanian capital (Banca Românească, Banca Agricolă, Banca Generală a Țării Românești, Banca Comerțului (Craiova), Banca de Scont) and other four with foreign capital (Banca de Credit, Banca Marmorosch–Blank, Banca Chrissoveloni, Banca Comercială Română). The „Romanian Bank” will initiate important „participation”: 246.4 mil. lei in 1923 (18.26% of the total „participation” of the nine banks, and 52.76% of the total „participation” of the banks with Romanian capital) 283.7 mil. lei in 1925 (19.23%; 52.01%), 208.7 mil. lei in 1927 (9.96%; 45.05%)¹⁵. In 1924, the Bank was interested in 35 small and big banks, six companies in mechanical industry, six in the building

¹² xxx, *Monografia „Băncii Românești” (1911–1920)*, p. 35-36.

¹³ Remarkable is the participation to the foundation of some institutions that were to be later involved in the „nationalization” of the mining companies in the Jiu Valley: „Creditul Tehnic”, „Creditul Minier”, „Creditul Tehnic Transilvănean” (Sibiu), „Industria Ardealului” (Brașov) (*Fond „Banca Românească”. Secretariat*, Dos. 2/1916-1925, f. 109). A statistics provided by the the „Romanian Bank” regarding its public funds on December 31, 1921, shows that it participates in other companies involved in the process of „nationalization”: „Banca Generală a Țării Românești”, „Banca Franco–Română”, Banca „Albina” (Sibiu), „Banca Centrală pentru Industrie și Comerț” (Cluj), „Banca Comerțului” Craiova (*Ibidem*, f. 286).

¹⁴ xxx, *Raportul Consiliului de Administrație către adunarea generală extraordinară (25 decembrie 1919)*, Cartea Românească, București, 1920, p. 6-7.

¹⁵ Ludovic Báthory, *Trăsături generale ale dezvoltării și modernizării sistemului industrial bancar*, în vol., *Dezvoltare și modernizare în România interbelică. 1919–1939*, Editura Politică, București, 1988, p. 188-198.

industry and building materials, seven in food, five in textile industry, nine in wood processing industry, nine in mining industry, three in electrical industry, two transport companies, three leather processing and shoe factory, 15 other credit companies and institutions and eight agricultural companies¹⁶.

One of the directions adopted to get to this point will be the „nationalization” of industrial and banking companies with foreign capital, which had had connections with financial groups in Central Europe. This will be a form of infusion of Romanian capital in hundreds of companies in the Old Kingdom, but especially in the provinces united with the Country, process which saved a part of the ex – enemy capitals and prevented the English, French and Italian capitals from taking these companies over. This activity was supported and grinded by the state and the Romanian National Bank. A banking union was to be created, consisting of 22 of the biggest banks, under the leadership of the already mentioned nine banks. This union will sign, in 1920, a „Convention” with the Ministry of Industry and Commerce, which stipulated that „The undersigned Romanian financial institutions will buy shares of the existing industrial companies and will not participate to their transformation into new companies, with participation of Romanian capital, only provided that least 50% of the capital of the society should be Romanian, half of the members of the Managing Board should be Romanian and the president of the Board should also be Romanian¹⁷.

The „Romanian Bank” will lead the „Consortium” that will nationalize the main coal companies in the Jiu Valley: „Salgótarján” and „Uricani – Valea Jiului”. It is interesting that, as early as 1920, it was considered necessary to set up a holding in the Jiu Valley that should comprise all the mines that existed in the area at that moment. From a document sent by the Romanian Bank to the Ministry of Industry and Commerce on August 10, 1910, we find out that a project was being studied, according to which the acquisition of the mines belonging to „Salgótarján” and „Uricani – Valea Jiului” companies should be followed by a merger of the two set up companies; if the state wanted to participate with its mines (Lonea) a unique company could be founded for the mining of coal in the Jiu Valley¹⁸. In time, a part of this road was covered and the mining in the Jiu Valley was under the influence of liberal finances in the entire inter – war period. In time, a part of this road was covered¹⁹ and the mining in the Jiu Valley was under the influence of liberal finances in the entire inter – war period. *The*

¹⁶ xxx, *Darea de seamă a Consiliului de Administrație. Exercițiul 1924*, Cartea Românească, București, 1925, p. 10–30. Almost the same situation is to be found in 1927: banks – 41; mechanical industries – 7; building and building materials companies – 6; transportation companies – 3; food industry – 5; textile industry – 4; leather processing – 2; wood industry – 4; mining industry – 11; electrical industry – 3; other enterprises – 15 (xxx, *Darea de seamă... Exercițiul 1927*, Editura Cartea Românească, București, 1928, p. 14–18).

¹⁷ V. Axenciuc, *Studiu cu privire la întărirea dominației capitalului financiar în România*, in vol., *Studii privind istoria economică a României*, vol. I, Editura Academiei, București, 1961, p. 197.

¹⁸ *Fond „Banca Românească”. Participații*, Dos. 57/1919–1930, f.f.

¹⁹ M. Baron, *Op. cit.*, p. 131–170.

„Petroșani” Company is the first Romanian company set up in the Jiu Valley by the „nationalization” of the assets belonging to the „Salgótarján” Company. The first step was taken by the Jiu Valley management of the Company, in December, 1918, the reason being the following the Union Decision at Alba Iulia²⁰, the Journal of the Council of Ministers nr. 1064/December 7, 1918 regarding the transfer of the mines at Petroșani to the property of the Romanian State²¹, the uncertain situation determined by the revolutionary state of the workers²²(22), but the main cause was the desire to preserve the mines intact. Ioan Winklehner, the general manager of the mines in the Jiu Valley, addresses himself to the Managing Council proposing that the latter should buy the mines with 100 crowns. The Council addressed itself to the Ministry of Trade and Industry proposing that the Romanian State should buy mines, but the government refuses, Vintilă Brătianu invoking the lack of money²³(23). The refusal was determined by circumstances, as well as by possibilities and political factors. Tancred Constantinescu, one of the persons who was to participate to the talks regarding the „nationalization” of the „Salgótarján” Company said, in 1937, that „in 1919, the eternal Vintilă Brătianu, summoning us one day, told us that it was intolerable that the management of the Company that owns the biggest mines and the best coal in the country shouldn’t belong to the Romanians from the beginning. He asked us to do our best for the „nationalization” of this important industry”²⁴. At the same time, the leaders of the „Salgótarján” Company discussed in 1919 the problem of common interests they had in Transylvania, where as dr. Francisc Chorin, the president of the „Union of Hungarian Manufacturers”, considered that „it would be advantageous to transfer the company under foreign ownership”, thinking about the attraction of English capital. Weiss Fülöp, the vice-president of the Managing Board of the „Hungarian Commercial Bank”, considered that „it is necessary to carry on discussions locally and to make a deal with the Romanian capital”²⁵.

Starting from these attitudes, on January 16, 1920, the first talks were to take place at Berna, in Switzerland²⁶. The Romanian side, consisting of the „Romanian Bank” Group and the „Creditul Extern” was represented by Tancred Constantinescu and Jacques Kanitz, and the Hungarian side was represented by Weiss Fülöp and dr. Francisc Chorin. The minutes of this event summarized the whole talk and the decision

²⁰ Șt. Pascu, *Făurirea statului național unitar român*, vol. II, Editura Academiei, București, 1983, p. 193.

²¹ C. Damaschin, *Contribuțiuni la studiul combustibilului mineral*, vol. I, Imprimeria Națională, București, 1933, p. 226.

²² Dominic Stanca, *Între două fronturi. 1914–1918*, Editura Patria, Cluj, 1935, p. 286–301.

²³ *Parchetul Tribunalului Petroșani*, Dos. nr. 1043/1947, f. 92–93.

²⁴ Arhivele Naționale Deva (From now on, Arh. Naț. Deva), *Fond Societatea „Petroșani”*. *Consiliul de Administrație*, Dos. 2/1937, f. 53.

²⁵ Berend T. Ivan, Ranki György, *Magyarország gazdasága az alsó világhabon után 1919–1929*, Akadémiai Kiadó, Budapest, 1966, p. 110–111.

²⁶ *Fond „Banca Românească”*. *Participații*, Dos. 57/1919–1930, f.f.

reached regarding „the founding of a new Romanian anonymous companies (S.A.R.) for the exploitation of the mines at Petroșani”. The Hungarian side reported on the mines, the coal resources and the coal price and wanted to know if the other side was taking this transaction seriously, otherwise being willing to sell somewhere else²⁷.

The discussions lead to the following agreement:

- The Hungarian Group (consisting of „Salgótarján” Company and the „Hungarian Commercial Bank”) evaluates its mines in the Jiu Valley, with all the investment, at 38 millions Swiss francs, the huge values of the coal deposits and of the company are not taken into consideration.

Table of the Jiu Valley Mines Funds „Salgótarján” Company²⁸

Years	Account: acquisition building, investments	Account real estate inventory	Account: machines	Account: lands	Account mobile inventory	Account used funds
1895– 1918	11.732.124	13.550.264	8.024.537	1.524.081	3.731.069	38.562.075

- The Hungarian Group sells half of the business to the Romanian Group (represented by the „Romanian Bank” Group and „Creditul Extern”) for 19 mil. Swiss francs, to be paid within four years, at the Budapest headquarters²⁹.

- The Romanian Group will found a new Company, within Romanian capital, half of it being given up in favour of the Hungarian Group; at the same the Romanian Group offers The Hungarian Group the bank vouchers necessary to guarantee the payment of the 19 mil. Swiss francs in due time.

- The Managing Board of the new Company will consist of an equal number of members, and the general manager must be accepted by the Hungarian side as well.

- The Hungarian Group will benefit by all the possible advantages resulting from combinations made by the Romanian share holders, it will be able to refuse to participate to operations it didn't agree with (eg. stock exchange, operations) and, if new shares are issued, it will be entitled to half of them.

- The final contract meant to confirm this agreement was to be completed by February 25, 1920 in Bucharest, when the representatives of two Groups were to meet at the headquarters of the „Romanian Bank” to complete and sign the papers.

²⁷ It is to be pointed out that, at the future meeting on April 2, 1920 in Bucharest, about which we shall talk later, Weiss Fülöp, the vice president of the „Hungarian Commercial Bank” proposed to the „Romanian Bank” several combination regarding companies the former was interested in Old Kingdom and Transylvania (*Fond „Banca Românească”. Secretariat, Dos. 2/1916–1921, f. 165*).

²⁸ *Fond „Banca Românească”. Participații, Dos. 57/1919–1930, f.f.*

²⁹ In Mircea Baron, *Op. cit.*, p. 135, on grounds of another document we refer to the purchase of 55% of the selling value by the Romanian capital, at the price of 19 mil. Swiss francs.

On grounds of the full power invested in them³⁰, the representatives of the two groups meet again in Bucharest and, on April 2, 1920, a contract is signed between the two Groups, stipulating the following:

- The Romanian Group and „Salgo – Commerce” Group agree to jointly found a company situated in Romania, whose objective is to purchase and maintain in exploitation the coal mines in Transylvania, in the Jiu Valley with all the plants and pertaining assets, forming at that moment the „Salgo – Commerce” property.

- The new Company should be founded rapidly, not later than a month after the signing of the Peace Treaty (the Trianon Treaty, June 4, 1920)³¹ and its recognition by Romania and Hungary.

- The Company will have a capital of 100 mil. lei, consisting of the 90 mil. worth assets brought by „Salgo – Commerce” and 10 mil. lei cash, as a shared contribution of the two sides.

- The Statutes will be the result of an agreement between the two Groups.

- „Salgo – Commerce” participates to the founding of the new company as a 50% associate and will enjoy the same rights and prerogatives as the Romanian Group. „Salgo – Commerce” enters the new company with the coal mines it owned in the Jiu Valley. In compensation, it will receive 90 mil. lei in shares, keeping one half, and the other half, of 40 mil. lei, at the agreed price of 19 mil. Swiss francs, payable in four years since the foundation of „Petroșani” Company, will be sold to the Romanian Group.

- The Managing Board will have equal rights: the Romanian Group will name the president and has an extra representative in comparison with The Hungarian Group; the two managing representatives in charge with the General Management Department will be named by each Group.

- The members of the Romanian Group acknowledge the „Romanian Bank” as „managing” bank and are ready to consider all its communications legally valid.

- The Romanian Group will be represented by the „Romanian Bank” in front of „Salgo – Commerce”, the „Hungarian Commercial Bank” having the same role in the relation with the Romanian Group.

The contract will be signed for the „Romanian Bank” by G.N. Bagdat, member of the Managing Board (1918-1924), and for the „External Credit” by G.N. Bagdat and Tancred Constantinescu (managing representative); for „Salgótarján” Company it will be signed by Weiss Fülöp and dr. Francisc Chorin jr., and for the „Hungarian Commercial Bank” by Weiss Fülöp³².

³⁰ *Fond „Banca Românească”. Participații*, Loc. cit. See, for instance the proxies given by „Salgótarján” Company to Weiss Fülöp and dr. Francisc Chorin jr., the general manager of the Company, on February 19, 1920, as well as the proxy given to Weiss Fülöp by the „Hungarian Commercial Bank” on February 21, 1920 enabling them to sign a contract.

³¹ xxx, *Tratat de Pace între Puterile Aliate și Asociate și Ungaria. Protocol și declarațiuni. Din 4 iunie 1920 (Trianon)*, Imprimeria Statului, București, 1920.

³² *Ibidem*

In the meeting of April 3, 1920, the Managing Board of the „Romanian Bank” authorizes the General Management to accept the deal under the agreed circumstances³³, the same attitude being adopted by the Hungarian Group – the „Hungarian Commercial Bank”, on June 16, 1920 and „Salgòtarján” Company on June 17, 1920- that authorizes dr. Francisc Chorin jr. to participate at the foundation of the Company in Bucharest³⁴.

As by the Decree nr. 2447/ June 7, 1920 the Alexandru Averescu government forbade any transaction of industrial goods on Romanian territory without a special licence issued by the Ministry of Industry and Commerce³⁵, on July 1, 1920 the „Romanian Bank” and the „External Credit” will inform the minister about the talks with the „Salgo – Commerce” Hungarian Group, presenting the following: the agreed principles; besides the „Romanian Bank” and the „External Credit”, other institutions in Transylvania and the Old Kingdom will participate with capital; the state was able to be invited to participate to the foundation. Finally, they require a founding licence for the new Company and ask the authorities to indicate their position regarding the participation of the state to the new company³⁶.

³³ *Fond „Banca Românească”. Secretariat, Dos. 2/1916–1921, f. 165.*

³⁴ Arh. Naț. Deva, *Fond Societatea „Salgòtarján”, Dos. 56/ 1920, f. 6,12.* The General Assembly of „Salgòtarján” Company on August 7, 1920 will decide „that the coal mines in the Jiu Valley will constitute themselves into an independent anonymous company” and authorizes the General Management to carry out all the discussed conventions and agreements, the president of the Company, dr. Francisc Chorin, assuring the shareholders that „at the foundation of the protection of the Company’s interests” (*Ibidem*, f. 1-2).

³⁵ Mircea Mușat, Ion Ardeleanu, *România după Marea Unire, vol. II, partea I. 1918–1933*, Editura Academiei, București, 1986, p. 273.

³⁶ *Fond „Banca Românească”. Participații, Dos. 57/1919–1930, f.f.* We don’t know if the presence of the state was really wanted, but there attempts in this sense. On grounds of the banking agreement in January 1920, which stipulated that, in the case of transportation companies and the iron and energy industries, the state would have the right to participate with up to 25% of the capital of the Company, both the Romanian and the foreign capital should field to the state equal shores (Arh. Naț. Deva, *Fond Societatea „Salgòtarján”, Dos. 53/1920, f. 2*). According to an annex to the „Contract” signed on April 2, 1920 the two Groups agreed to accept the state’s participation to the capital, provided that the state announced its decision not later than a year after the foundation of the society and paid the fielded shores (*Fond „Banca Românească”. Participații, Dos. 57/1919–1930, f.f.*). In a document on July 1, 1920 it is pointed out that this participation was established and the position of the government in this matter was required (*Ibidem*). If, in the first instance, the government answers affirmatively to the idea of participation, which is confirmed by the common document of the „Romanian Bank” and the „External Credit” addressed to the Ministry of Industry and Commerce on August 10, 1920 (*Ibidem*) and the notification on December 16, 1921 of the same Ministry (*Ibidem*), as well as by the proposed Convention project, through which the Romanian State was to receive 50,000 shores (*Ibidem*), finally, the presence of the state in the initial sense, remains a project.

Before obtaining the authorities approval the two sides³⁷ adopt a Constitutive Act³⁸ that establishes: the way in which the sum of 100 mil. lei, representing the capital of the new company, will be covered; the way in which „Salgótarján” Company will transfer its contribution to „Petroșani” Company. At the same time „Salgótarján” Company agrees that the ownership rights of „Petroșani” Company over mines and assets should be registered in the cadaster and entered in the mines register.

On October 8, 1920 an Additional Convention³⁹ to the Constitutive Act and the Statutes of „Petroșani” Company is adopted, establishing the ways in which the new Company is founded and organized, as well as the participation of the state. It is also established that the „Romanian Bank” should pay 23.750.000 lei to the „Hungarian Group” in advance, and that the „Romanian Bank” and the „External Credit” should receive 2% of the price of shares, representing the expenses connected with the talks and the completion of the deal as such. The Statutes of „Petroșani” Company⁴⁰ are also validated now.

On grounds of the agreement and the documents elaborated and authenticated by the Notary Public Office, the Council of Ministers adopt the Journal of the Council of Ministers nr. 3943 published in January 5, 1921 in which it approves the issuing of , the special licence required by the Decree nr. 2447/June 7, 1920; it authorizes the Ministry of Industry and Commerce to involve the state in the participation with 25% to the capital of the new company and, if this doesn't happen, the Romanian Group will take over the 25% and will pay the required sums; it also stipulates that, in case the state founds a unique company, „Petroșani” Company will necessarily have to join it⁴¹.

This creates the legal background for the taking over the whole inventory that exists at the beginning of 1921 and the founding of the first Romanian mining company in the Jiu Valley.

The foundation of „Lupeni” Company, starting on January 1, 1925 covers almost the same stages, except the process of „nationalization” lasts longer, until December 19, 1924⁴². The leaders and the share holders of „Uricani - Valea Jiului”

³⁷ *The Romanian Group* will consist of 19 financial institution, led by the „Romanian Bank”, acknowledged as „managing” bank: „Banca Agricolă”, Banca „Albina” (Sibiu), „Banca Comerțului” (Craiova), „Banca Comercială Română”, „Banca de Credit Român”, Banca „Chrissoveloni”, „Banca Franco-Română”, „Banca Generală a Țării Românești”, „Banca Națiunii”, „Banca Românească”, „Banca de Scont a României”, „Banca Țărăneasă”, „Banca Viticolă a României”, Banca „L. Berkowitz”, „Creditul Extern”, „Creditul Minier”, „Creditul Tehnic”, „Creditul Tehnic Transilvănean” (Sibiu), „Industria Ardealului” (Brașov).

The Hungarian Group („Salgo – Commerce”) will consist of the „Salgótarján” Company and the „Hungarian Commercial Bank”.

³⁸ Societatea „Petroșani”. *Act Constitutiv*, Cartea Românească, București, 1924.

³⁹ Societatea „Petroșani”, *Convenția Adițională*, Cartea Românească, București, 1923.

⁴⁰ Societatea „Petroșani”, *Statute*, Cartea Românească, București, 1923.

⁴¹ Analele Minelor din România, IV, 1921, nr. 1-2, p. 42.

⁴² Arh. Naț. Deva, *Fond Societatea „Lupeni”*, Dos. 2/1925, f. 19.

company, with its headquarters in Budapest tried to delay this moment as much as possible, accepting it only after the validation of the Mines Law on July 4, 1924⁴³.

As the report presented at the general assembly of the shareholders at the „Uricani – Valea Jiului” Company on August 2, 1920 shows, the Romanian capital had proposed, since 1919, the „nationalization” of the mines belonging to the Company that existed in the Jiu Valley. The talks are considered to have been favorable⁴⁴, the same appreciation resulting from the meeting of the Managing Board of the „Romanian Bank” on June 17, 1920⁴⁵. However, the will not have immediate results, as the Ministry of Industry and Commerce requires that the transformation into a Romanian Company should be made by yielding 50% of its capital to the Romanian capital, and the Romanian State should participate to the new company with not more than 25% of the capital, resulting from the participation of each group with 12,5% and the Hungarian side will not agree with these conditions⁴⁶.

In the meeting of the Managing Board of the „Romanian Bank” on October 19, 1921, the general manager N.P. Ștefănescu announced an agreement with „Uricany – Budapest” Company⁴⁷ for the „nationalization” of its coal mines in the Jiu Valley, under following circumstances:

- All the Romanian proprieties of the Company were evaluated at 31 mil. Swiss francs, the equivalent of 31 mil. Austro-Hungarian crowns on January 1, 1919.

- A Company will be founded, with a capital of 82 mil. lei, to which „Uricany-Budapest” Company will participate with 50%, and a group of Romanian institutions with the other 50%. Of this capital, 74 mil. lei will represent the contribution of

⁴³ Item 33 of the „Mines Law” on July 4, 1924 establishes foundation modalities for the anonymous mining companies, as well as their acknowledgement conditions, their rights and advantages (C. Hamangiu, *Op. cit.*, vol. XI–XII, 1922–1926, p. 626–627).

⁴⁴ Arh. Naț. Deva, *Fond Societatea „Lupeni”*, Dos. 3/1925, f. 54.

⁴⁵ *Fond „Banca Românească”. Secretariat*, Dos. 2/1916–1921, f. 187. „The General Manager, N.P. Ștefănescu, reports on the results of the negotiations regarding the Uricani coal mining” (referring, probably, to „Uricani – Valea Jiului” Company, the Uricani mine being opened only in 1946 – 1947, through „Balomir” pit. (xxx, *Uricani XXXV. 1947–1982*, Deva, 1982). In June 23, 1920 there was a meeting of the representatives of the institutions that were part of the „Consortium” which had accepted to participate to the „nationalization” process regarding the mines at Lupeni (*Fond „Banca Românească”. Participații*, Dos. 46/1924–48, f.f.).

⁴⁶ Arh. Naț. Deva, *Fond Societatea „Lupeni”*, Dos. 2/1925, f. 52.

⁴⁷ The Extraordinary General Assembly of „Uricani – Valea Jiului” Company on October 17, 1921 at Budapest authorized the Managing Board to transform the Company in the Jiu Valley into anonymous company and to transfer apart of its shores to the new company. The chairman of the assembly pointed out that the mines in the Jiu Valley were under Romanian „domination” and that since 1919 there had been several rounds of negotiations with a group of banks under the leadership of the „Romanian Bank” and the „External Credit” representing the interests of the important financial institutions in Romania” and the there was an agreement regarding the foundation of a new Romanian Company, named „Lupeni” (Arh. Naț. Deva, *Fond Societatea „Uricani – Valea Jiului”*, Dos. 898/1921, f. 4–7).

„Urikany-Budapest” Company, and the rest of 8 mil. lei will be deposited in cash by both sides.

- The Romanian Group will pay the Hungarian Group („Urikany-Budapest” Company = „Uricani-Valea Jiului” Company and the General Hungarian Credit Bank”), after maximum six years after the foundation of the Company, 15.5 mil. Swiss francs and deposits 4 mil. lei immediately. The payment conditions for the 15.5 mil. Swiss francs as identical with those established at the foundation of „Petroșani” Company⁴⁸.

- The members of the Managing Board will be equally designated by the two Groups, the president being designed by the Romanian Group.

The Managing Board agreed to participate to the Company to be founded under these circumstances, its financial contribution remaining to be established⁴⁹.

The new Company is supposed to become operational on January 1, 1922 but, as talks are not final, they will continue⁵⁰. A first step towards the completion of the process will be represented by the Decision of the Ministry of Industry and Commerce nr. 3828/May 31, 1924 that approved the operation of „Lupeni” Company provided that the state is allowed to participate to it, and 2/3 of the members of the Managing Board are Romanian citizens⁵¹.

On June 13 and 14, 1924 the „Romanian Bank” sends documents to a series of financial institutions and to „Petroșani” Company, in which it is pointed out that, after a number of long talks with „Urikany – Budapest” Company, the conditions of „nationalization” are finally established. It also sends the projects of the Constitutive Act, the Additional Convention to the Constitutive Act and the Statute, also inquiring if the respective institutions are willing to participate to the foundation of the Company and come to a meeting, on June 23, 1924, at the headquarters of the „Romanian Bank”, when decision will be made regarding the financial contribution of each institution and the list of the representatives of the Romanian Group in the Managing Board and the Board of Censors. It was also pointed out that the absence from this meeting will be interpreted as giving up, the shares of the respective absents being redistributed among the other institutions⁵².

⁴⁸ In the above mentioned meeting a capital of 80 mil. lei is mentioned, consisting of the 70 mil. lei contribution in assets of „Uricani – Valea Jiului” Company, the rest of 10 mil. lei being obtained from equal deposits from the two sides; the sum of 15.5 mil. Swiss francs will be paid in four years (till January 1, 1926) together with an annual interest of 5%.

⁴⁹ *Fond „Banca Românească”. Secretariat*, Dos. 2/1916–1921, f. 322–323.

⁵⁰ Arh. Naț. Deva, *Fond Societatea „Lupeni”*, Dos. 3/1925, f. 12–18.

⁵¹ *Ibidem*, Dos. 2/1925, f. 40, 50; *Fond „Banca Românească”. Participații*, Dos. 46/1924–1948, f.f.

⁵² *Ibidem*, Loc. cit. The Managing Board of the „Romanian Bank” will analyze on July 1, 1924, the report presented by the general manager N.P. Ștefănescu regarding the discussions with the Hungarian Group that were concluded with the agreement that the new Company should have a capital of 280 mil. lei, of which 260 mil. lei represented by the assets contribution of „Urikany – Budapest” Company, and 20 mil. lei in cash, deposited in equal shares by the two Groups;

Although it was intended that the Company should be founded on July 1, 1924⁵³, this will happen only on January 1, 1925 after talks at Budapest between Richard Fuchs, manager of „Urikany – Valea Jiului” Company, representing the Hungarian Group, and engineer Ion E. Bujoiu (the future general manager of „Lupeni” Company) and Alexandru Alexandridi (the future general manager of „Lupeni” Company) – representatives the part of the Romanian Group. The talks are concluded with a „Protocol” adopted on October 15, 1924⁵⁴.

The results are to be found in the documents adopted on November 24, 1924⁵⁵: the Statutes, the Constitutive Act, and the Additional Convention.

Through the Constitutive Act, the Romanian Group, consisting of 12 financial institutions⁵⁶ and „Petroșani” Company on the one hand, and the Hungarian Group „Urikany – Budapest on the other, decide to found „Lupeni” Company, with its social headquarters in Bucharest and capital of 400 mil. lei⁵⁷.

The Additional Convention to the Constitutive Act and the Statutes of „Lupeni” Company established the way in which the Romanian Group buys the 380,000 shares (of the 760,000 nominal shares „Lupeni”, 500 lei each), at the price of 15.5 mil. Swiss franc – the payment being due on January 1, 1929 and the distribution of shares. Item 5 points out that the members of the Romanian Group irrevocably declares the „Romanian Bank” the representative of the whole Group, as well as of its

„Urikany – Budapest” Company sells the Romanian Group half of the shares obtained in exchange for the assets contribution for the price of 15.5 mil Swiss francs, payable after ten years, with an annual interest of 5%; both Groups agreed to accept the participation of the Romanian State with 12.5% of the capital, if the latter should ask, within a year from the foundation of the Company; the Company was granted a credit of 50 mil. lei; of the 10 mil. lei cash deposited by the Romanian Group, the „Romanian Bank” will retain 2 mil. lei; the „Romanian Bank” is acknowledged as „managing” bank of the Romanian Group. The Managing Board will approve the subscription of the 2 mil. lei of the 10 mil. lei cash and the purchase of a part of the 130 mil. lei in shares received by the Romanian Group.

⁵³ In *Fond „Banca Românească”. Participații*, Dos. 46/1924–1948, f.f. are to be found, as draft documents, the Constitutive Act, the Additional Convention and the Statutes, and changes were operated in them. Thus, the capital was raised from 280 mil. lei to 400 mil. lei by the overrating of the „Urikany – Budapest” Company contribution from 260 to 380 mil. lei; paragraph V of the Constitutive Act stipulates that „The handing down of the mines to the new Company will take place..., at any rate not before July 1, 1924 (this was crossed and replaced by „between July 1, 1924 and October 1, 1924” and then by „between November 1, 1924 and January 1, 1925”) and paragraph VI established that „the day settled for closing accounts...will be July 1, 1924 “replaced by „January 1, 1925”).

⁵⁴ *Ibidem*; Arh. Naț. Deva, *Fond Societatea „Uricani – Valea Jiului”*, Dos. 908/1924, f. 1–3.

⁵⁵ Arh. Naț. Deva, *Fond Societatea „Lupeni”. Direcția Minelor*, Dos. 6/1924, f. 1.

⁵⁶ Banca „Albina”, „Banca Agricolă”, „Banca Centrală pentru Industrie și Comerț” (Cluj), „Banca Comerțului” (Craiova), „Banca Generală a Țării Românești”, „Banca Românească”, „Banca Țărănească”, Banca „L. Berkowitz”, „Creditul Extern”, „Creditul Minier”, „Creditul Tehnic”, „Creditul Tehnic Transilvănean” (Sibiu).

⁵⁷ Societatea „Lupeni”, *Act Constitutiv*, Cartea Românească, București, 1925.

members, and acknowledges all its communications and declarations as valid and compulsory...The Romanian Group is represented in relation with „Urikany – Budapest” by the „Romanian Bank”. Besides, all the reciprocal obligations and operations will be carried out through the „Romanian Bank”. Item 6 of the Additional Convention establishes that the „Romanian Bank” and „External Credit” will have the right to charge the new „Lupeni” Company with 400,000 lei, representing the expenses regarding the completion of the agreement⁵⁸.

The entering of Romanian capital in the Jiu Valley through the process of „nationalization” was a beginning⁵⁹ and its presence is felt in the entire technical, social and cultural evolution of this coal basin, turning it into one of the most important industrial center of the country.

⁵⁸ Societatea „Lupeni”, *Convenția Adițională*, Cartea Românească, București. 1925.

⁵⁹ The „Romanian Bank” will be present, through „Petroșani”, „Lupeni” and „Creditul Minier” Companies, in whose foundation it had an essential role and to which it had an important participation (M. Baron, *Op. cit.*, p. 142; xxx, *Raportul Consiliului de Administrație către Adunarea generală extraordinară din 21 decembrie 1919*, Cartea Românească, București, 1920, p. 6), at the „seeling” of the „Lonea State Mines” in 1926, which will lead to the foundation of „Lonea” Company it will also stimulate the involvement of „Petroșani” Company in the mining of precious metals in the Apuseni Mountains (1932 – 1936), Maramureș and Baia Mare area (after 1934) (*Fond „Banca Românească”. Secretariat*, Dos. 4/1923, f.f.; A.N.D., *Fond Societatea „Petroșani”. Serviciul Tehnic*, Dos. 6/1932-1947, f. 1-10).

FOREIGN INVESTMENTS IN MODERN ECONOMIC ACTIVITIES

EMIL BIBER *

ABSTRACT: *Worldwide economies are more and more linked by international economic and financial flows to globalization and economic integration phenomena that is effect and cause for them. External investments represent for investors a long-term investment abroad meanwhile for users these could be direct investments or portfolio investments.*

KEY WORDS: *direct foreign investments, portfolio investments, external capital offer, Request for external capital*

Worldwide economies are more and more linked by international economic and financial flows to globalization and economic integration phenomena that is effect and cause for them.

External investments represent *for investors a long-term investment abroad meanwhile for users these could be direct investments or portfolio investments.*

Direct foreign investments are real investments and represents funds put into an economic objective abroad. Direct investments resources could be material or nonmaterial assets and allowed full control over the company.

Direct investments are a real industrial package consisted in: capital, technology, and organization methods, management methods, which permit control and in the same time an increasing development for investors.

Portfolio investments are financial investments representing funds placed abroad in transferable security. These investments are acquisitions of compulsory shares issued by public authorities, state or private companies. Today, financial market use lots of financial tools both in monetary or capital market. These investments don't offer any checking for the investors, realizing only incomes according to financial market.

According to finance techniques these two types of foreign investments could be characterized as follows:

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- Direct investments could be realized as co-production, mixed capital associations, sub production, tripartite international cooperation, production by order, production license transfer, research programs, know-how, mixed banks, corporations.

- Portfolio investments are in connection with capital market, futures contracts, options, factoring.

Foreign investments could be done in every economic field: industry, agriculture, exploitation of natural resources, infrastructure, telecommunications, scientific research, trading, transportation, tourism, bank servicing, insurances, other services.

In some fields there are needed previous notifications (for example for investments in telecommunications there is needed a notification from Telecommunication Department, and there are fields and activities where foreign investments are prohibited. (State monopole fields, drugs trading, occult activities).

Regarding resources provenience there are some kind of foreign investments:

- Investments subsidized from own resources.
- Investments subsidized from foreign bank system
- Investments subsidized by international finance structures.

In brief, foreign investments are related with *International Capital Market*, and any national finance market cannot be outside international finance market, some of the assets available in one country are invested in other countries, and the need for funds are covered by external resources.

External capital offer is related with international development strategy, external debt problem, and international economic climate. Thus according to United Nations strategy for international development, it has been decided an economic growth with an annual rate of 7%, capable to ensure a low unemployment rate simultaneously with resources accumulation needed for social and environment protection. Food production should have an annual growth of 4%, besides solving demographic and environmental problems. In reality, these problems have not been solved because capital offer was not enough to sustain these issues. There is a fact that countries that need external funds are avoided because of their non-developed economies.

Regarding *Request for external capital*, there are few ways for bringing in capitals from external finance market:

- Subsidized direct investment
- External loans contraction
- Development finance help
- Transferable security investments
- Financial titles investments to foreign boursesf

Cannot be ignored the reverse phenomena, on which funds are going to the international market, escaping from countries consider to be political instable, so appear the paradox on which the “poor” is offering funds to the “rich”. These processes could be realized with the implication of poor countries authorities that cannot control

funds going out and the rich countries authorities that allowed illegal activities like washing money.

Recent international financial flows are characterized by several important contradictions regarding geographic orientation, volume and destination onto developed economies, in compare with those non-developed:

- a) First of all, these funds are spread out between rich countries, poor countries being push away. Therefore rich countries are in the same time supplier and beneficiary of external investments funds.
- b) In second place, the volume of foreign investments has had an ascendant trend for developed economies but have had a descendent trend for non- developed economies. Thus, in 2002, IDN has raised with 68% against 2001, for developed countries, meantime for under development countries IDN has fallen with 4%, and eastern-European countries have hardly uphold this growth value with big discrepancies between them.
- c) Under the impact of spectacular development of international finance market, international funds destination has been modify regarding direct investments and portfolio investments. Thus, on developed economies there are daily huge transfers of funds on bourse and extra bourse market. In comparison, for poor economies portfolio investments are less significant; take for example Romania's bourse very small daily volume (1-5 billions lei).

The conclusions show the followings:

- International financial flows and achieve of external investments are a characteristic for modern open dynamic economies, with a high level of organization and stability.
- The growing role of international financial market generate an orientation towards portfolio investments, thus financial market has a major influence for improvement of economic behavior, and for understanding of necessity for having an investment behavior at macro and micro economic level.
- Appearance of a new form of economic pushing away, due to the economic flows orientation, which lead to higher discrepancies at worldwide level.

The methods of bringing foreign investments depend either of international political elements and internal political factors. Untill the great changes of 1990's, it was appreciated that the fact eastern-European countries have cheap natural and human resources is sufficient to attract foreign investors.

But, the reality shows that in modern economies there are other new conditionings for investments. Foreign investors have mainly economic interests, so they will prefer stabile economies proved by their efficiency level. On other words, foreign investors will not agree economies with problems, because that will imply risks or the costs are too big. Therefore, to bring foreign investments will be not possible until the internal economy is not stabile, modern, and efficient.

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ELEMENTS OF MARKET ECONOMY BUILD-UP STRATEGY

AMELIA BONCEA *

ABSTRACT: *The strategy of building-up in our country had to start from admitting the fact that there are no universal recipes available for the transition to the market economy, which imposes the necessity of taking into account the concrete conditions in the country.*

KEY WORDS: *build-up strategy, transition to the market economy*

The transition stage is characterized by the fact that for a certain period of time two or more forms of propriety, national economy operating mechanisms, types of antipodeans structures will coexist. Therefrom emerges the necessity of building-up new structures, levers and economic mechanisms, specific to market economy based on enterprise, simultaneously with the gradual liquidation of old system structures.

Even if the transition to the market economy has began as soon the last days of the year 1989 and it has advanced in different rhythms and proportions in each of the structure of the property, in prices, in the citizen's rights and liberties, the problem of establishing the concrete type and model of the market economy towards which Romania's economy is heading has remained somehow unsolved. The strategy of building-up in our country had to start from admitting the fact that there are no universal recipes available for the transition to the market economy, which imposes the necessity of taking into account the concrete conditions in the country. In this case, Romania as well as other countries in Eastern Europe, had to choose from various possibilities:

- assuming a reform model used and checked in one of the countries that went on the same road taking into consideration the eventual similitudes concerning economy, historical traditions, natural resources etc;

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- trying to conceive a personal strategy, entirely original, which will be applied through specific methods. Such an orientation can be sustained by the argument that till now there has not been any historical experience such as passing from socialism to capitalism. At the same time, such a strategy would be based on the characteristic features of the Romanian economy;
- making a synthesis of some positive aspects of the experiences that are accumulated in countries which traverse the transition from socialism to capitalism. For elaborating an original model or for adopting one that had already been applied it is necessary to settle some elements. We need, however, to emphasize as well that now, Romania is committed to achieve at least three processes.

First of all, it is about the transition from the socialist system of a new socio – economic system, which of course, should be superior to the previous one. Secondly, Romania has settled as major objective the transition from the situation of associated country to that of member of the European Union. For this, our country must assimilate the community norms and at the same time to assure the necessary conditions for applying them. Thirdly, the outline of this strategic objectives must take into account the fact that the Romanian society must assure as a major objective, the adoption of the model towards which the human society, in general is heading for: the informational, competition, ecological and the socio-human society. The achievement of the reform and the development of Romania on the principles of the market economy impose, among others, a wide opening to the world's economy.

The proper conditions of Romania in today's world, determines it to make of the integration in the European structures the fundamental objective of its external relations, since this is the only way to assure its stability and national integrity.

First of all integration means adhering to the European structures, which is achieved by bilateral agreements between Romania and those institutions representing the member – states. This opening is followed by the integration proper a complex process, which is based on the – principles of the compatibility countries become compatible and at the same time complementary, conditions that are absolutely necessary for their harmonious development.

Within the European economic structures that were created, the European Union occupies the most important place. In the concrete case of admitting the countries from Central and Eastern Europe, including Romania, the negotiations are preceded by an exercise of analytic examination formed of two stages:

- the multilateral one with all the candidate countries, has a didactic purpose, to make the candidates get used to the elements of the community acquis;
- the bilateral one (with each one of the candidate state) in which they analyse every domain, the progress that country has achieved in

transposing the community norms in the home office right and in applying the rules that governs the function of the the European Union.

The states that have begun the negotiations for adhering in October 1998 started then right after the end of the screening exercise at every chapter, their order being settled by the European Commission. For the countries from the second group, among which Romania, the bilateral screening was carried out between March and July 1999 (excepting the "farming" chapter, for which the bilateral analytic examination took place in November 1999).

As far as we are concerned, as a result of the accession in Helsinki, from 10 – 11 December 1999, concerning the beginning of the accession negotiations, the screening exercise with Romania was resumed on 04.02.2000, following to be examined the progresses that have been registered in the last half of the year 1999 in all the 31. Domains that will constitute the object of the accession negotiations, emphasizing the identification of the difficulties that the Romanian authorities are confronted in adopting and transposing the legislation of the European Union and measures that are imposed to satisfy the requested standards for accession. The spokesmen of the European Commission will present on this occasion, the new elements that have appeared in the community acquis in the same period of time.

For the five nominated countries at Helsinki with a view to begin the accession negotiations (including Romania) their formal launch took place on 14.02.2000, following that the effective opening of the first discussions or technical negotiations to take place in April of the same year.

The end of the discussion of a chapter means that the negotiations have been finished for the time being, but nothing is considered final as long as the negotiations of all 31 chapters had not been finished including the administrative and (diverse) aspects, which include the issues related to the earmark of the places in the execution and decision organisms from the community institutions.

By closing the association Agreement to the European Union (the European Agreement) Romania committed herself irreversible on the way to the European integration. The national strategy to prepare Romania's accession to the European Union, adopted at Snagov in June 1995 had indicated the procedural stages and actions that were to be undertaken in the closing process to the community structures.

The identification of the objectives and priorities of Romania's actions must be grounded on the realistic examination of the implementation's degree of these criteria, taking into account the conclusions of the European Commission contained in "The Notice" from July 1997, repeated in "The partnership for the accession". This, synthetically, it is considered that Romania is about to satisfy the whole political criteria and has made big progresses in creating a viable market economy, although this continues to request big efforts.

Major difficulties are faced, as well in establishing a genuine competitive climate; at the same time there had not been transposed or assumed the essential elements of the community acquis, especially in the Home office domain.

Beginning with 2000, when Romania began the procedure of adhesion to the European Union, the Union's Commission publicises annual monitoring reports, which offer meaningful references concerning our country's economic evolution. The Romanian officials had insisted and had obtained at the last high-level reunion in Copenhagen, a road map which would have the mission to outline as detailed as possible the country's adhesion roads.

The existence of a functional market economy represents the first of the two economical criteria of adhesion established in December 1993, at the European Council in Copenhagen, being a pre-condition for accomplishing the second economical criterion, namely the capacity of facing the competition pressure and the market's forces from the European Union. Also, obtaining the qualifying of a functioning market economy would have positive implications on the negotiations to the adhesion of a lot of chapters, too especially the ones with major financial implications.

The report of the European Commission for the year 2003, was released to the public on 20 October this year, it still has not, brought Romania the long hoped status of "functioning market economy", but a controversial syntagm both in the political and economical Romanian environment. The wording "Romania can be considered a functioning market economy once the good progress made has continued decisively" is interpreted by the power representatives as the admission of the European Commission of the functioning market economy but imposing conditions for consolidating this status and by the representatives of the opposition a failure of Romania's indispensable status for finishing the negotiation for integration.

As usual, the truth is somewhere in the middle.

The appreciation of the European Commission recognises the progress made by our country and its efforts for integration but until it is not proved that the road is irreversible, until the risks from the evolution of the macroeconomy's indicators taken into consideration will not be completely eliminated, we will not be appreciated as a country with a functioning market economy.

Within the adhesion negotiations, the European Commission requests all the candidate countries to accomplish two fundamental criteria: to have a functioning market economy and to face the competition economical and financial pressures within the union.

As it is shown in a Report publicly released by the Academic Society in Romania "the functioning market economy" is a curious word. As a concept it can not be found in the economy books while all market economies function better or worse. The definition of the experts from Bruxelles rather refers to a market economy that functions well, based on a solid institutional structure which has small costs of transaction and information.

But analysing the macroeconomic indicators (inflation, public the level of interests and the fluctuation of the exchange rate) we can sustain that Romania can receive this status. The economic relaunch registers increases of the IBP by 5.7% in 2001; 4.9% in 2002, for this year the increase being estimated at about 4.5%.

The inflation has been constantly reduced from 30.3% in 2001 to 17.8% in 2002, following that this year to be situated under 15%. Public duty was under 30% from the IBP, about three quarters from this is represented by external credits and guaranteed by the state credits; and the one on short term is rather low (under 5%).

The budgetary deficiencies was under 3% in the last three years, although it must be said, the quasi-fiscals deficits, which express the inefficiency of the public sector have remained important – about 2,5% of the PIB. The private sector generates about 70% of the PIB, hiring of the workforce and 55% of the social capital.

Although there still are important problems that need to be solved like financial indiscipline, the unsteady application of the market rules, the law transparency and stability of the settlement's frame, the inefficiency of the public administrations and of the justice, Romania has registered unchallenged progresses in macro-economy, progresses that give us the right to sustain that Romania has already functional a functional market economy. Even more, if we analyse one of the countries that will join the Union in 2004 – Poland, Hungary, the Check Republic have lower economical performances budgetary deficits of over 6%, deficits of current count in growth, and these are not the only ones, we can say that Romania deserves a better mark.

Among the problems that Romania is facing now, corruption is a evil noticed by the international organizers and is permanently under the attention of governmental authorities. Characterized as “systemic” in a lot of domains such as justice, police, State Property Fund, Parliament and Ministeries such as health, system (considered by the citizens to be the most corrupt institution) corruption represents for Romania one of the most important boundaries of the access to NATO and European Union.

In the reports released by the Open Society Institute, are appreciated the progresses made in the development of the Anti-Corruption National Strategy even if it is emphasised that they have been made under the pressure of the European Union and that they have been acquired advance due to NATO adhesion's perspective. But, it is said in the report the anti-corruption fight was focused, till now, on the low level of corruption and no progresses have been made to limit the immunity that the members of the parliament and of the ministeries enjoy or any progresses to obtain the prosecutor's independence. That's why it is justified the worry that the government can be as well a source of corruption as of its solution.

From this perspective, fighting against the phenomenon of corruption is essential for the materialization of committing without doubt of Romania's Government, of the Romanian Society to assume and to achieve completely the adhesion's criteria in the European Union and in NATO.

What is important to all these positive or less positive apprenations is how they will affect the negotiations of the adhesion to the European Union and what the Romanian authorities must do to assure the success of these negotiations.

The uncertainty of the European Commission to grant Romania the status of country with a functioning market economy in the conditions in which the figures prove performances even better that those of some countries already accepted, can be

interpreted through the fact that the politic takes over the economic which will mean the adhesion process for our country will be more difficult and harder than it was for the neighboring countries.

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THE EFFECT OF KNOWLEDGE ON THE ECONOMIC GROWTH

FLORIAN BUȘE *

ABSTRACT: *The economy of the future will find its support in the progresses of science and technique, in the technologies of the future, especially in the informatics industry. In the informational society, the fundamental economical resource will no longer be capital, or land, or physical labor, but it will be knowledge. The productivity of knowledge will be decisive in the economic successes of a country or enterprise. Today, the goals of the industrial policy are more and more related to the imperatives of the informational society.*

Recent models of economic growth consider research and development as the engine of the economic growth. Research and development generates two fundamental types of output: the new product or the new process itself; the technological information incorporated into new products.

Knowledge does not only mean production and export of products which incorporate a large amount of science and technology, but also the capacity of obtaining in real time information about markets, distribution channels, consumers' preferences. In order to be able to successfully compete on the world market companies must develop a high-performance informational system, which to be integrated in the organizational structure; a high-performance informational system can only be implemented under the conditions of the existence of adequate computing equipments, therefore resulting in a positive reinforcement of the two elements.

KEY WORDS: *knowledge, economical resource, production factor, public good, acquire knowledge, economic growth, international trade*

1. KNOWLEDGE AS AN ECONOMICAL RESOURCE

The economy of the future will be in general lines totally different from what it is today. This new economy will find its support in the progresses of science and technique, in the technologies of the future, which should have priority, according to the requests of the environment. This trend appears especially manifested in the

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developments of informatics industry.

The economy of the future, on the other hand, will have to be a lot more efficient than the economy from today; the reason is already known: population increases continuously, and the resources are often limited, even if an important mutation in the place and role of the production factors appears nowadays.

We are dealing here with the process of creating a new kind of civilization (based especially on elements coming from science and technique), but which will find itself in a permanent conflict with the other existing civilizations today, also trying to extend their influences.

In the informational society, the basic economical resource will neither be capital, nor land, nor physical labor. It is, and it will be knowledge.

2. KNOWLEDGE AS A PRODUCTION FACTOR

Along with the traditional factors, knowledge imposes itself as a factor with a fundamental role in the economic progress. The capacity of a country of profiting from its accumulated knowledge will be decisive in the success of the economy of that state. Knowledge can appear in different shapes: a new manufacturing technology, a better organization of the whole activity (developing management knowledge) progresses in the psychological field, new applications of the boundary sciences. If the other factors are characterized through scarceness, knowledge as a production factor doesn't admit this characteristic.

An aspect that is difficult to quantify, because the scarceness or inexistence of an adequate set of indicators, is represented by determining the efficiency of the use of knowledge stock in the reproductive process. The productivity of knowledge will be decisive in the economic success of a country or enterprise [1]. In the future, differences between rich and less rich countries will no longer be found in the degree of equipping with, and using of classical production factors, but in the production, accessing and using knowledge.

3. KNOWLEDGE AS A PUBLIC GOOD

The "consumption" of a quantity of knowledge does not lead to the diminishing of the total "stock", but it even determines the increase of the quantity of accumulated knowledge, considering the fact, that only through a profound study of a knowledge field, one can bring improvements and develop new theories and applications.

Knowledge has all the characteristics of a public good: the consumption of a part does not affect the consumption of another person, although, as Stiglitz [6] says, a book in a library can't be read by two persons in the same time. But the content of a book, disk or hard-disk must not be remade for another user.

Although knowledge is not a pure public good, there are numerous positive externalities associated to this.

4. HISTORICAL VIEW – CAN THE DEVELOPING COUNTRIES BY-PASS THE STAGES OF DEVELOPMENT?

It has been suggested in the economical theory, that developing countries can “skip” over some stages of the process of economical development, directly entering the informational society. We shall argue that this is not possible.

From the historical point of view, the development of the informational society has been possible at a certain stage of the economical and social development. Because of the complexity of the economic problems, necessities of increasing the communication speed, the transaction speed and the mobility appeared. Technical progress is not the result of the basic scientific research, but is associated to satisfying some social needs.

In the industrialized countries, the research and development process has been financed with resources from the surplus of the traditional industrial branches. The resources allocation was possible under the conditions of the existence of efficient capital markets, the initial prices of top products and services were high, only a part of the consumers being able to afford them, but in this way contributing to the development of the high-tech companies. An unfavorable situation for the developing countries can be determined by the creation of a technological dependence of the South to the North, with the instauration of a new type of colonialism, the technological colonialism.

The developing countries can and must accelerate the rhythm of the economic growth, and governments must support those industries considered with good future perspectives, but the industrial policy also has its critics. The policy of small, but fast steps, represents the best solution.

5. USING INDUSTRIAL POLICY TO ACQUIRE KNOWLEDGE

The goals of the industrial policy regard the economic growth of a country under the conditions of drawing a development framework by the state. The state intervention can be supported by a series of economical arguments: economies of scale which are not fully accomplished, incomplete markets, incomplete information, externalities and factors transfer.

During the last two decades of the past century, the goals followed by industrial policies have evolved towards the creation of the conditions requested by the transition to informational society. A special interest has been therefore manifested for the programs of promoting research and stimulating intangible investments, for the creation of informational networks which to contribute to the rapid dissemination of knowledge and for the development and modernization of the infrastructures offer. Today, the goals of the industrial policy are strongly related to the requests of the informational society.

The instruments of the industrial policy have also changed. Direct interventions into the market mechanisms, such as price setting and adjusting the

products quantities on the market, have been gradually abandoned, being preferred those instruments which have the goal of removing the obstacles in the way of the free function of the market and the improvement of the competitive climate.

6. KNOWLEDGE AND ECONOMIC GROWTH

One of the recent theoretical developments, which bring an unexpected support to the promotion of the industrial policy in the developed countries is the new theory of economic growth. This supplies a valid justification regarding the more active presence of the state in stimulating industrial innovation and formation of human capital.

The key element of this new theory is represented by including knowledge in the category of production factors, along with capital, labor force and land. By doing this, technical progress is made endogen, growth itself being able to be explained as an endogenous phenomenon.

In the context created by this new approach, a diversity of models have been conceived, different between each other, but supported on the same supposition, that the development of knowledge is accompanied by positive externalities, it generates increasing productivities and comes against the slow, but continuous decrease of the growth process.

The models which incorporate knowledge by means of the investments in the formation of human capital emphasize the fact, that together with the productivity increase obtained in the work of individuals who benefited from the programs for professional education, a general improvement of the education standard is obtained, which causes an increase in the productivity of all production factors.

The classic theory (Sollow) states that, for obtaining an economic growth, one would do enough by increasing capital and labor force inputs. The production function Cobb-Douglas quantifies precisely the growth equation. It is however difficult to quantify the effect of knowledge over the economic growth, knowledge affecting not only the resulted quantity, but also the way in which products and services are made.

Models which concentrate on the research and development activity of private companies as a source of the knowledge supplement emphasize the fact that these companies do not keep the result of their researches for themselves, but a part of this is reflected into the society, leading to positive externalities: the increase in the productivity level of other companies and sectors which benefit from the obtained knowledge supplement.

The immediate consequence of the incapacity of completely benefiting from the investment in knowledge is represented by its sub-optimal level, the described situation offering the theoretical justification of adopting industrial policy measures: because the market doesn't allow reaching the optimal level of knowledge production, the state must intervene by subventions into the research and development activities of private companies in high-tech industries and reestablishing the optimum in this way.

In the last years' literature regarding the theory of economic growth, the idea of the endogenous economic growth directly dependent on the market forces has been

discussed more often than not, contrary to the classic theory of the exogenous (independent) economic growth. The endogenous models of economic growth have found their utility in understanding the implications of growth over a whole set of policies (tax policy, public expenditures, educational policy, commercial policy).

Recent models of economic growth consider research and development as the engine of the economic growth. A fundamental assessment of these models states the fact, that research and development activity generates two fundamental types of output: the new product and the new process itself; the technological information incorporated into new products.

It is supposed that the innovator owns the exclusive trade right, for instance by means of the protection offered by the patent. The legal protection of intellectual property rights is necessary in order to allow innovative companies to recuperate their research and development expenditures and to continue the activity in this field.

Protection of technical information is much harder to accomplish. For instance a medicine, even patent-protected, can be studied and its component elements can be determined (“reverse engineering”).

In the framework of these models, the liberalization of trade and foreign investments can accelerate innovation and growth in certain countries, but stagnation can be registered in others. A positive effect towards economic growth is possible for all participating countries in case that international trade and foreign investments facilitate the dissemination of technologies and knowledge.

A way of interconnecting the productivistic model with market laws resides in the applying learning laws: the more a country produces a certain product, the more it becomes more competitive in producing it. An example could be the components for aeronautics and computer industry, industries where costs significantly decreased with the accumulation of production experience.

In this direction two direct effects of trade and investments can be distinguished. First, a country will accumulate experience faster in the expanding sectors and slower in the declining ones. The net impact over growth is stronger influenced by the sphere of learning laws in the expanding sectors compared to declining sectors. Second, considering the fact, that investment and trade facilitate the dissemination of high-tech technologies, countries will not only learn from their own production experience, but also from the one of their external partners.

7. KNOWLEDGE IN INTERNATIONAL TRADE

Under the conditions of economic globalization, countries must specialize in producing high-tech goods in order to fully benefit from the comparative advantage, knowledge doesn't only mean production and export of products which involve a large amount of science and technology, but also the capacity of obtaining in real time information about markets, distribution channels, consumers' preferences. In order to be able to successfully compete on the world market companies must develop a high-performance informational system, which to be integrated in the organizational

structure; a high-performance informational system can only be implemented under the conditions of the existence of adequate computing equipments, therefore resulting in a positive reinforcement of the two elements.

Competitiveness on the global market doesn't only depend on the exceptional quality and utility of exported goods. In the new super-symbolic economy, manufacturing and trade marks will have a major role. The capacity of a country of imposing its own products will depend on the way in which the products will be perceived as belonging to a nation well-known for manufacturing that product. On the world market USA is associated with software products, Italy with fashion articles, France with wines. A country will have to know how to promote its culture, so that the mark image of its products to be as favorably as possible positioned in the mind of the global consumers.

As a consequence of the markets liberalization and the progresses in the field of telecommunications the production will be rationalized on a worldwide scale. The trend of de-locating production aims to the easy access to production factors: human resources, material resources. Diminishing prices for international transport and the even faster terms of delivery reduce the dimensions of the world market. The geography of knowledge is however different: in order to attract investments in this field, countries in the world must prove the existence of a prepared personnel, able to handle and develop the stock of data and information. International cooperation stimulates common knowledge in reunited centers for research and development, the states having to be prepared to offer the necessary (technical and legislative) infrastructure.

8. CONCLUSIONS

1. Knowledge has all characteristics of a public good: the consumption of one person does not affect the consumption of another person. Although knowledge is not a pure public good, there numerous positive externalities associated to it.
2. From the historical point of view, the development of the informational society has been possible at a certain stage of the economical and social development. Because of the complexity of the economic problems, necessities of increasing the communication speed, the transaction speed and the mobility appeared. Technical progress is not the result of the fundamental scientific research, but is associated to satisfying some social needs.
3. The developing countries can and must accelerate the rhythm of the economic growth, and governments must support those industries considered with good future perspectives, but the industrial policy also has its critics. The policy of small, but fast steps, represents the best solution.
4. In present days those instruments are preferred, which have the goal of removing the obstacles in the way of the free function of the market and the improvement of the competitive climate.

5. The new theory states a new approach, represented by including knowledge in the category of production factors, along with capital, labor force and land. By doing this, technical progress is made endogen, growth itself being able to be explained as an endogenous phenomenon. In the context created by this new approach, a diversity of models have been conceived, different between each other, but supported on the same supposition, that the development of knowledge is accompanied by positive externalities, generates increasing productivities and comes against the slow, but continuous decrease of the growth process.
6. The endogenous models of economic growth have found their utility in understanding the implications of growth over a whole set of policies (tax policy, public expenditures, educational policy, commercial policy).

In this direction two direct effects of trade and investments can be distinguished:

- A country will accumulate experience faster in the expanding sectors and slower in the declining ones. The net impact over growth is stronger influenced by the sphere of learning laws in the expanding sectors compared to declining sectors.
 - Considering the fact, that investment and trade facilitate the dissemination of high-tech technologies, countries will not only learn from their own production experience, but also from the one of their external partners.
7. Competitiveness on the global market does not only depend on the exceptional quality and utility of the exported goods. In the new super-symbolic economy, manufacturing and trade marks will have a major role.
 8. Management of the companies must be orientated as much as possible towards strategic activities rather than towards routine activities. The leaders of successful enterprises will be involved in the innovation process, product conception, its bringing to the market and quality improvement. These activities must be approached in an integrated manner, related to the sequential process of completing these stages, so well-known today.
 9. The increasing complexity of the research and development activities will request the joint-ventures forming between different companies.
 10. Knowledge contributes to the increase of the competitive capacity of a state. The export of high value-added products is preferable to the export of raw materials or agricultural and food products. The position of our country on its way to knowledge is not the most favorable at present time.
 11. Our country must take advantage of the low labor force costs in order to attract productive investment, which can represent the starting point of an economy based on knowledge.
 12. At present time, our country was not able to assume a position which to insure its integration into the knowledge-based economy.

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TYPES OF STRATEGIES IN THE FIELD OF QUALITY

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ABSTRACT: *The strategic thinking is the nucleus of a commercial society's activity and it has in view firm's positioning in the field of efficiency and competitiveness. The substantiation of strategic management needs a unifying thinking which should give answers to the questions about the purpose, the motivation of action, the ways to be followed and the possibilities of achieving the purpose, aspects which are presented in this essay.*

KEY WORDS: *strategic management, strategy for quality,*

1. INTRODUCTION

The competitiveness of contemporary organisations, whatever their nature and dimensions, may become from the quality of the adopted and applied strategies.

In a world of competition and of sophisticated demand, quality represents the way in which the enterprise can survive. That is why the qualitative level of the products represents an essential strategic element in the present-day economic conjuncture, and the establishment of the way to act in order to reach the proposed aim from the point of view quality, is essential, being the first priority for the strategic marketing.

The strategy of quality is considered competitive because the mission of quality is, today, that of dealing with the competition, of being competitive on the market.

Strategy describes the way to use the resources "in order to reach the purposes established by the policy", which expresses the skill to combine the necessary means to achieve the objectives referring to quality.

By strategy, the management has in mind:

- to meet the social needs and the demands of the beneficiaries, removing the causes of the defects;

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- to establish the level of the characteristics of quality according to the requirements imposed by the competitiveness of the products or of the services, on different markets;
- to integrate the purposes in the vision and mission of the firm;
- to change the employees' mentality from mistrust to trust in the process of achieving and improving of the quality.

The formulation of the strategy in the field of quality, which is an internal problem of a firm, is based on the capacity of the firm of making products or performing services at the level of the conditions imposed by standards or other normative regulations: competitiveness, performance, price, time.

2. TYPES OF STRATEGY

In order to establish the strategy of achieving quality, it is necessary to answer to some aspects which resulted from the analysis of the concepts which provide quality and the control of quality as it is can be seen in fig. 1.

We can establish a formula for the strategy of quality which shows that the strategy is a function depending on the industrial activity (A_i), on the elements developed by the system (E_s), on the functions of quality (F_q), on the managerial functions (F_m) and on the degree of severity (G_s):

$$S = f(A_i, E_s, F_q, F_m, G_s)$$

The diversification of the products can be developed on three lines: horizontal, vertical and sideways. The horizontal diversification of the products is achieved by the number of product lines of the firm. So, in the glass industry, besides the common glass products, crystal products can also be made.

The vertical diversification is achieved by the prolongation "upstream" and "downstream" of a product line, also including in the manufacturing classified list some products obtained later, as raw materials which use the actual products of the firm as basic constituents.

The sideways diversification means a development of the production field in directions connected to the basic structure.

3. ACHIEVING THE OPTIMUM

Besides the objectives, the options of achieving the strategy, the global resources as investment funds, the terms get a valuable meaning in the actual dynamics of the economic life when we witness to a permanent and necessary change in all the economic and social fields.

That is why must be identified and respected rigorously all these elements: the date of initiating the strategy applied, the intermediary terms which mark the significant evaluations in the achieving the strategic objectives, the terms of control and analysis of solving the predicted phases, the final term for applying the strategy. These elements can be performed faster and earlier than the established terms initially.

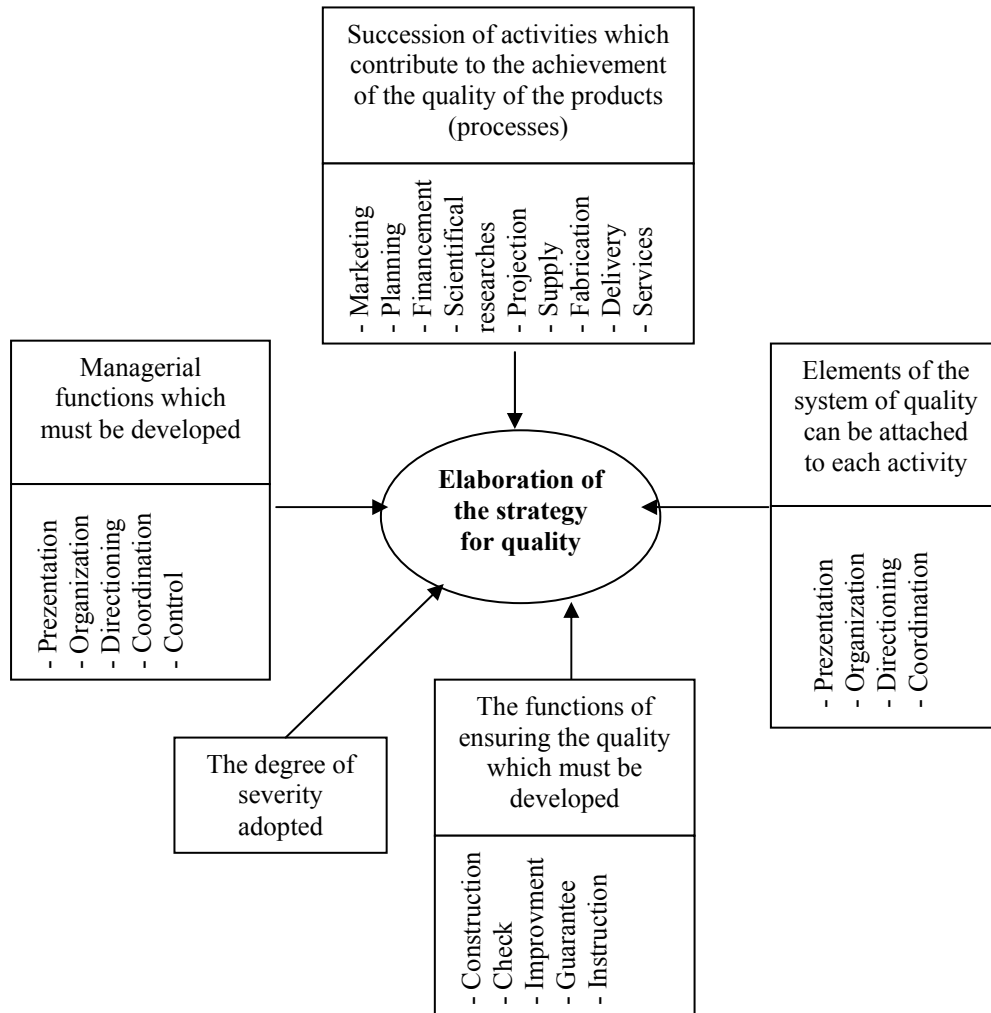


Fig.1. Strategic formulation for quality

Dr. Josef Wagner, in his article “The quality guarantee in the strategic thinking system”, shows that a proper strategy in the field of quality means:

- to perform the quality rather by ideas and design than by using expensive export products;
- to mark the intensive work rather than the activity of the capital;
- to anticipate the strategy of a foreign partner so as to have a managerial empathy capacity.

In an environment which changes fast, requiring new products and services, in order to be and remain competitive on an external market, the main care of the quality management must be the choice of the best strategy.

4. TYPES OF STRATEGIES IN FIELD OF QUALITY

4.1. In the profile literature there are known a lot of strategies which, according to the level for which they are elaborated, can be delimited in the firm's strategies and in the business' strategies. The firm's strategy must have a strategical formula which is tied to a profound idea indicating the way in which the enterprise acts and must also have functional strategies showing how the principal activities will be accomplished, referring to the economic, organizing and social aspects of the portofolio. The business' strategy is about an activity from the firm's portofolio and consists of competitive and plain strategies.

Plain strategies allow combinations of unitary factors in industrial activities such as: projection, development of products, marketing, production. Competitive strategies describe the way of obtaining advantages by the enterprise. Depending on the dimensions of business and the number and types of products achieved, a competitive strategy is built for each business.

We can see a typology of strategies which results in the competitiveness of the organisation, depending on the nature of its orientations. This typology contains: strategies oriented to low costs, strategies oriented to the differentiation of the products, strategies oriented to obtaining a market niches, strategies oriented to achieving the product quality, strategies oriented to technological advantages. Therefore, the strategies are oriented to the quality and they are considered as a vector of growth for the firm's competitiveness and they have the role to face the market competition.

Because the qualitative level of the products is considered as an "essential strategical element", economic theory and practice identified distinct strategies of quality which have the role to build and to improve the image of the firm on the contemporary economical scene.

So we can talk about strategies for maximum performance, dominated by quality, diversification by quality, concentration on the level of quality and renewal of the product range. Depending on the elements of the market conjuncture, on the specific conditions of each firm, the strategy aims at an adaptation of the product quality to the demands of each segment of the market, an improvement of the quality when the enterprise has a strong position on the market and a continual diferentiation of production so as to counteract the offer of other competitors.

The strategy of the maximum performance aims at the firm getting supreme quality by having maximum performances from the point of view of its products or services, becoming in this way exclusive leader on the market. The elaboration of the strategy of maximum performance requires from the firm a permanent effort of research-development, covered by material resources, a permanent and active concern for promotion, a permanent involvement of the firm leaders in ensuring the quality.

The strategy of the domination by quality imposed the presentation of a market or a segment of a market and by a higher amount of sales. In order to make full use of these advantages it is necessary to invest a lot in the conception and designing of the product, to investigate permanently the demands of the users and the customers, to

follow the product in exploitation, to achieve a flexibility to the manufacturing of the product, to adapt to specific distribution channels of the market. This strategy also involves the existence of a control system of the quality in the different stages of the production and utilisation of the product by finding out the degree of satisfaction of the beneficiaries regarding the quality of the products.

4.2. The strategies applied in quality depend on the other competitive strategies adopted by the enterprise, which is the strategy of developing and designing the products, marketing, production. But the strategies in the field of quality are synthesized in a few "variants" [1].

- "indirect strategy" - when attention is paid only to the industrial activity, considering that by a better management a better quality can be obtained;
- "immediate strategy" - when there are applied in the industrial activities procedures for quality that were successfully applied in other enterprises;
- "strategy of certification" - when the required procedures are implemented as required by the standards for quality (ISO 9000). This strategy leads to the appearance of a minimal system;
- "type strategy", known for its efficiency, for example the Total Quality;
- "specific strategy", - elaborated on the basis of the firm's own philosophy of quality and of the available resources;

But the selection of one strategy or another depends, as J. Juran says, on the elaboration of a "study of the problem" beginning with knowing what is the aim of the enterprise (M) regarding the quality and passing through problems such as market competition (C), chances of improvement (I), dangers that could come (D), usage of the human resources (R). [3]

In this case the mathematical formula of the strategy of quality can be expressed as follows: $S = f(M, C, I, D, R)$

No matter what type of strategy may be adopted the components that represent specific characteristics in the field of quality must be identified and established. Thus the objectives, the means and options of achieving the objectives, the necessary resources and the deadline can be outlined.

The objectives take into consideration long periods and they refer to the whole of the activities of the commercial society or to their major components. In solving the objectives of the quality strategy, that must be comprehensible, clearly defined, stimulative, achievable, verifiable, the starting point is the idea that the quality is imposed by the knowledge of the social needs and the consumer's requirements.

The ways of resolving the objectives are referred to the major approaches, with implications on the content of a big part of the firm's activities, on whose basis it is evaluated that achievement of the strategic objectives is possible and reasonable. Among the strategic ways frequently used, the following ones are more important: the diversification of production, the achievement of new products, the penetration on new markets. These means named "growth vector" indicate the direction in which the firm evolves and thus influence one another.

The practical achievement of diversification needs a wide range of activities such as: the multiplication of the types and dimensions, models, colours, packages, the enlargement of the functionality domain.

4.3. Options of achievement. All these strategic ways involve options of achievement that are oriented towards the next elements:

- improving the constructive and technological conception of the products;
- using materials of superior quality at the requirements of the designing and technological documentation;
- the permanent qualification and improvement of the firm's personnel;
- knowing the demand and the market segment;
- selecting the suppliers according to their supply capacity;
- storage, transport conditions.

All these elements are added up to the variables that influence the quality and all of them represent components of the quality strategy.

4.4. In order to substantiate a strategy in the field of quality, that most corresponds to the firm's stage of development, it is very important to evaluate of the variables according to this chart:

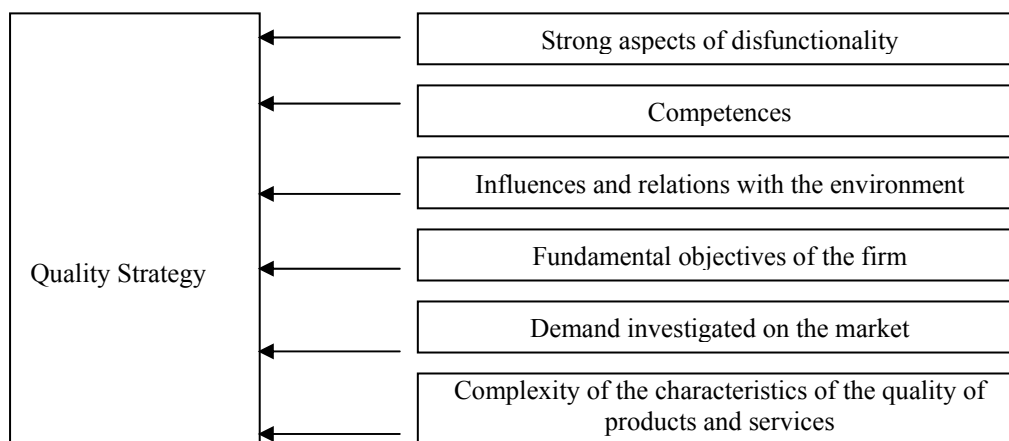


Fig.2. Factors that determine the establishment of strategy in the field of quality

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SERVICE MARKET – THE REAL FORM OF EXISTENCE FOR EXCHANGE RELATIONS

IOAN COSMESCU, DENISA COSMESCU *

ABSTRACT: *In a limited way of approaching the term “market” is defined as a certain geographic place, a physical point where, at certain hours and certain days, buyers and sellers meet in order to buy and sell goods. In a broad and abstract way of approaching the word “market” does not mean anymore a point that can be geographically and physically located, but the universality of relations that take place between the representatives of demand and supply for a certain product.*

KEY WORDS: *market, service market, market functions*

The large majority of people think that the term “market” appoints to agro-alimentary places where peasants sell their products directly to customers. In other words, the market represents a certain geographic position, a physical point where, at certain hours and certain days, buyers and sellers meet in order to buy and sell goods. Considering the market as a material, concrete place is a limited way of approaching this term.

At present, the word “market” has more meanings even if it originally comes from the reason of those points of sell, which can be found today in certain places.

Nowadays, in developed economies, only a small part of selling and buying activities are carried out in concrete markets, the majority of them being achieved through retail and wholesale, import-export firms, salesmen, agencies of large companies. In such cases, the word “market” does not mean anymore a point that can be geographically and physically located, but the universality of relations that take place between the representatives of demand and supply for a certain product. This is a broad and abstract way of approaching the term “market”. If today specialists speak about market analysis, market making, labour market, capital market, oil, copper,

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cereals market, consumer goods and services market, the physical points of sell for products are no longer taken into consideration, but there is a desire for observing a higher or lower buying trend relating to a higher supply.

In conclusion, we can say that nowadays the term “market”, in its abstract sense, refers to general economic relations established between *producers* that provide production conditions within the market economy and *consumers* representing human necessity bearers, associated with people’s capacity of buying offered goods which are suitable for them, relations with frontiers not necessarily defined only through geographic area or conventional product classifications.

Selling and buying actions, pointed out through market economic relations, together with processes linked with the structure of demand and supply objectives, are in connection with the space and time they are taking place.

During its development, the market had automatized several specific functions:

- *price forming* - through the confrontation between supply and demand for certain products or services the price for these goods and the quantity that is going to be sold are established;

- *coordination* - firms are guided on the market in accordance with existent data on demand and supply; these information are analyzed giving the possibility of defining or re-examining economic plans individually and autonomously prepared by companies, sellers and buyers, plans that are meeting on the market;

- *companies socio-economic organization* - the link between suppliers and buyers is established through the market, thus an economic communion being achieved;

- *economic rationality* - the market makes the parties of an exchange relation to develop a profitable economic activity in order to be able to stay on the market.

All these functions specific to the market make possible the optimum exchange of different products, achieving in this way the main role of the market. But it is utopian to state the fact that markets are able to mediate these functions and role in an ideal way. Extreme situations, periods of under- and over-production or major technical discoveries demonstrate the fact that markets are no longer able to automatically fulfil the role of economic stability regulator. But beside these limit situations political economy reached the conclusion that even in the so called “normal periods” the stability on certain markets can not be defined as being optimum. That is why today it goes without saying that the state has to interfere in several markets more or less intensively. This interference is obvious generally on the agricultural market, in mining, in the credit system and transport.

Sawn in the light of goods nature that represents the objective of commercial transactions, the goods market under the form of flows has as object both physical/substantial products and non-substantial products. Services as a socio-economic domain is one of those that offer invisible, abstract products which can be defined quantitatively and qualitatively only in part and indirectly. However, just like the other useful economic goods producing activities, services had formed in time a personal market for the “products” they provide defined through factors with specific manifestation and determined by geographic, socio-economic and politic nature.

Sawn in the light of contemporary sense of the word market, the service market represents the economic sphere of interface between the interests of service suppliers materialized into service production and the interests of service buyers materialized into consumption. And as in case of services supply and consumption happen at the same place, the interference is going to be transformed in superposition in time and space of these to factors through service consumption.

But even if the service market is alike through its functions and role to other existing forms of the market in general, however there are several particularities that distinguish it from the others, referring to quantitative or qualitative aspects:

a) service market does not include in all the sphere of services because there are non-good services or noncommercial service formed of public and private services that are not marketable and free of charge services provided by people to themselves;

b) the difficulty in measuring the dimension and dynamic of service market comparatively with possibilities in this field regarding substantial product market. Consequently, in order to determine supply, demand and the volume of transactions on the service market we must appeal to a succession of indicators. For example, in order to evaluate the tourism market as a representative subsystem of service market we have to use a subsystem of indicators regarding tourism resources both through the occupation point of view (the number of cultural-historical monuments, average annual value of fixed and circulating funds, production capacity in tourism, working time) and through the consumption point of view (labour expenses, rent, total expenses, expenses generated by arranging and maintaining tourist objectives). We must also use the subsystem of indicators regarding the economic and social effects of tourism activities (net revenue, earnings from offering tourist services, contribution to national income and growth of the social labour productivity);

c) the particular meaning of qualitative elements in estimating the position of a producer or country on the service market. For example, in comparative evaluation of tourist services regarding accommodation provided by several types of tourist structures, a special position are going to have qualitative criteria, meaning: convenience, safety, hygiene, conditions for developing social relations, the diversity and quality of complementary and food services, the fervency and quality of cultural-artistic and recreation services;

d) the particular way of competition expressed on the service market, which presents the following aspects:

- if in case of physical product market competition is firstly materialized in price, value being determined by subjective needs of each individual and the rarity of a certain product, in case of service market the rarity of the service does not has a significant role in price determination and accordingly not within competition because services are not homogenous and can not be compared. Therefore, competition by price is more varied, price estimation being related to several qualitative, physiological aspects often influenced by personal relation between service provider and customer. Consequently, taking into consideration the permanent differences among services regarding their quality, prices used by

different firms are various, but their fairness in accordance with production overheads is neither proved nor invalidated;

- the greater frequency of monopoly and oligopoly situations determined by considerable entering and output costs form the service market, by objective economic difficulties regarding free entrance in the branch and capital free circulation;
- each service enterpriser has a variety of means able to distinguish him from his competitors, first of all through quality even if it is not always entirely perceived by customers, and secondly through ambience from the firm and the personal relation maintained by the service provider with his clients, also having in mind geographical placement that very often represents the main criterion in service choosing;
- in case of service market, transparency is limited by the immaterial feather of services, the reality that prevent competitors to know the secrets of superior technologies of producing and organizing their services or to understand the object of the dumping policy. At the same time, service consumers are not able to compare rigorously the price-quality relation for every service on the market because of time restrictions.

In conclusion, taking into account the specific features of service market, we must admit the general point of view, also embraced by the Romanian specialists in the field: "taking into consideration that products are not homogeneous, free entrance in the branch and capital free circulation are often restricted, costumers and competitors hold limited information, each producer being in the position of a small monopoly, we are facing a market characterized by imperfect competition". This reality entail a more pronounced interference of the state into this sector and a limitation of free market through regulations.

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CONSIDERATIONS SUR LE CONTRÔLES EN MARKETING

IOAN CUCU *

SOMMAIRE: *Le contrôle a pour but de vérifier si les réalisations sont conformes aux prévisions. Lorsqu'une différence est constatée, des mesures doivent être prises afin de combler l'écart relevé. Les contrôles peuvent utiliser plusieurs instruments: des budgets, des tableaux de bord commerciaux, le diagnostics sur les activités commerciales.*

MOT CLÉS: *le contrôles continus, le contrôle budgétaire, les tableaux de bord commerciaux, l'audit de marketing, le diagnostic commerciale de l'entreprise, les prescriptions.*

La fixation d'objectifs et le choix d'une stratégie, d'un marketing mix composé de diverses tactiques commerciales, sont fondés sur des hypothèses que l'expérience peut infirmer. Les plans de marketing vont alors être rectifiés, afin de tenir compte des changements constatés dans le milieu extérieur ou des déficiences internes. En conséquence, un système de contrôle doit être mis en place. Un tel examen peut être continu ou périodique.

1. Le contrôles continus

L'existence de différentes étapes rencontrées au cours du processus de planification (définition des objectifs, choix d'une stratégie, sélection de tactiques) conduit le responsable commercial à procéder à diverses opération de contrôle.

Le contrôle a pour but de vérifier si les réalisations sont conformes aux prévisions.

Lorsqu'une différence est constatée, des mesures doivent être prises afin de combler l'écart relevé. Trois séries d'examens sont généralement effectuées.

1. Il est bon de s'assurer, tout d'abord, que les prémisses du plan de marketing n'ont pas changé: le marché n'a-t-il pas évolué ? Un nouveau concurrent ne menace-t-il pas l'entreprise ? Bref, les objectifs sont-ils toujours acceptables ? Si ce

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n'est pas le cas, si les prix supposés n'ont pas changé, il faut vérifier que la stratégie est bien toujours en accord avec eux.

2. Enfin, il est nécessaire de s'assurer que les tactiques conviennent à la stratégie qui a été choisie.

Les contrôles peuvent être:

- généraux: il s'agira par exemple de l'examen des résultats fournis par la stratégie de marketing à une période donnée;

3. partiels: citons le contrôle des résultats de l'équipe de vente, le contrôle de l'ensemble du processus doit être revu.

- rôle du rendement d'une campagne de publicité, le contrôle de pénétration de la marque etc.

2. Les processus de contrôle continu en marketing

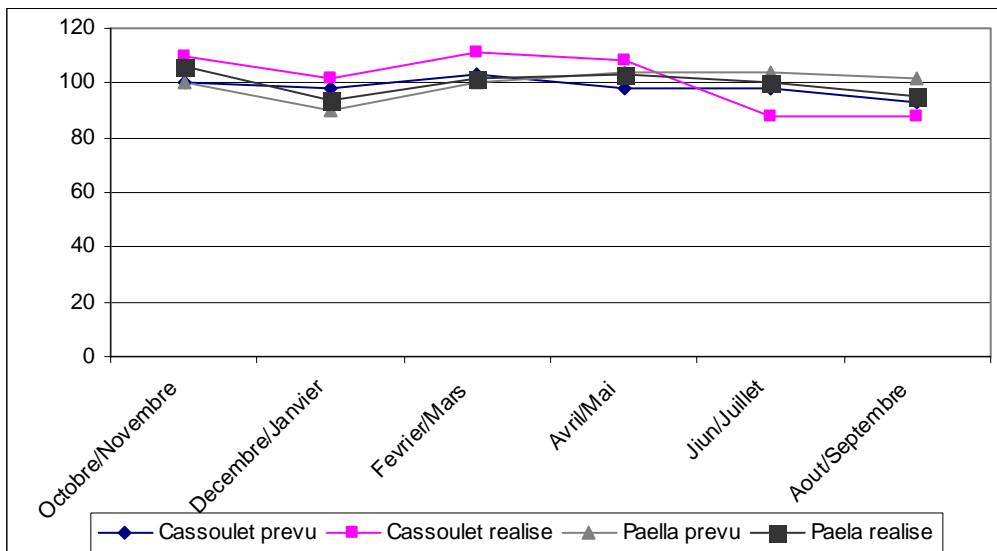
Nous savons que, pour effectuer tout contrôle, on rapproche tout d'abord les résultats effectifs des prévisions, puis l'on mesure les écarts. Les chiffres prévus proviennent des documents écrits – les plans de marketing par exemple – dans lesquels sont contenues les décisions stratégiques, tandis que les chiffres réalisés sont obtenus:

- par voie comptable grâce à la comptabilité analytique lorsque celle-ci est adaptée au système de planification de marketing;

- par voie extracomptable: études de marché, panels de détaillants, baromètres de marque, statistiques diverses, etc.

De telles comparaisons sont souvent présentées sous la forme de graphiques comparables à celui que nous reprisons à figure 1.

Figure 1. Évolutions des ventes des plats cuisinés sur 6 périodes bimestrielles



Les graphiques sont utiles, parce qu'ils constituent un moyen visuel, donc plus direct et plus rapide, d'apprécier globalement une situation, avant d'en faire une analyse plus détaillée. En contrepartie, ils impliquent, par souci d'efficacité, une certaine perte d'informations. C'est au gestionnaire qu'il revient de savoir faire la part entre le synthétique très parlant et l'analytique peu lisible.

Pour procéder au contrôle continu, deux instruments sont fréquemment employés: des budgets et des tableaux de bord.

4. Le contrôle budgétaire en marketing

Les budgets commerciaux se décomposent en trois grandes catégories:

1. Budget des ventes: par produit, par marché, par client, par territoire, par rayon, par technique de vente (vente traditionnelle, vente en libre-service) etc.

2. Budget de coûts: par produit, par marché, par client, par vendeur, par rayon, par média publicitaire etc.

3. Budget des marges: par produit, par marché, par client, par vendeur, par territoire, par rayon, par service etc.

Les principes et les qualités propres à la gestion budgétaire s'appliquent au domaine commercial. Chaque budget correspond à une centre de décision confié à une personne. L'outil budgétaire a en effet pour objet de mesurer des performances et de stimuler les hommes.

Selon l'organisation, un budget relatif à un produit (ventes, coûts, marges) sera confié à un chef de produit ou à un responsable des ventes. On sait en effet que la responsabilité ne se partage guère en matière budgétaire, et les exemples foisonnent où l'on constate que les difficultés proviennent de l'éclatement des responsabilités.

Le cas plus fréquent s'observe au sein d'organisations commerciales où les chefs du service des ventes sont responsables des budgets de chiffre d'affaires et où les chefs de produits n'ont pouvoir que sur les budgets des coûts. La question se pose alors de savoir qui doit rendre compte des marges, si chacune des parties prenantes ne détient qu'une part limitée de la responsabilité, les uns s'efforçant de pousser les ventes, les autres s'en tenant à la stricte gestion des budgets des coûts.

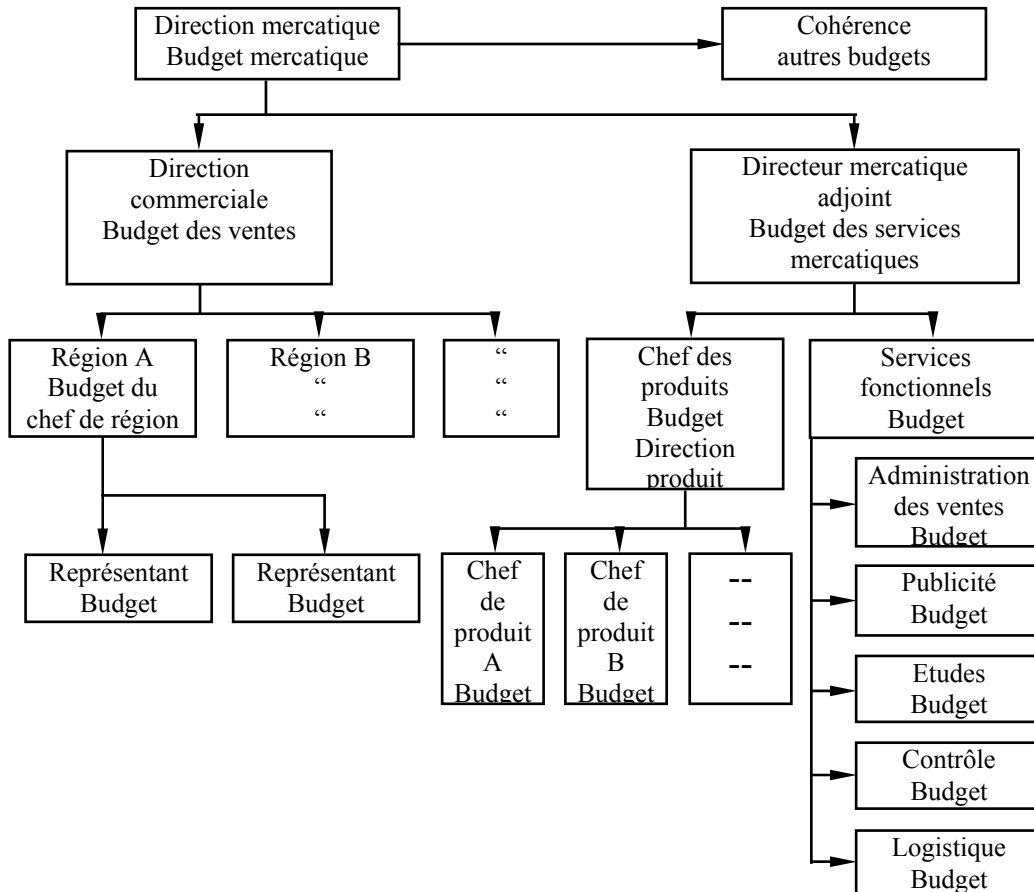
Tout bien considéré, l'obligation d'harmoniser les budgets est double:

- En premier lieu, les budgets de marketing doivent être coordonnés avec ceux propres aux autres fonctions de l'entreprise ou de la division. *Exemple. Il est nécessaire de vérifier que le budget des ventes n'est pas contradictoire avec le budget des services de production.*

- Mais il est aussi opportun de s'assurer que les budgets commerciaux sont en harmonie les uns par rapport aux autres. *Exemple. On vérifiera que la somme des budgets des ventes des chefs de produits correspond bien à la somme des prévisions de chiffre d'affaires des représentants.*

Le meilleur moyen de garantir cette cohérence consiste à établir le figure 2 des articulations budgétaires et à vérifier que le budget global de marketing rassemble bien l'ensemble des ventes, des coûts et des marges prévues.

Figure 2: Exemple de division budgétaire (pyramide)



5. Les tableaux de bord commerciaux

On sait que lorsqu'on ne dispose pas de contrôle budgétaire, ou lorsqu'on souhaite compléter les informations fournies par cette dernière méthode, on établit, en vue du contrôle, un document qui fournit périodiquement des indications au gestionnaire commercial pour mieux accomplir sa tâche. De manière plus précise, le tableau de bord commercial a pour objet:

- de procurer avec célérité les renseignements souhaités;
- de s'en tenir aux écarts signifiants. Par exemple, un chef de produit ne doit pas être submergé d'indications inutiles, comme serait la longue liste des écarts de rendement constatés au cours de tournées de chaque représentant; en revanche, comme le montre le tableau 1 on s'en tient à l'essentiel;
- d'être facile à consulter et bien illustré.

Tableau 1. Tableau de bord du chef de produit

	REALISATIONS				PREVISIONS			
	Jan.	Fév.	...	Dec.	Jan.	Fév.	...	Dec.
1. CA Brut								
Cumul								
Ecart cumulé								
2. Ristournes et rabais								
Cumul								
Ecart cumulé								
3. CA net								
Cumul								
Ecart cumulé								
4. Etude et recherche techniques								
Cumul								
Ecart cumulé								
5. Coûts de fabrication								
- Matières								
Cumul								
Ecart cumulé								
- Main-d'œuvre								
Cumul								
Ecart cumulé								
- Autres coûts de fabrication								
Cumul								
Ecart cumulé								
6. Marge brute								
Cumul								
Ecart cumulé								
7. Coûts marketing								
- Force de vente								
Cumul								
Ecart cumulé								
- Publicité								
Cumul								
Ecart cumulé								
- Promotion								
Cumul								
Ecart cumulé								
- Etudes								
Cumul								
Ecart cumulé								
8. Autres coûts de gestion spécifiques								
Cumul								
Ecart cumulé								
9. Contribution								
Cumul								
Ecart cumulé								

Comme le système de contrôle budgétaire commercial, le document récapitule périodiquement – toutes les semaines ou tous le mois – divers renseignements:

- sur les ventes et les commandes;
- sur les coûts du marketing ;
- sur les marges qui résultent de la différence entre les produits et les charges.

A cette liste de base s'ajoutent parfois d'autres informations:

- sur les résultats des panels;
- sur les stocks de l'entreprise;
- sur la conjoncture;
- sur les résultats des concurrents;
- sur les performances du personnel de vente;
- sur les rendements des publicités ou des promotions etc.

Un certain nombre de ratios complètent toutes ces données. Par exemple:

- Valeur moyenne de vente: $\frac{\text{Ventes nettes}}{\text{Nombre de clients}}$
- Développement de la clientèle: $\frac{\text{Clients nouveaux}}{\text{Total des clients}} \times 100$
- Solvabilité de la clientèle: $\frac{\text{Creances douteuses}}{\text{Chiffre d'affaires}}$
- Ventilation des ventes: $\frac{\text{Vente par produit}}{\text{Total des ventes}}$
- Chiffres d'affaires par vendeur: $\frac{\text{Ventes nettes}}{\text{Nombre de vendeurs}}$

La liste serait inépuisable, la forme des ratios présentes dépendant avant tout de la nature des informations requises pour accomplir telle ou telle tâche commerciale particulière. On comprend donc que la grande difficulté, lorsqu'on veut construire un tableau de bord en marketing, consiste à faire énoncer clairement, en toute conscience, par les futurs utilisateurs, la liste des informations qu'ils jugent essentielles. S'ajoutant à ses compétences techniques, le concepteur d'un tableau de bord ne peut donc manquer de posséder un véritable don <maïteque>, sans lequel notre outil, mal conçu, se révélerait inutile, paperassier et coûteux.

6. Le contrôle périodique: l'audit de marketing

A l'instar des comptables, des financiers ou des ingénieurs, les responsables commerciaux procèdent, à intervalles réguliers, à un examen général des activités qui leur incombent. Une telle appréciation, exceptionnelle et non pas continue, peut non seulement porter sur le plan de marketing, sur la politique commerciale, mais elle peut aussi s'appliquer aux hommes ou à l'organisation des services commerciaux.

Deux cas peuvent se produire:

1. Des cadres de l'entreprise sont désignés et ils reçoivent le pouvoir d'effectuer des examens. L'étude doit aboutir à un bilan détaillé, sur la base duquel un projet d'amélioration de la situation commerciale actuelle est élaboré.
2. Mais, parfois, la révision est confiée à des conseillers extérieurs, que l'on juge plus enclins à faire preuve d'objectivité que les responsables de l'entreprise.

Il paraît souvent efficace de composer un groupe de différents spécialistes:

- spécialistes d'études de marche;
- psychosociologues.
- organisateurs;
- animateurs de promotion des ventes;
- spécialistes du contrôle de gestion etc.

Une fois l'équipe constituée, un calendrier d'interventions est établi, car le processus impose de respecter plusieurs étapes:

1. On commence par rencontrer tous les principaux cadres commerciaux ; puis, on enquête auprès d'un échantillon composé de membres du personnel subalterne (vendeur, secrétaire, aide acheteur, etc.).
2. Les responsables de la révision accompagnent les membres de la force de vente auprès des clients, afin d'apprécier les canaux de distribution choisis.
3. Des visites d'usines de production sont organisées, dans le but de vérifier la coordination entre les services techniques et les services commerciaux.
4. On tient des réunions aux quelles participent les gestionnaires de plusieurs services: vente, publicité, achat, logistique, etc. Au cours de ces rencontres, on cherche à mieux connaître l'état des relations entre les différents acteurs commerciaux.
5. Les principaux documents écrits sont minutieusement étudiés.
6. C'est alors que les experts analysent tous les faits observés et qu'ils établissent un diagnostic.
7. Sur cette base enfin, après des entretiens avec la direction générale de la firme, le groupe de contrôle propose des remèdes, des améliorations aux défauts constatés.

7. Thérapeutique commerciale de l'entreprise.

A. Le diagnostic.

L'enquête peut porter sur toutes les activités commerciales. G. Serraf propose ainsi un catalogue composé de vingt points à examiner.

1. La connaissance du marché (méthode d'étude, connaissance de la clientèle, créneaux vacants, etc.).
2. La fonction recherche et développement.

3. La politique générale de la firme.
4. La politique de marketing.
5. L'étude des coûts.
6. La politique de produits.
7. La politique de production est-elle compatible avec la politique de vente ?
8. La politique de prix.
9. La politique de dynamique commerciale (axes, budgets, programmes, cibles).
10. La publicité.
11. Les relations publiques.
12. La promotion des ventes.
13. La distribution.
14. La structure des services commerciaux.
15. La force de vente.
16. L'administration des ventes.
17. Le service après-vente.
18. L'exportation.
19. Le système d'information.
20. Les contrôles effectives.

B. Les prescriptions.

Quant au document final, celui qui contient les recommandations données à la direction, il peut s'articuler de la façon suivante :

1. Mise en lumière des problèmes les plus importants : symptômes et causes.
2. Justification des dispositions souhaitables : suppression d'un produit, augmentation du budget de publicité, etc.
3. Evaluation des coûts des modifications proposées.
4. Moyens mis en œuvre pour parvenir aux nouveaux buts prescrits.
5. Délais.
6. Organisation: définition des responsabilités permettant de mener à bien les réformes suggérées.

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THE HISTORY OF EURO

IOAN CONSTANTIN DIMA *

ABSTRACT: *In 1988 The European Council from Hanover has founded a committee leaded by Jacques Delors, president of The European Committee about that time, with the task of formulating proposals concerning legislative and economic arrangements necessary to finish The Economic and Monetary Union.*

Delors recommended a plan involving three stages able to lead at a better coordination of economic and monetary policies from the EU countries, with the intention of creating a unique European currency under the administration of The Central European Bank.

KEY WORDS: *EURO, European unique currency, monetary policy, The European Monetary System, the common market*

Fifty years ago, the founders of The European Community thought that the Common Market they were about to establish was in great need of commune economic and monetary policies. For the beginning, such an enormous project seemed unachievable. Therefore there were several attempts of coordinating the economic policies throughout consulting communitarian institutions only that finally the ultimate responsibility for defining such policies remained a prerogative of each member state for many years to come.

In 1969, the heads of the states that composed, in that moment, The European Community, gathered at Haga, officially launched an ambitious initiative of forming The Economic and Monetary Union. The calendar for achieving this project was elaborated by a committee presided by the Luxembourgian Prime-Minister, Pierre Werner, who in the next year presented a final report composed of three stage at the end of which, in 1980, national instruments of economic and monetary policies should “merge” into a range of “communitarian instruments” used for commune objective. Thus, the Luxembourgian Prime-Minister proposed, for the first time, the adoption of a unique monetary policy.

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In the following years, the launch of the second stage of the Werner Plan was successively undermined because of the oil crisis, the divergence among national economic policies of member states from The European Community, as well as because of the dollar's fall.

In 1979, the plan of forming The Economic and Monetary Union became again up-to-date through the creation of The European Monetary System. The increasing fluctuation of exchange rates persuaded firms from communitarian countries to be very cautious in making massive or long-term investments in the countries outside the community, especially because this thing could prevent them to abundantly profit of the advantage offered by The Common Market.

Through a transfer of monetary autonomy, The European Monetary System created a stable and easily adjustable mechanism of exchange rates through defining certain standard rates in accordance with a new monetary unit represented by the ECU (the name of an old French coin).

Experience gained through the operation of this system was very useful having in view the creation of unique currency, because the fluctuations of exchange rates were significantly reduced. Thus, a new age of economic stability between member states of the community began.

As inflation rates in the communitarian countries diminished considerably, reaching a unitary floor, in the middle of '80, it became obvious that it was the time for a new impulse toward forming The Economic and Monetary Union.

The emergence of the unique currency represented an elemental requirement for perfecting the unique market through the complete elimination of non-tariff barriers which make heavier the circulation of goods, capitals, services and persons.

In 1988 The European Council from Hanover has founded a committee led by Jacques Delors, president of The European Committee about that time, with the task of formulating proposals concerning legislative and economic arrangements necessary to finish The Economic and Monetary Union.

Delors recommended a plan involving three stages able to lead at a better coordination of economic and monetary policies from the EU countries, with the intention of creating a unique European currency under the administration of The Central European Bank. From that moment, things begun to move faster. In 1991 the heads of EU member states signed The Maastricht Treaty laying down a set of six severe criterions of economic convergence that must be fulfilled by those countries which intended to adopt the unique European currency.

The third and last stage of creating The Economic and Monetary Union began at 1 January 1999 when the unique European currency emerged.

In fact, temporally speaking, these stages were based on several important steps that laid the foundations of EURO, such as:

-
- 18 April 1951 – the signing of The Paris Treaty concerning the establishment of The European Community of Coals and Steels;
 - March 1957 – the signing The Rome Treaties that laid the foundations of The Economic European Community and of The European Community for Nuclear Energy;
 - December 1969 – The Hagan Summit when Pierre Werner received the task of elaborating a report concerning means of reducing the instability of exchange rates;
 - October 1970 – the publication of the Werner report that recommends the centralization of macro-economic policies of member states of The European Community;
 - 1971-1973 – the abolishment of the Fixed Exchange Rates System - Bretton Woods, causing a great stroke to hopes of establishing The European Monetary Union;
 - March 1979 – the creation of The European Monetary System and its coming into force based on a new monetary unit called ECU;
 - February 1986 - the signing of The Single European Act brings modifications to The Rome Treaty and institutionalizes cooperation among member states in six new fields including monetary cooperation;
 - 14 June 1988 – the Hanover Summit oh The European Community ensure the progress of the leaders of The European Committee in planning monetary study;
 - 1 July 1990 – the establishment of The European Monetary Union which allows the free movement of capital;
 - 7 February 1992 – the signing of The Maastricht Treaty proposing January 1999 as the last term for introduction EURO;
 - 3 June 1992 – the rejection of The Maastricht Treaty by Denmark;
 - 17 September 1992 – the suspension of the GBP from the monetary snake;
 - 21 September 1992 – France embraces The Maastricht Treaty;
 - 12 January 1994 – the creation of The European Monetary Institute, the forerunner of The European Central Bank;
 - 1 January 1995 – the expand of The European Union with three members: Austria, Finland and Sweden;
 - December 1995 – EURO becomes the new official name for the unique currency replacing ECU;
 - 1 June 1998 – the forming of The European Central Bank;
 - 5 January 1999 – the official launch of EURO which in first day of transaction reaches the parity of 1,19 USD;
 - 3 December 1999 – financial shaking caused by the breakdown of the EURO-USD parity under 1;
 - 25 September 2000 – the G7 member countries support EURO in the competition with USD;

- 29 September 2000 – Danes categorically declare themselves against EURO throughout referendum;
- 1 January 2001 – Greece join the EURO zone giving up to the national currency.

The one that formulated the theories which lay on the basis of EURO is the Canadian economist Robert Mundell, teacher to The University of Columbia who received in 1999 The Nobel Prize for Economy of The Swede Royal Academy for Science for his analysis about exchange rates and the ways in which their fluctuations affect the monetary policies.

The teacher Robert Mundell doesn't consider himself the father of EURO, rather the godfather and better on one from several godfathers of the European unique currency.

The scientist set the theoretical bases of The Monetary Union, being most enthusiastic supporter of EURO. Paradoxical is the fact that his theory concerning zone with optimum currency was used of several economists in order to counteract the idea of creating The European Monetary Union and putting under uncertainty the chance of successful for such a project.

The scientist didn't directly participate to the elaboration of launch plans for EURO, but he was the first person who, as far back as in 1961, raised a key question: "In what moment is more advantageous for a state to give up to its monetary sovereignty in favor of a unique currency?". He anticipated the motion of Europe toward a more and more gathered integration and he estimated that The Monetary Union will be a good thing for the EU member states.

Having the experience of an activity as economic adviser to The United Nations, The International Monetary Fund, The World Bank and as consulter for governments from Latin America, Europe, United States and Canada, the scientist supports now the idea that Asia should try to create its own unique currency based on USD, the first step in this sense being the official adoption of USD as the national currency of Hong Kong.

He pointed out that Asia could borrow from the experience of Europe in order to settle an instrument able to ensure monetary stability, declaring: "Asia could do many things as a whole and not as a sum of individual countries. The creation of a unique Asian currency is a feasible thing".

Thus, a number of 13 states from Asia, strongly affected by the economic crisis from 1997, already made the first steps in the direction of formulating multilateral agreements among their central banks in order to provide them a better protection in case of new possible crisis. The Prime-Minister of Malaises, Mahathir Mohamad, declared with the occasion of the Economic Forum from China, in 2001, that an Asian monetary system could allow a better monetary stability in this region.

Nevertheless, several officials and analysts of the Asian zones consider that forming an Asian monetary union is still a matter of several decades and not several years.

The same scientist underlined the necessity of a unique currency world-wide with fixed exchange rates in relation with USD, EURO and JPY.

For all that it has a parent, EURO was created by The European Committee and it had to be an easy to recognize symbol for Europe, easy to write by hand with a nice design.

Once the symbol was created, the EU member states entered into the last stage of applying the Maastricht Treaty, the adoption of EURO in 1 January 1999. This was conditioned by accomplishing three important groups of convergence criterions, such as:

- price settling, so as to inflation from EU member states do not exceed 1,5% given the average of the most performing three communitarian countries in this field;
- public finances, meaning that budget deficit must not exceed 3% from the national GDP and public debt must not exceed 60% from the national GDP;
- exchange rates must not exceed normal margin of +/-2,25% relating to ECU, stipulated into The European Monetary System;
- interest rates must not exceed 2% relating to average level of long-term interest of the most performing three countries in this field.

In the final phase of forming The Economic and Monetary Union at least 7-8 countries had to enter the union by accomplishing all convergence criterions. Even if in 1996 several austerity programmers were applied in almost every EU country in order to allow them to fulfil adhering criterions, starting with 1997, in 1 January 1999 only 11 states was able to adopt EURO and two years later Greece join them after many efforts.

The arise of EURO wanted as a stable and powerful currency had the mission of re-launching Europe in its competition with U.S.A. and Japan through re-settling currency influence spheres on the world market, being a reunion of the three most important currencies as volume of financial flows.

But in order to achieve this objective, EURO had to pass the trust test which wasn't very promising at first. After two years of virtual existence, EURO came out tumbled enough from the direct fight on currency markets with USD.

As EURO is going to consolidate its position as a stabile currency, it is very likely to become the currency of rolling commercial and financial contracts on a large scale.

Being the currency of the main commercial power, EURO is able to influence capital flows to detach more easily from former currencies of EU countries. The relatively high fluctuations of these currencies throw the European companies into an unequal competition with their rivals from beyond the Ocean. Now they have a real chance in EURO.

Entering in circulation EURO creates conditions to diminish considerable differences between the image reflected by exchange rates and fundamental economic data, differences that tend to cause sever financial and commercial crises. In the same

time, the gradual increase of the weight of the countries with money reserves in EURO is going to ensure the balance of the International Monetary System, which, at present, is dominated by USD.

Changes into investors behaviour is not expected very soon, especially taking into account that in the first two years of the existence of EURO investors suffered several losses by using this currency.

Portofolio reallocations depend mainly on the direction given by possible differences between interest rate on the EURO market and those registered on other national and international financial markets. In addition, the premises of EURO markets stability and homogeneity are going to act as an attraction pole for investors.

The emergence of EURO is also planned to lead to cooperation deepening world-wide based on convergences in currency policies of the world economic leaders. This fact was pointed out by tendencies arisen several times on the occasion of effort coordination by banks from EURO zone, U.S.A. and Japan in the direction of tempering financial markets by diminishing the shocks to which EURO, USD and JPY were subjected. We can say that this is one of the greatest benefits of launching EURO, namely the fact that the leaders of the financial world take into consideration the risk of acting by themselves and the advantages of coordinated approaches.

From these situation several questions arise, such as: will the creation of EURO be the beginning of the fight for re-settling influence spheres in Europe and world-wide; are we going to attend to the emergence of the "United States of Europe" excepting England, which is a well known American ally; will EURO confirm the recognition of Germany's economic power and of French's diplomatic power in the whole Europe and not only.

These are only a few questions, to which all Europeans expect an answer, and most of all Romanians strongly engaged in the European integration process.

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MEANS OF REDUCING CREDIT RISK

IMOLA DRIGĂ*

ABSTRACT: *Credit risk represents the possibility that the bank will suffer a loss of income because some borrowers cannot exactly follow the lender's repayment terms from different kind of reasons. In such cases, the account of the customer inevitably becomes overdue, the granted loan turns into a non-performing credit and the lending bank registers a decline of its profit. In order to prevent such situations, commercial banks must take certain measures of reducing credit risk.*

KEY WORDS: *credit risk, credit analysis, credit pursuit, guarantees, prudent regulation, provisions.*

When a bank extends credit to a customer it must face the risk of non-payment due to the fact that some borrowers will be unable or unwilling to repay the loan at maturity. This type of risk is called credit risk and it represents the possibility that the bank will suffer a loss of income because some borrowers cannot exactly follow the lender's repayment terms from different kind of reasons.

In such cases, the account of the customer inevitably becomes overdue, the granted loan turns into a non-performing credit and the lending bank registers a decline of its profit. In order to prevent such situations, commercial banks must take certain measures of reducing credit risk.

A first way of reducing this type of risk is *credit analysis* which involves the determination of the potential debtor's capacity to honor his payment obligations and it is based on the features of quantitative and qualitative evaluation, taking in consideration several factors of risk (figure 1.) that can negatively affect the capacity of repaying the loan. So as to make proper lending decisions banks must build their lending policies around the six C's of credit management: Character; Capital; Capacity; Collateral; Conditions and Control. To obtain such information, most lending banks require both business and individual customers to complete a credit application.

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The term *character* refers to the borrower's attitude toward his credit obligations and can be usually considered as the most important factor that may affect the customer's ability to repay the loan at maturity and to make regular interest payments. In order to judge a credit applicant's character, the loan officer or credit manager must take into account some typical questions concerning the borrower's attitude toward paying bills, repaying credit obligations voluntarily, making regular payments.

Capital is used to define a borrower's assets or net worth. Capital position shows whether the credit applicant will be able to make regular loan payments as scheduled in the credit agreement. If the customer is another business, the lender looks for this information in the client's financial statements prepared or audited by an independent certified public account.

As far as individuals are concerned, the information on their net worth can be obtained by requiring that the borrower complete a credit application. In order to determine whether this information is accurate or not every lending institution should contact employers and any financial institutions authorized to release information to confirm that the claims made in the application by the borrower are correct.

By *capacity* we mean the debtor's financial ability to meet credit obligations. In order to evaluate business customers' capacity to repay a loan, the bank checks their income statement. For individuals, this kind of information is contained in their salary statements or other sources of income such as interest or dividends. Before credit is approved the credit manager must take into account another major factor.

Especially for long-term loans and for large amounts of credit commercial banks must charge some type of *collateral* to prevent loss of income in case of borrower's default. The collateral represented by real or personal property (such as stocks, bonds, equipment or land) is an alternative way of recouping the money if the debtor is unable to pay for his credit purchases. That is, because the security can be sold so as to satisfy the debt.

Conditions refer to general economic factors that can obviously affect a potential borrower's capacity to live up to the terms of the credit agreement. Any changes in economic environment concerning inflation, taxation, interest and exchange rates as well as credit control may have an impact on a client's ability to repay the granted loan.

How well borrowers can withstand an economic storm may depend on the particular industry they are involved in, for business firms and on the security of their job and the company they work for, when credit applicants are individuals.

Control (the concordance with the legislation in force) consists in verifying the impact produced by a change in legislation upon the activity of the customer, assuming that the loan granted satisfies the standards of the bank regarding its quality.

The lending operation being an activity that produces incomes for a commercial bank, credit analysis must take place periodically: firstly, before granting and second, from time to time established in terms of credit maturity in order to maintain it in accordance with settled limits.

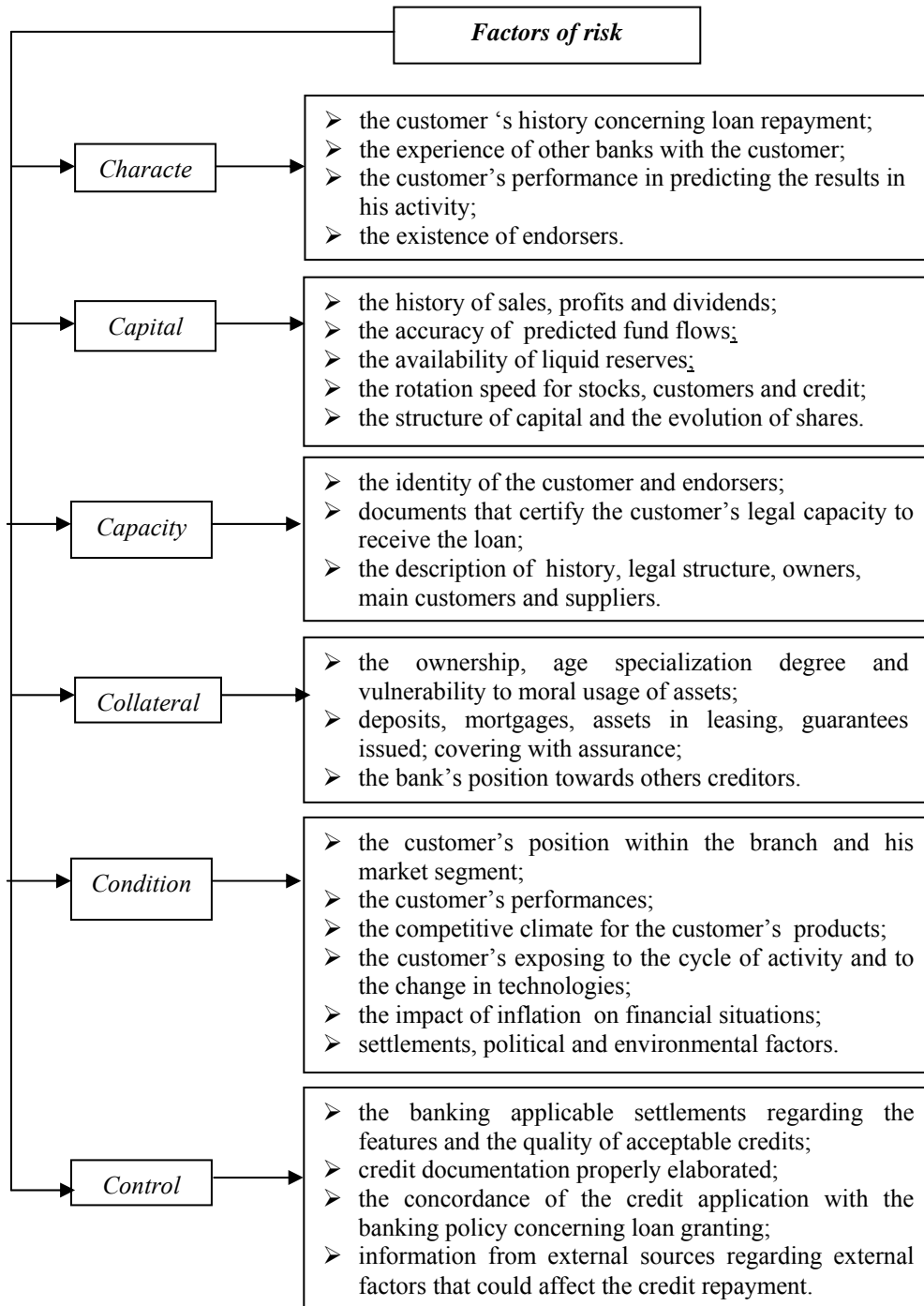


Figure 1. Factors of risk in credit analysis

As a matter of fact, in this second case, the bank performs *credit following*, another method of reducing credit risk, which has the objective of ensuring a continuous credit review in order to identify possible deteriorations and to allow it to be remedied immediately. The revise of the bank's credit portfolio can be divided into two parts, namely:

- periodical auditing and revise of granted loans - being verified the following aspects: if the financial situation of debtors is still acceptable; if the approved credit is used in accordance with the established destination; if the credit price continues to satisfy the profitability objective of the bank;
- the administration of doubtful credits - involves loss control and maximum possible recovery of granted loans and afferent interests; banks must take into consideration banking prudence and risk assumption involve by the granting process so as to reduce the negative effect of inefficient credits.

Credit risk avoidance can be achieved by removing the causes that are determining it. This is possible only through efficient *credit policies* which are able to eliminate the deficiencies of credit granting. Having in mind the fact that the quality of credit portfolio is the absolute dimension of achieving the objectives of economic and financial growth of a bank, the credit policy is a main strategic element, covering the technical aspects of managing credit portfolio. It must be flexible and submitted to a permanent process of update and adjustment to arisen changes into the economic, politic and competing environment. Its elaboration requires providing several conditions in connection with the way of drawing up and its content.

Generally, credit policies are documents structured into three main parts. The first part contains aspects regarding the tasks of credit compartments and optimal qualities of credit portfolio, establishing the general frame and the objectives of the credit policy. The second part refers to principles and procedures on which credit granting is based and the last part is composed of credit standards, specific parameters to each credit type.

The prevention of credit risk is obviously in connection with the *procedure of credit guarantee*. Whenever a landing operation is performed the bank has to take collaterals so as to prevent loss in case of borrower's default, as an alternative mean of recouping its money. There may be cases when banks require borrowers to maintain compensating balances as collateral, to operate their accounts at a certain level.

In order to perform its insurance function the collateral should have either a stable or increasing value, be easy to take and value, be into the civil circuit, should not impose any liability on the bank and be easy to realize. Generally, commercial banks operate the following standard security arrangements: mortgage, debentures, pledge, lien, stocks and bonds, land, life policies and guarantees. The minimum value of accepted collateral must cover at least 100% from credit and afferent interests.

The bank can require and obtain in exchange for credit granting collateral with a higher value than the loan. Only that excess must be avoided because a too high level of a security in relation with the value of the loan limits the customers' access to credit. Requiring guarantees of an exaggerated value points out the usage of a credit policy

that is exclusively based on collateral and not on supporting an efficient activity, which becomes dangerous for the entire economy.

Because credit operations involve the exposure of the bank to the biggest risks, a major importance in credit risk management has the respecting of **prudential regulation** established by the banking authority. It refers to certain aspects, such as:

- the limitation regarding credit granting to one debtor through settling maximum expose;
- the total amount of large credits;
- the classification of granted loans and the establishment of specific risk provisions.

The quality of credits from the bank's portfolio can be estimated depending on their structure. From this point of view in classifying their credits banks take into account several criteria: duty; financial performance; initiation of judicial procedures for each customer that benefits of a certain loan. The evaluation of financial performances of customers not belonging to the banking sector drives to its integration into a certain category of financial performance (table no.1).

Table 1.

Credit classification for loans granted to customers outside the banking sector

Financial performances	A	B	C	D	E	
Duty						
0-15 days	Standard Loss	Under observation Loss	Substandard Loss	Doubtful Loss	Loss Loss	Judicial procedures was not initialized
16-30 days	Under observation Loss	Substandard Loss	Doubtful Loss	Loss Loss	Loss Loss	
31-60 days	Substandard Loss	Doubtful Loss	Loss Loss	Loss Loss	Loss Loss	
61-90 days	Doubtful Loss	Loss Loss	Loss Loss	Loss Loss	Loss Loss	
Minimum 91 days	Loss Loss	Loss Loss	Loss Loss	Loss Loss	Loss Loss	

In the case of clientele from the banking sector, financial performance will be considered into the A category. If banks are unable to estimate the financial performance for the customer, it will be placed directly into the E category (table no.2).

In order to determine the necessary specific risk provisions due to a credit or investment, the following steps will be covered:

- determining the calculation base for specific credit risk provisions;
- applying the coefficient to the obtained calculation base; the correspondence between classification categories and provision coefficients is shown in the table no.3.

Table 2.

Credit classification for loans granted to customers from the banking sector

Financial performances		A	
Duty			
Banks	Cooperative credit organizations		
0-7 working days	0-30 working days	Standard Loss	Judicial procedures was not initialized
minimum 8 working days	minimum 31 working days	Loss Loss	Judicial procedures was initialized

Table 3.

Classification categories	Coefficient
Standard	0
Under observation	0,05
Substandard	0,2
Doubtful	0,5
Loss	1

Knowing the risk involved by the credit portfolio it is possible to take certain means able to decrease credit risk. Specific risk provisions are going to be determined for each credit category by combining the client's financial performances with his duty towards the bank. This activity of forming funds in order to cover effective loss must take place in those moments in which there are phenomena that allow and require the application of such procedures.

Carrying out a prudent selection and a permanent supervise for granted loans, requesting collaterals, acquiring external credit insurances, forming provisions to cover losses in advance certainly represents indispensable elements in supporting polities of diminishing credit risk and its negative effects.

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CONSIDERATIONS UPON SALES FORCE MANAGEMENT

CODRUȚA DURA*

ABSTRACT: *Sales management involves sales planning (the process of establishing a broad set of goals, policies and procedures for achieving objectives), organizing the sales function (by establishing sales organizations structured geographically, by product types, by market or customer classes, or by function), staffing the sales function (including recruiting salespeople and interviewing, testing and hiring them), directing the sales force (via training and motivating) and evaluating and controlling sales force performance and satisfaction.*

KEY WORDS: *sales management, sales budgets, sales territories, sales-force quotas, geography-based sales organization, product-line sales organization, market- or customer-based sales organization, function-based sales organization, staffing the sales function, directing the sales force.*

Managing a diverse group is both challenging and difficult. In general, sales management involves acquiring, directing and stimulating competent salespeople to perform tasks that move the organization toward accomplishment of its objectives and mission. Sales management provides a significant link between an organization's corporate and marketing strategies and the salespeople who actuate the marketing transaction. A sales manager translates plans into action, implements sales programs, directs the sales effort, trains salespeople, appraises their performance, determines their compensation, and has a longer-term responsibility for market development and account coverage in his or her area.

Sales management involves the performance of five basic functions: planning; organizing; staffing; directing; evaluating and controlling sales-force performance and satisfaction.

Planning the Sales Function

Planning is the process of establishing a broad set of goals, policies and procedures for achieving sales and marketing objectives. Three of the most important

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planning activities undertaken by sales managers are developing sales budgets, designing sales territories and setting sales-force quotas.

Developing Sales Budgets

The sales force budget is the amount of money a sales department has assigned to it for an annual period. The budget is based on estimates of expenditures during that period of time, with the amount budgeted depending on the forecasted amount of revenue expected to be generated for the organization during that time period.

Designing Sales territories

Sales territories are created when present or prospective customers are assigned to a sales unit such as a sales branch or to a specific salesperson or selling team. The ideal situation is to create sales territories of equal sales-generating potential and equal workload. In this way, the sales manager can more easily evaluate and control each salesperson's performance. Also, having equal workloads among the sales representatives leads to greater sales force motivation and morale.

Setting Sales-Force Quotas

Sales quotas are specific performance goals that management sets for territories, branch offices and individual sales representatives. The primary functions of quotas are to establish goals and incentives for the sales force and to give management yardsticks by which to evaluate each salesperson's performance on the job, thus providing a basis for job promotion, salary raises or commissions.

Sales quotas are an extremely important aspect of the sales management function. If set fairly and realistically, they can encourage highly motivated salesperson performance and reward quota achievers for their efforts. On the downside, quotas set too low may fail to provide sufficient challenge or incentive for the sales force; or quotas set too high may serve as a disincentive because salespeople feel they cannot possibly meet what is expected of them. Setting challenging yet realistic quotas is truly an art that only the most effective sales manager ever accomplish.

Organizing the Sales Function

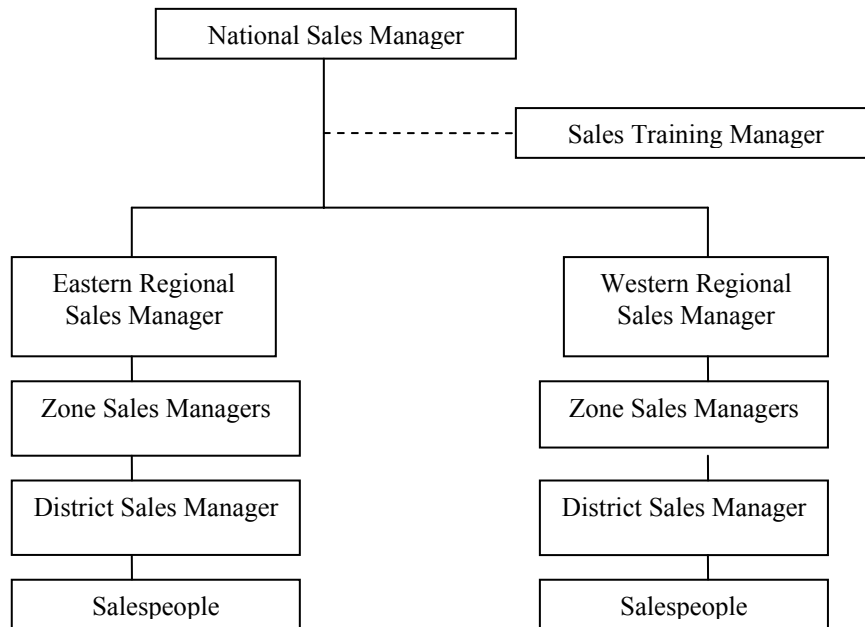
Most companies organize or specialize their sales departments in one of four ways: geographically, by product types, by market or customer classes or by function.

Geography-Based sales Organization

Specialization by geographical territories is probably the most common form of sales management organization. Figure 1 provides an illustrative organizational chart that is based on geographical specialization.

Depending on the size of the business, the manager who runs a geographical sales unit is called a regional, divisional or district sales manager. In figure 1, regional sales managers supervise zone managers, who in turn supervise the district sales managers to whom salespeople report. In many cases the sales manager, regardless of the title he or she is given, is basically running his or her own business within a business. That is, he or she is like the president of his or her own firm.

Figure 1. Geography-Based Sales Organization



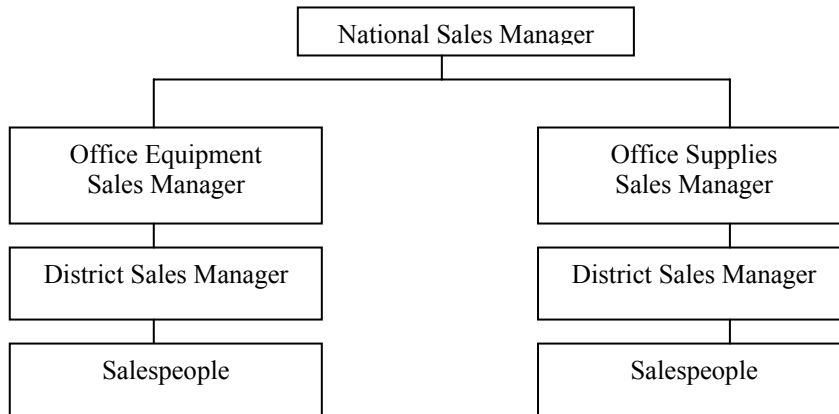
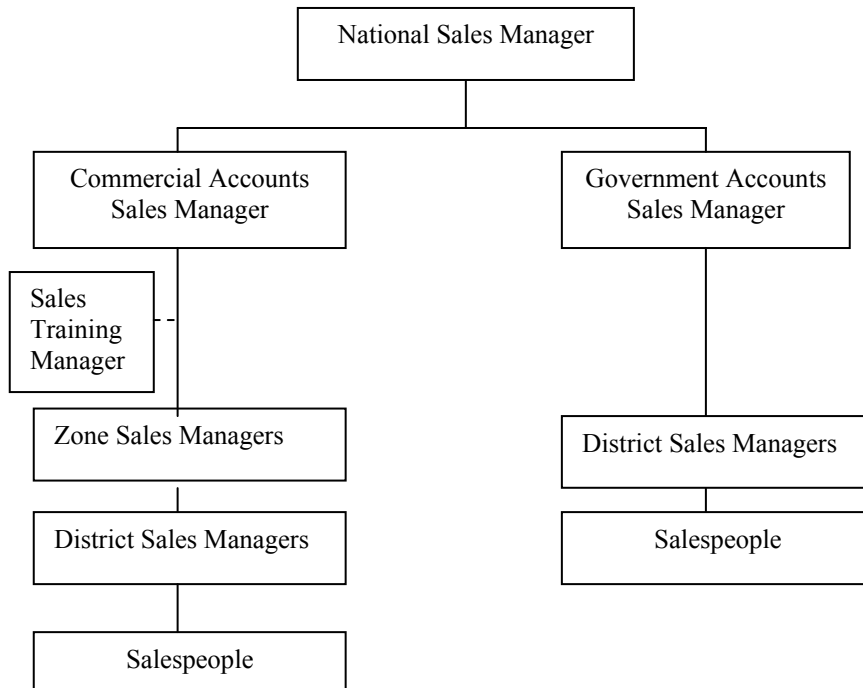
Product-Line Sales Organization

Although a company’s sales organization can be very effective for one product line, the same type of organizational structure may not be effective for a company that carries diverse product offerings. A company that offers a set of unrelated or heterogeneous products should consider organizing or reorganizing by product types or groups. Figure 2 shows a basic example of a sales organizational structure used in product specialization. In this case, the company has separated sales activity between its office-equipment and office-supply products. Management’s idea is that sales representatives should use their particular knowledge about specific products to increase company profits.

Market- or Customer-Based Sales Organization

This structure emphasizes specific markets or customer groups rather than products. A market-based sales structure is needed when a company sells to multiple customers whose buying needs and procedures differ greatly. Figure 3 illustrates an organization based on market-based specialization. In this instance, a company has separated its sales force into one group calling on commercial accounts and another group that caters to government customers.

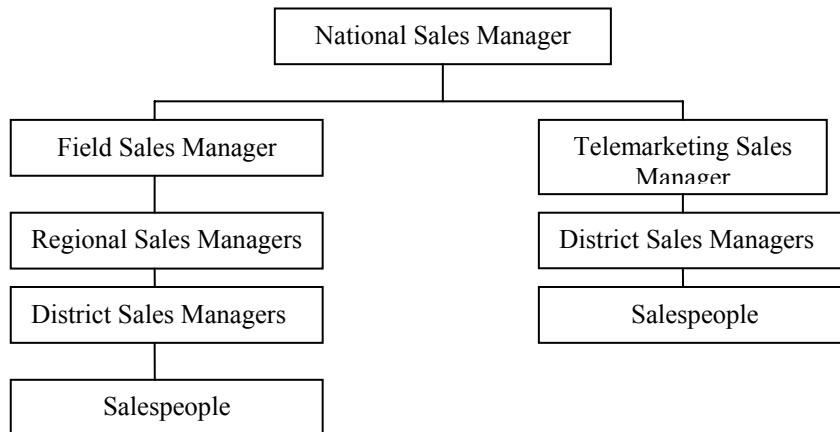
Companies may find that specialization by market is to their advantage when the needs of customer groups differ significantly, when the customer groups are geographically concentrated or when the company uses different channels of distribution and therefore wants to minimize friction among them.

Figure 2. Product-Line Sales Organization**Figure 3. Market-Based Sales Organization**

Function-Based Sales Organization

Figure 4 illustrates a sales organization that separates its sales force into field sales and telemarketing sales.

Figure 4. Function-Based Sales Organization



As previously discussed, increasing numbers of companies – especially in the case of business-to-business marketing – have established telemarketing sales force. In our case the role of the field sales force is to generate sales and that of the telemarketing sales force is to perform account-servicing activities.

Each form of organizational structure has advantages and disadvantages which are summarized in table 1.

Table 1. Comparison of Sales Organization Structure

Organization Structure	Advantages	Disadvantages
Geographic	Low cost No geographic duplication No customer duplication Fewer management levels	Limited specialization Lack of management control over product or customer emphasis
Product	Salespeople become experts in product attributes and applications Management control over selling effort allocated to products	High cost Geographic duplication Customer duplication
Market	Salespeople develop better understanding of unique customer needs Management control over selling effort allocated to different markets	High cost Geographic duplication
Functional	Efficiency in performing selling activities Customer duplication	Geographic duplication Need for coordination

Staffing the Sales Function

Staffing a sales organization involves both recruiting prospective salespeople and interviewing, testing and hiring them. A critical step in this process is creating a written job description. The job description includes a job title, the specific duties and responsibilities of the sales representative, the authoritative relationship with other immediate members of the organization, and the opportunities for advancement. Good job descriptions include the following:

- a description of the products or services the sales representative will sell;
- the types of customers the sales representative must call on, the desired frequency of sales calls and the specific personnel the sales representative should contact;
- the specific tasks and responsibilities the sales representative must carry out, including customer service, reports, information collection and promotional activities;
- the authoritative relationships between the sales representative and other positions within the company.

This statement provides information regarding who the sales representative reports to and under what circumstances he or she interacts with other departmental personnel. In addition to the job description, the sales manager should develop a statement of job qualifications. This document describes the personal features, characteristics and abilities that management believes a salesperson needs in order to perform the job effectively and efficiently. These qualifications may include educational background, business experience, personality, work ethic, ability to get along with others, personal appearance and so forth.

Directing the Sales Force

This sales-management function involves the training of new recruits, the continuing education of existing personnel and motivational and incentive plans for all sales personnel. As following, it will be describe briefly the elements of sales-force direction.

Training programs vary considerably from company to company, but all successful sales organizations have excellent training programs for new members of the sales force as well as periodic refresher courses for current salespeople. The general objectives of sales training should be to provide new salespeople with product, customer and competitor knowledge, improve salesperson morale and reduce turnover, establish expected salesperson behavior, improve customer relations, lower selling costs and show salespeople how to use time efficiently.

These broad sales-management objectives for a sales-training program should then be broken down into specific objectives for the sales representatives. These objectives may include training sales representatives to fill out reports, demonstrating how management uses reports, providing salespeople how to allocate their selling time with and among customers, suggesting ways to improve prospecting and explaining how to handle objections.

The training techniques a company uses depend on the objectives that sales managers want to accomplish and on the amount of time that the trainer has to achieve these objectives. Lectures, discussion, demonstrations, role playing and on-the-job training are the basic training techniques.

In *motivating the sales force*, sales management can use both financial and nonfinancial incentives. Financial rewards are extremely important but usually are not enough. Sales managers use three basic compensation plans: salary plan, commission plan and a combination plan (salary plus commission).

A straight salary plan provides sales representatives with a fixed amount of income regardless of sales productivity. This method of compensation gives management maximum control over the sales force's activities because management can dictate the activities salespeople must perform in servicing current customers, creating new merchandise displays and filling out reports for the home or district office. Thus, this plan is best for companies who have a large amount of work devoted to nonselling activities and routine selling tasks.

A commission plan is payment based directly on performance. There are two basic commission plans: straight commission or draw against commission. Straight commissions can be based on a fixed percentage of a sales representative's dollar sales or product units sold or can be based on a multiple percentage rate that increases as dollar sales volume or some other performance measure increases. The draw against commission method is based on draw accounts, which are accounts from which the sales representative receives (or draw) a fixed sum of money on a regular time basis. The money in a draw account comes from either earned or unearned commissions.

A bonus is usually a lump-sum payment that the company makes to sales representatives who have exceeded a set sales quota. However, management may use bases other than sales, such as number of new accounts opened, reduction in expenses and divisional profits, to set the requirements for a bonus.

Within the three basic plans, there are many possible combinations involving base earnings and incentive pay. Six of the most common methods of paying the sales force are: straight salary, straight commission, draw against commission, salary plus bonus plus commission. Combination plans are most commonly used by sales managers because they provide sales representatives with a broader range of earnings opportunities. Regardless of which specific compensation plan is selected, it is critical that the plan be competitive within the industry, equitable within the company and fair among members of the sales force.

In addition to financial compensation, salesperson job satisfaction and motivation rest strongly on nonfinancial rewards. Achievement or recognition awards are commonly presented to sales representatives at sales meetings and award banquets as a means of giving sales representatives psychological rewards. Companies also frequently use newsletters, publicity in local media, published sales results, personal letters of commendation and other psychological rewards to encourage sales performance. Some companies also award honorary job titles to outstanding sales

representatives, induct them into honor societies and present distinguished sales awards, often in the form of plaques or certificates.

Evaluating and Controlling Sales Force Performance and Satisfaction

This management function requires the sales manager to monitor actual salesperson performance, to reward the performance when it meets expectations, and to take corrective action when performance is below the preestablished standard.

Salesperson performance evaluations are used for at least five reasons:

- 1) To ensure that rewards given salespeople are consistent with their actual performance.
- 2) To identify salespeople who deserve promotions.
- 3) To identify salespeople who should be terminated.
- 4) To determine specific training and counseling needs of individual salespeople.
- 5) To identify criteria for the future recruitment and selection of salespeople.

Through sales analysis, cost analysis and personal evaluations, sales managers can determine whether a salesperson's performance meets preestablished standards. When the actual and planned performances of a salesperson differ significantly, the sales manager must determine the underlying reasons and take appropriate corrective actions if necessary.

When attempting to correct inadequate salesperson performance, it is important that the sales manager avoid excess negativity. In fact, research evidence suggest that managers should seek opportunities to provide positive feedback to salespeople rather than accentuating deficiencies. Negative feedback does not motivate salespeople as such as positive feedback does. Moreover, positive feedback serves to clarify what behaviors are expected of salespeople.

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CHARACTERISTICS OF ECO – SYSTEMIC MANAGEMENT

ALINA FLEȘER *

ABSTRACT: *The real base of management's development consists in human activity, the management representing a process of orientation and direction of the human resources' activity in the aim of achieving certain objectives. Usually, the management is considered in different ways: as process, as activity, as intervention of a group of persons (managers) and as an art/science, as object, own specific rules and principles.*

KEY WORDS: *eco-management, sustainable development, environment quality*

The real base of management's development consists in human activity, the management representing a process of orientation and direction of the human resources' activity in the aim of achieving certain objectives. Usually, the management is considered in different ways: as process, as activity, as intervention of a group of persons (managers) and as an art/science, as object, own specific rules and principles.

The recent acceptations consider that the management presupposes: to obtain results by means of other persons assuming responsibilities for these results; to be oriented onto the environment; to make decisions aiming the completion of the economic unit; to trust in subordinates, giving them responsibilities in order to obtain the proposed results, and recognizing for them the possibility of doing mistakes and receiving positively their initiatives; to de – centralize the organizational system and to appreciate the employees depending on results obtained by each of them.

Due to the fact the management does not represents a collection of methods and techniques of standardized rules obligatory to be applied, this assumes a lot of correctitude, talent and ability from the part of managers. Without trying to build a definition, it can be considered that the management represents the group of interventions, programming methods and techniques, organization, allocation of resources, control and activation by means of which the proposed objectives are achieved.

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One of the most important requirements of the human society for the next 10 years consist in convincing the market forces to act in the aim of protecting and improving the environment quality – with help of efficiency standard and a proper utilization of the economical instruments.

The common factor of these requirements is “The Business Charter for Sustainable Development” – base of individual, sectorial and inters – sectorial programs of economical activity.

In this Charter the following 16 principles are included:

1. Economical unit’s priorities. It is well recognized that the environment management is one of the most important priorities of an economical unit, representing the key for achieving the sustainable development. On this base there are established politics, programs and measures afferent for operative management of manufacturing processes where the environment protection should be present as objective.

2. Managerial integration. It is necessary to integrate the politics, programs and measures elaborated into the sectors corresponding to the unit functions.

3. Training process. There should be continuously trained the politics, programs and qualitative performances of the environment taking into consideration the progress of science and technique, the present and future needs of individual consumers and of society. The starting point in this process of training can be considered the provisions of present standards regarding the performances of products and environment.

4. Education of employees. It is emphasized its importance and of the training and employees motivation for performing their activity under a responsible manner for the environment.

5. Evaluate everything! Before starting a new activity or project, changing a technology, locating or re – locating a new installation, etc., evaluate the impact of this activity to the environment.

6. Products and services. The products or services should be elaborated or improved in the way that not to have a negative influence to the environment, to be feasible, efficient in regarding the consumption of natural material and energetical resources, to be recycled, reused or safe stored.

7. Information of clients. It is necessary to inform the clients, help for their education, but also education of distributors and public to use safely the products, to provide the transport and storing. These requirements are valid also for services.

8. Facilities and operations. In economic practice, there should be elaborated, designed and provided the facilities that involves the taken into consideration of efficient utilization of energy and materials, consumption in the sense of sustainable development concept, of renewable resources, minimization of impact to the environment and of quantity of wastes resulted from the manufacturing process. In the same time the safety and responsibility for storing dangerous wastes should be considered.

9. Research. To direct or support the efforts regarding the research of the impact of raw materials, products, technological processes, emissions and wastes to the environment, and to find methods for minimizing this impact. This is the essence of this principle.

10. A precautionary approach. It is recommended that when it is followed the modification of manufacturing, trade system, products or services utilization activity management to be avoided with necessary scientific and technical knowledge, the irreversible degradation of environment.

11. Purchase and trade. To promote and adapt these principles by the suppliers of raw materials, materials and utilities, that should act in the same direction with the company. To be encouraged and, when it is the case, to be asked for improvement of practice in order them to be come compatible with the company ones; to be encouraged the acceptance of these principles also by products and services users.

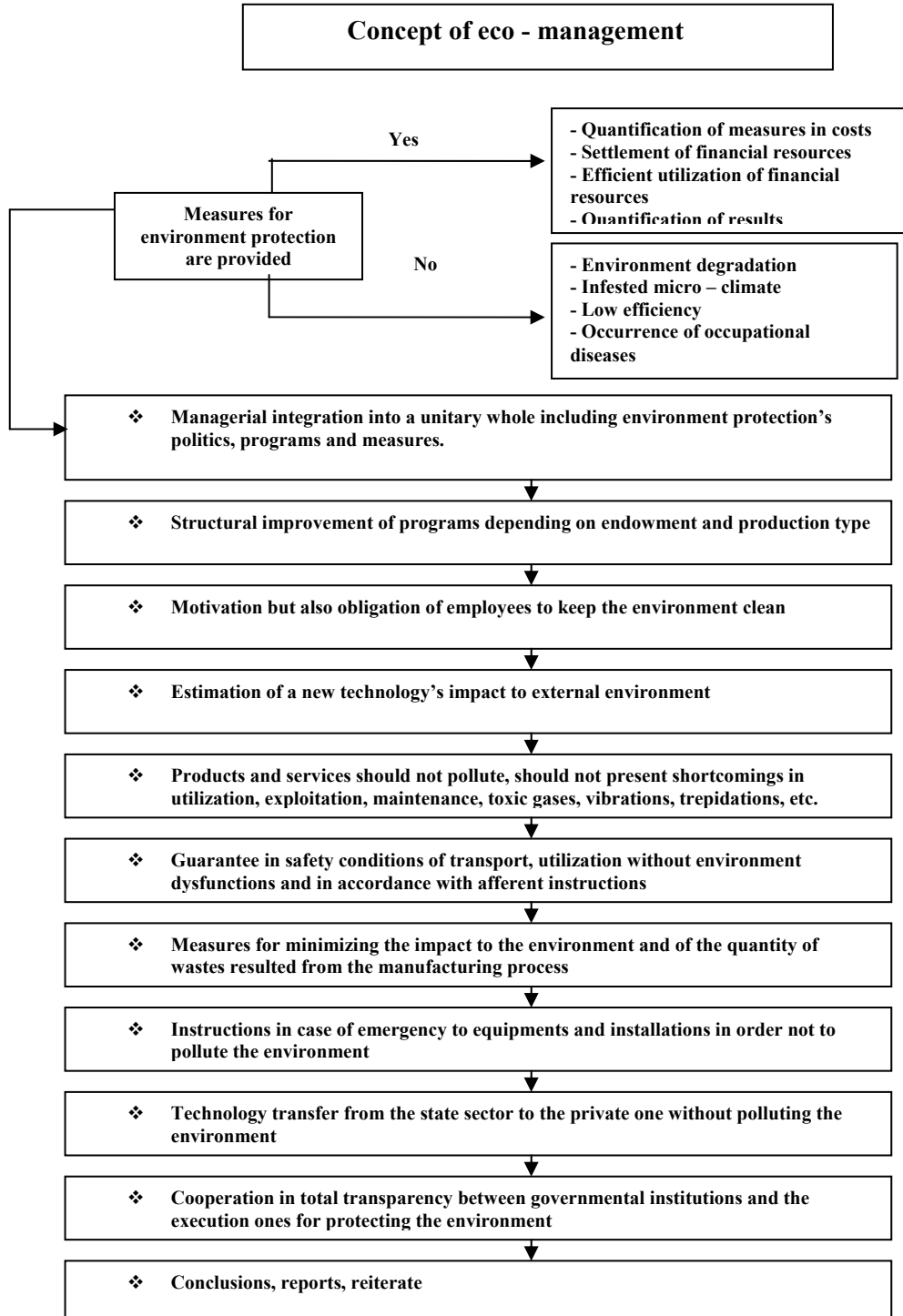
12. Emergency measures. The instructions in case of emergency should be elaborated and kept in order to be able to put them in practice. There should be kept in view the connections existing between unit and emergency services of local authorities. It should be estimated extension potential of dangerous effects outside the unit areas.

13. Technology transfer. To be transferred the technology and the methods regarding environment protection management from the industrial sector (state industry) onto the public sector.

14. Contribution to the common effort. It should be contributed for elaborating a public politics and a business one both at the level governmental programs and inter – governmental ones to involve also the educational aspect in the aim of improving the environment protection and conservation.

15. Transparency. The unit should be opened for dialog with one personnel or public, anticipating or providing answers to their worry regarding the potential danger for manufacturing, utilization of products and storage of wastes onto peoples, animal's health or quality of environment factors. The aspects that have regional or global significance should be emphasized.

16. Conclusions and reports. All measures needed for achieving the standard qualitative efficiencies for the environment should be taken. Constant inspection and evaluation of results obtained by the company should be carried out. Periodically, the detailed reports should be presented to the company's Board of Administration, and these should be accessible for own personnel, local authorities and public.



**European eco – management concept
Sustainable development and environment quality**

The new Treaty on European Union, signed in February 1992 by all CEE members provided as main objective the promotion of sustainable development concepts, taking into consideration the environment quality (article 2). This involves the organization of the management systems at macro and micro levels in the way that the requirements regarding environment protection to be integrated within all European Union countries' politics, as well as national ones and at the level of industrial company.

At the level of industrial companies, the tasks to be fulfilled by them, and which are arisen from the European Union politics, are the followings:

- improvement of resources management in the mean of their rational utilization and of increase of the unit competitiveness degree;
- utilization of information for gaining the customer's trust in company's products and services;
- compliance of common standards regarding the quality of products, services, environment factors;
- organization of statistic data bases referring at the information concerning the field of science and technology, in direct connection with the polluting process. It is aimed the existence of an unitary monitorization and of a correct estimation that are necessary in the moment when the environment management is started, considered as unitary conception;
- convincement of the company to comply the requirement of European Union that provides for the industry to become powerful, innovating and competitive both on regional and global planes. Competitiveness should be considered on long term, in the light of the sustainable development concept. It is not in the community's interest to sacrifice the advantages estimated on long term (economical and social) of the branch or of the company in the favor of the gains on short term (especially the financial ones).

European Union's Eco – labels

Ecological orientation of the companies within the European Union Market cannot be organized by means of cooperation between companies: the competitive principle will act further on, so every company will act independently in order to comply the quality standards, elaborating its own strategy and politics that are convergent to the European Union objectives.

It is obvious that the companies with polluting potential will manage even harder to resist onto the competitive market without involving non – pollutant technologies, non – pollutant products and promotion of renewable resources.

There will be advantaged the branches, sub – branches, companies, manufactures and products that present a lower polluting potential. The EU or national eco - labels (certificates regarding ecological quality of goods) have an important role into selection of non – pollutant products on market. At the level of EU companies it can be stated that no evolution strategy can be elaborated without taking into consideration the restrictive effect, environment pollution or favoring factor – lack of industrial pollution.

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CURRENT TRENDS IN SOCIAL RESPONSABILITY AND ETHICAL STANDARDS IN SERVICES MARKETING

MONICA PAULA FLITĂR *

ABSTRACT: *Services organizations are part of society and therefore must be concerned about societal issues such as ethical, responsible behavior toward people and the environment and sensitivity to the diversity of people in the marketing environment. This view of the services organizations can be beneficial to the marketing effort. Our paper focus on the services organization's accountability to society, especially to the communities in which it operates and to the environment in the ecological sense, ethical issues regarding each element of the marketing mix for services, trend toward increased ethical awareness.*

KEY WORDS: *accountability to society, community relations, positive image in the community, „green” pricing, „green” channel strategy, „green” communication, code of ethics, ethics dilemma.*

Many economists consider that the primary responsibility of a business, in general, is to earn profits for its owners. The marketing concept adds that a business should do this by taking into consideration the needs of its customers. The organization's responsibilities should extend further, to include social responsibility.

Social responsibility is an organization's acceptance that it is accountable to society for its actions. In services marketing, social responsibility can involve stopping a negative activity or promoting a positive activity. Thus, an organization is responsible to its shareholders, customers, employees, others in its marketing channel, society as a whole and the earth's environment. For example, the company Johnson & Johnson makes the point that its responsibility extends to the health of nation's children: *„Keep the children well and you can heal a nation.* America is growing a new generation of healthier children, thanks to programs like Head Start. It does more than just educate low-income kids. It also provides them with important medical, dental and social services. That is important. We support Head Start by funding management training that helps program directors put government allocations to the wisest and most

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productive use. We are committed to addressing critical issues surrounding our nation's health. And we believe it all begins here. With the children." All these arguments make us consider that Johnson & Johnson is a company that recognizes its social responsibility.

Supporters of social responsibility typically declare that this stance (approach) can serve the service organization's interests in the long run. They consider that potential consumers will be in the best position to buy if the service organization looks after their welfare as individuals and community members. Also, in these times of stiff competition, potential consumers who have trouble in choosing from among competing products may well buy from the company they most respect.

Taking a social responsible posture with regard to the community is not always easy. Social responsibility to the community can take two forms: ceasing negative activity, such as pollution, or taking a positive action, such as starting an education program that benefits the community. Positive actions may consist of consumer education, partnerships with schools, environmental programs or funding for special programs. For instance, McDonald's Corporation sponsors Ronald McDonald Houses, homes located near hospitals that provide housing at little or no cost to families of children that are hospitalized.

Projects undertaken out of social responsibility not only benefit the community, they also enhance *community relations*, reinforcing a positive image of the organization. There are companies that underwrite public service announcements designed to educate the public about a number of issues including unsafe behavior (such as drug abuse), illnesses (such as AIDS) and the importance of staying in school. The service organizations' efforts are most likely to lead to good community relations when they are related to its strengths and involve the community in some way.

Some service organizations undertake *cause-related marketing*, a formal version of marketing in order to support the community. With cause-related marketing, charitable donations are tied directly to the sales or a specific service. Cause-related marketing is popular and usually adopted by the service organizations because it sets up a win-win situation. The product or service is promoted and profits or sales are increased. Customers are satisfied, members of the community benefit from the donations made and community relations are enhanced.

The approach of adopting the social responsibility standards must also take into consideration the *global social responsibility*. Thus, being a responsible member of the community can be more complex for a service organization that operates in more than one country. The organization needs to know what the community expects or wants and must find a way to meet those expectations.

As a result of the consumers' increasingly concern about the environment, marketers from the service sector, have found it necessary (and often profitable) to make environmental consciousness part of their social responsibility effort. In many service organizations, these efforts include *green marketing* – marketing efforts that are designed to meet customers' desire to protect the environment. The purpose (goal) of green marketing approach is to produce and promote environmentally sound

products and services. Thus, a green marketing strategy can influence all four elements of the marketing mix.

Green marketing can bring many advantages to the services organizations that adopt this strategy. First of all, it appeals to the values of more and more people. Not only do many consumers feel better buying a detergent or air conditioner that is supposed to be environmentally friendly, but they bring the same value to their role as organizational buyers. Organizations that are environmentally conscious can see their costs fall. Disposing of waste, mailing catalogs or brochures to uninterested people are expensive; minimizing such waste saves money.

The relation between green marketing and the quality approach. Green services marketing can be considered a natural extension of the quality approach to services marketing. For instance, Procter & Gamble has pioneered the application of total quality management to environmental purposes (goals). The company uses the same total quality management tools to improve its environmental impact that it uses for other areas of business. Another example: at 3M Corporation, environmental responsibility is not handled by some „environmental department” but it is a part of every employee’s job responsibilities along with other aspects of quality improvement.

Organizations that focus on satisfying their customers are finding that concern for environment is a necessary part of their way (drive) to improve quality. Thus, in the near future, marketers who want to satisfy their customers will have to do more than simply meet (respect) the environmental standards imposed by the government. They will have to find out what environmental „standards” their customers require. In other words, customers’ demand for „green” products/services and „green” organizations will eventually surpass the strictest regulatory standards (for instance, McDonalds Corporation had subscribed to the traditional notion that consumers wanted their food delivered in white bags to convey an image of purity; in fact, consumers were happy to receive their food in recyclable brown paper).

Organizations that practice green marketing try to ensure that their products and services are helpful to the environment or at least cause little or no harm. A „green” product or service strategy often influences the process of product or service development. For example, in a services organization, when a service is developed or modified, a group of experts must be assigned to make sure the service is environmentally sound.

Green marketers must be aware of the fact that making a product or service friendly to the environment does not mean they can charge a higher price. According to a study made Syracuse University’s School of Public Communications, 93 percent of adults said a product’s (service’s) environmental impact was important to them in making purchase decisions, but two-thirds said environmentally friendly products should not cost more. Competitive marketers are able to combine an advantageous pricing strategy with green marketing in their services offer.

As the consumers show the desire to buy „green” products and services, marketers are tempted to position products and services as beneficial to the environment. However, such claims, if exaggerated or vague, can mislead customers.

Besides being unethical, such behavior may violate laws and regulations, including guidelines developed by the Federal Trade Commission for green marketing.

Marketing experts support the idea that it is better to keep claims modest because this approach avoids disappointing the customers. It is also less likely to attract one-upmanship from competitors or investigations from the government.

Consumers of products and services are concerned about the large amount of paper devoted to mailing catalogs and advertisements. Thus, green marketers who use the mail in order to establish a long term relationship with the services consumers, are looking for ways to limit their mailings without sacrificing sales.

Social responsibility in the services sector fits well with a quality-driven approach to services marketing. Both convey that the services organization cares about doing the right thing and doing things right.

Ideally, a services organization should carry out its social responsibilities in ways that reinforce the quality image of its services.

Ethical issues in services marketing. Society expects marketers to adhere to its own values, beliefs and principles, and criticism of current businesses practices are often harsh. It is evident that marketers and other businesspeople often struggle with the solutions to ethical problems. Marketing ethics are the principles, values and standards of conduct followed by marketers in services sector. Laws, like ethics, are based on values and principles, but unlike ethics, laws are enforced by the government penalties for noncompliance. A particular services marketing practice might be ethical but illegal, or unethical but legal.

All these statements make it obvious that marketers should behave ethically, although these issues are so difficult. One reason is that ethical standards vary from one person to another. Sometimes the only available courses of action, contain a blend of hurtful and helpful actions. Even when people agree on what is the most ethical course of action, that alternative may seem very costly – especially to the owner of a start-up service firm with little cash or to the employee trying to hold onto a job during a recession.

As society's values, beliefs and principles have become more complicate, criticism of business practices has grown more strident. By obeying the law, marketers in the services sector can avoid actions that have legal penalties. But not all legal behavior is ethical; it would be impossible to write enough laws to require ethics in all business dealings. At the same time, an action that a marketer considers ethical might violate the law. For example, a marketer might think that customers would benefit from an arrangement with several competitors to avoid price increases, but this arrangement likely would violate federal antitrust laws.

As a practical matter, however, most ethical behavior is legal and many businesspeople have concluded that when an industry behaves ethically, its actions are apt to be regulated. Even more important, ethical behavior can avoid the pitfall of shifting the organization's focus away from where it should be: on customers. In contrast, an organization that is sensitive to its customers' concerns will choose that – even when aggressive – are ethical.

Perhaps in reaction to the many business scandals that surfaced during the 1980's, the trend today has been toward increased ethical awareness. According to surveys, plenty of services organizations are trying to promote ethical behaviour by their employees. Thus, ethical awareness is supported by businesses and marketing organizations, as well as the general public.

For instance, The Consumer Bill of Rights (in the United States of America), established that consumers have rights that marketers must recognize. In other words, marketers were considered responsible for evaluating the quality of products and services, truthfulness of promises and so on; if something was wrong, it was up to the buyer to find out before completing a transaction.

Ethical actions are more consistent with a quality, customer-driven approach to services marketing. The quality approach to services marketing takes the view that buyers should be pleased with the products and services they receive. There should be no unhappy surprises about safety, quality or communication with the seller.

Competition can strain business ethics. In some cases, businesspeople believe (sometimes correctly) that ethical behavior will cost them a sale or prevent them from using an appealing strategy. This belief can lead to such unethical and illegal practices as industrial espionage and bribery.

The explosion of technology in the last half of the twentieth century has brought forth new ethical issues and dilemmas, particularly in the areas of electronic information and medicine. The rapid pace of technological development can tempt marketers to beat competitors by introducing products before the organization has thoroughly tested them to ensure they are safe or perform as promised. The main dilemmas in the medical field, owing in part to technological change, are related to the following questions: „Should organ donors or their families be paid?“, „Should experimental drugs for AIDS be given quick approval to be used?“

Partly in response to those trends, many organizations have adopted a formal code of ethics. Such a code is a written statement of the services organizations's ethical principles and standards of conduct. Ethics codes usually cover confidentiality, conflicts of interest, relationships with other organizations in the marketing channel and other areas. A services organization's code of ethics must detail standards of behavior for employees' relationships with fellow employees, the company, suppliers and business customers, consumers, the government, society, the environment and shareholders.

Recognizing the importance of ethical codes, they can provide guidelines for ethical behavior in the areas of marketers' responsibilities, honesty and fairness, the exchange process (including the marketing mix), and organizational relationships. (The American Marketing Association established its own written code of ethics).

Employees' ability to adhere to such a code depends in part on how well it matches their personal ethics, which may be based on idealism, utilitarianism, altruism. To reconcile any differences, employees can appreciate the consequences of a course of action and discuss the rightness or wrongness of proposed actions.

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STRATEGIC PLANNING AND MANAGERIAL CONTROL

MIHAELA GHICAJANU *

ABSTRACT: *In this paper present relationship among strategic planning and managerial control process. For begin I want present few elements about strategic planning and managerial control in order to identify link inter these elements.*

KEY WORDS: *strategic planning, management control, standards, plan, program, strategic control, planned performance, management control system, organization, information feedback, goals.*

1. STRATEGIC PLANNING

Strategy represent a broad general long-term plans of action that governs enterprise policy formulation and program for action.

Strategic planning consist in make of goals and strategies, of policies to guide ways of acting and broad programs of activities to pursue goals.

The first thing management needs to do when forming or changing an enterprise is to determine what enterprise should do and how it should do it. The result of strategic planning is a set of goals for the enterprise and various strategies for attaining the goals. The strategies developed include both policies to guide ways of acting, programs and budgets of activities for touching goals. These decisions are reexamined continuously using various strategic control processes to adjust strategies to change at external environment, to changed technological, economic, social and political conditions.

Once this programs and policies are in place, management needs some way to ensure that employees in the enterprise do what they are supposed to do. Control is the process used to do this. Is a span both strategy control, which aims to ensure that employees in enterprise do what management wants them to do.

So, strategic planning identify, fixed and shaped what do we want in the future, orientation enterprise and management for goals certain.

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2. MANAGERIAL CONTROL

Managerial control represent all methods, procedures and devices, including management control system, that management uses to ensure compliance with enterprise programs, policies and strategies.

The management in control is called management control, and the system used to do such things as collect and analyze information, evaluate it, and use it and other devices to control activities is a management control, system.

Managerial control include: strategic control, tactic control and operational control or task control. Strategy sets the guidelines for strategic control, tactic control and operational control, this thing it is realization by means plans, programs and policies.

The goals, strategies, programs and policies are taken as givens in managerial control process. Managerial control aims to implement strategies and is concerned with the actions of managers and employees in their efforts to achieve enterprise goals.

Principals characteristics of managerial control. Managerial control includes both actions to guide and motivate efforts to attain enterprise goals and actions to correct ineffective and inefficient performance. Different managerial control systems are needed for different situations, but all seem to possess the following characteristics.

In principal that it is:

- managerial control is primarily a process for motivating and inspiring people to perform enterprise activities that will further the enterprise's goal;
- it is a process for detecting and correcting unintentional performance errors and intentional irregularities, such as theft or misuse of resources;
- managerial control includes arrangements organizational, authorities, responsibilities, performance standards and information to facilitate the exercise of control and to process a set of actions to ensure the enterprise operates to realize its goals and objectives;
- managerial control focus on programs and responsibility centers;
- managerial control is a tool for managers, who use it in their interaction with one another and with subordinates. It is a people-oriented process;
- it is a total organization system in that it embraces all aspects of enterprise operations. It functions to help management maintain all parts of the operation in balance and operate the enterprise as a coordinated whole;
- the information processed in a managerial control is of two general types: planned data in the form of programs, budgets and performance standards; and actual data on what has or is actually happening, both inside the enterprise and in the external environment.

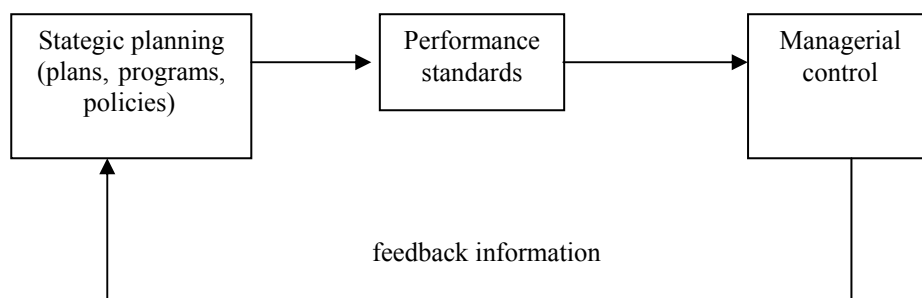
3. LINKING BETWEEN STRATEGIC PLANNING AND MANAGERIAL CONTROL

Linking between strategic planning and managerial control result out of principal elements:

- ❖ The goals of an enterprise are set before the strategic planning process. They are normally timeless and last indefinitely, although information obtained during the strategic control process may lead to a change in goals. After enterprise goals are in place, the strategic planning process may be used to develop strategies in the form of ways of achieving goals. While developing programs to implement strategies, broad company wide policies;
- ❖ The goals, strategies, programs and policies are taken as givens in the managerial control process. Managerial control aims to implement strategies and is concerned with the actions of managers and employees in their efforts to achieve enterprise goals;
- ❖ Strategic planning precedes the managerial control process. The managerial control process takes the strategies as given and develops a system for implementing them;
- ❖ Strategic planning and managerial control make extensive use of feedback information. Strategic planning feedback information is used to evaluate the background of existing strategies and the environmental assumptions on which the strategies formulated. Managerial control places more emphasis on the control of internal variables, while strategic planning often deals with shifts in external non-controllable variables to which the enterprise must adjust;
- ❖ Both strategic planning and managerial control assume the existence of strategies and goals and we need to say a few words about that relationship;
- ❖ The strategic planning process is essentially irregular, whereas managerial control is a continuous fairly systematic process;
- ❖ Strategic planning provided performance standards for managerial control;
- ❖ Strategic planning used information's managerial control; etc.

Sketched, linking between strategic planning and managerial control present in next figure.

Figure 1. Relationship strategic planning and managerial control



In next table it is synthesized main relationship of these two concepts.

Table 1. Characteristics principal the strategic planning and the managerial control

Characteristic	Strategic planning	Managerial control
1. Focus of activity	Make of goals and strategies, of policies to guide	Development the managerial control system what perms strategies implementation.
2. Type process	Character non-regulation	Continue, systematic
3. Management level	Responsibility top management, strategic managerial level (top management)	Implicit work both of at management strategic level and of at other management level (tactic management and operational management)
4. Time horizon	Long time, periods big time, years	Weeks, months, year
5. Nature of variables	External variables, non-controllable	Focus on internal variable
6. Nature of information	Used feedback information, reporting, prognostic, prevision	Used feedback information, reporting (performance standard and real information)
7. Objectives	Emphasizes the development of competitive strategies for outperforming other enterprise, the exploitation of technological developments, and the adaptation of the organization to the conditions for survival and growth that the environment imposes on it.	Directs and guides the enterprise to the desired goals. It does this by collecting information about the actual state, and initiating action to alter enterprise performance, if necessary

4. CONCLUSIONS

Through strategic planning formulation of broad strategies, principal goals and make means, methods, directions to be used in attaining these goals; and for implementation these used managerial control formal and informal.

Managerial control implements strategies and presuppose formulation policies, programs and budgets, and that involve the three activities:

- making task plans and fostering task evaluations;
- motivating and assisting employees, using budgets and other means to carry out programs within policy guidelines;
- exercising judgmental control, using such devices as financial report comparisons and trends to correct performance as appropriate.

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BREAK-EVEN ANALYSIS OF THE ENTERPRISE AT ONE PRODUCT LEVEL

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ABSTRACT: *This paper presents some significant aspects regarding the break-even analysis of an economic organization. The analysis will consider a case study for a company which produces a certain production volume, considering a certain value of its sales and determining its Break-Even Point, under two possible hypotheses: the first case by only operating with a normal profit, and the second one by considering a requested profit (opportunity cost) of 3%.*

KEY WORDS: *sales, activity level, relevant range, profit/loss, break-even point, fixed cost, variable cost, semi-variable cost, profitability, efficiency, contribution.*

1. INTRODUCTION

The analysis based on the study of the Break-Even Point has some strong roots in, and tight theoretical connections with the fundamental concept of Cost-Volume-Profit (or CVP) analysis.

Before a closer approach of the typical for the break-even analysis problems and themes, one should first clarify some of the basic concepts related to its stipulations, such as:

- Behavior of costs
- Relevant range
- Activity level
- Fixed cost
- Variable cost
- Semi variable cost

Behavior of a cost – represents the way in which this cost will react (increase, decrease or remain constant) to changes (increases or reductions) in the level of activity.

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Relevant range – the range (interval) of the activity level within whose boundaries the hypotheses regarding the linear behavior of the cost are verified.

Activity level – a decisional indicator and the cause and reason for the actual magnitude (value) of the variable costs. (The term “activity level” is here preferred to “production”, in order to extend the applicability of the following considerations, not strictly for actual production, but to other industries as well – we could here name services and any further industries which don’t necessarily produce physical, tangible goods).

Fixed costs – costs which remain constant in total value; they don’t react to changes in the activity level.

Variable costs – costs which modify in total value in direct proportion to changes in the activity level.

Semi variable costs – costs which have a fixed and a variable component, i.e. a part of such a costs has a fixed behavior, and the other one a variable behavior.

The analysis model Cost-Volume-Profit considers a number of restrictive hypotheses, such as:

- costs and sales incomes have a linear behavior over the studied relevant range;
- all costs are separated into their fixed and variable component;
- the combination of types of products which are sold remains constant;
- the level of stocks remains unchanged (the manufactured quantity equals the sold quantity);
- the productivity remains constant;
- inflation is not taken into consideration.

2. BREAK-EVEN POINT

The Break-Even Point represents the activity level (e.g. production quantity) at which the value of costs equals the value of the revenues caused by the sales of the company products.

In an alternative statement, the Break-Even Point represents the exact level of the company activity, where no profits are registered, but no losses either.

This critical point of any firm’s profitability called Break-Even Point can be determined through either analytical, or graphical methods.

In order to build an equation for determining the Break-Even Point, one should start from clarifying the relations or functions for total costs and total revenues. The calculation elements contained in the equations have been symbolized as shown below:

sp – Selling Price per Unit;

vc – Variable Costs per Unit;

TC – Total Costs;

FC – Total Fixed Costs;

VC – Total Variable Costs;
 TR – Total Revenues;
 Q – Activity Level;
 Q^* - Activity Level at Break-Even.

Considering the notations from above and the definition of costs, revenues and break-even point, this critical point called *Break-Even Point* can be determined according to the following steps:

$$TR = sp \times Q \quad (1)$$

$$TC = FC + VC; TC = FC + vc \times Q \quad (2)$$

By definition, at Break-Even Point, the costs become equal to the revenues, which means that:

$$TR = TC \Rightarrow sp \times Q^* = FC + vc \times Q^* \Rightarrow Q^* = \frac{FC}{sp - vc} \quad (3)$$

$$Q^* = \frac{FC}{sp - vc} \quad (4)$$

In order to achieve a better clarification of the content, and to exemplify the actual use of the fundamental concept *Break-Even Point*, a case study with two particular situations will be presented below.

3. CASE STUDY

A company which produces and sells textile products recorded the following situation regarding its production, operating costs and revenues at the end of one the years of its economic life:

Indicators	Measure Units	Value
1. Production	Units	92.000
2. Operating revenues	000.000 ROL	13.892
3. Operating costs		14.100
- Variable costs	000.000 ROL	3.300
- Fixed costs		10.800
4. Operating profit / loss	000.000 ROL	208
5. Production capacity	Units	150.000
6. Selling price per unit	ROL / unit	151.000

The actual determination of the Break-Even Point of the company will have to be done according to the following steps:

Selling Price	ROL per unit
	<i>151.000</i>

Variable Costs	ROL per unit
Raw Materials	<i>45.652,17</i>
Labor Costs	<i>40.217,40</i>
Other Variable Costs	<i>31.521,74</i>
Total Variable Costs	<i>117.391,74</i>

Fixed Costs	000.000 ROL
Administration Salaries	<i>1.500</i>
Overheads	<i>910</i>
Depreciation	<i>780</i>
Interest	<i>110</i>
Total Fixed Costs	<i>3.300</i>

Production Capacity	Units
	<i>150.000</i>

Output	Units	Units	Units	Units	Units	Units
	-	<i>50.000</i>	<i>80.000</i>	<i>90.000</i>	<i>100.000</i>	<i>150.000</i>
Sales Potential	000.000 ROL	000.000 ROL	000.000 ROL	000.000 ROL	000.000 ROL	000.000 ROL
	-	<i>7.550</i>	<i>12.080</i>	<i>13.590</i>	<i>15.100</i>	<i>22.650</i>

Costs	000.000 ROL	000.000 ROL	000.000 ROL	000.000 ROL	000.000 ROL	000.000 ROL
Fixed Costs	<i>3.300</i>	<i>3.300</i>	<i>3.300</i>	<i>3.300</i>	<i>3.300</i>	<i>3.300</i>
Variable Costs	-	<i>5.869,6</i>	<i>9.391,3</i>	<i>10.565,2</i>	<i>11.739,1</i>	<i>17.608,7</i>
Total Costs	<i>3.300</i>	<i>9.169,6</i>	<i>12.691,3</i>	<i>13.865,2</i>	<i>15.039,1</i>	<i>20.908,7</i>

Calculation of Break-Even Point	000.000 ROL
Fixed Costs	<i>3.300</i>
Contribution per Unit	000.000 ROL
Sales Price per Unit	<i>151.000</i>
Variable Cost per Unit	<i>117.391,31</i>
Contribution per Unit Sold	<i>33.608,69</i>
Break-Even Point	Units Sold
	<i>98.189</i>
	% Capacity
	<i>65,46 %</i>

The analysis of the Break-Even Point can also be performed under another hypothesis: the management of the company requests a minimal accepted profit of 3 % as an opportunity cost for the use of the capital. A comparative presentation of the two cases is shown below:

CASE I			CASE II		
Indicators	Measure units	Value	Indicators	Measure units	Value
1.Fixed Costs	000.000 ROL	3.300	1.Fixed Costs	000.000 ROL	3.300
2.Selling Price	ROL	151.000	2.Selling Price	ROL	151.000
3.Variable Costs per Unit	ROL	117.391,3	3.Variable Costs per Unit	ROL	117.391,3
4.Production	Units	92.000	4.Production	Units	92.000
5.Contribution per Unit	ROL	33.608,6%	5.Contribution per Unit	ROL	33.608,6%
6.Production Capacity	Units	150.000	6.Production Capacity	Units	150.000
7.Break-Even Point (BEP)	Units	98.189	7.Requested profit	ROL / Unit	4.530
8.Position of BEP to Production Capacity	%	65,46	8.Break-Even Point (BEP)	Units	113.485
9. Position of BEP to Production	%	106,72	9.Position of BEP to Production Capacity	%	75,65
			10. Position of BEP to Production	%	123,35

CASE I – The company operating with a normal profit, without considering any opportunity cost of its invested capital;

CASE II – The company operating with a minimal accepted profit (opportunity cost of its invested capital) of 3%.

4. CONCLUSION

As one can easily observe by studying the data displayed in the table above, by requesting a minimal accepted profit, the management of the company “moves to the right” (in graphical terms) its Break-Even Point, meaning that the company will meet this point later than in the first case, under the circumstances of a significantly higher activity or production level (113.485 instead of 98.189 manufactured units).

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CLOSURE OF MINES. PROBLEMS REGARDING THE ENVIRONMENT AND THE INVESTMENT EFFICIENCY WITHIN THE CONTEXT OF ENVIRONMENT PROTECTION AND REHABILITATION IN JIU VALLEY

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ABSTRACT: *The mining activity performed in Romania until the year 1990 was focused mainly onto reaching high production levels, fact which has lead to neglect ecological issue and that has resulted in accumulation in time of very serious damages for the environment. Rehabilitation of mining wastes represents a constant concern of all specialists in the field of mining, biology and silviculture, who have cooperated along the years with very good results. However, the rehabilitation process requires a lot of funds and thus causes serious economical problems.*

KEY WORDS: *rehabilitation, environment, investment efficiency, closure of mines, waste dumps*

1. INTRODUCTION

The restructuring process of the mining industry in Romania has the following objectives:

- to eliminate the dependancy of the mining industry to the subsidies from the government;
- to promote a mining industry sustainable from the environmental and financial point of view as well as the strong involvement of the private funds;
- to implement programes for regional development and social mitigation.

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2. IMPLEMENTATION OF THE TECHNICAL PROJECTS FOR CLOSURE OF MINES

A legislative framework has been created in order to select the mines with low reserves as well as the inefficient mines, in order to pass the into the closure / conservation phases..

202 mines and quarries have been aproved for closure by Government decision, based on the technical documentation realised by the design and research institutes.

The closure of the underground mining works is realized according to the geological and mining conditions as follows:

- closure by dyke of the underground mining works, using isolation dykes, resistance dykes, with or without stowing the works;
- stowing the mining works that make the connection with the surface or the conducted flood of the underground mining works.

Closure of the mining works that make the connection with the surface is realized by using dykes, reinforced concrete boards, or concrete caps.

The issues related to the security and environment generated by the closure of the mines are determined by: the influence on the underground and surface waters; the existence of the explosive and toxic gas underground; the possibility for the underground fire to occur; the possibility to make safe the connections between surface and underground; the risk of sinking or sliding of the surfaces due to underground mining; the stability of the waste dumps and the impact on the environment and human settlements; the degree of safety of the settling ponds and the impact on the environment and human settlements; the existence of toxic or dangerouse waste in the closed precincts; the need to demolish some reinforced structures; the need to rehabilitate the quality of the soil and waters affected by the mining and to create a nice lanscape.

3. TAKING OUT OF USE AND DEMOLOSHING THE INSTALLATIONS ON THE SURFACE / BUILDINGS

During the process of taking out of use and demolishing of the fixed assets on the surface, the main issues are: evaluation of the assets; determining the post-closure destination; determining the specific activities for taking out of use / demolishing; the analysis of the demoloshing methodes; evacuation of the waste; calculating the cost and establishing the program of the project; issues connected to the health and safety of the environment.

The destination post-exploitation of the land represents the main issue that influences the decision on the structures to be kept and those to be recovered from the site. The same criteria influences the level of the demoloshing works. The agriculture has different development requirements for an industrial area.

4. ECOLOGIC RECOVERY OF THE MINING AREAS

The Ministry for Water and Environment, the Direction for Ecologic Control and Monitoring together with the Regional Inspectorates for Environment have controlled during the period October 16 – November 30 the mines proposed for closure. The commission has verified on the site the mines in the departments: Alba, Argeş, Bihor, Bistriţa-Năsăud, Caraş - Severin, Covasna, Dâmboviţa, Gorj, Harghita, Hunedoara, Maramureş, Prahova, Sălaj, Suceava şi Vâlcea. 51 sites were controlled and minutes have been worked out when the works were finished, the final acceptance is to be done after the warranty period is over (24 months).

After the controls of the documents and on the sites were accomplished, the following conclusions were stated:

- ◆ during the stage of cease the activity and design of the closure works, the future destinations of the land and buildings were not taken into account. This led to technical projects for closure, approved by the beneficiary, that were not realized due to the changings during the period of execution caused by the requirements of the public administration for some buildings not to be demolished. The buildings that were not demolished are seriously degraded. Due to the fact that those buildings were not demolished, the mine precincts were not completely ecologized;
- ◆ in all the cases the solutions in the technical projects of execution were not based on specialized studies (geotechnical, hydrological, hidrogeological, pedological etc.);
- ◆ in most of the cases, the technical projects of execution are not according to the initial designs that had the approval of the environment authorities. The changings of the solutions in the technical projects were introduced without the legal approvals, which means with no approval from the atuthoriries for environment. The changings were carried out by change orders, explanatory notes, renunciation notes and notes for supplementary works, all within the same general estimate;
- ◆ some closed galleries show crumbling cones on the surface, on the direction of the gallery, which are due to unappropriate stowing;
- ◆ some works for re-shaping the geometry of the quarries were carried out shallowly and as a result land slides and accumulations of water in the excavated area of the quarry appeared;
- ◆ the works for stabilization and ecologization of the waste dumps are not responsive in most of the cases. The gradients of the waste dumps were not corrected and as a result the works for re-vegetation are compromised. This also caused a waste of labour and materials and consecutively a waste of funds;
- ◆ for some waste dumps which are submitted to the ecologization process the vegetation appared by natural cause, and some works carried out even damaged the vegetation instead of helping it;
- ◆ there are waste dumps which were prepared to be plnted with herbs and trees, but such works can be carried out only during certain periods of the year and so they

were abandoned and later occupied by the local community and used for agriculture;

- ◆ the source of the fertile soil was not determined and as a result the thickness of the layer of soil stated in the technical design are not found on the site. There are areas where the fertile soil is not available due to the high altitude, geological structure and natural configuration of the land. In most of the cases the waste resulted from the exploitation was used. This determined unappropriated vegetation works in spite of the fact that more works for leveling, fertilizing and transportation have been counted and paid;
- ◆ the plantation of trees are compromised in some areas due to the unappropriated gradient of the waste dumps, lack of fertile soil and fertilizers, use of trees not appropriated for the area where they were planted;
- ◆ the time for the works to be accomplished was short (average of about 1-6 months) and this caused the works to be done in periods of the year unappropriated for the plantation of the herbs and trees and this process was postponed for the next year.

The successful international practice state the following terms:

-design, transfer of the objective	12 weeks
-program for conservation / maintenance	12 weeks
-closure (treatment of the shafts, works for connection with the surface)	16 weeks
-demolish process	26 weeks
-ecologic recovery of the surface	2 years for execution and 5 years for maintenance

5. TECHNICAL ASSISTANCE AND POST-CLOSURE MONITORING

The main conclusions drawn after the control carried out by the representatives of the Ministry for Water and Environment (M.A.P.M.) are:

- the sum of 200 billion ROL which were allocated from the state budget for the closure of the mines (works carried out until now) were spent mostly inefficiently;
- the issue of post-closure monitoring and who will do it has no answer until now. Also it is not known who will be responsible in future for the use and maintenance of the stations for cleaning the waters from the mines.

The investor (Ministry of Industry and Resources, Department for Conversion of Capacities Ecological Programs in Mining) was represented on the site all the period long by specialists from some companies more or less well known, according to the contracts for technical assistance. Most of these specialists are ex-managers of some mining companies or are representatives of companies that carried out works for closure of mines.

Due to these facts, the objectivity of these specialists is questionable. Examples of companies that who provided technical assistance: Regional Groups for Closure of Mines organized by the national companies: CN MINVEST Deva, REMIN Baia Mare, CNH Petroșani, CNLO Târgu-Jiu, SC A&A TEHNIC GRUP SRL Petroșani, SC RTS CONSULT SRL București, SC INDPRODCOM SRL Baia Mare,

C OPT SRL Târgu Jiu, SC MONS MEDIUS SRL Baia Mare, SC CRESCEND SRL Târgu-Jiu, SC CODRUȚA SRL București, University of Bucharest etc.

Most of the water treatment plants the acceptance was done without a technological test. It is not known if these treatment plants will provide an optimum treatment of the mine waters, even if they are modern from technological point of view, because some of them had problems during the technological tests and this led to requirements for changing the initial design.

At Boița Hațeg, the design did not include filter for the precipitated, after the separation it is stored in the gallery that was used for the pipes for hydrotransport.

In these conditions, and taking into account that INSEMEX Petroșani gives the final approval to the technical documentation for closure of mines and ecologic recovery of the mining areas (appointed by Ministerial Order 1768/98 and adress 193200/2000), having the experience of approving 133 technical documentations for closure of mines, out of which 19 are financed by the World Bank, it is recommendable that the technical assistance to be carried out by INSEMEX or by a department within it, or that INSEMEX coordinates the site works and the post-closure monitoring.

6. THE ISSUE CONCERNING INVESTMENT EFFICIENCY WITHIN THE CONTEXT OF ENVIRONMENT PROTECTION AND REHABILITATION IN JIU VALLEY

Environment protection and rehabilitation represents, in essence, an investment objective that is considered both as technical issue and as an activity of large economical and social issue, which requires management of a large financial, material and informational volume of resources. The specific characteristic of investments concerning the environment protection consists in the fact that exists a lot of non-quantifiable effects, which only the time can quantify and prove.

Analysis of efforts or economical effects concerning the environmental investments has as characteristic the addition of many aspects outside the economic field. In this sense, the most relevant are: social field, political field, local traditions, cultural field and even ecological field. This expression can be proved even by means of collection system concerning the penalties due of non-complying the environment protection laws, or by means of ecological effects propagation, as result of environmental investment in the social field.

Environmental investments are, in fact, affected by the lack of financing sources that in present are formed on the base of own sources of economic agents (self-financing), in low percentage from State budget, as well as on the base of financing sources provided by different international authorities. The behaviour towards the environmental investments is seriously influenced by the poor economical development of the different economic agents.

It cannot be discussed about economical efficiency under the condition of minimum investment, only for surviving, which does not correspond to the long-term

strategy concerning the environment protection. Therefore, it results that the medium term investments are very sensitive, depending mainly on the economical progress. For this reason, it is required that their execution to be performed within a stimulative but strict legislative frame in order to achieve a normal environment protective behaviour.

In the same time, the medium term investments should be based on economical principles, comparing the efforts with the economical effects, in order to select those investment projects that are really required and useful.

7. CONCLUSIONS

The most difficult problem in achieving the economical efficiency of the investments concerning environment protection and rehabilitation, consist in making the responsible factors aware about the followings:

- ▶ elaboration of a stimulative but strict legislation regarding environment protection;
- ▶ provision and responsible usage of certain investment resources in this field;
- ▶ promoting the non-polluting technologies into the productive sector and monitoring the risks;
- ▶ performance of an international cooperation in the view of achieving larger support for the new concept concerning the sustainable development, in opinion this can be understood as an action concerning the usage of natural resources in the same time with environment protection and conservation.

On short term, for the year 2001, in the **table 1**, there are presented the environment rehabilitation measures and works carried out, as well as the environment costs afferent for each mining unit in Jiu Valley and total for entire mining company.

In **table 2** below, there are presented the main environment protection objects and their value, foreseen within the investment costs. On long term, the investments required for environment protection should follow the measures in the internal programs of each mine apart, approved by the environmental authority. These measures should be putted up to date in accordance with the possible situations modifying the environment elements damaged or affected by the mining activity, by program's effects upon the line concerning the promotion of non-polluting technologies and by all improvements that can be achieved during the implementation of internal programs' stipulations.

Table 1. Measures Concerning Environment Rehabilitation Environmental - Factor "Soil" – year 2001 (foreseen within the environmental costs)

Mine	No.	Environmental factor	Measures / Works	Value (mil.lei)	Total value for mine (mil. lei)
Lonea	1	soil	Arrangement of active waste dumps (Jiet, Lonea)	100	300
			Arrangement of conserved waste dumps (Valea lui Ciort, Defor)	100	
			Reintroduction of micro-pits into the agricultural circuit (Defor, Cimpa)	100	
Petritla	1	soil	Waste dump (reintroduction in economic circuit)	160	235
			Industrial waste (protection of the soil)	40	
			Protection of the surface against the influences of the underground mining	35	
Livezeni	1	soil	Arrangement of active waste dumps PA 2 și 3	100	120
			Storehouse for carburants and lubricants	20	
Aninoasa	1	soil	Reintroduction of terrains occupied by waste dumps	100	200
			Collection + storage of waste	100	
Vulcan	1	soil	Prevention of soil erosion	10	170
			Arrangement of active waste dumps (V. Arsului)	80	
			Arrangement of non-active waste dumps (Puțul Vest)	80	
Paroșeni	1	soil	Arrangement of active waste dumps (Valea Lupului)	100	225
			Arrangement of non-active waste dumps (Ropeway refuse-heaps)	110	
			Protection of the surface against the influences of the underground mining	15	
Lupeni	1	soil	Drainage of Kelety swamp	100	220
			Drainage of swamp near Est precincts	100	
			Protection of the surface against the influences of the underground mining	20	
Bărbăteni	1	soil	Arrangement of active waste dumps (Valea Mierlașu)	30	160
			Arrangement of non-active waste dumps (slpoc-drift)	65	
			Reintroduction of micro-pit into the agricultural circuit Valea Boncii	65	
Uricani	1	soil	Arrangement of active waste dumps (Funicular nou)	75	225
			Arrangement of non-active waste dumps (old ropeway+Balomir)	70	
			Reintroduction of micro-pits into the agricultural circuit	100	
			Protection of the surface against the influences of the underground mining	10	
Valea de Brazi	1	soil	Reintroduction of waste dumps into the agricultural circuit	130	185
			Collection + storage of waste	30	
			Protection of the surface against the influences of the underground mining	25	
TOTAL VALEA JIULUI					2070

Table 2. Main Environment Protection Objects – Environmental Factor “Soil” – Year 2001 (Foreseen Within The Investment Costs)

Mine	No	Name of objective	Value (mil.lei)	Total - Mine (mil. lei)
LIVEZENI	1	Consolidation of auxiliary waste dump-Shaft no.3	1190	1290
	2	Rehabilitation works concerning the land inside of Eastern Auxiliary yard	100	
VULCAN	1	Consolidation of auxiliary waste dump-Shaft no. VII	380	380
LUPENI	1	Arrangement of waste dump-Ileana Veche +Noua	500	6000
	2	Reintroduction into the agricultural circuit of the open-pit+waste dump Victoria	5000	
	3	Reintroduction into the agricultural circuit of the lands – Lupeni South	500	
TOTAL JIU VALLEY				7670

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ASPECTS REGARDING FILE OPERATING SYSTEMS USED IN MANAGEMENT

ALIN ISAC*

ABSTRACT: *Management computerization implies using word processors on a scale and this leads to major changes in this field of activity, changes that increase the productiveness of a company. According to specialists there's a great variety of conceptual delimitations regarding file operating systems also called Word Processors.*

KEY WORDS: *computerized management, word processors, Intranet*

The most important of the numerous and heterogeneous components of the management of a company is information technology. At the beginning of this third millennium, against a competitive background, a better and more intelligent information technology makes companies redesign their production, management and informational processes, which are essential for the development and survival of most companies. The definition given to computerized management says that it comprises the total of data, information, information flow and network, procedures and ways of handling all this when gathering, processing, storing and giving out information that lies and the basis of plan elaboration, decision making, supervision and management within the company.

Different points of view in specialized literature regarding the role of computerized management and the variety of methods used to improve it, especially the use of computers, which are very important, reveal the necessity of a rigorous approach of this subsystem. In this respect, computerized management radically changes the way information is gathered, stored, transmitted and processed. In a society "governed" by paper work, which can be endless, this is the right place to implement an operation system that stocks, controls and finds documents very easily. The series of software, hardware and equipment needed to transfer data on electronic support, to sort and to store data is available for all managers in all levels and is also indispensable in their activity.

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The main causes that amplified and facilitated management computerization are: plenty, diversified and cheap computers and operating systems; computers with a larger memory a higher operating speed; it provides ready access to information for a constantly increasing number of people; efficient software that measures up to managers' requests; a substantially positive impact upon the activity of a company, which has been demonstrated by the use of computers that the company. According to specialists there's a great variety of conceptual delimitations regarding file operating systems also called Word Processors.

IBM specialists from Romania state that *"a complete Word Processor implies creating, editing, evaluating, approving, transferring, arranging, sorting, searching and retrieving every file of an enterprise in a centralized, secured, configured and extensible environment"*, while specialists from Siveco Romania say that *"a Word Processor is used to store and process folders together with their copies and to define the operations a certain folder has to undergo at a certain period of time"*. In more limited sense, Fujitsu specialists think *"a Word Processor means using adequate methods and techniques in order to make the file operating system efficient and rigorous and not recurrent"*. In Solis specialists' opinion, the meaning of file management is very broad, and a most appropriate definition would be: *"it organizes information in order to be used very quickly and easily by those who need it."*

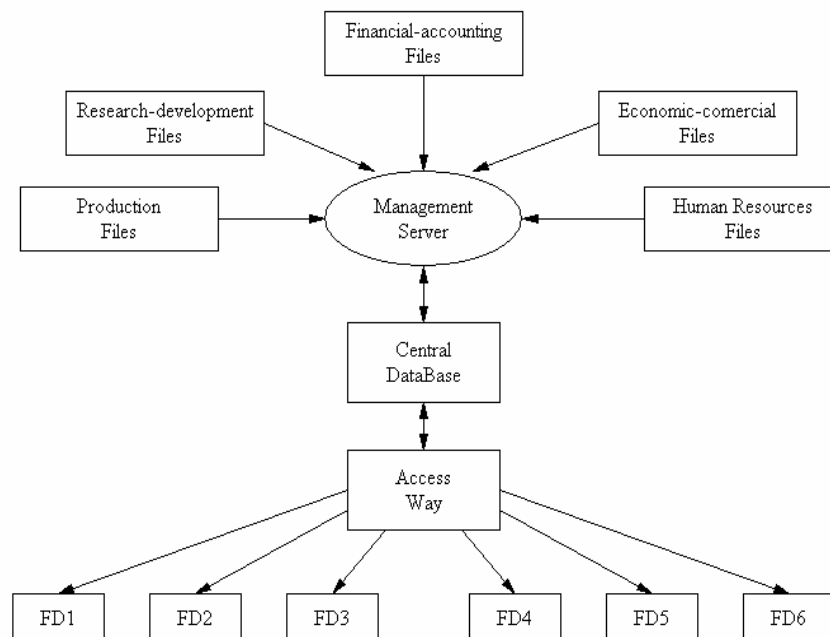
The key element of a file operating system is its ability to find files and folders on-line within departments. At present, there's a strong tendency to compress the cycle of operations and services, as well as paper work. Quick access to information is the main purpose of operating systems, which send files to various places, make reports, save and sort data. This software can be used by small firms that have only one computer, by medium-sized companies equipped with local computer networks and especially by multinational enterprises with subsidiaries in several countries, which use an Internet or Intranet connection in order to process a common data base.

A file operating system comprises various types of files created with special programmes used by each company. In order to get benefit from a computerized activity, these files must be processed and used adequately and efficiently. Because of the variety of files it is possible to use other software and several operating systems, as well.

When the quantity of information is very large, a methodology must be implemented to save and stock files and folders, to find them according to certain criteria, to delete change or even print them so that at the end they can be saved again. All these programmes have to keep to maximum-security standards as far as the procedure of saving and accessing files is concerned and they must be based on real data. In conclusion a Word Processor refers to complex solutions that include characteristic operations with the following functions: quick file search. No matter where they are stored on the hard, they can be found in a directory where one can find all the information regarding files and only certain users who have access to them can use these folders; to change a printed document into an electronic folder there are several techniques that can be used: scanning, indexing, data conversion or processing

when the file is already an electronic folder; creating new folders and transferring existing files. Whenever a new folder is created the application connected with the type of file starts automatically; dividing information within a workgroup avoids duplicates and controls the development of folders; the possibility to save folders. Whenever a saved file is needed it can be opened together with all related data; selecting files in order to print them, copy them, delete them; security regarding access to files. The right to access a file is settled by the highest-level user; the possibility to make additions to the files, without actually altering the folder; watching the changes different users have made to folders in the long run and the possibility to go back to previous versions of the file.

Management computerization implies using word processors on a scale and this leads to major changes in this field of activity, changes that increase the productiveness of a company. Therefore, for each sector (research-development, production, economic, human resources and financial-accounting department) there's a specific type of file that can easily be accessed from the computer's database or from computers in other functional departments (FD) connected to the network, as you can see in picture 1.



Picture 1. Management Operating System

Although computerized management in a company of the present days is influenced by the level of up-grading computer technology, by the number of IT specialists and last but not least by the proliferation of communication systems based on the Internet and Intranet.

One of the major options for the efficiency of computerized management is the use of the Intranet system, which allows any internal user to select the functions they desire by double-clicking on the following: production department, economic department, management, financial-accounting department or human resources department, but only after they have accessed the Intranet web page and entered the password in order to go to the main menu.

Data and files in the HR department are organized through the Intranet according to the functions of this department: a record of employees, job evaluation and analysis, salary rates, staff training, a.s.o. Within the Intranet system there's a database available that has information about employees. Information provided by the department manager regarding the organization chart, the up dating of organization and operating code regulations, a.s.o., as well as statistics referring to employee turnover can be added to the database. This system also enables the transfer and the centralization of time sheets from all departments and sectors. Using the "outgoing information" function, the employees in this department can and have to send time sheets and attendance reports to the management department, as well as the number of employees on a sick leave and reports regarding work groups, the professional training and the sex of employees, in which case the Extranet system is accessed or the financialaccounting department can send the folder containing the pay roll.

The easiest file operating system is Windream, which has revolutionized the efficiency of Windows implementation. Windream is the first product that doesn't need other applications installed, as it is already integrated in the Windows operating system. Using Windows Explorer one can save/stock folders with this operating system. As it doesn't need a specific interface, it can be easily used by any person that can work with the Windows operating system. Thus, Windream can be used by any Windows application (16 bites or 32 bites). Other file operating systems used in management, which can be found on the Romanian market are: AutoManager WorkFlow 5 produced by Cyco Software, AutoManager Organizer, MicroStation TeamMate produced by Opti Interconsult, HyperDoc, RxEDM owned by Rasterex from Norway.

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CONSIDERATION OF DECISIONAL ENVIRONMENT ON AN INTERNATIONAL SCALE

CLAUDIA ISAC *

ABSTRACT: *Dynamic and unpredictable the contemporary decisional document meets serious changes, so that the discontinuity of changes and their even more complex characteristic have started to control the environment in which companies of this third millennium run. In the future, company will be structured according to future strategic orientation of globalization and will arrive at decisions based on collective estimations, principles and values shared by the community.*

KEY WORDS: *decision theory, decisional subsystem, European management model, American management model, consensual decisions*

The decisional document, a key link of management, is the most active and dynamic according to which people can take action. Dynamic and unpredictable the contemporary decisional document meets serious changes, so that the discontinuity of changes and their even more complex characteristic have started to control the environment in which companies of this third millennium run. In this respect, management specialists are trying to take the notions regarding decision theory beyond a country's cultural and geographic frontiers and to point out the importance of an efficient evaluation of the problems and opportunities deriving from social, economic, cultural and even political diversity of developed countries which imply, of course, our country, as well.

In this comparative analysis of the decisional problems against managerial and economic phenomena globalization, we can highlight European countries with a "European management model" as an alternative for the USA management and for the Japanese one. The term "*European management*" has been brought into use in the last couple of decades, together with the promotion of another concept "Unique European Market", and its more heterogeneous cultural dimension is surprising if compared to relatively homogenous cultures on which the American and Japanese models are based.

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European specialists say that managerial and organizational values in Europe are some kind of “mosaic” which has a different meaning according to each country’s language, outlooks and standards and also economic performances. They draw our attention on the fact that in the great European cultural diversity, a “cultural management model” is not the most appropriate and a more detailed cultural approach is needed to divide the management not into 2 (North and South of Europe) or 4 groups (traditional capitalist countries, Scandinavia, South European countries and ex-communist countries) but into 5 cultural groups according to Gurt Hofseide (English, Northern, Germanic, Latin, South eastern).

On the whole, European management, which is said to be a management of diversity, has the following distinctive features:

- it is based on the cultural, social, economic and political diversity and complexity of the context in which it operates;
- euro-managers must have a different training, an intercultural education that allows them to work in a heterogenous cultural environment on condition that the European human resource mobility increases;
- it implies the conception, elaboration and the implementation of several strategies that expand across borders, therefore variables from several European countries should be taken into consideration and companies outside the E.U. should be regarded as main clients;
- decentralization in “business units” which attenuate and eliminate undesirable influences of a centralized management over management system, in general and especially over the decisional subsystem;
- it creates an identity based upon economic and social values for the European organizations; it trains specialists to manage modern enterprises at European standards.

Trying to define European management K. Thurley and H. Wirdenius say that it is a notion referring to problem solving and decision making for every organization and it “uncovers” the identity of European strategies as well as planning, implementation and evaluation of changes.

We can conclude that the decisional subsystem of European companies is the same as far as methods and decision techniques are concerned.

In Germany, companies are based on social relation codetermination and run according to the “German solidarity” principle, which implies a feeling of trust between managers and employees.

Future strategic decisions that have an influence upon employees are tackled through adequate active decision structures and through labour councils (Betriebsrat), which are formed in production departments and supervising councils (Aufsichtsrat), within a company. Supervising councils have been enacted by the Law of enterprises (1952) completed in 1972-1976, which recommends that these councils should consist of both representatives of the shareholders and of the employees.

The board of directors (Vorstand) is made up of five managers at the most, who share decisional competence, as well as managerial responsibility. This characteristic is mainly found in German companies.

In order to analyse *the British management type* we must have in view their main features: conservatism, responsibility, honest, self-control, a.s.o. This behavior mixture has a great "effect on the decisional process, mainly on the manager- employee relationship, as well as on individualism in the decisional process".

Although most of the western management models are based on taking responsibility and they are focused on the individual, the British are different from other European countries. After WW2 conservatism and traditionalism have affected Great Britain's economic development, which was reconstructed by Margaret Thatcher. In British companies only its president takes major decisions. The Board of Directors and Labour Committees are controlled by the president.

The Dutch management type is, for many specialists, still a mystery, which proves that corporate management draws its forces from political decisions with social support, from social and economic decisions based on professional expertise and from decisions within participatory management in vertical and horizontal organizations. The main purpose of corporate management structures characteristic for the Netherlands has proved to be the correlation between wages and productivity, although decision implementation, strategic decision implementation, to be more exact, has various effects.

Scandinavian countries (Norway, Sweden, Denmark) represent a special case, and management is defined by specialists as a utopian one in which the Board of Directors consult Trade union representatives, as well as representatives of the employees before coming to a decision. In the case of the Swedish participatory management, when it comes to sharing out the power of decision, the best-suited hierarchical representatives are elected in order not to create an organizational and decisional blockage by trusting the decisional competence of the employees.

Unlike Scandinavia, Germany, Great Britain and the Netherlands, in South European countries like France, Spain, Portugal, Italy and Greece, the *decisional process* is characterized by high level of centralization. Even though they aim the same thing, centralization is different. Thus, in Greek family companies the hierarchical order is followed; the organizational structure of Italian companies is divided in order to be able to follow decisional levels; in Spain and Portugal employees have less power of decision.

The French management model is characterized by two important variables: individualism and authority. Although it is very much like the Scandinavian model as far as authority is concerned, it hasn't been attenuated by some participatory management organizations, a fact which enables us to compare the centralization from ex-socialist countries in Eastern Europe, where the General Manager plays an important part, as he makes most of the decisions.

No matter what the structure of the “future European power” might be it will surely impose European management as an alternative for Asian models, which investigate the miracle of the Japanese economy or for the successful American models.

It would be better if Europe could harmonize the differences that appear in the diversity management, the Eastern European values thus, being integrated in the western model and if it could reach an agreement when making a decision and show concern for quality just like in the case of Japanese management, as well as be competitive and prompt like the Americans.

American management and Anglo-Saxon management have very much in common. However, the American model has influenced the evolution of management in most countries in the world. Therefore it is the most frequently implemented model and it comprises more methods, management techniques and case studies, which have preoccupied specialists in the field.

The characteristics of the decisional subsystem originate stemmed from the Taylorist model, characterized by a dichotomy between management and execution. Therefore, decisions are made by managers only. Although employees are allowed to make decision in a limited number of cases regarding their job, participatory management forms task -forces and “business associates” teams. In big American companies, a decentralization of the decisional process is wanted and they also have in view the amplification of the power of decision of supervisors or managers.

Another *type of management is the Japanese one*, which is influenced, on the one hand, by economico-social particularities and on the other hand, by cultural characteristics of this country. In order to understand the Japanese cultural elements we must remember two key -words: IE, a method through which managers try to make employees carry out certain objectives and MURA, which organizes a social unit, a group of people whose target is common prosperity.

In conclusion, Japanese companies are dominated by the so-called paternalism or groupism, for which the relationship between employees and managers is very important. Thus, the Japanese behavior is characterized by “a desire to get work done very well” and loyalty towards the group to which we may add a consensual culture that has the following features: ability to speak freely and reach a decision without conflicts a national sense of duty.

The current system of relationship in a Japanese company- also considered a family- dates back in the ‘50s and it is the result of a series of events: historic heritage, social and cultural environment, the experience of the war, borders, natural resource scarcity and an unpredictable geopolitical environment, which brought about the need for harmonization. The system also advises /grants “security before everything” to the detriment of opportunities.

The Japanese management is based on a consensus at the company level. People in the West are fascinated by the unofficial process of consulting the employees before making a decision and by the fact that it encourages group decisions. According to the *holistic approach*, the whole values more than the total of individuals, and even though each individual is perfect, the whole might not be as perfect.

Therefore, this type of management focuses on creating and defining a philosophy of the company, and the halonic management system is made up of: holons, sets of holons and the relation among the sets of holons.

Consensual decisions (*ringisei*) characterize the Japanese method of management implementation. Because of the importance paid to collectivity, decisions are rarely made by one person, the manager, and this “top-down” method appears only in the case of small companies.

The process of making a decision starts with a written suggestion (*ringi*) of a “middle” manager, which is submitted to different sectors and departments for approval. The ones who read it may bring changes to the initial suggestion in case they agree with it, and then they forward it to other people. On principle, a suggestion is passed around executive managers (superior level - SL) and junior managers (inferior level - IL) by medium level managers (ML).

The efficiency and promptness of the Japanese decision process is also based on the *Nemawashi* system, which is compared to “the action of digging around the roots of tree in order to engraft” and is defined by specialists as a technique for eliminating conflicts and reaching an agreement. It is important that everyone should be informed about the decision that is about to be made before the board meeting, because this way conflicts can be avoided.

Although for Americans and Europeans this technique represents “a ceremony to acknowledge the decision already made behind closed doors”, it works successfully in Japanese companies, because as soon as the decision is accepted it can be quickly implemented as everyone is familiar with it and has approved it.

In this respect, a very good example is Toyota Company that implemented between 1960-1970 a new management system based on three coordinates: the cultural component, i.e. the total of social values, high productivity in exchange for low wages, and specific management implementation methods.

As you can see in the following chart, the number of annual suggestions coming from employees is increasing and the rate of their acceptance has risen from 39% in 1965 to 94% in 1990. The number of suggestion per year per employee has increased from 1-2.5 between 1965-1970 to 18.7 suggestion in 1990.

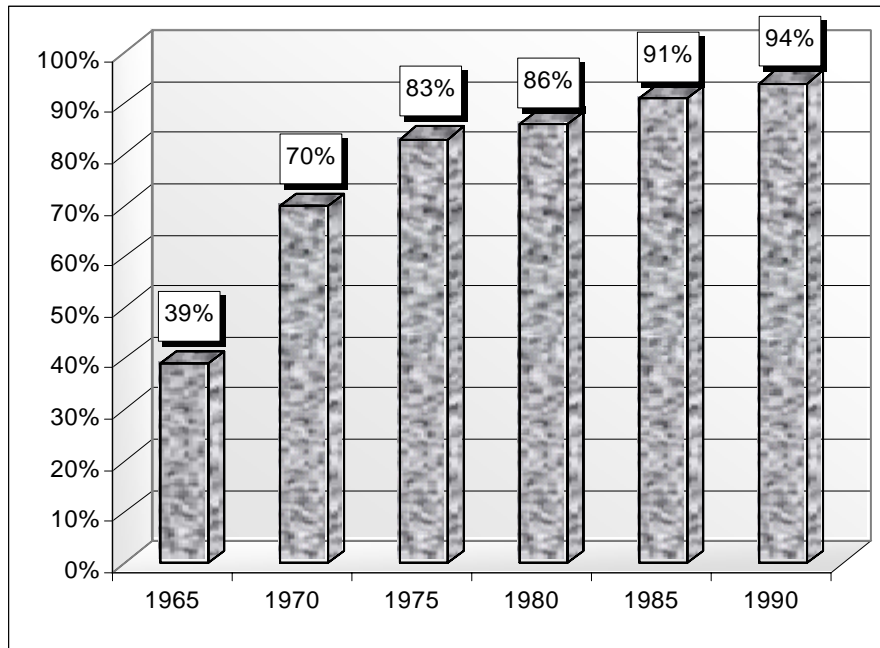


Chart 1.
Rates of acceptance for the decisions made at Toyota Company

Paradoxically, specialists assert that the way people make decisions in the West is not opposing to the Japanese method because there's no clear delimitation between them and neither of the two methods is real. There are some Japanese companies in which decisions are made by only one person, and western negotiators are surprised at the promptness of Japanese decisions.

In conclusion, each culture and history is unique and they influence all social and economic organizations. Antagonistic relations between the government and business, between trade unions and management in the Western World are steeped in tradition and philosophy, completely opposite to the Asian tradition.

A comparative analysis of the decision theory in the three cases presented above shows that there are major differences between the Japanese type, on the one hand and the American and European model, on the other hand.

Differences can also be found among European companies because of the different points of view when it comes to involving employees in the decision process. France is characterized by an intensified centralization, as executive managers have the power of decision, whereas in countries like Sweden and Germany, employees are allowed to take initiative in activities that concern them personally.

Table 1.

Comparative analysis of the decisional characteristics of Japanese, American and European types of management

Decisional characteristics	The Japanese model	The American model	The European model
Decisional process	Consensual decisions	Decisions made by managers and passed on to executors	Decisions made by managers and passed on to executors
Decisional authority	Reaching an agreement by characteristic methods	The manager has the power of decision	Centralization (France, Italy), codetermination (Germany)
The period of time	Long term	Short term	Varying from one country to another
Prevailing types of decision	Strategic decisions	Current decisions	Varying from one country to another

Vertical hierarchies, in which decisions go from the top down the “chain of command”, were considered highly efficient and this type of management was characteristic for enterprises of the industrial era.

At present, it is losing its efficiency because decision factors face various decisions, which make the decision task very difficult if not impossible for top managers. That’s way, participatory management and the involvement of employees in the decision process by grouping people into teams, whose members are equal, cooperate and trust each other, is not only a trend of the Third Wave, but it is a certainty of the current company.

This type of team management has the advantages of high levels of autonomy and flexibility, including the democratic characteristic of the decision process; a tendency to “flake off” multiple management levels and concentrate decision factors in each team.

In the future, the Fourth Wave company will be structured according to future strategic orientation of globalization and will arrive at decisions based on collective estimations, principles and values shared by the community.

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COUNTRY RISK RATING – IMPORTANCE AND METHODOLOGY

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ABSTRACT: *Country risk forecasts are important for individuals holding nearly any position of responsibility in an internationally oriented firm, business managers, banks, insurance companies, and public institutions, credit managers, treasurer's offices, risk management officers, strategic planning, international business officials.*

KEY WORDS : *country risk, rating, rating methodology, risk indicator, score, risk factors*

The country rating measures the average corporate payment default risk in a country and indicates to what extent a company's financial commitments are affected by the local business, financial and political outlook. However, there are credit-worthy companies in high-risk countries and companies with poor payments record in low-risk countries. The overall risk depends on both the company's and the country's specific characteristics .

The major component of country risk is political risk, defined as "political system stability and/or government policy stability". Three types of factors affect political risk: social factors, political factors and economic factors. Social factors are: regional conflicts and threats, secessionist movements, conflict between ethnic, linguistic or religious groups, significance of social groups outside the political system, high social violence levels. Political factors are: polarization of the political spectrum, lack of strong leadership in government, corruption in government and the judicial system, restrictive or coercive measures to retain power, lack of accountability in government, police and military, human rights violations. Economic factors are: deterioration of standard of living, deteriorating levels of foreign investment, current account deficits and high external sovereign debts, disparity of income distribution among classes or regions, GNP growth and inflation levels, unemployment & underemployment, institutional deficiencies with respect to enforcement of contracts .

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Individuals holding nearly any position of responsibility in an internationally oriented firm can use political and country risk forecasts. Typical users include the president, vice president, manager, director, planner, finance officer, international officer, security officer, economist, researcher, market analyst, and librarian. This variety is evidence of the importance of political and country risk information. The many uses also present companies with a challenge to determine how to maximize political and country risk information throughout the organization, especially in the major areas of need.

Banks, insurance companies, and public institutions, such as export credit agencies, frequently assess the amount of exposure they have in each country in proportion to their total exposure. This assessment may be necessary because of internal portfolio management policies or because of governmental regulations. Country limits are often established and modified according to levels of political and economic risk as well as market factors. Most lenders and insurers recognize the need to assess political factors along with economic data. Many business people use qualitative descriptions of risk, as well as quantitative indicators, as part of the weighting scheme they use to set country limits.

Treasurer's offices are among the more frequent users of political and country risk forecasts. Given the constant fluctuation in international currency values and the difficulties encountered in moving capital and profits across national boundaries, the decisions made by a finance officer heavily influence the profitability of most multinational corporations.

Offices dealing with government affairs may have a research function or a public relations function, or both. Whatever the balance of their priorities, government affairs officers look to political and country risk forecasts to provide an objective, independent perspective. If these offices already have access to analysts specializing in a country, independent forecasts are used as a check on their perceptions and understanding of evolving political conditions. From this perspective and their own analysis, they can develop public relations activities and advise their management on future government actions. Government affairs offices also find political and country risk forecasts useful as a resource in preparing briefings for top management before their overseas visits.

Political events and governmental policies can have a direct impact on stability and growth in current markets and on the potential for new markets. Clients can use political and country risk forecasts to anticipate patterns in government procurement, regulations affecting imports, and general trends that are influenced by government decisions, such as economic growth, unemployment, and inflation. Marketing analysts assess the degree to which political events may increase market opportunities. They must also stay alert for potential threats and the possibility that turmoil might disrupt transportation, communications, and commercial activities.

Sometimes assigned to a single office and sometimes decentralized, the function of anticipating major risks can be vital. Risk management officers use

political and country risk forecasts to help determine whether to buy political and country risk insurance, whether to borrow money locally, and how to structure contracts in a way that minimizes risk. They can use detailed, qualitative descriptions of local political conditions, as well as systematic ratings that allow for country-by-country comparisons and alert them to changing conditions.

Strategic planning involves identifying future trends and analyzing how the corporation can take advantage of those trends. Such analysis traditionally concentrated heavily on economic trends, but since political decisions and events substantially influence these trends, planners now incorporate political and country risk analysis. Current planning activities involve an attempt to assess the impact of political and economic trends, but strategic planners can find it difficult to incorporate political analysis into their traditional economic and business research. Political analysis, by its nature, is qualitative, dealing with more abrupt and sweeping factors. Many planners have found systematic risk ratings particularly useful because they allow for the cross-country comparisons that are an integral part of their analytical approach. Most firms use risk information for many reasons and in several different offices.

International business officials apply country and political forecasts and methodologies in many, varied ways in order to successfully achieve the same goal—anticipating and planning for the political, economic, and financial risks involved in international business.

We will present as it follows, some of the country risk rating methodology.

D&B's Country Risk Indicator provides a comparative, cross-border assessment of the risk of doing business in a country. Essentially, the indicator seeks to encapsulate the risk that country-wide factors pose to the predictability of export payments and investment returns over a time horizon of two years. The risk indicator comprises a composite index of four over-arching country risk categories:

- *Political risk* - internal and external security situation, policy competency and consistency, and other such factors that determine whether a country fosters an enabling business environment;

- *Commercial risk* - the sanctity of contract, judicial competence, regulatory transparency, degree of systemic corruption, and other such factors that determine whether the business environment facilitates the conduct of commercial transactions;

- *Macroeconomic risk* - the inflation rate, government balance, money supply growth and all such macroeconomic factors that determine whether a country is able to deliver sustainable economic growth and commensurate expansion in business opportunities;

- *External risk* - the current account balance, capital flows, foreign exchange reserves, size of external debt and all such factors that determine whether a country can generate enough foreign exchange to meet its trade and foreign investment liabilities.

The DB risk indicator is divided into seven bands, ranging from DB1 through DB7. Each band is subdivided into quartiles (*a-d*), with an *a* designation representing slightly less risk than a *b* designation and so on. Only the DB7 indicator is not divided into quartiles. The meaning of this indicator is:

- DB1- Lowest risk, lowest degree of uncertainty associated with expected returns, such as export payments, and foreign debt and equity servicing.

- DB2 - Low risk, low degree of uncertainty associated with expected returns. However, country-wide factors may result in higher volatility of returns at a future date.

- DB3 - Slight risk, enough uncertainty over expected returns to warrant close monitoring of country risk. Customers should actively manage their risk exposures.

- DB4 - Moderate risk, significant uncertainty over expected returns. Risk-averse customers are advised to protect against potential losses.

- DB5 - High risk, considerable uncertainty associated with expected returns. Businesses are advised to limit their exposure and/or select high-return transactions only.

- DB6 - Very high risk, expected returns subject to large degree of volatility. A very high expected return is required to compensate for the additional risk or the cost of hedging such risk.

- DB7 - Highest risk, returns are almost impossible to predict with any accuracy. Business infrastructure has, in effect, broken down.

The PRS Group, Inc., publishes two systems for evaluating the risks faced by business in countries around the globe. The Political Risk Services system forecasts the risks related to the general business concerns of regime stability, turmoil, financial transfer, direct investment, and export markets. The ICRG System rates political, economic, and financial risks, breaking each down into its key components, as well as compiling composite ratings and forecasts.

Political Risk Services (PRS) provides a decision-focused political risk model with three industry forecasts at the micro level. The PRS system forecasts risk for investors in two stages, first identifying the three most likely future regime scenarios for each country over two time periods and then by assigning a probability to each scenario over each time period, 18 months and five years. For each regime scenario, PRS' expert consultants then establish likely changes in the level of political turmoil and 11 types of government intervention that affect the business climate.

After calculating consolidated scores for all regimes (100% of possibilities), the PRS system converts these numbers into letter grades (on a scale from A+ to D) for three investment areas: financial transfers (banking and lending), foreign direct investment (e.g. retail, manufacturing, mining), and exports to the host country market. PRS' unique system provides only industry specific forecasts, not a generic macro level assessment, as is usually the case.

There are 17 risk components (12 covering our 18-month forecast and five covering our five-year forecast), which are used in compiling the risk scores. The 12 factors analyzed for an 18 months period are:

- Turmoil, represented by the actions that can result in threats or harm to people or property by political groups or foreign governments, operating within the country or from an external base such as riots and demonstrations, politically motivated strikes, disputes with other countries that may affect business, terrorism and

guerrilla activities, civil or international war, street crime that might affect international business personnel, organized crime having an impact on political stability or foreign business.

- Equity restrictions which imply limitations on the foreign ownership of businesses, emphasizing sectors where limitations are especially liberal or especially restrictive.

- Operations restrictions referring to restrictions on procurement, hiring foreign personnel, or locating business activities, as well as the efficiency and honesty of officials with whom business executives must deal and the effectiveness and integrity of the judicial system.

- Taxation discrimination represented by the formal and informal tax policies that either lead to bias against, or special advantages favoring international business.

- Repatriation restrictions involving formal and informal rules regarding the repatriation of profits, dividends, and investment capital.

- Exchange controls regarding formal policies, informal practices, and financial conditions that either ease or inhibit converting local currency to foreign currency, normally a firm's home currency.

- Tariff barriers referring to the average and range of financial costs imposed on imports.

- Other import barriers such as formal and informal quotas, licensing provisions, or other restrictions on imports.

- Payment delays represented by the punctuality, or otherwise, with which government and private importers pay their foreign creditors, based on government policies, domestic economic conditions, and international financial conditions.

- Fiscal and monetary expansion regarding an assessment of the effect of the government's spending, taxing, interest rate and other monetary policies. The assessment is based on a judgment as to whether the expansion is inadequate for a healthy business climate, acceptably expansionist, or so excessively expansionist as to threaten inflation or other economic disorder.

- Labor policies involving government policies, trade union activity, and productivity of the labor force that create either high or low costs for businesses.

- Foreign debt implying the magnitude of all foreign debt relative to the size of the economy and the ability of the country's public and private institutions to repay debt service obligations promptly.

Four additional factors are analyzed from a five-year forecast perspective. (Turmoil is included in both the 18-month and the five-year forecasts.). These are:

- Investment restrictions regarding the current base and likely changes in the general climate for restricting foreign investments.

- Trade restrictions for the current base and the likely changes in the general climate for restricting the entry of foreign trade.

- Domestic economic problems illustrated by the ranking of the country according to its most recent five-year performance record in per capita GDP, GDP growth, inflation, unemployment, capital investment, and budget balance.

- International economic problems illustrated by the ranking of the country according to its most recent five-year performance record in current account (as a percentage of GDP), the ratio of debt service to exports, and the annual percentage change in the value of the currency.

These 17 factors are used for a summary risk ratings, first estimating the current risk level of each factor and then forecasting the change in its risk level under each of the three most likely regime scenarios. The numerical equivalents of these current and forecast levels are then used to calculate the risk scores. The 18-month letter grades are determined by combining the current level and forecasts of change under the three most likely regime scenarios for these four equally weighted factors: repatriation restrictions on international business, payment delays facing exports to that country, policy related to fiscal and monetary expansion, governmental foreign borrowing .

Five-year letter grades are determined by three equally weighted factors: the average score obtained from the 18-month calculations, the level of turmoil forecast for the 18-month period and the level forecast under the three most likely five-year regime scenarios, the average rank of the country on the indicators of international financial problems and the forecasts of change under the three most likely regime scenarios.

As a result, the analyzed countries can be included in one of the following groups:

- *The "A" Countries.* No exchange controls, repatriation restrictions, or other barriers to financial transfer, and little likelihood that controls will increase in the forecast period. Few restrictions on equity ownership in most industries; few controls on local operations, the repatriation of funds, or foreign exchange; taxation policy that does not discriminate between foreign and domestic business. Little likelihood that restrictions will increase, and little threat from political turmoil.

- *The "B" Countries.* Modest or sporadic delays in financial transfers, and a reasonable chance that delays will be high in the forecast period. Some threat on equity ownership, frequently in the form of a requirement for partial ownership by nationals; restrictions on local operations, particularly regarding local procurement; few restrictions on repatriation, but some exchange controls possible; some threat to business from political turmoil; and a possibility that restrictions and turmoil may increase.

- *The "C" Countries.* Modest to lengthy delays and even blockage of financial transfers, a reasonable chance that barriers will increase, and little chance that they will decrease, within the forecast period. Considerable restriction on equity ownership, including a requirement that nationals hold a majority percentage; considerable restriction on local operations, repatriation, and foreign exchange; some taxation discrimination possible; and a serious threat of political turmoil. A serious chance that restrictions and turmoil will remain high or increase during the forecast period.

- *The "D" Countries.* Oppressive exchange controls and long delays for the transfer of currency, and little chance that conditions will improve within the forecast period. Considerable restriction on equity ownership, including a prohibition against equity

ownership by foreigners; substantial regulation of local operations, repatriation, and foreign exchange; taxation discrimination; political turmoil that may present a serious threat. A serious chance that restrictions and turmoil will remain high or increase during the forecast period.

Political Risk Services produces its risk ratings for 100 Country Reports, using the measures of interest to most businesses. The system employed by PRS facilitates cross-country comparisons. The PRS system can also be used to calculate risk scores for individual business projects or other specific situations of concern to an individual firm. PRS treats each of the 17 underlying risk factors as equal in calculating country risk ratings, in order to make the system applicable to general use, but individual businesses can easily adapt the same system by giving variable weightings to the 17 risk factors (including, of course, giving zero weighting to factors not relevant to a particular project).

The International Country Risk Guide (ICRG) rating comprises 22 variables in three subcategories of risk: political, financial, and economic. A separate index is created for each of the subcategories. The Political Risk index is based on 100 points, Financial Risk on 50 points, and Economic Risk on 50 points. The total points from the three indices are divided by two to produce the weights for inclusion in the composite country risk score. The composite scores, ranging from zero to 100, are then broken into categories from Very Low Risk (80 to 100 points) to Very High Risk (zero to 49.5 points).

The Political Risk Rating includes 12 weighted variables covering both political and social attributes. ICRG advises users on means of adapting both the data and the weights in order to focus the rating on the needs of the particular investing firm.

The ICRG model for forecasting financial, economic, and political risk is based on a set of 22 components grouped into three major categories of risk: political, financial, and economic, with political risk comprising 12 components, financial risk five components, and economic risk five components. Each component is assigned a maximum numerical value (risk points), with the highest number of points indicating the lowest potential risk for that component and the lowest number (0) indicating the highest potential risk. The maximum points able to be awarded to any particular risk component is pre-set within the system and depends on the importance (weighting) of that component to the overall risk of a country.

The ICRG staff collects political information and financial and economic data, converting these into risk points for each individual risk component on the basis of a consistent pattern of evaluation. The political risk assessments are made on the basis of subjective analysis of the available information, while the financial and economic risk assessments are made solely on the basis of objective data. In addition to the 22 individual ratings, the ICRG model also produces a rating for each of the three risk factor groups plus an overall score for each country.

After a risk assessment (rating) has been awarded to each of the 22 risk components, the components within each category of risk are added together to provide a risk rating for each risk category (Political, Financial, or Economic). The risk ratings for these categories are then combined on the basis of a formula to provide the country's overall, or composite, risk rating. As with the risk component ratings, the higher the rating computed for the political, financial, economic, or composite rating, the lower the risk, and vice versa.

Consequently, the ICRG system presents a comprehensive risk structure for the country with ratings for its overall, or composite, risk, for its political, financial, and economic risk and for the risk components that make up these broad risk categories. This approach enables the user to track the effect of a single risk component, or group of components, on the overall risk of a country.

The 22 risk components in the ICRG System, are as follows: political risk components (government stability, socioeconomic conditions, investment profile, internal conflict, external conflict, corruption, military in politics, religious tensions, law and order, ethnic tensions, democratic accountability, bureaucracy quality); financial risk components (foreign debt, foreign debt service, current account, net liquidity as months of import cover, exchange rate stability); economic risk components (GDP per head of population, real annual GDP growth, annual inflation rate, budget balance as a percentage of GDP, current account balance as a percentage of GDP).

The risk points awarded to each risk component or calculated for each risk category or the composite risk show the degree of risk. In each case, the higher the number, the lower the risk. This enables the degree of risk to be seen within a single risk component, a risk category or the composite risk (the relative position of the actual risk points within the total risk points, or in comparison with one or more other countries).

To ensure consistency, both between countries and over time, points are assigned by ICRG editors on the basis of a series of pre-set questions for each risk component. The ICRG system as it stands is produced for the general user, that is, it looks at the overall risk of country in terms of the general risk it represents. ICRG provides not only the risk ratings for the countries it covers, but also the political information and financial and economic data on which those ratings are based. It is therefore possible for the user to check through the information and data so as to assess the ratings given against his or her own assessments or against some other risk rating system.

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EMINESCU AND PROTECTIONISM

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ABSTRACT: *The paper presents several aspects of Eminescu's view of free exchange and protectionism in Romania, in a period when every national economy was threatened to be stifled by the Western economy, which was much more advanced. By taking over progressive ideas from European economic doctrines, Eminescu boldly elaborates a nationalist doctrine, his conception relying on the need of a technical education.*

KEY WORDS: *free exchange, protectionism, nationalist economy, trade, economic policy of the state, productive forces, education.*

There is an almost shocking contradiction between Eminescu the romantic, as we discover him in his poetry, and Eminescu the realist, as he emerges from the articles he published in "Timpul", where he described the state of the Romanian people in a transition period with deep insight and critical spirit.

Analyzing the Romanian economy, the poet bitterly noticed that it is exclusively agrarian, which leads to an embarrassing dependence on industrialized states. The value of agricultural work is much lower than that of industrial work, which is a disadvantage for Romania in the context of European competition. In this sense, Eminescu wrote: "the roads that open to absolute competition, far from growing the seeds of national industry, make them wither and degenerate, confining the Romanian to that limited area within which he is competitive, namely agriculture." (1)

Eminescu's articles on the role of political economy in the consolidation of the Romanian State and nation rely on the careful study of famous economists, from whose writings he summarizes and translates, also taking over certain ideas, which he enriches in his own style.

Mircea Eliade considers Eminescu and Hașdeu to be the founders of the nationalist doctrine that supports the need of a Romanian national economy. (2) The taking over of the ideas set forth by the European economic doctrines must be moderate and confined to those aspects that contribute to the creation of a national

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economy, as these doctrines belong to states where the industrial revolution had already taken place.

Eminescu is also the advocate of the protectionism theory, set forth in industrial countries. The economic interests of a less advanced country should be protected, and the state should protect market economy, develop industry, and encourage external economic relations. Moreover, protectionism is to be combined with the free exchange, so that our unexperienced economy should develop as rapidly as possible.

Romania's involvement into an inter-European competition favored by the free exchange could destroy the fragile Romanian economy, if the Romanian interests were not protected. Eminescu firmly joined those who fought with political and economic arguments the Trade Convention signed with Austro – Hungaria in 1875, appreciated as extremely disadvantageous for Romania, stating that “trade is the pioneer of peaceful, inconspicuous conquest that destroys by attacking economic units, the state, and even individuals.”(3)

In our country, individual craftsmen were ruined both by internal and external, as well as subjective and objective factors. The lack of vocational schools, the elimination of craftsmen unions, as well as the aggressive competition of imported products, transformed Romania in a market for foreign products.

The poet also points out that the financial crisis and the very high interests are impediments for the development of our industry and trade. The state didn't involve in the protection of the Romanian craftsman and merchant, and freedom hadn't favored the obtaining of credits, but, on the contrary, it had proved to be a means of exploitation for all social classes. The government is held responsible for this situation, as its representatives didn't understand the notion of freedom, and extended it over the economic field.

Thus, Eminescu considers it is necessary to combine external protectionist measures (customs policy) with internal ones, in order to encourage and protect the initiatives of Romanian industry. He also considers that the official economic conceptions should be revised, together with the introduction of new measures in the field of credit, investments and fiscal policy.

These ideas belong to the most advanced economic thinking in Romania at that time. Eminescu's conceptions facilitate a better understanding of the idea of liberty in 1848 that had a negative impact on the economic field, both on an external and on an internal plane.

In order to diminish the impact of an aggressive free exchange, the Romanian economy shouldn't rely on exclusively on agriculture, but it should be supported by a modern industry, having the same laws and institutions as in industrialized countries.

Eminescu combines the philosophical idea of slow, evolutionist development, free from any external intervention, with the economic policy in which the state must intervene in a decisive way for the creation of a national economic civilization. He also draws attention to the necessity of creating a superstructure adequate to the requirements of the industrial development of the country.

Pathetic appeals are quite frequent in his articles, which nowadays may seem farfetched, but at that time they were a warning signal in favor of the Romanian economy. On the other hand, such appeals and attitudes regarding Romania's economic situation are to be found quite frequently in the newspapers of the time.

Eminescu had a despising attitude towards most of the activities of the Romanian society, and, in his opinion, only the raw production of goods that are absolutely necessary to people should be stimulated. Some saw in this statement the influences of the physiocratic economic school, according to which the whole economic activity of the state is based on the work of the peasants, the only positive class, as the other social classes did nothing but transform the products resulting from the work of the former.

Starting from this economic principle and analyzing the evolution of social relations, he appreciates that peasantry supports the whole society with the agricultural production achieved with great efforts and in primitive conditions. Consequently, peasantry is the history bearer of the country, it is the nation itself.

The poet performs a complex analysis of the social situation of the peasant and he points out that "the peasant bears on his shoulders a heavy structure, which is nothing but a pretext to create as many jobs as possible, paid for from the peasant's pocket, directly or indirectly." (4)

In the same article, appeared in "Timpul" and entitled "From the Economy Primer", dealing with the relationship between production and consumption, he theorizes on some aspects of this relationship from the perspective of our agricultural country. In this article he shows that "nature has invested man with limited powers, enough to provide support for himself and his family. He produces slightly more than he consumes.

This little something comprises what he needs to reproduce and a small surplus that he yields to society under the form of taxes. On this surplus lives the whole national civilization. But, if from this small surplus we feed all the foreign institutions settled in our country, nothing will be left for the national culture in the real sense of the word." The period to which Eminescu refers is characterized by the invasion of foreign capital, the Romanian trade being dominated by foreigners who, under the protection of their consulates, easily eliminate by unfair competition the Romanian tradesmen who have no solid financial basis.

Railway building was yielded by concession to foreign corporations that made enormous profits, while the Romanian State had to resort to external borrowings to buy exploitation rights. At the same time, the policy promoted by the government reversed priorities and placed trade before production, which is very dangerous as it facilitates the entering of foreign capital into Romanian economy. Moreover, the economic life of the country is led by businessmen interested only in their own welfare and animated by the desire to get as rich as possible in a short time. As a consequence of all this, the Romanians become strangers in their own country.

In Eminescu's opinion, the economic issue is not reduced to the movement of assets; this is a much more serious problem, and involves two components, namely a social and a historical one. This theory is to be found with professional economists as well, and it still persists nowadays. In Romania, there were no adequate conditions for the promotion of a market economy supported by industrial development.

Under the circumstances, economic liberalism prevents the development of productive forces, as in all the countries that were at the beginning of their national economy. Thus, the state was supposed to protect and support these timid manifestations of the Romanian economy by initiating a series of actions meant to protect Romania's internal and external interests. By setting forth such theories, Eminescu proves to have profound knowledge of liberal and protectionist doctrines.

The stability and development of a market economy is conditioned by the creation of a certain internal market, and this process cannot take place in the absence of protection. In this sense, Ivanciu Nicolae – Văleanu shows that "the perpetuation of protection or its replacement with liberalization depends on the degree of maturity of the modern national economy, as well as on the position the latter has towards other economies of the continent or of the world.

Protectionism and liberalism do not exclude each other completely, but are liable to various combinations of internal and external planes, such as liberalism or protectionism on either of the two planes, or liberalism on one plane and protectionism on the other:

- the agricultural and/or industrial fields;
- the stressing of liberalism and protectionism on different planes and in different fields;
- the promotion of liberalism for some, whereas protectionism is practiced in the country, either openly or under disguise.

The types of combinations between liberalism and protectionism are not the same at any time and in any place. Pure protectionism or liberalism exist only in theory; in real economic life, such a thing does not exist. Economic theory should result from the reflection of their real combination. Protectionism, as well as liberalism in space and time, is favorable for some and unfavorable for others." (5)

An insightful analyst of the Romanian economic phenomenon, Eminescu also wrote a "National Economy", which remained in manuscript, where he deals with the influence of material welfare on man. In his opinion, the economic aspect of our existence should be paid much attention and, in this sense, he defines national economy as the science of the world of fortunes.

The government's indifference to the Romanian national economy, the great number of people who want to get rich without working, the infusion of the unproductive foreign element in Romania, the loss of the Romanian provinces, and the impoverishment of the lower classes undermined real work and slowed down the development of a national economy.

In the absence of the protectionism directed towards local producers, liberalism proved to be unfavorable for the Romanian society. Thus, instead of diversifying, the production of material goods decreased, finally being confined to the direct and primitive exploitation of the land.

In Eminescu's time, agriculture still maintained certain semi – feudal relations, which had negative influences on industrialization. In her book entitled "Eminescu the Economist", Alexandra Olivia Nedelcea that the poet joins the Romanian economists that "demanded the State's intervention in a productive activity (industry, agriculture), as well as in the development of communications and trade. In his opinion, industrial and agricultural production was of utmost importance, as it was the creator of values and income, work being invested with national value." (6)

Economic liberalism becomes dangerous only if it is absolute, as well as protectionism is dangerous if not applied carefully. Thus, exaggerated protectionism leads to the rising of the price of industrial goods, which become accessible to a limited number of people.

Without rejecting the protectionist doctrine, Eminescu pleads for a middle solution, through which Romania could sell its agricultural products abroad free of customs taxes or by paying small taxes, offering in exchange the same advantages to the countries with which it had a mutual convention.

Considering that production has a leading role in the growth of people's welfare, he points out that consumption should become one of the main factors meant to stimulate production.

Moreover, the development of a strong economy, in which free exchange harmoniously co - exists with the real protection of local production, involves the development of technical education, meant to support the national economy. The training of a generation of educated young men, capable of contributing to the growth of productivity, will stop the expansion of foreign products that threaten to suffocate the Romanian production.

Eminescu's conception concerning the complex problems raised by protectionism and free exchange reveals a modern, scientific thinking, maybe sometimes a little pathetic, but surely in accordance with the ideas promoted by famous European economists. Free exchange, in combination with protectionism, results in the development of a competitive economy, possessing the necessary instruments that enable it to take from external economy only what it needs.

NOTES

1. *Timpul*, 13. VI. 1879;
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ASPECTS REGARDING REGIONAL DISPARITY REDUCTION POLICIES

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ABSTRACT: *The defining coordinates of our country's national, regional and local economic development have been determined by the way people understood the orientation of our national economy before 1989, by the major changes a new economic system implies (market economy) and by external factors. In order to ensure a high level of economic development and a regional disparity reduction, close examinations must be made concerning the identification of certain problems characteristic of each geographic area and the elaboration and implementation of programmes and policies referring to the elimination of inter and inter-regional gaps.*

KEY WORDS: *sustainable economic development, regional disparities, depressed areas, economic development potential.*

Regional development is a relatively new concept, and it is also one of the most important priorities of developed societies. The high level of economic development that is targeted reorganizes the entire activity of the present community. In Romania, the judicial system of regional development has been brought under regulation by act no. 151/1998, which lays down the objectives, the institutional environment, the competences and the instruments necessary to promote regional development policies. According to this act, 8 Development Areas that meet the NUTS II statistic level (*picture 1*) have been formed by the end of 1998 consequent upon a voluntary partnership between Bucharest and the other counties. Therefore they are not administrative regions but they are large enough to be considered the best place to elaborate and implement regional development strategies, thus, making good use of financial and human resources. By dividing the territory according to some criteria they wanted to delimit the areas facing social and economic problems and thus, the specific regional policies could reduce inter and inter-regional disparities.

Regional Development Councils (RDC) has been organized for each of the eight Development Areas. They have a deliberative role as far as the coordination of

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the regional development policy is concerned. RDC is made up of presidents of the District Councils and representatives of the Town Councils (one representative from each district in the Area). RDC also has control over the Regional Development Agency (RDA), which operates in each Development Area. Regional Development Agencies are entities with judicial personality, open to the public, and they carry out activities specific to regional development. They are non-governmental organizations set up in every Development Area. Among the responsibilities of RDA are: drawing up programme documents regarding the area, implementing them after RDC's approval and forwarding proposals to RDC concerning projects that are to be financed by the Regional Development National Fund and thus, earning additional resources from the Regional Development Fund.

The Ministry for European Integration (MEI), through the Head Office for Regional Development Programmes and Policies is officially responsible for all the aspects of the development and for the coordination of development policy implementation. MEI is a national negotiator with the European Committee when it comes to regional development and it supports RDC in their institutional organization. It also initiates and elaborates proposals regarding legislation in regional development, in cooperation with other relevant institutions and ministries.

Picture 1. Development Areas in Romania



Legend:

- 1. Region I North-East
- 2. Region II South-East
- 3. Region III South
- 4. Region IV South-West

- 5. Region V West
- 6. Region VI North-West
- 7. Region VII Centre
- 8. Region VIII Bucharest-Ilfov

Regional development imposed the implementation of a statistic system, unprecedented in Romania, for monitoring regional differences. This system is continuously improving and re-defined. Statistics show that Romania started the transition process with a relatively low level of regional disparities in contrast with other countries, either members of the EU or adhering to the EU, but this level has increased rapidly and differences can be noticed mainly between Bucharest and the rest of the country. Inter-regional disparities are relatively low compared to the EU in general terms. In particular terms though, they reached almost the same levels as in Germany and the Netherlands (*chart 1*).

Chart 2. Inter-regional disparities in the EU and in Central and Eastern European adhering countries, according to the GDP for the year 2000

No.	Country	Areas with a maximum GDP	Relative GDP	Areas with minimum GDP	Relative GDP	Max/min ratio
1	Great Britain	Inner London	246.3	Mersyside	71.6	3.43
2	Belgium	Brussels	223.1	Hainaut	71.8	3.11
3	France	Ile-de-France	154.1	Réunion	50.9	3.02
4	Germany	Hamburg	183.4	Dessau	63.2	2.9
5	Czech Republic	Prague	121.6	Sredni Cechy	48.5	2.51
6	Hungary	Central Hungary	72.4	Eszak Alföld	32.5	2.23
7	Italy	Lombardy	136.1	Calabria	61.9	2.22
8	Spain	Madrid	108.1	Extremadura	50.3	2.15
9	Austria	Vienna	150.6	Burgenland	70.9	2.12
10	Poland	Mazowieckie	55.0	Lubelskie	27.6	1.99
11	Portugal	Lisbon	101.1	Acores	52.2	1.94
12	Romania	Bucharest-Ilfov	35.3	North East	19.1	1.85
13	Finland	Uusima	137.2	Ita-Suomi	74.9	1.83
14	The Netherlands	Utrecht	143.4	Flevoland	81.3	1.76
15	Greece	Sterea Ellada	81.5	Ipeiros	47.3	1.72
16	Bulgaria	Yugozapaden	34.0	Severozapaden	22.2	1.53
17	Sweden	Stockholm	133.9	Vastsverige	89.9	1.49

Source: CE 2002, the first report on social and economic cohesion and other estimations

From this comparative analysis of the regions in the country we can draw 2 conclusions, which are very important for the settlement of the regional policy:

- although each area has its own characteristic features and they are different from the other areas, there are no major discrepancies in the level of regional development;

- every region faces certain difficulties, which are in fact, experienced by all the areas on the territory.

The main regional development problems are analyzed further on, and after they will have been identified, the methods of actions elaborated on a national, regional and local scale will be presented. These methods are meant to contract economic gaps and to ensure a harmonious development in all the regions of the country.

One of the most striking features of economic development in Romania in the last 10 years was the attention paid to the development of Bucharest. Since Bucharest is inhabited by 5.4% of the country's population, it has a contribution of 21% to the GDP and 20% of the Romanian SME are registered here. 51.1 per cent of the total of foreign investments has been drawn up by the capital city. Bucharest is also one of the areas where a substantial positive migration is recorded. A thing worthy of attention is the fact that Bucharest hasn't had an influence upon the neighbouring districts, as the capital city is surrounded by some of the most underdeveloped counties. Although statistics show some variations in the long run due to certain local factors, it is obvious that economic development is based on the geographic component as the underdeveloped areas are localized in the North East, at the Moldavian border and in the South, along the Danube River. Underdevelopment seems to be associated with unemployment and with the prevailing rural activities, as well as with the incapacity to attract direct foreign investments. The chart below analyses the regional development by summing up the main economic variables.

Chart 3. Regional development indicators in Romania (national average=100%)

Region	GDP/capita		Unemployment		FDI*/capita		SME**/capita		Rural population	
	1998	2000	1998	2001	1998	2001	1998	2001	1998	2001
North-East	79.8	70.0	133.7	120.5	15.3	14.9	68.7	68.3	123.9	124.7
South-East	100.1	88.9	112.5	111.4	42.7	74.6	102.5	101.5	94.7	95.4
South	85.8	81.5	97.1	101.1	65.5	69.9	78.1	74.4	129.0	128.6
South-West	90.0	83.8	104.8	118.2	11.9	34.1	92.3	85.0	120.8	120.3
West	100.9	102.6	101.9	108.0	99.1	98.6	86.7	95.9	83.8	82.4
North-West	95.5	93.0	84.6	77.3	5.8	55.6	107.1	107.8	104.9	104.2
Centre	105.9	107.1	98.1	97.7	87.7	57.8	99.2	102.7	87.1	87.7
Bucharest-Ilfov	162.2	206.8	47.1	53.4	598.3	503.5	195.3	197.1	24.8	23.8

Source: Romania's Statistical Yearbook 2002

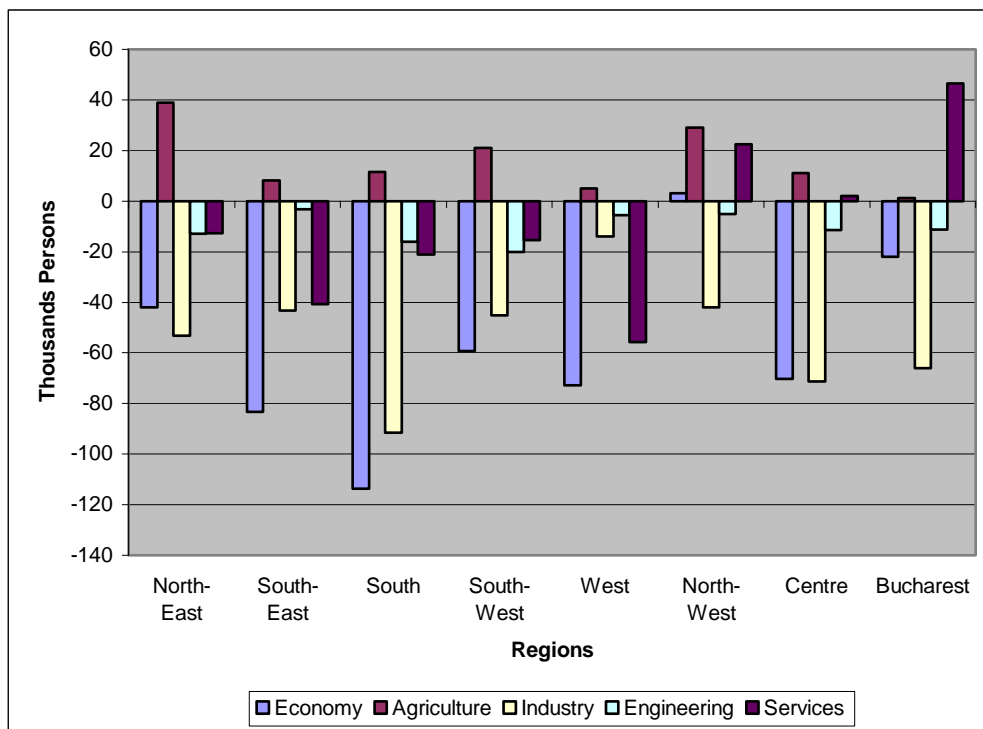
* - Foreign Direct Investments

** - Small and Medium-sized Enterprises

The NE Region is affected by both its dependence upon agriculture and the close borders with Moldavia and Ukraine. Almost the same thing holds true for the South Region, which is also dependent on agriculture and because of the Danube it cannot carry on a flourishing external trade. The eastern and the central parts of the country are much more privileged because of their close location from eastern markets and because they do not rest so much with the primary industry. So far, they have capitalized on the direct foreign investments.

We must point out the fact that there are still major disparities within the regions where agricultural districts coexist with more developed ones. This phenomenon has been aggravated by the impact of economic reorganization in certain mono-industrial cities, where the rate of unemployment has increased consequent upon the closing down of unprofitable public enterprises. The number of people working within branches of industry and engineering has greatly decreased in every region. The South and Centre Regions are representative for the decrease in the number of people working within branches of industry (-91.5 and -71.2 thousand people respectively) while the number of workers dismissed from engineering is higher in the South and South West Regions (-20 and -16.1 thousand respectively).

Chart 4. Employed population – differences between year 1997 and 2001



Source: Romania's Statistical Yearbook 2002

As far as the service department is concerned, there have been variations from one region to another. The number of people working within this department has fallen in western and southeastern regions (-55.6 and -40.8 thousand people respectively).

A slight reduction has also been registered in the South (-21.1 thousand), South West (-15.5 thousand people) and in the North East (-12.8 thousand people).

A positive phenomenon like an increase in the number of people working in the service department can be noticed in the North East and in Bucharest-Ilfov (+22.4 and +46.5 thousand people respectively).

Other factors that had a great impact upon regional development normally include the frontier areas and the Danube – regions bordering Moldavia and Ukraine and underdeveloped regions along the Danube River.

This unequal development in each region of the country together with fiscal policy mechanisms led to an intensification of the underdevelopment and the exacerbation of the disparities.

We can very well say that, at present, in every region in Romania there are counties, which are up against industrial reorganization problems, but in many other districts they coexist with rural underdevelopment problems, both being the result of unemployment and poverty. As a consequence, each area is confronted with problems generated by industries in decline and also by difficulties characteristic of economically and socially depressed areas. In order to concentrate financial resources received from the EU, the Government together with Regional Development Councils has identified eleven (11) priority zones within seven of the total of eight Development Areas; thus they were called Industrial Reorganization Areas and they concentrate 25% of the country's population. The identification of these zones was based on two sets of criteria: the first one refers to serious industrial reorganization difficulties with which they are faced and the second set of criteria has in view the economic development potential of these areas:

- Each selected zone has limited urban concentration with serious industrial reorganization difficulties-as a consequence of a massive concentration of industrial activities and labour power in big enterprises (companies that have more than 1000 employees) and the concentration dismissed manpower.
- The zone is highly polluted and thus, it affects people's health and it has a negative effect upon the image of the area and even of the entire country.
- The zone is mono-industrial, with no possibility at all to diversify its activity for the time being.
- Each selected zone has a road network and railway system and it is crossed by European highways or at least it is localized near one.
- The cities within the zone are traditionally bound together and they cooperate because of the same type of business carried out or because of the complementary of their activities.

- The area has communications systems at European standards, extremely important for the attraction of Romania of foreign investors; a great number of cities within the area have digital telephone networks.
- The area has material resources to support the accomplishment of national development priorities revealed in the National Development Plan (the development of tourism and infrastructure, the encouragement of SME and of the young population in their integrations in a intelligent society, a.s.o.)
- Local communities are characterized by dynamism and concern in the development of their towns and in the improvement of life standards through a successful implementation of development programmes and projects.

The presence of such zones as the ones presented above generates and keeps up a territorial inequality of performances and an inequity in the chances of development for each area and for each citizen. From what we have said so far we can conclude that the necessity of an active regional policy applied by the Romanian government is entirely justified on the one hand, by a disequilibrium and depression of the territories in our country and, on the other hand, by the variety of the relief and natural resources as well as by the demographic potential of the regions.

Therefore, the implementation of certain measures, programmes and projects in each area sets its priorities on:

- Economic diversification, including the improvement of tourism potential by encouraging the development of SME;
- Human resources development: vocational school modernization and providing social services;
- Improving the quality of the regional infrastructure; the development of the regional and local infrastructure, making much of the environment restoration and tourism development;
- Restructuring of small urban and tourism infrastructure.

Besides several steps taken in order to support areas facing difficulties, which can harm the general equilibrium, regional development also implies measures for regions with special problems. The necessity of such actions derives its forces from a new notion of the territory.

Thus, regional policy represents the formula for the interference of the state in restoring territorial equilibrium, in general terms, and in supporting regions facing difficulties, in particular terms. From this point of view, unequal development of the territories is thought to point out economic weakness, a thing that cannot possibly be accepted because it brings about political and economic instability and it stand in the way of national and international development.

These are only internal reasons for the encouragement of regional policy, but there are also external considerations of great importance in regional policy. This represents Romania's option for the integration in the European structures.

Regional development is one the priorities of the EU for the time being. In conclusion, a country that wants to be a member of the EU must integrate with the European spirit and realities, that is to say it has to prepare its territories in order to measure up to European standards and it should carry out an active and coherent regional policy.

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THE STRUCTURE OF EXPENSES AND REVENUES ACCORDING TO INTERNATIONAL ACCOUNTING STANDARDS

MARIANA MAN *

ABSTRACT: *This article presents the recognition of revenues and implicitly of the expenses linked to the ceding of the capital assets according to I.A.S. 16 and I.A.S. 38, as of the revenues and expenses linked to the sale of the obtained production according to I.A.S. 18 and I.A.S. 2, a parallel with the Romanian accounting influences.*

KEY WORDS: *revenues, expenses, capital assets, I.A.S.*

A great variety of economic operations causes the change of certain elements of economic properties within the economic and financial outcomes, which, in a broad sense, are materialized into expenses and revenues and, in a limited sense, are represented by profit and loss.

Expenses, in the main, mean an “impoverishment” of the firm generated either by the decrease of certain assets or by the increase of certain liabilities. The general framework of International Accounting Standards defines expenses as of economic benefits diminutions registered during the accounting period as outputs or assets value decrease or liabilities increase, which are materialized into reductions of equity capitals, other than those resulted from distributing them to shareholders.

Revenues, in the main, mean an “enrichment” of the firm obtained either through the increase of certain assets or through a movement of certain liabilities. The general framework of International Accounting Standards defines revenues as economic benefits growth registered during the accounting period as inputs or assets increase or liabilities decrease, which are materialized into growth of equity capitals, other than those resulted from contributions of shareholders.

The general framework of International Accounting Standards classifies economic and financial results into the following categories: *current results* (operating

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and financial results) and *extraordinary results*. Extraordinary elements are defined as revenues or expenses resulted from events and transactions consisting of current activities of the firm which, consequently, are not expected to repeat frequently or regularly.

From the definition given to revenues follows that revenues include:

- *current incomes* involving income from sales, commissions, debts, dividends, royalties, rents;

- *benefits from other elements* which can arise or not from current activities carried out by the firm; these consist of: benefits obtained as a rent from ceding assets on medium or long term; unachieved benefits arisen from not assessing securities and assets on long-run.

Benefits, unlike revenues, are presented at their net value that is the value obtained after deducing expenses from revenues.

From the definition given to expenses follows that expenses include:

- *current expenses* consisting of sales cost, amortizations, payments and other debts;

- *losses* turned up or not as a result of carrying out current activities by the firm, such as: losses resulted from natural disasters, losses registered as a result of ceding assets.

In the same manner as benefits, losses are reflected at their net value that is the value obtained by algebraically totalizing revenues and expenses, in case expenses exceed afferent revenues.

For example, the selling (ceding) a certain tangible asset leads to incomes from selling it, but also to expenses regarding the unamortized value until sale date, as well as other costs of sale. The result of comparing expenses and revenues can be materialized into benefits, which are registered into the profit and loss account as revenues from ceding assets or losses, which are registered into the profit and loss account as expenses from ceding assets.

For exemplification we consider the following hypothetical example: a company sales a means of conveyance with a registering value of 500 million lei, the amortized value being 350 million lei.

In case the sale (cede) price is 300 million lei, in accounting such operation has to be registered as follows:

650.000.000	%	=	%	650.000.000
300.000.000	461 “Diverse debtors”		2133 “Means of conveyance”	500.000.000
350.000.000	2813 “Equipment, means of conveyance, animals and plantations amortization”		7583 “Incomes from selling assets and other capital operations”	150.000.000

In case the sale (cede) price is 125 million lei, in accounting such operation has to be registered as follows:

500.000.000	%	=	2133	“Means of conveyance”	of 500.000.000
125.000.000	461			“Diverse debtors”	
350.000.000	2813			“Equipment, means of conveyance, animals and plantations amortization”	
25.000.000	6583			“Expenses from ceding assets and other capital operations”	

The general framework of International Accounting Standards considers the acknowledgment of revenues as part of the profit and loss account when a growth of future economic benefits takes place due to the increase of an asset or the decrease of a liability, which can be estimated in a believable way. In practice, there are admitted, as a rule, achieved revenues that are the revenues which can be assessed in a believable way and have an adequate rate of certainty.

As part of the profit and loss account, revenues have to be evaluated at the fair value of received or receivable payment means. The fair value is defined as the amount at which an asset can be transacted or a liability can be settled of the parties' own will that are consciously involved into a transaction that has an objectively determined price.

In accounting, revenues are established in the following moments:

- when the production of fixed assets on long-run are obtained;
- when goods are sold;
- when services are performed;
- when assets that create interests, dividends, royalties are used by other units.

In accounting, expenses are recognized when a reduction of future economic benefits corresponding to the decrease of an asset or the increase of a liability, believably assessed, takes place.

The acknowledgement of expenses is carried out having in mind the principle of “connecting costs to revenues”, meaning the simultaneous recognition of revenues and expenses arising from the same transaction.

There are also expenses acknowledged in accounting as a result of systematic and rational allocation when future economic benefits are expected to be obtained during several periods. For example, the amortization of tangible and intangible assets is registered into the profit and loss account during the entire usage period of the asset.

In conclusion, expenses are established into the profit and loss account in the following moments:

- when they are correspondent to certain revenues;
- during the period when the firm obtains future economic benefits from using an asset;
- as soon as a cost doesn't generate future economic benefits;

- when a liability occurs without acknowledging an asset (guarantees for sold goods).

As a result of the acknowledging way presented by the general framework of International Accounting Standards, expenses can be classified into the following categories:

- *production expenses or costs* that include the total amount of costs corresponding to revenues of sold goods, work or services which are acknowledged in accounting when revenues are established;

- *period expenses or costs*, which are acknowledged in accounting when they are actually made because either they are determined by assets on long-run or they are not connected to revenues and these are directly covered from the result of the activity carried out by the firm.

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SOME ASPECTS ABOUT THE ADMINISTRATION ACCOUNTANCY'S HISTORY

EMILIA MIHĂILĂ *

ABSTRACT: *The gestion accountancy evolved from historical point of view, as the production of goods and the competition evolved.*

KEY WORDS: *cost, the administration accountancy, public informations; confidential informations*

The big majority of conceptions concerning the cost and the administration accountancy, used in the specialty literature and practice of the XX century, were developed between 1880 and 1925. Many of the first approaches concerning costs are following the profitability of a firm on each product and are using this information to take strategically decisions.

The shaping of the administration accountancy and the calculation of costs was preceded by the development of the calculation technique of the cost, implied to the internal gestion of the productive unit and, first, to the industrial units.

The technique used to determine the cost came to complete the sphere of the mathematical calculations applied in economy only in the modern era, when the objective conditions of the society's historical development gave birth to the economical category named *cost*.

The gestion accountancy evolved from historical point of view, as the production of goods and the competition evolved. In the conditions when the market was owned exclusively by the producer, as a follow-up of the penury of goods requested by the consumers, the administration accountancy's role could be summarized at the complete calculation of costs, which allow the producer to adapt his prices to the movement proces of costs. In time, as a follow-up of the competition's intensification, modifications were produced in the market's dominant position, respectively of the economical power from the bearers to the consumers, but also because of the emergence of some new management techniques, the acceleration of the

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technologies evolution, all of these are influencing the evolution of the administration accountancy systems, oriented on the foresight of the level and the structure of costs and especially on their operative control.

In the west-european doctrine, and especially in France, administration accountancy can be defined as an analysis technique of an enterprise's activities and of its products, which's object is: the evaluation of the produced objects, of the executed jobs or of the services performed by an enterprise and the control of the internal production conditions, thru costs.

In our country, the first romanian author which approaches and debates in the accountancy literature the problem of the importance, structure and forming of the production's cost, is the professor Constantin Petrescu from Iasi. In his paper "Accountancy and administration treaty", Iasi 1901, he names the cost the same as the french authors: come back price. Constantin Petrescu treats, in premiere, the problem of the general expenses distribution on the produced values, promoting the idea to use some repartition bases, differenced according to the type of the expenses which form this expenses category. He sustains the idea of distributing the general expenses in costs, on the considerent that "these expenses are nothing else but parts of the value of the good for which they were made."

Due to this idea, Constantin Petrescu finds himself in an oposed position to some economists from eastern Europe, which sustained, 2 – 3 years ago, the separation of the fixed expenses in a colector account and their passing in direct mode on the results.

From the year 1925, most of this theories were abandoned, in the favor of the determination of the costs on each product.

The informations extracted from the financial reports became the leading force of the costs accountancy system. The managers and the firms are orientating to use more detailed and exact operations about the product's cost. In the case of the enterprises with a relatively homogeneous production, the problem was simplier, the consumed resurses beeing of the same kind, the informations about costs, alimentated by the dates extracted from the financial reports were pretty good. At the enterprises with homogeneous production appears the dificulty, where, even if the diversity of products is increasing, the need to have informations as exactly as possible is covered by the increased cost of obtaining these informations.

Between 1950 and 1960 efforts were made to enhance the costs system, for the manager's use. These efforts were oriented more to make the informations of the financial accountancy usefull to supply some informations and procedures completely new, besides the ones resulted from the financial reports.

In the period 1980 – 1990 we could tell that the traditional praqtiques of the administration accountancy no longer served for the managerial needs, some people even pretend that the existing system of the administration accountancy is obsolete and efectively unuseful. Managers needed more concrete informations, more useful, more detailed about the costs of products, works and services, to enhance quality, productivity and the reduction of their costs.

The accountancy informational system is organized in two big subsystems: financial accountancy subsystem and the administration accountancy subsystem.

These subsystems are different both from the objectives point of view, but also from the system inputs and the type of the processes used to transform the inputs in outputs. Financial accountancy is different from the objectives point of view and from the type of processes used to transform outputs in inputs. Financial accountancy offers informations to the external users, having as main purpose the establishment of financial situations and reports, and the administration accountancy produces informations for the internal users, using as main information source the informations supplied by the financial accountancy.

No matter of the inconvenients or the advantages of one or another of the two accountancies, our country adopted in theory and practice the organization of accountancy in double circuit. Regarded as a scientific discipline, accountancy must ensure two categories of informations, which are:

- public informations;
- confidential informations.

Public informations – they are usually systematized in documents of accountancy synthesis, such as: accountancy balance, loss and profit account, explicative and other reports, are designed especially for the users from outside the patrimonial area, respectively to the associates or shareholders, clients and suppliers, financial and credit organizations, state administration, especially to the fiscal one and to the necessities of aggregation of intermediary administration balances, in the national accounts system. Supplying these informations is an imperative action of the patrimonial unit's activity transparence, of the their's legibility by the external users of the accountancy information who wish to be interested on it's economico-financial bonhomie, in their decisions in various business transactions. This appears as a necessity in concurential economy conditions, so the organization and the leading of a financial accountancy, relatively unitary, who ensures these informations, is imposed by normative reglementations emitted by national organizations with attributions in accountancy normation.

By it's object, financial accountancy doesn't ensure the cost calculation of products, works or executed services and doesn't allow their lucrateness analysis. To find out their cost and lucrateness, informations must be extracted from inside of the patrimonial unit, appealing to administration accountancy.

The confidential information are usually systematized in documents and analyses designed for the internal use of the managers of patrimonial units from different organizatorical levels. Only based on this information it is possible to take at the right time all the decisions which allow the unit's adaptation at the conditions of the concurential market, to resist to the exogenous and endogenous perturbatory factors of each patrimonial unit.

The necessity of this information is fully confirmed by the practice of the countries with developed market economy, where the suppliance of confidential information is the main attribute and the declared purpose of the administration

accountancy. As we mentioned before, the administration accountancy allows evidencing the constitutive elements of costs and results, very important aspect for the enterprise's direction. So, the administration accountancy situates among its fundamental objectives the ones who concern knowing the obtained product's cost, the effectuated works and the performed services, and, if the obtained results aren't satisfying, this offers the possibility to analyze the deficiency's causes.

In contemporaneous economy theory there are two currents who define the accountancy's object of study in general and especially of the administration accountancy, which are:

- philosophical scientist current;
- philosophical pragmatic current;

The *philosophical scientist or materialist current* considers as object of a science "a category of facts, a special group of phenomena, studied only by the respective science, interpreted from a certain point of view, establishing invariable reports between the phenomena and their causes, in a frame of specific categories".

In the plain of accountancy doctrines, the researches which started from this desiderate lead to the conception according to which "the accountancy (including the administration accountancy) has as object the recording, the following and the documented control, chronologically and systematic, in money etalon, of the social reproduction in existence form, the movement and the transformation of the economical patrimony of each unit or organizing chain of the national economy".

The *philosophical pragmatic current*, predominant especially in U.S., defines the object of knowledge as "an instrument of biological adaptation of the man to the medium". Starting from the so called "genetic theory of truth", the pragmatism sustains that there aren't true ideas, but only ideas which become true in the activity of an individual, as long as they have a good efficiency.

The object of the administration accountancy can be defined as the identification, the gathering, the measuring, the classification, the recording, the analysis and the reporting of the internal accountancy data, with the purpose of establishing the right decisions.

As a conclusion, we could say that the administration accountancy has as objective the recording and the analyses of internal accountancy data, with the purpose of supplying to the enterprise's leading board the information about the products costs, works and services executed to take the right decisions.

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CONSIDERATIONS ABOUT EXPORTING WARE IN COMMISSION

EMILIA MIHĂILĂ *

ABSTRACT: *The object of the commission contract is represented by performing some services regarding the settlement and the ongoing of the selling contracts at exterior.*

KEY WORDS: *the commission, exporting ware, the exterior commerce society.*

When exporting ware in commission, the exterior commerce society has an intermediary role. The exterior commerce society sells the ware to the exterior in its own name, but on the account and the risks of the ware producer. It doesn't become owner of the exported ware based on the commission contracts concluded with the producer.

So, the object of the commission contract is represented by performing some services regarding the settlement and the ongoing of the selling contracts at exterior.

Based on these contracts is realized the payment with the producer of all the performed services, payment which is made directly by paying the sums owned to the producer or indirectly, by retaining from the external collecting of some payments made in the producer's account.

The wares which are the object of the commission export are circulating from the producer to the external client. So the external commerce society doesn't manage these wares and doesn't reflect them with the help of the stocks accounts.

An external commerce society exports ware in commission, which have the following known characteristics:

- external value FOB: 21.000 €, at the exchange rate: 1 € = 40.000 lei;
- interest included in cost: 1.000 €;
- specialized unit commission: 2% from POB net;
- exchange rate when collecting the ware's value is 42.000 lei / €;
- salary expenses are in amount of 20.000.000 lei;
- utilities at the specialized exterior commerce unit: 12.000.000 lei;

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Accountancy reflection:

- 1 The billing of the beneficiary ware is recorded, according to the “external bill for the internal use”.

411	=	%	840.000.000
“Clients”			
		401	824.000.000
		“Suppliers”	
		704	16.000.000
		“Incomes from executed works and made services”	

Brute FOB: $21.000 \text{ €} \times 40.000 = 840.000.000$

Interest: $1.000 \text{ €} \times 40.000 = 40.000.000$

FOB net: $20.000 \text{ €} \times 40.000 = 800.000.000$

2% commission from FOB net: $400 \times 40.000 = 16.000.000$

Value owned to the producer unit: $21.000 \text{ €} - 400 \text{ €} =$
 $20.600 \text{ €} \times 40.000 =$
 $= 824.000.000$

2. The reflecting in administration accountancy of the commissions incomes is recorded, according to the “External bill for the internal use”:

931	=	902	16.000.000
“Obtained production cost”		“Internal payments for the obtained production”	
931.x		902.x	
“Incomes from the export activity” = 16.000.000		“Internal payments for the wares sold at export” = 16.000.000	

3. The payment of the external value bill is recorded, based on the account extras, taking in consideration the variation of the exchange rate:

$21.000 \text{ €} \times 42.000 \text{ lei/€} = 882.000.000$

5124	=	%	882.000.000
“Bank accounts in estimate”			
		411	840.000.000
		“Clients”	
		765	42.000.000
		“Incomes from exchange rate differences”	

4. The reflecting in administration accountancy of the incomes from exchange rate differences is recorded:

931	=	902	42.000.000
“Obtained production cost”		“Internal payments for the obtained production”	
931.x		902.x	
“Incomes from the export activity” = 42.000.000		“Internal payments for the wares sold at export” = 42.000.000	

5. The payment of wares to the internal wares supplier is recorded, based on the account extras, payment disposition and on the “external bill for the internal use”:

- the value owned to the producing unit, in lei, at billing:
 $20.600 \text{ €} \times 40.000 \text{ lei/€} = 824.000.000$
- the value owned to the producing unit, in lei, at cashing:
 $20.600 \text{ €} \times 42.000 \text{ lei/€} = 865.200.000$
- exchange rate difference: $865.200.000 - 824.000.000 = 41.200.000$
 or
 $20.600 \times (42.000 - 40.000) = 41.200.000$

%	=	5124	865.200.000
		“Banking accounts, in estimates”	
401			824.000.000
“Suppliers”			
665			41.200.000
“Expenses from the exchange rate difference”			

6. Recording the reflection in administration accountancy of the expenses with exchange rate difference:

925	=	901	41.200.000
“Opening expenses”		“Internal payments for expenses”	

7. Recording the expenses with personnel salaries, according to the accountancy formula:

641	=	421	20.000.000
“Expenses with personnel salaries”		“Personnel – owned salaries”	

8. Recording, according to the accountancy bills, the expenses with the specialized exterior commerce unit utilities:

605	=	401	12.000.000
“Expenses regarding energy and water”		“Suppliers”	

9. Recording in the administration accountancy of the units general expenses processing, according to the following accountancy formula:

925	=	901	32.000.000
“Opening expenses”		“Internal payments for expenses”	

10. Recording the closing of the expenses accounts:

121	=	%	73.200.000
“Profit and loss”			
		605	12.000.000
		“Expenses regarding energy and water”	
		641	20.000.000
		“Expenses with personnel salaries”	
		665	41.200.000
		“Expenses from the exchange rate differences”	

11. Recording the closing of the incomes accounts:

%	=	121	58.000.000
		“Profit and loss”	
704			16.000.000
“Incomes from executed works and performed services”			
765			42.000.000
“Incomes from exchange rate differences”			

12. Recording the reflection in the administration accountancy of the payment of exterior commerce activities expenses, according to the accountancy formula:

902	=	925	73.200.000
“Internal payments about the obtained production”		“Opening expenses”	
902 .x			
“Internal payments about the export sold ware”=73.200.000			

13. Recording the reflection in the administration accountancy of the profit established based on the sold of the account 902 “Internal payments about the obtained production”:

903	=	902	1520000
“Internal payments about the price differences”		“Internal payments about the obtained production”	
903.x		902.x	
“Internal payments about the export economic-financial results”		“Internal payments about the wares sold on export”	
= - 15.200.000		= -15.200.000	

14. Recording the reflection in the administration accountancy of the closing of the account on the business sum obtained from the exterior commerce activity, according to the following accountancy formula:

901	=	931	58.000.000
“Internal payments about expenses”		“Obtained production cost”	
		931.x	
		“Incomes from the export activity”= 58.000.000	

15. Recording the reflection in the administration accountancy of the closing of results account:

901	=	903	15200000
“Internal payments about expenses”		“Internal payments on the price differences” 903.x “Internal payments on the export economic-financial results” = - 15.200.000	

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ABOUT SOME DECISIONAL OPTIMUM MODELS OF THE CONSUMER

ILIE MITRAN *

ABSTRACT: *This models type make the objective of a references domain of decisions theory applicable in the financial domain. In the speciality literature has analyzed two distinct situations: the static case and the dynamic case, situation in which it will be analyze two model's type (the dynamic model of consumer with monetary market; the dynamic model of consumer with monetary and capital market).*

KEY WORDS: *the dynamic model of consumer with monetary and capital market., the utility function.*

1.1. The optimum static model of consumer

The formal frame for this model elaboration is based on the following elements:

- a) x_1, x_2, \dots, x_n represent the necessary possessions quantity, fixed by the consumer;
- b) U represent the utulity function, so we will have $U = U(x_1, x_2, \dots, x_n)$;
- c) p_1, p_2, \dots, p_n represent the unitary prices of input;
- d) A represent a fixed budget.

Practically, it set the problem of maximise the consumer utility in condition based on a fixed budget, otherwise, we are lead to resolve the following optimization problem:

$$(P) \quad \begin{cases} \max_x U(x_1, x_2, \dots, x_n) \\ \sum_{i=1}^n p_i x_i = A \\ x_i \geq 0 \end{cases}$$

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Because the utility function is unlinear in general, the problem (P) solving realize usual using the Lagrange's multiplications method.

From this reason, first we will build Lagrange function, $L: R^{n+1} \rightarrow R$, defined through the next equality:

$$L(x_1, x_2, \dots, x_n; \lambda) = U(x_1, x_2, \dots, x_n) - \lambda \left(\sum_{i=1}^n p_i x_i - A \right)$$

We will determine the stationary points of Lagrange function, solving the next system:

$$\left. \begin{array}{l} \frac{\partial L}{\partial x_1} = 0 \\ \frac{\partial L}{\partial x_2} = 0 \\ \dots \\ \frac{\partial L}{\partial x_n} = 0 \\ \frac{\partial L}{\partial \lambda} = 0 \end{array} \right\} \text{become} \quad (1.1)$$

$$\left\{ \begin{array}{l} \frac{\partial U}{\partial x_1} - \lambda p_1 = 0 \\ \frac{\partial U}{\partial x_2} - \lambda p_2 = 0 \\ \dots \\ \frac{\partial U}{\partial x_n} - \lambda p_n = 0 \\ p_1 x_1 + p_2 x_2 + \dots p_n x_n - A = 0 \end{array} \right.$$

Practically, the complete solution of (1.1) system can't be resolved without knowing the analytic expression of utility function U, but it can be formulated an important economical interpretation, and also it can give a principle solution of (P) problem.

First, it can be observe that from the first n equations of this system, we have:

$$\lambda = \frac{\frac{\partial U}{\partial x_1}}{p_1} = \frac{\frac{\partial U}{\partial x_2}}{p_2} = \dots = \frac{\frac{\partial U}{\partial x_n}}{p_n}$$

There from, result that all reports between marginal utilities in reference with goods quantity and those goods prices are constant.

Except this economical interpretation for special particular systems can study with precisions the budget A influence, as well as unitary prices p_1, p_2, \dots, p_n influence on the optimum point: $x^* = (x_1^*, x_2^*, \dots, x_n^*)$ of problem (P).

Before solving (1.1) system it can remark that this system allow a unique solution $(x_1^*, x_2^*, \dots, x_n^*, \lambda^*)$ and from this reason $x^* = (x_1^*, x_2^*, \dots, x_n^*)$ is actually the solution of (P) problem.

The (1.1) system can be written in the equivalence form:

$$\begin{cases} \frac{1}{\lambda} \frac{\partial U}{\partial x_i} = p_i, i = \overline{1, n} \\ \sum_{i=1}^n p_i x_i = A \end{cases}$$

from where, immediatelly result:

$$\begin{cases} p_i = \frac{1}{\lambda} \frac{\partial U}{\partial x_i}, i = \overline{1, n} \\ \frac{1}{\lambda} \sum_{i=1}^n x_i \frac{\partial U}{\partial x_i} = A \end{cases}$$

If $x^* = (x_1^*, x_2^*, \dots, x_n^*)$ is the searched optimum solution of (P) problem, then $x_1^*, x_2^*, \dots, x_n^*$ are the next system solutions (unlinear, in general):

$$\begin{cases} \frac{\partial U}{\partial x_1}(x^*) = \frac{p_1}{A} \sum_{i=1}^n x_i^* \frac{\partial U}{\partial x_i}(x^*) \\ \frac{\partial U}{\partial x_2}(x^*) = \frac{p_2}{A} \sum_{i=1}^n x_i^* \frac{\partial U}{\partial x_i}(x^*) \\ \dots \\ \frac{\partial U}{\partial x_n}(x^*) = \frac{p_n}{A} \sum_{i=1}^n x_i^* \frac{\partial U}{\partial x_i}(x^*) \end{cases}$$

and the optimum “shadow” price λ^* is given by the following equality:

$$\lambda^* = \frac{1}{A} \sum_{i=1}^n x_i^* \frac{\partial U}{\partial x_i}(x^*).$$

Particular case

We will solve the (P) problem for a Cobb - Douglas type utility function in general form:

$$U(x_1, x_2, \dots, x_n) = ax_1^{\alpha_1} x_2^{\alpha_2} \dots x_n^{\alpha_n}$$

where a represent the stair factor and $\alpha_1, \alpha_2, \dots, \alpha_n > 0, \sum_{i=1}^n \alpha_i = 1$.

We will build the Lagrange function of (P) problem in this particular case:

$$L(x_1, x_2, \dots, x_n; \lambda) = ax_1^{\alpha_1} x_2^{\alpha_2} \dots x_n^{\alpha_n} - \lambda \left(\sum_{i=1}^n p_i x_i - A \right)$$

The system $\left\{ \begin{array}{l} \frac{\partial L}{\partial x_1} = 0 \\ \frac{\partial L}{\partial x_2} = 0 \\ \dots \\ \frac{\partial L}{\partial x_n} = 0 \\ \frac{\partial L}{\partial \lambda} = 0 \end{array} \right.$ becomes

$$\left\{ \begin{array}{l} a\alpha_1 x_1^{\alpha_1-1} x_2^{\alpha_2} \dots x_n^{\alpha_n} - \lambda p_1 = 0 \\ a\alpha_1 x_1^{\alpha_1} x_2^{\alpha_2-1} \dots x_n^{\alpha_n} - \lambda p_2 = 0 \\ \dots \\ a\alpha_1 x_1^{\alpha_1-1} x_2^{\alpha_2} \dots x_n^{\alpha_n-1} - \lambda p_n = 0 \\ \sum_{i=1}^n p_i x_i = A \end{array} \right.$$

from where

$$\left\{ \begin{array}{l} a\alpha_1 \frac{x_1^{\alpha_1}}{x_1} x_2^{\alpha_2} \dots x_n^{\alpha_n} - \lambda p_1 = 0 \\ a\alpha_1 x_1^{\alpha_1} \frac{x_2^{\alpha_2}}{x_2} \dots x_n^{\alpha_n} - \lambda p_2 = 0 \\ \dots \\ a\alpha_1 x_1^{\alpha_1} x_2^{\alpha_2} \dots \frac{x_n^{\alpha_n}}{x_n} - \lambda p_n = 0 \\ p_1 x_1 + p_2 x_2 + \dots + p_n x_n = A \end{array} \right.$$

Reporting the first equation to the following n-1 equations, we obtain:

$$\left\{ \begin{array}{l} \frac{\alpha_1}{\alpha_2} \frac{x_2}{x_1} = \frac{p_1}{p_2} \Rightarrow x_2 = \frac{\alpha_2}{\alpha_1} \frac{p_1}{p_2} x_1 \\ \frac{\alpha_1}{\alpha_3} \frac{x_3}{x_1} = \frac{p_1}{p_3} \Rightarrow x_3 = \frac{\alpha_3}{\alpha_1} \frac{p_1}{p_3} x_1 \\ \dots \\ \frac{\alpha_1}{\alpha_n} \frac{x_n}{x_1} = \frac{p_1}{p_n} \Rightarrow x_n = \frac{\alpha_n}{\alpha_1} \frac{p_1}{p_n} x_1 \end{array} \right. \quad (1.2)$$

Entering x_1, x_2, \dots, x_n given by previously equalities in the last system equality (1.2), we obtain:

$$p_1 x_1 + p_1 x_1 \frac{\alpha_2}{\alpha_1} + p_1 x_1 \frac{\alpha_3}{\alpha_1} + \dots + p_1 x_1 \frac{\alpha_n}{\alpha_1} = A ,$$

from where result the equality:

$$p_1 x_1 \left(\frac{\alpha_1 + \alpha_2 + \alpha_n}{\alpha_1} \right) = A \quad (1.3)$$

Having in view the condition $\alpha_1 + \alpha_2 + \dots + \alpha_n = 1$ we obtain immediatelly $x_1 = A \frac{\alpha_1}{p_1}$.

So, the searched optimum solution (optimum input) is:

$$\begin{cases} x_1^* = A \frac{\alpha_1}{p_1} \\ x_2^* = A \frac{\alpha_2}{p_2} \\ \dots \\ x_n^* = A \frac{\alpha_n}{p_n} \end{cases} \quad (1.4)$$

For this optimum input we obtain the optimum value of utility (the maximum utility):

$$U(x_1^*, x_2^*, \dots, x_n^*) = aA^{\alpha_1 + \alpha_2 + \dots + \alpha_n} \left(\frac{\alpha_1}{p_1}\right)^{\alpha_1} \left(\frac{\alpha_2}{p_2}\right)^{\alpha_2} \dots \left(\frac{\alpha_n}{p_n}\right)^{\alpha_n},$$

that is
$$U(x_1^*, x_2^*, \dots, x_n^*) = aA \left(\frac{\alpha_1}{p_1}\right)^{\alpha_1} \left(\frac{\alpha_2}{p_2}\right)^{\alpha_2} \dots \left(\frac{\alpha_n}{p_n}\right)^{\alpha_n} \quad (1.5)$$

It can be observe that for the Cobb-Douglas utility function the maximum utility is direct proportion with the budget A and is as well bigger as the unitary prices are smaller.

1.2. The dynamic model of consumer with monetary market

The problem is analysing just for two situations, all the other could be deduced very easy from these:

- the case in which the utility depends on the two consecutive inputs;
- the case in which the utility depends on inputs for an unlimited period.

1.2.1. The case in which the utility depends on two consecutive inputs

We will report, for calculations commodity at $t = 0$, $t = 1$ moments, and we will note:

- C_0, C_1 represent the inputs at $t = 0$ moment, respectively $t = 1$;
- V_0, V_1 represent the incomes at $t = 0$ moment, respectively $t = 1$;
- d represent actualization rate;
- $1+d$ represent the actualization factor.

In this case the utility function depends only on C_0 și C_1 variables, so $U = U(C_0, C_1)$. We will lead to a maximization utility problem in which the restrictions are given by the income equation at $t = 0$ moment, respectively the input equation at $t = 1$ moment:

$$(P) \quad \begin{cases} \max U(C_0, C_1) \\ V_0 = C_0 p_0 + E_0 \\ C_1 p_1 = V_1 + (1 + d)E_0 \\ C_0, C_1 > 0 \end{cases}$$

The second equation of problem (P) represent the income equation at $t = 0$ moment, but the third equation represent the input at $t = 1$ moment.

We note with E_0 the economy of realized goods at $t = 0$ moment to be consumed at $t = 1$ moment; p_0 and p_1 represent the unitary prices concordant with $t = 0$ and $t = 1$ moments.

Having in view the restriction forms of problem (P), after eliminating E_0 value, we will being lead to the equivalent problem:

$$(P) \quad \begin{cases} \max U(C_0, C_1) \\ C_1 p_1 = V_1 + (1 + d)(V_0 - C_0 p_0) \\ C_0, C_1 > 0 \end{cases}$$

As well as in static model case, the problem can be resolved using Lagrange's multiplication methods, C_0, C_1 being the current variables.

Lagrange function allow in this case the next analytic representation:

$$L(C_0, C_1, \lambda) = U(C_0, C_1) - \lambda(C_1 p_1 + C_0 p_0(1 + d) - V_1 - V_0(1 + d))$$

We will put the first degree optimum conditions (that is we will specify the obtaining conditions of stationary points for Lagrange function):

$$\begin{cases} \frac{\partial L}{\partial C_0} = 0 \\ \frac{\partial L}{\partial C_1} = 0 \\ \frac{\partial L}{\partial \lambda} = 0 \end{cases}, \text{ from where } \begin{cases} \frac{\partial U}{\partial C_0} - \lambda p_0(1 + d) = 0 \\ \frac{\partial U}{\partial C_1} - \lambda p_1 = 0 \\ C_1 p_1 + C_0 p_0(1 + d) - V_1 - V_0(1 + d) \end{cases} \quad (1.6)$$

As well as in static model case, the complete resolve of (P) problem suppose the exactly knowing of utility function U . In absence of this information, from the first two equalities of the last system, it can deduce a similar relation with the relation obtained in static model case:

$$\lambda = \frac{\frac{\partial U}{\partial C_1}}{p_0(1+d)} = \frac{\frac{\partial U}{\partial C_1}}{p_1}$$

The last fraction represents the report between marginal utility and the input at $t = 1$ moment and it's price at this moment.

The first fraction represent the report between the marginal utility concordant input at $t = 0$ moment and the updated price at this moment.

For solving the system (3.6) , we first remark that it take place the relation:

$$\frac{C_1}{\lambda} \frac{\partial U}{\partial C_1} + \frac{C_0(1+d)}{\lambda(1+d)} \frac{\partial U}{\partial C_0} = V_1 + V_0(1+d),$$

where from it will be obtained the next equality:

$$\frac{1}{\lambda} = \frac{V_0(1+d) + V_1}{C_0 \frac{\partial U}{\partial C_0} + C_1 \frac{\partial U}{\partial C_1}}.$$

It observes that the optimum solution (C_0^*, C_1^*) of problem (P) coincide with the unique key of system (3.6) and after an immediatelly calculation, it result that the searched optimum key is the following system one:

$$\begin{cases} C_0^* = \frac{(1+d)V_0 + V_1}{\left(C_0^* \frac{\partial U}{\partial C_0}(C_0^*, C_1^*) + C_1^* \frac{\partial U}{\partial C_1}(C_0^*, C_1^*) \right) (1+d)} \frac{\partial U}{\partial C_0}(C_0^*, C_1^*) \\ C_1^* = \frac{(1+d)V_0 + V_1}{C_0^* \frac{\partial U}{\partial C_0}(C_0^*, C_1^*) + C_1^* \frac{\partial U}{\partial C_1}(C_0^*, C_1^*) (1+d)} \frac{\partial U}{\partial C_1}(C_0^*, C_1^*) \end{cases}$$

and the optimum "shadow" price is:

$$\lambda^* = \frac{C_0 \frac{\partial U}{\partial C_0}(C_0^*, C_1^*) + C_1 \frac{\partial U}{\partial C_1}(C_0^*, C_1^*)}{V_0(1+d) + V_1}.$$

Particular case

Practically, we will solve the problem (P) for a Cobb-Douglas type utility function:

$$U(C_0, C_1) = aC_0^\alpha C_1^{1-\alpha}$$

Solving the problem (P) in this particular case, after solving the system (3.6) it immediately obtain the optimum inputs:

$$C_0^* = \frac{a\alpha}{p_0} [V_0 + V_1(1+d)^{-1}]$$

$$C_1^* = \frac{a(1-\alpha)}{p_1} [V_1 + V_0(1+d)]$$

Observation 1.1.

The two brackets which appear in C_0^* și C_1^* expressions represent in fact the maximum incomes which the consumer can realized at $t = 0$ and $t = 1$ moment.

1.2.2. The case in which the utility depends on the input function for a very long period.

In this situation, the consumer utility is practically analyzed for an unlimited period.

The optimum model (the efficiency and restrictions function) is given in the following form:

$$(P) \quad \begin{cases} \max \sum_{t=0}^{a_0} \left(\frac{1}{1+\delta} \right)^t U \left[\left(\frac{1}{1+\pi} \right) \cdot C_t \right] \\ a_{t+1} = a_t(1+i) + V_t - C_t, \quad t = 0,1,2,\dots \end{cases}$$

There are adopted the next notations:

- C_t represents the input concordant t period;
- a_t represents the balance on current account cash patrimony of t moment;
- V_t represents the income at t moment;
- i represents the nominal interest rate;
- π represents the inflation rate;
- $(1+\delta)^{-1}$ represents a correction factor and it suggests the preference through time factor.

Having in view the problem form (P) is obvious that we are in situation of a dynamic optimization problem. This thing emerges immediately following the restriction function in which appear the balance on current account marked out at different moments.

The problem (P) solving is realized using so-called optimization principle of Pontriaghin. It will follow the next steps:

a) it build the Hamilton function:

$$H = \left(\frac{1}{1+\delta}\right)^t U \left[\left(\frac{1}{1+\pi}\right)^t C_t \right] + \mu_t [a_t(1+i) + V_t - C_t]$$

Observation 1.1.

The Hamilton function is built in a similar way with Lagrange function, the essential difference consist in fact that in Lagrange's multiplication place (constant values) appear variables which depend on time (in our case is μ_t).

b) it put the optimum conditions:

$$\begin{cases} \frac{\partial H}{\partial C_t} = 0 \\ \frac{\partial H}{\partial a_t} = \mu_{t-1} \\ \frac{\partial H}{\partial \mu} = a_{t+1} \end{cases}$$

Making the calculations for the left part of previous system, we obtain:

$$\begin{cases} \left(\frac{1}{1+\delta}\right)^t \left(\frac{1}{1+\pi}\right)^t U' \left[\left(\frac{1}{1+\pi}\right)^t C_t \right] - \mu_t = 0 \\ \mu_t(1+i) = \mu_{t-1} \\ a_t(1+i) + V_t - C_t = a_{t+1} \end{cases}$$

$$\begin{aligned} \left(\frac{1}{1+\delta}\right)^t \left(\frac{1}{1+\pi}\right)^t U' \left[\left(\frac{1}{1+\pi}\right)^t C_t \right] - \mu_t &= \left(\frac{1}{1+\delta}\right)^t \left(\frac{1}{1+\pi}\right)^t U' \left[\left(\frac{1}{1+\pi}\right)^t C_t \right] (1+i) = \\ &= \left(\frac{1}{1+\delta}\right)^{t-1} \left(\frac{1}{1+\pi}\right)^{t-1} U' \left[\left(\frac{1}{1+\pi}\right)^{t-1} C_{t-1} \right] \end{aligned}$$

$$\mu_{t-1} = \mu_t(1+i)$$

$$a_{t+1} = a_t(1+i) + V_t - C_t$$

For the notations convience and their purport, we will note:

$$\left(\frac{1}{1+\pi}\right)^t C_t \stackrel{not}{=} \bar{C}_t$$

and in this way the first system equality become:

$$(1+i)\left(\frac{1}{1+\delta}\right)^t \left(\frac{1}{1+\pi}\right)^t U'(\bar{C}_t) = \left(\frac{1}{1+\delta}\right)^{t-1} \left(\frac{1}{1+\pi}\right)^{t-1} U'(\bar{C}_{t-1}) \quad (3.7)$$

Observation 1.2.

From economical point of view \bar{C}_t represents the present value of input for t period, meaning the real input.

After simplifications from (1.7) equality, it will result:

$$\frac{1+i}{(1+\delta)(1+\pi)} U'(\bar{C}_t) = U'(\bar{C}_{t-1})$$

from where
$$\frac{U'(\bar{C}_t)}{U'(\bar{C}_{t-1})} = \frac{(1+\delta)(1-\pi)}{1+i} \quad (1.8)$$

From (1.8) equality it can come away the following important conclusion: the marginal utility report of two consecutive inputs is constant, this being defined by the left part of (1.8) relation and depends on nominal interest rate and on preference factor for time.

If we are going to use Fischer relation $(1+i) = (1+\pi)(1+r)$, r being the interest rate, the (1.8) equality becomes:

$$\frac{U'(\bar{C}_t)}{U'(\bar{C}_{t-1})} = \frac{1+\delta}{1+r} \quad (3.9)$$

From (1.8) and (1.9) equalities it can't determine the optimum input but it can only explain a marginal relation attached by the initial input and by the input at any wished moment. More exactly, given successive values to t index in relation:

$$U'(\bar{C}_t) = U'(\bar{C}_{t-1}) \frac{1+\delta}{1+r}$$

we obtain:

$$\left\{ \begin{array}{l} U'(C_1) = U'(\bar{C}_0) \frac{1+\delta}{1+r} \\ U'(C_2) = U'(\bar{C}_1) \frac{1+\delta}{1+r} = U'(\bar{C}_0) \left(\frac{1+\delta}{1+r} \right)^2 \\ \dots \\ U'(\bar{C}_t) = U'(\bar{C}_{t-1}) \left(\frac{1+\delta}{1+r} \right) = \dots = U'(\bar{C}_0) \left(\frac{1+\delta}{1+r} \right)^t \end{array} \right. \quad (1.10)$$

Practically, the relations (1.10) show the dependence between the marginal utility of input for 1,2,...,t periods and the marginal value of initial input utility.

Observația 1.3.

It can also realise the dependence between the balance on current account cash patrimony at a certain moment and the the balance on current account initial patrimony, this dependence depending on the incomes and on the intermediary inputs:

$$a_{t+1} = a_t(1+i) + V_t - C_t \quad (3.11)$$

Practically we will determine this dependence given successive values at t index:

$$t=0 \Rightarrow a_1 = a_0(1+i) + V_0 - C_0$$

$$t=1 \Rightarrow a_2 = a_1(1+i) + V_1 - C_1 = a_0(1+i)^2 + (1+i)(V_0 - C_0) + V_1 - C_1$$

$$t=2 \Rightarrow a_3 = a_2(1+i) + V_2 - C_2 = a_0(1+i)^3 + (1+i)^2(V_0 - C_0) + (1+i)(V_1 - C_1) + V_2 - C_2$$

...

$$t=n \Rightarrow a_n = a_{n-1}(1+i) + V_{n-1} - C_{n-1} =$$

$$= a_0(1+i)^n + (1+i)^{n-1}(V_0 - C_0) + (1+i)^{n-2}(V_1 - C_1) + (1+i)(V_{n-2} - C_{n-2}) + V_{n-1} - C_{n-1}$$

The above equality can be explicit in two very important practical situation, more exactly in the case in which all differences $V_i - C_i$ are constant (that is the situation in which for every period the difference between incomes and inputs are equal or approximate equal).

For calculation commodity, we note $A = V_i - C_i, i = \overline{0, n-1}$. We obtain the following equality:

$$a_n = a_0(1+i)^n + A \left[(1+i)^{n-1} + (1+i)^{n-2} + \dots + (1+i) + 1 \right]$$

that is:
$$a_n = a_0(1+i)^n + \frac{A}{i} [(1+i)^n - 1]$$

Obvious, in the case in which the interest I is enough small, then $(1+i)^n \approx 1+ni$ and in consequence, the cash patrimony level at n moment is given by the following equality:

$$a_n = a_0(1+i)^n + A n$$

Economical point of view, this last equality shows us that the accumulated property at n moment depends on initial one, on the practiced interest, on the accumulation at every moment and on n accumulation period.

The effective calculation of real input utility

A first result can be obtained directly from the last equalities from (1.10). More exactly, it note the value \bar{C}^* which realize the equality:

$$U'(\bar{C}^*) = \lim_{t \rightarrow \infty} U'(\bar{C}_t)$$

and taking equality (1.10) into account, we obtain

$$U'(C^*) = U'(C_0) \lim_{t \rightarrow \infty} \left(\frac{1+\delta}{1+r} \right)^t$$

From this last equality is obvious that C^* can be finite just in case in which $\frac{1+\delta}{1+r} \leq 1$, so, in situation $\delta \leq r$.

1.3. The dynamic model of the consumer with monetary and capital market

We will analyse only the situation in which we reported at two successive period, for commodation, these are: $t = 0, t = 1$.

It makes the following notations:

C_0, C_1 represent the inputs according this period;

$U(C_0, C_1)$ represent the utility function according at given inputs.

Observation 1.4.

The problem will be general treated, but the most often practical situations the utility function is the linear type one, or polinomial type.

Practically we are led at the next optimization problem:

$$(P) \quad \begin{cases} \max U(C_0, C_1) \\ V_0 = p_0 C_0 + E_0 + I_0 \\ p_1 C_1 = V_1 + (1+d)E_0 + f(I_0) \end{cases}$$

The second equation of problem (P) is the income equation at $t = 0$ moment, and the third one represents the input equation at $t = 1$ moment.

The restriction equations (the income and input equation) were built using the following notations:

- V_0, V_1 represent the inputs at $t = 0$ and $t = 1$ moments.
- p_0, p_1 represent the unitary prices of input at $t = 0$ moment to be consumed at $t = 1$ moment.
- $1+d$ represent the fructification factor
- I_0 represent the investment volum at $t = 0$ moment which will bring poztive flux at 1 moment
- $f(I_0)$ represent the positive flow volume brought at $t = 1$ moment by I_0 .

Observation 1.5.

The difference comparative with the dynamic model of the consumer with capital market, in this case we have three control variables: C_0, C_1, I_0 , the function f is assumed to be known.

The problem (P) solving realise after eliminating the comun value of the two restrictions, E_0 , and practicccally we will lead to an optimization problem. With a simple restriction and it can be resolve through Lagrange's multiplication method.

From the income and input equation through eliminating of E_0 it will result the next equation:

$$p_1 C_1 = V_1 + (1+d)(V_0 - p_0 C_0 - I_0) + f(I_0)$$

Practicccally we are lead at the next problem solving:

$$\begin{cases} \max U(C_0, C_1) \\ p_1 C_1 - V_1 = (1+d)(V_0 - p_0 C_0 - I_0) - f(I_0) = 0 \end{cases}$$

We build Lagrange function:

$$L = U(C_0, C_1) - \lambda [p_1 C_1 - V_1 - (1+d)(V_0 - p_0 C_0 - I_0) - f(I_0)]$$

It put the optimum condition of first degree (that is, determining the stationary points for Lagrange function):

$$\left\{ \begin{array}{l} \frac{\partial L}{\partial C_0} = 0 \\ \frac{\partial L}{\partial C_1} = 0 \\ \frac{\partial L}{\partial I_0} = 0 \\ \frac{\partial L}{\partial \lambda} = 0 \end{array} \right. \Rightarrow \left\{ \begin{array}{l} \frac{\partial U}{\partial C_0} - \lambda(1+d)p_0 = 0 \\ \frac{\partial U}{\partial C_1} - \lambda p_1 = 0 \\ f'(I_0) = 1+d \\ p_1 C_1 - V_1 - (1+d)(V_0 - p_0 C_0 - I_0) - f(I_0) = 0 \end{array} \right. \quad (1.12)$$

From the third system equation (3.12) results

$$f'(I_0) = 1 + d \quad (1.13)$$

that is an equation in I_0 searched variable.

The equation (1.13) solving lead practicccally at the optimum level determination of investments which will lead at maximum positive flows.

Economical point of view, the equality(1.13) shows that the marginal efficiency of investment have to be equal with the fructification factor.

From the first two system equations (3.12) will result:

$$\frac{\frac{\partial U}{\partial C_1}}{p_1} = \frac{\frac{\partial U}{\partial C_0}}{p_0(1+d)} = \lambda \quad (1.14)$$

In these equalities $p_0(1+d)$ represent in fact the price at initial moment $t = 1$. Similar, we have:

$$\frac{p_1}{\frac{\partial U}{\partial C_1}} = \frac{p_0}{\frac{\partial U}{\partial C_0}} \quad (1.15)$$

equality that show in fact the relation between the marginal units prices.

The last equality allow an important economical interpretation

$$\frac{\frac{\partial U}{\partial C_1}}{\frac{\partial U}{\partial C_0}} / \frac{\partial U}{\partial C_0} = \frac{p_1}{p_0(1+d)} \quad (1.16)$$

The left part of (1.16) equality represent the marginal utilities of inputs report for the two successive period, the right part represent the report between the two prices, the initial one being capitalized or fructified.

This model can't be complet resolve only in situation in which are known the analitics expressions of utility function U and the efficiency function. It lead just at

practical result which refer at economical interpretation but at marginal values level.
More exactly, from system (1.12) will result:

More exactly, from the system results immediately:

$$\begin{cases} p_0 = \frac{1}{\lambda(1+d)} \frac{\partial U}{\partial C_0} \\ p_1 = \frac{1}{\lambda} \frac{\partial U}{\partial C_1} \\ p_1 C_1 + p_0 C_0(1+d) - V_1 - V_0(1+d) = 0 \end{cases}$$

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ANALYSIS OF DOCUMENTS REPRESENTING ENVIRONMENTAL AWARENESS IN COMPANY MANAGEMENT

TÍMEA MOLNÁR SIPOSNÉ *

ABSTRACT: *One of the serious problems of the future is that ever growing production and consumption demand more and more natural resources so that in the last 100 years the exploitation of these resources has reached such a level that the running out of certain resources (minerals, fossil fuels) endangers the living conditions of future generations. The environmental awareness of the society has been enhanced and environment protectional considerations have gained greater importance in judgements about social issues.*

KEY WORDS: *environment protection, environmental management system, environmental auditing*

The social judgement of environment protection, public opinion concerning environmental issues have undergone a substantial change in recent years. As a result, the environmental awareness of the society has been enhanced and environment protectional considerations have gained greater importance in judgements about social issues. This is due to the fact that people are becoming increasingly aware of what damage and probably irreversible changes may be caused in the flora and fauna of the Earth, in the global ecosystem, by human interference.

One of the serious problems of the future is that ever growing production and consumption demand more and more natural resources so that in the last 100 years the exploitation of these resources has reached such a level that the running out of certain resources (minerals, fossil fuels) endangers the living conditions of future generations.

The assessment of environmental performance first appeared in the United States in the 1970s. Ever toughening environmental regulations and the need to meet the expectations of society both contributed to the emergence of environmental auditing. A special reason was represented by accidents taking place at different US companies.

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Initially, cases of environmental auditing were exclusively targeted at compliance with environmental regulations. In the USA the number of auditing cases kept on increasing with chemical companies taking the lead first and all the other industries following suit at the end of the 1980s.

One of the examples of environmental performance assessment is the Environmental Self Assessment Programme (ESAP). ESAP was created in the USA with the objective to help companies with the continuous evaluation of their environmental performance. After the example of the USA, environmental audits have spread all over the world.

In Europe the European Bank for Rebuilding and Development (EBRD) published its guidelines on environmental auditing in 1992.

A possible device of the permanent improvement of corporate environmental performance is the documented system of environmental management, which is actually a controlling system incorporating environmental considerations into the management system and operations of the company and thus making environment protectional activities more efficient. This way, an environmental management system may be an efficient device in solving environmental problems and tasks.

With the help of the environmental management system, the management:

- sets up the environmental organisation,
- coordinates environmentally related planning, control, monitoring and information supply,
- ensures the proper documentation of the system and its operations.

The setting up of the environmental management system requires teamwork where:

- everybody does his/her best to improve the company's environmental performance,
- therefore environmental performance is continuously getting better,
- success is becoming a permanent element and motivational factor of corporate culture.

The environmental management system must be set up in the way that it should be able to enforce environmental considerations (maximising favourable effects) and decrease the burden on the environment (minimising adverse effects).

The adoption of environmental management systems involve a number of advantages for the companies, which are as follows:

- work becomes better organised;
- information flow is improved;
- a higher level environmental awareness is developed;
- a better compliance with legal regulations becomes typical;
- there are fewer fines or lawsuits;
- an economical use of resources becomes typical;
- costs go down;
- pollutant emission decreases;
- environmental risks decrease;

- confidence in the company increases;
- the company's assessment by credit banks improves (it can get credit under better conditions);
- insurance fees go down;
- there are better chances of conquering markets, market share increases (here, of course, the environmental awareness of customers is of decisive importance). This advantage will probably be eliminated parallel with the increase of the number of participants;
- a better relationship is developed with the authorities and local communities;
- company image improves.

The advantages listed above are closely related. Advantages present themselves during the operation of the system but setting up may involve considerable expenses. It is even more important than the advantages for the companies that the application of environment management systems brings positive results for both the environment and society. Such results are: compliance with environmental regulations; reduction of environmental risks; improvement of the employees' environmental consciousness.

As a result, the quality of the environment also improves. The elements of an environmental management system are:

Environmental Management System

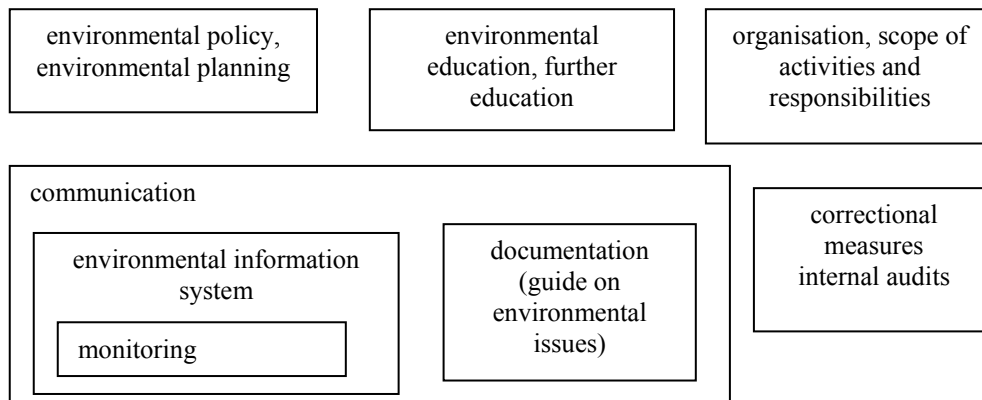


Figure 1. Auditing, management systems, 1997

COMPARISON OF EMAS AND ISO 14001

Features of EMAS

- it can only be registered in the countries of the European Union and in Switzerland
- premises-oriented environment control,
- performance-oriented so it requires the application of the best available and economically viable solution (EVABAT: "economically viable application of best available technology")

- it requires preliminary environmental assessment,
- it sets the requirement of the declaration of environmental policy,
- it requires issuing an environmental declaration certified by an external party, the content of which is fixed,
- its objective is to meet the demands and expectations of the governments, populations and customers of the EU member states,
- it is incorporated in the legal and regulatory system of the member states, which makes it much more prescriptive environmentally,
- the regulation demands immediate compliance with its requirements, otherwise registration is impossible,
- premises fulfilling the requirements are registered and become entitled to using a certification mark,
- in external communication it sets much stricter requirements than the standard; not only remarks from the outside are to be documented, investigated and answered but it should be attested to the certifier, as well, that the company conducts an open dialogue with the customers, the authorities, the press, professional organisations, that is, with anybody interested in the environmental impacts of the activities, products and services of the company,
- it requires a declaration certified by an external party,
- its certifiers are auditors and environmental experts at the same time, allowed to work in all the EU countries but only in the sector defined in their accreditation,
- it is a requirement to have an audit performed by an external expert
- it is a requirement to have an internal audit with its content precisely defined
- pressure groups have greater confidence in EMAS

Features of the standard ISO 14001

- certification is possible in any country all over the world,
- it is applicable to any organisation,
- it is not restricted to industrial companies, takes into account the ecological features of the product, it is more practical, can be better adapted to quality control systems,
- certification need not be done for premises but can be done for the whole organisation, as well,
- in setting their objectives and assessing them, companies should take into account technical possibilities and avoid putting a burden on the environment,
- it mentions continuous improvement as a major requirement,
- it does not prescribe preliminary environmental assessment,
- it requires the declaration of environmental policy,
- it assumes the voluntariness of the parties concerned and therefore must maintain a balanced relationship between the demands and expectations of these parties,
- it does not require immediate compliance with legal regulations, the organisation merely has to undertake the obligation for compliance,

- it does not require the issuing of an environmental report checked by an independent external party, moreover it only makes vague references to the form of external information dissemination,
- it is supported by economic pressure groups,
- its auditors are primarily management experts; if there is no suitable certifier available in the given country, he/she can be invited from abroad, as well,
- it requires an internal audit but sets no requirements as to how often it should be performed,
- it does not require any audit performed by an external party,
- it does not set any environmental requirements so the company which possesses a certification under ISO 14001 is not necessarily environment-friendly.

Certification merely indicates that the company operates a proper environment control system, checks and assesses its environmental performance and undertakes continuous improvement. When certification is performed under ISO 14001, the real environmental performance of the company is hardly investigated. What is put in focus is what kind of control the system exerts under the assumption that otherwise there is no problem with the environmental burdens originating from the activities of the company. In accordance with the principles of the standard, it is to be expected that operations on the basis of the environment control system will be efficient in the future, which results in the reduction and elimination of negative environmental impacts. Thus, in the case of ISO 14001 the problem is not so much getting the certification, keeping it is a harder task (experience shows that it is less problematic to get the certificate than to fulfil the requirements of regular supervisions.)

ISO 14001 offers several possibilities of controlling the system:

- the company issues a declaration formulated something like: “Our company possesses an environment-focussed control system in accordance with the requirements of ISO 14001.” Such a declaration is less reliable for the surroundings but may have a favourable effect within the company;
- the company may ask some major customers or even suppliers to conduct an official audit. This way it is possible to convince customers as well as suppliers that the company does operate an environment control system;
- certification by an independent external party is the most widespread and most reasonable solution, and likewise the most attractive for market and communication purposes.

If a company possesses an ISO 14001 certificate issued by an external, accredited party, it only has to make a few extra attestations for getting EMAS certification (naturally where the institution exists):

- honest information dissemination to the parties concerned and to the public
- improvement of environmental performance
- full legal compatibility

EU regulations are not only clearer but “fully ISO 14001 compatible”, as well; annex 1 describing the set of requirements of an environment control system adopts the

text of ISO 14011 verbatim. Besides, it sets further requirements (e.g. registration and issuing an environmental declaration).

Experiences, possible problems

Although it is voluntary to adopt ISO 14001, it is obvious that the introduction of environment management systems is a practice spreading rapidly all over the world. Shortly after the publication of the ISO 14001 international standard, in autumn 1996, the European Organisation for Standardisation (CEN) published it unchanged as a European standard, thus superseding the slightly different BS 7750 standard on the same issues. It is to be expected that the certification or registration of environment-focussed control systems will be a primary requirement for maintaining competitiveness on the market. In the future, ISO 14001 and EMAS will compete for popularity. However, it can be predicted that ISO 14001 will spread all over the world as approval and registration under EMAS is only possible in the European Union.

The following diagrams show the number of EMAS registrations and ISO 14001 certificates.

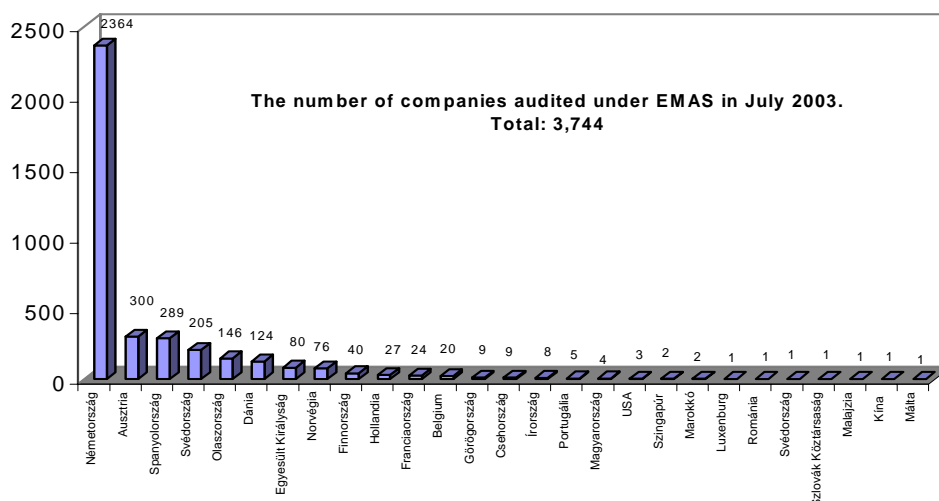


Figure 2.

In countries not shown in the diagram: Austria: 500; Czech Republic: 471; Singapore: 441; Poland: 434; Mexico: 369; Malaysia: 367; Norway: 366; Argentina: 308; Hong Kong: 365; Belgium: 264; South African Republic: 264; Indonesia: 229; Slovenia: 192; Philippines: 189; Ireland: 170; Portugal: 151; Turkey: 135; Israel: 112; Egypt: 101; New Zealand: 100; United Arab Emirates: 92; Greece: 90; Iran and Chile: 80; Slovakia: 73; Columbia: 69; Estonia: 67; Lithuania: 51; Croatia: 42; Costa Rica: 40; Russia, Vietnam: 33; Uruguay: 32; Luxemburg: 23; Cyprus, Pakistan: 21; Latvia, Liechtenstein, Peru: 20; Tunisia: 18; Venezuela: 17; Jordan: 16; Morocco: 11; Bulgaria, Nigeria, Zimbabwe: 10; Yugoslavia: 9; Saudi Arabia, Syria: 8; Trinidad & Tobago: 7; Oman: 6; Bolivia, Lebanon, Romania, Sri Lanka, Mauritius: 5; Brunei, Namibia, Paraguay, Puerto Rico, Ukraine: 4; Nigeria, Azerbaijan, Bangladesh, Barbados, Guyana, Iceland, Kuwait, Malta, Monaco: 3; Andra, Bahrein, Belarus, Belize, Botswana, Cameroon, Ecuador, Greenland, Guatemala, Honduras, Macau, Qatar, Senegal, Zambia: 2; Bosnia-Herzegovina, Dominican Republic, Macedonia, Ghana, Kenya, Jamaica, Kazakhstan, Myanmar, Nigeria, Palestine, Panama, Saint Lucia, Sudan, Turkmenistan: 1

However, criticisms have also been formulated in relation to EMAS:

- low participation rate of small-scale enterprises (due to, among others, participation fees, although it is a misbelief that auditing would only concern large companies as the interest of small scale enterprises can be enhanced by state subsidies),
- only partial realisation of the advantages expected.

Regarding confidentiality issues, the expert who gets insight into company matters and records has a high responsibility. Only after clarifying all significant environmental issues can the expert certify the declaration. Therefore it would be necessary to standardise the contents of the declarations, as well.

It is a negative experience in connection with declarations that a significant percentage of these is hard to understand.

A more publicity-efficient form of the participation declaration should be elaborated as this would boost not only company images but would also enhance their reputation.

The text of the participation declaration reveals that the system does not assess the performance of companies outside the European Union, which means that they may show up as the champions of environment protection at home even if they show complete environmental insensitivity outside the Union.

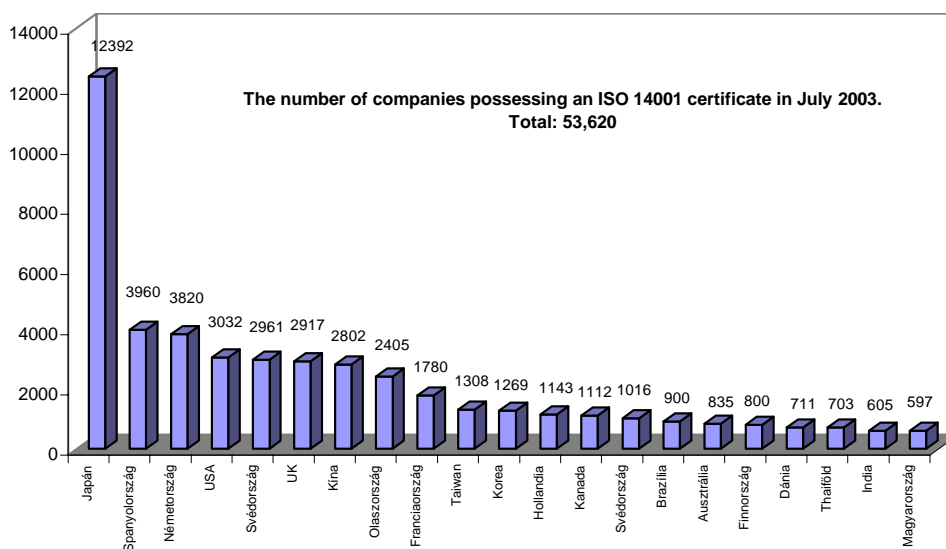


Figure 3.

It discriminates against companies already endorsing higher quality requirements. The system may distort competition on both the corporate and member state levels as not only do companies display different levels of environmental sensitivity but they also have to undertake in their policy compliance with environmental regulations different from country to country.

It does not settle properly the relationship between the right of the public to corporate environmental information and the right of companies to corporate and business confidentiality (according to Article 5, the environmental declaration should include data related to polluting emissions, waste production and raw material import “to the necessary extent”. To define this is a source of conflicts in itself.)

It would be likewise necessary to extend the scope of the regulation, i.e. that besides the industrial sectors listed in it, other sectors could also take part in the system of EMAS (the regulation itself makes it possible for member states to extend the scope of enterprises eligible for participation in the EMAS on their own in the area of trade and services. Several member states, e.g. Germany, Great Britain, Spain and Austria are considering it currently.)

The requirements of the regulation towards experts should be concretised, e.g. it could define the maximum number of audits an expert can perform in a given company without loss of impartiality.

A considerable part of the literature considers voluntariness a disadvantage of the system and does not exclude the possibility of participation in the EMAS becoming mandatory later, although it is possible that participation should rather be made more attractive as mandatoryness is alien to the system. As a matter of fact, when the regulation was passed, Germany and some industrial pressure groups prevented making it mandatory.

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SOME ASPECTS OF INVENTORY HELD FOR SALE USING STATEMENTS OF FEDERAL ACCOUNTING STANDARD NO.3

ALIN MONEA *

ABSTRACT: *This paper reveal some aspects of inventory held for sale according statments of federal accounting standard no.3. This statement provides accounting standards that apply to several types of tangible property, other than long term fixed assets, held by federal government agencies. The standards require historical cost or latest acquisition cost valuation of inventory held for sale and inventory held in reserve for future sale. The standards permit use of any other valuation method (e.g., standard cost) which reasonably approximates historical cost.*

KEY WORDS: *inventory held for sale, statement, accounting standards, latest acquisition, valuation method, historical cost, goods for sale, cash, cash equivalents.*

Inventory is tangible personal property that is (1) held for sale, (2) in the process of production for sale, or (3) to be consumed in the production of goods for sale or in the provision of services for a fee. The term "held for sale" shall be interpreted to include items for sale or transfer to (1) entities outside the federal government, or (2) other federal entities. The principal objective of the sale or transfer of inventory is to provide a product or service for a fee that generally recovers full cost or an identified portion of the cost. "Other federal entities" may include entities within the same organization/agency. Sales transactions may be executed through transfer of funds between federal entities; it is not essential that the transaction be an exchange of goods for cash or cash equivalents. In addition, inventory may be acquired through donation or barter. Inventory excludes some other assets held for sale, such as (1) stockpile materials, (2) seized and forfeited property, (3) foreclosed property, and (4) goods held under price support and stabilization programs. These items may be sold; however, the purpose of acquiring them is not to provide a product or a service for a fee.

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Inventory shall be categorized as (1) inventory held for sale, (2) inventory held in reserve for future sale, (3) excess, obsolete and unserviceable inventory, or (4) inventory held for repair.

Recognition. Inventory shall be recognized when title passes to the purchasing entity or when the goods are delivered to the purchasing entity. Upon sale (when the title passes or the goods are delivered) or upon use in the provision of a service, the related expense shall be recognized and the cost of those goods shall be removed from inventory. Delivery or constructive delivery shall be based on the terms of the contract regarding shipping and/or delivery.

Valuation. Inventory shall be valued at either (1) historical cost or (2) latest acquisition cost.

(1) Historical cost shall include all appropriate purchase, transportation and production costs incurred to bring the items to their current condition and location. Any abnormal costs, such as excessive handling or rework costs, shall be charged to operations of the period. Donated inventory shall be valued at its fair value at the time of donation. Inventory acquired through exchange of nonmonetary assets (e.g., barter) shall be valued at the fair value of the asset received at the time of the exchange. Any difference between the recorded amount of the asset surrendered and the fair value of the asset received shall be recognized as a gain or a loss.

The first-in, first-out (FIFO); weighted average; or moving average cost flow assumptions may be applied in arriving at the historical cost of ending inventory and cost of goods sold. In addition, any other valuation method may be used if the results reasonably approximate those of one of the above historical cost methods (e.g., a standard cost system).

(2) The latest acquisition cost method provides that the last invoice price (i.e., the specific item's actual cost used in setting the current year stabilized standard sales price) be applied to all like units held including those units acquired through donation or nonmonetary exchange. The inventory shall be revalued periodically but at least at the end of each fiscal year. Revaluation results in recognition of unrealized holding gains/losses in the ending inventory value. Upon adjustment for unrealized holding gains/losses, the latest acquisition cost method then results in an approximation of historical cost.

An allowance for unrealized holding gains/losses in inventory shall be established to capture these gains/losses. The ending balance of this allowance shall be the cumulative difference between the historical cost, based on estimated or actual valuation, and the latest acquisition cost of ending inventory. The balance shall be adjusted each time the inventory balance is adjusted. The adjustment necessary to bring the allowance to the appropriate balance shall be a component of cost of goods sold for the period as described below.

The cost of goods sold for the period shall be computed as follows:

Beginning inventory at beginning-of-the-period latest acquisition cost less:
beginning allowance for unrealized holding gains/losses plus: actual purchases Cost of

Goods Available for Sale less: ending inventory at end-of-the-period latest acquisition cost plus: ending allowance for unrealized holding gains/losses Cost of Goods Sold

Exception to Valuation. Valuing inventories at expected net realizable value is acceptable if there is (1) an inability to determine approximate costs, (2) immediate marketability at quoted prices, and (3) unit interchangeability (e.g., petroleum reserves). Application of this exception may result in inventories being valued at greater than historical cost.

Inventory Held in Reserve for Future Sale. Inventory stocks may be maintained because they are not readily available in the market or because there is more than a remote chance that they will eventually be needed (although not necessarily in the normal course of operations). These stocks shall be classified as inventory held in reserve for future sale. Inventory held in reserve for future sale shall be valued using the same basis as inventory held for sale in normal operations. The value of inventory held in reserve for future sale shall be either included in the inventory line item on the face of the financial statements with separate disclosure in footnotes or shown as a separate line item on the face of the financial statements.

The criteria considered by management in identifying inventory held in reserve for future sale shall be disclosed. **Examples** of factors to be considered in developing the criteria are all relevant costs associated with holding these items (including the storage and handling costs), the expected replacement cost when needed, the time required to replenish inventory, (4) the potential for deterioration or pilferage, and the likelihood that a supply of the items will be available in the future.

Excess, Obsolete, and Unserviceable Inventory. "Excess inventory" is inventory stock that exceeds the demand expected in the normal course of operations because the amount on hand is more than can be sold in the foreseeable future and that does **not** meet management's criteria to be held in reserve for future sale.

"Obsolete inventory" is inventory that is no longer needed due to changes in technology, laws, customs, or operations. "Unserviceable inventory" is damaged inventory that is more economical to dispose of than to repair. The category "excess, obsolete and unserviceable inventory" shall be either included in the inventory line item on the face of the financial statements with separate disclosure in footnotes or shown as a separate line item on the face of the financial statements.

Such inventory shall be valued at its expected net realizable value. The difference between the carrying amount of the inventory before identification as excess, obsolete or unserviceable and its expected net realizable value shall be recognized as a loss (or gain) and either separately reported or disclosed. Any subsequent adjustments to its net realizable value or any loss (or gain) upon disposal shall also be recognized as a loss (or gain).

Management shall develop and disclose in the financial statements its criteria for identifying excess, obsolete and unserviceable inventory.

Inventory Held for Repair. Inventory held for repair may be treated in one of two ways: (1) the allowance method or (2) the direct method.

(1) Under the allowance method, inventory held for repair shall be valued at the same value as a serviceable item. However, an allowance for repairs contra-asset account (i.e., repair allowance) shall be established. The annual (or other period) credit(s) required to bring the repair allowance to the current estimated cost of repairs shall be recognized as current period operating expenses. As the repairs are made the cost of repairs shall be charged (debited) to the allowance for repairs account.

(2) Under the direct method, inventory held for repair shall be valued at the same value as a serviceable item less the estimated repair costs. When the repair is actually made, the cost of the repair shall be capitalized in the inventory account up to the value of a serviceable item. Any difference between the initial estimated repair cost and the actual repair cost shall be either debited or credited to the repair expense account.

Transition to either of these two methods may result in recognizing an accumulated amount of needed repairs that were not previously accounted for. To avoid overstating repair expense for the first period that repair expense is accrued, prior period amounts are to be separately identified or estimated. The estimated amount to repair inventory that is attributable to prior periods shall be credited to the repair allowance under the repair allowance method or to the inventory account under the direct method and reported as an adjustment to equity.

Disclosure Requirements.

- General composition of inventory.
- Basis for determining inventory values; including the valuation method and any cost flow assumptions.
- Changes from prior year's accounting methods; if any.
- Balances for each of the following categories of inventory; inventory held for current sale, inventory held in reserve for future sale, excess, obsolete and unserviceable inventory, and inventory held for repair unless otherwise presented on the financial statements.
- Restrictions on the sale of material.
- The decision criteria for identifying the category to which inventory is assigned.
- Changes in the criteria for identifying the category to which inventory is assigned.

The provisions of this statement need not be applied to immaterial items.

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QUALIFIZIERUNG UND VERMITTLUNG FÜR EINE DYNAMISCHE ARBEITSWELT

RAREȘ MUNTEANU *

ABSTRACT: *It is well known that Germany has a wide experience regarding the mining field. But as mining becomes more and more expansive, this industrial field is facing closure. This makes Germany to be in a position somehow similar to Romania. Of course, the specific conditions are different and the financial resources of Germany are higher than Romania's, but we consider that the German experience regarding economic reconversion of the mining areas and the re-qualification of those who worked in the mining industry is very useful to be studied by the Romanians; good ideas should be implemented in our economy, too.*

KEY WORDS: *Ruhrkohle Aktiengesellschaft, new activities, old mines, responsibility, R.A.G. Bildung*

Den Strukturwandel gestalten heißt auch, bei der Aus- und Weiterbildung flexibel auf veränderte Anforderungen des Arbeitsmarktes zu reagieren. Die RAG trägt als der größte Ausbilder in den Bundesländern Nordrhein-Westfalen und Saarland auf diesem Gebiet besondere Verantwortung. Mit einer Vielzahl von Ausbildungsberufen eröffnet das Unternehmen jungen Menschen Chancen für einen erfolgreichen Einstieg ins Berufsleben.

Umsteiger haben dank innovativer Konzepte für die Weiterqualifizierung und Vermittlung gute Aussichten auf einen Wechsel in Berufe mit Zukunft. Mehr denn je ist heute eine gute Ausbildung der Schlüssel zu einem gelungenen Start ins Berufsleben. Die RAG ermöglicht Jahr für Jahr mehreren Tausend jungen Menschen, ihre berufliche Karriere mit einem Ausbildungsplatz in einem der Konzernunternehmen oder mit einer berufsvorbereitenden Maßnahme der Tochtergesellschaft RAG BILDUNG GmbH zu beginnen. Im Jahr 2002 nahmen 2.269 Schulabgänger eine Ausbildung bei der RAG auf, weitere 2.535 Jugendliche wurden in berufsvorbereitenden Maßnahmen an verschiedene Berufsprofile herangeführt. Insgesamt befanden sich zum Jahresende 2002, zählt man alle Ausbildungsjahrgänge zusammen, 9.258 junge Menschen in einer Berufsausbildung oder -vorbereitung bei der RAG. Mit 2.380 Ausbildungsplätzen ist

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innerhalb des RAG-Konzerns nach wie vor die Deutsche Steinkohle AG (DSK) der größte Ausbilder für den eigenen Bedarf.

An zehn Standorten im Ruhr und Saarrevier sowie in Ibbenbüren befanden sich im Jahr 2002 insgesamt 2.380 junge Menschen in der Ausbildung zu einem von 24 Berufen. Spezielle Angebote wie die Kombination von Ausbildung und Studium in einer beschleunigten Kompaktausbildung mit Fachingenieurabschluss gewähren interessierten Bewerbern weiter gehende Zukunftsperspektiven. Im RAG-Konzern werden derzeit rund 70 Ausbildungsberufe angeboten. Die am häufigsten gewählten Berufe sind nach wie vor Industriemechaniker und Energieelektroniker, doch Berufe aus dem Bereich IT wie IT-Systemelektroniker oder IT-Kaufmann haben in der letzten Zeit deutlich aufgeholt. Unabhängig davon, für welchen Beruf sich ein Auszubildender letztlich entscheidet, kann er stets sicher sein, dass sich ihm durch die hohe Qualität der Ausbildung beste Zukunftschancen eröffnen. Gute Perspektiven für Jugendliche bieten auch die berufsvorbereitenden Maßnahmen der RAG BILDUNG GmbH. Das Unternehmen der RAG engagiert sich mit einem vielfältigen Angebot in Strukturschwachen Regionen mit hoher Jugendarbeitslosigkeit, z. B. in Ostdeutschland. Für die Teilnehmer enden die Lehrgänge zur Berufsvorbereitung in der Regel mit großem Erfolg. Der überwiegende Teil der Mädchen und Jungen, die von RAG BILDUNG für den Start ins Berufsleben fit gemacht werden, findet im Anschluss an die Maßnahme einen Ausbildungsplatz.

Über das so genannte RAG personalClearing werden deshalb auch innerhalb des Konzerns Mitarbeiter vermittelt. Seit 1991 haben bereits 2.800 Beschäftigte von dieser Möglichkeit Gebrauch gemacht. Die Mitarbeiter können nicht nur an Stellenangebote reagieren, sondern auch selbst Stellengesuche aufgeben und sich so nach einer neuen Tätigkeit im RAG Konzern umsehen. Dies gilt ebenso für die Führungskräfte des Bergbaus, die über einen Personalentwicklungspool auf neue Aufgaben im Konzern vorbereitet werden.

Der Konzern hilft zusätzlich bei der Jobsuche. Wichtige Unterstützung leistet dabei der JobExplorer, ein Stellenvermittlungssystem auf der Basis des Internets, das RAG BILDUNG 1999 für die DSK entwickelt hat. Sämtliche Mitarbeiter des deutschen Steinkohlebergbaus wurden und werden seitdem zu ihren speziellen beruflichen Kenntnissen, Fähigkeiten und Neigungen befragt.

Es ist schwer alle diese Ideen in Rumänien zu applizieren. Die Finanzfähigkeit Deutschlands ist viel höher als Rumäniens, aber Deutschland gilt als einen guten Beispiel für alle Länder die einen Strukturwandel der Industrie erfahren.

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THE TOURISM MARKET IN ROMANIA

ALEXANDRU NEDELEA *

ABSTRACT: *The Romanian international touristic demand registers a diminuation tendency due to some causes such as: the low quality level of the offered touristic services, the touristic services non-diversification, the reduced amusement possibilities. The Romanian tourism promotion strategy is structured at three levels: national (the Ministry of Tourism), local (the regional promotion associations), micro (the touristic operator`s).*

KEY WORDS: *market, demand, tourism, strategy, the touristic operator`s, patrimony, quality level*

The Romanian international touristic demand registers a diminuation tendency due to some causes such as: the low quality level of the offered touristic services, the touristic services non-diversification, the reduced amusement possibilities.

The internal touristic demand registered a diminuation tendency caused by the low sales power of the population and a lack of correlation between the practised tax levels and the service qualities.

Some of the possible ways of tourism relaunching constitutes the elaboration of some efficient marketing strategies and politics starting from a marketing environment analysis.

In order to conceive and promote a competitive Romanian touristic product the adoption of a quality rise strategy is essential. In Romania the Q Mark National Application Program was conceived.

On the local market we notice the horizontal integration (concentration) phenomenon manifestation which is concretized in some hotel chains development.

The Romanian tourism promotion strategy is structured at three levels: national (the Ministry of Tourism), local (the regional promotion associations), micro (the touristic operator`s)

We recommend to the Bukovina receiving structures to promote some small prices for minimum services offered to attract tourists at the destination, and here to determine them to spend more money by offering them some supplementary services.

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The Romanian tourism success depends on conceiving and applying a positive-aggressive marketing by creating regional promoting strategies and building some powerful brands to impose themselves on a market characterized by a fierce competition.

Among the countries from the East and Center Europe, Romania is considered the country which possesses the richest and most varied natural touristic resources created by man and this gives a great disposability for tourism. The general secretary of the International Tourism Organization states that: "Such a country which owns the Danube Delta, the Black Sea, The Bukovina monasteries could live and prosper from tourism only."

Like any strategy, the analysis of the activity domain taken into consideration and the final objectives of the estimated changes for a certain period of time are two essential moments of the strategy in the tourism domain.

Without any notable exceptions the Romanian specialists and the foreign ones agree upon the fact that the Romanian tourism potential could compete with the touristic supply of any other country in the world thus significantly contributing to the income growth.

Let's remember that in the 60s Romania was a successful touristic destination especially due to the Black Sea. The regress started with the comunist national isolation. Its fall has not brought the supposed good changes and today the tourism Romanian industry is measured by a series of parametres which explain its peripheral position in international context.

The economic, social and political context of the period after 1990 has not been one that contributed to the Romanian tourism development. Today, the Romanian hospitality industry confronts itself with problems such as: the decline of the internal and external touristic demand, an old touristic product, the low standard in the services which do not satisfy the tourists' expectations, the payment and too high prices compared to the quality of the services, an insufficient promotion.

Moreover after 1989 because of the population low income level a restructuration of the consumption priorities took place and this did not favour tourism.

The foreigners' perception upon accommodation, upon prices, is for Romania lower than in the case of Turkey and Greece. They consider that our country is deficitary because of the too high taxes for a reduced range of services.

One of the reasons of the touristic demand decrease is the Romanian hotel keepers' tendency to increase the price of the services when the number of clients become less. Generally the Romanian tourism managers not often proceed to cost analyses or market research.

Moreover, the visa elimination for the Romanians who travel in the European Union countries – starting with January the 1st – implies the destination modifications preferred by the Romanians.

The international touristic demand registered a diminuation tendency due to some causes such as the relatively low level of the touristic services, the touristic program nondiversification, the reduced amusement possibilities.

The official satisfactions regarding the *external touristic circulation* offer data whose relevance is relative as they register also the persons who practice frontier traffic .

In the future it is believed the number of the foreign tourists will rise due to the invitation for our country to adhere to OTAN but also because Romania is considered an attractive country. This is very important if we take into account the general situation on the tourism international market, in the case of Middle East for example the situation is different.

We consider that as far as the Romanian hospitality industry is concerned is the elaboration of some marketing strategies to contribute to the internal market flourishing.

As far as the internal market is concerned we can notice a *migration tendency of the touristic demand towards the touristic products import* which reflects the spectacular growth of the number of voyages made by the Romanian tourists abroad. Here we must draw the attention towards the “pseudotourists” proliferation, that is of those persons who travel abroad with purposes which are connected to their jobs and who actually cannot be considered tourists at all!

The adopted marketing strategies must presuppose regaining the touristic market which has been lost in 1980-1989: Germany, France, Belgium, Holland, USA, Canada etc.

Nowadays the major touristic reasons which attract the foreign tourists in Romania are The Black Sea, The Carpathians, bussiness activities, cultural-historical circuits (such as the monasteries from Bukovina).

Without any fiscal facilities, without the privatisation of the patrimony in tourism, without an aggressive provocation, without quality services, without a modern infrastructure, the Romanian tourism remains a perpetual chance.

It is certain that for Romania tourism represents a great opportunity which must be exploited at the beginning of the third millenium.

One of the possible ways of tourism relaunching constitutes the elaboration of some efficient marketing strategies and politics starting from a marketing environment analysis.

This must presuppose:

- the rise of the services quality level offered to tourists especially for the services where it is required their diversification;
- the enlargement of the Romanian tourism agencies supplies in order to succeed in drawing the attention of a greater number of tourists ; this is how the focus will be on the introduction or the conception of some touristic products to correspond to the motivational tourist profile;

- redimensioning the connection between the service quality and their price such as to be justified all the taxes;
- the intensification of the touristic products and actions of service promotion choosing modern ways to promote like the Internet; this is how the possibility of tourists information on the touristic services is created.

Unfortunately, as a Horwath British firm specialized in consultancy has pointed out, Romania is for the foreign tourists “an expired touristic product, an inadequate offer for time spending, which reflects the lack of investment.”

Thus Romania has reached an expensive touristic destination.

The Ministry of Tourism has established a series of strategical objectives at the national level:

- the improvement and the touristic product consolidation in those areas, stations, localities, which are the most familiar for the Romanian and foreign tourists and where there is already a certain structure;
- the development and modernization of the touristic product in such a way that Romania would distinguish itself from another countries;
- the rise of the standard level of services in accordance to the touristic category and the used payment.

Therefore we can adopt four main types strategies of the Romanian touristic product:

- As far as the *differentiation strategy* is concerned we believe that it is recommended to have as a starting point the originality through which the Romanian tourism must be characterized without being able to compete with the experienced countries.

In order to confer originality to the touristic products we recommend the combination of the circuits and sejours in the mountain area with those from the Danube Delta, Bukovina, Maramureş, the Black Sea, the balneoclimatic stations, the center of Transylvania, the monasteries area in the north of Oltenia etc.

- Adopting a *diversification strategy* in the hospitality industry in Romania presupposes the demand satisfaction of more tourist segments by conceiving some varied touristic activities and forms.

If we take into consideration the varied and complex character of the native touristic potential we consider that the following could be particular touristic products:

- the seaside sejour,
- the mountain and cultural circuits the rural tourism,
- ecotourism (the green tourism),
- the bussiness tourism,
- the sports practising tourism, and other sports and activities,
- the scientific tourism etc.

- As far as *the quality growth strategy* we could mention the existence of *the Q Mark Application National Program* which has criteria allowing the full quality measure and of all factors which can assure a high degree of client satisfaction.

The recommended system has in view the valorification of some associations from the hospitality industry to promote quality marks. In order to become members of such an association the operator should respect a certain quality standard.

The association will have to respect a certain quality standard. Its members will own a quality mark which will certify the existence of a certain standard. That association will also have the role to promote this mark and the touristic structures.

The Romanian Touristic Products

In the last two years a series of new touristic products have been launched by the Tourism Ministry. Thus, the social programs were generally successful. "The Sun Children", "May the 1st at the Seaside" "New Year's Eve in Romania", "Holiday in the countryside", "A Cruise on the Danube Delta", "Dracula Park" have been appreciated by the Romanian tourists.

Within the product politics of Romanian tourism units there must be achieved a growth of the touristic valencies by means of:

- the growth of service qualities and the confort degree of the touristic structures;
- completing the complementary services (sports, international telephony, cable television, aerobics gym, conference halls etc.);
- including within the touristic products of some new touristic activities, except the regularly ones: river-rafting, trekking, skating etc.;
- the diversification of some activities: cultural-artistic manifestations, traditional holidays specific to a certain geographical area, folk programs, taking part in the local people's activities, various and attractive trips etc.

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THE NECESSITY OF ACHIEVING THE INTERNAL AUDIT OF THE PUBLIC BODIES

VASILE POPEANGĂ, TEODORA VĂTUIU *

ABSTRACT: *Reforming the public bodies of a country is the hard core of any economic reform. In this paper, through public bodies we understand public authorities, public institutions, national companies and societies and public corporations. Internal audit is the first tool of the top management of the public body in examining the whole decision making system (strategy and tactics), the efficiency, efficacy and economical aspects of every operation and decision.*

KEY WORDS: *internal audit, public bodies, objective, financial products*

NECESSITY OF THE INTERNAL AUDIT OF PUBLIC BODIES

Internal audit of the public bodies is a functionally independent and objective activity which gives assurance and advise for the top management about good administration of public funds and public expenditures. Internal audit first objective is to help the public body to achieve its objectives, by:

- Improving activities;
- Building procedures;
- Securing procedures;
- Seizing opportunities and prescribe recommendations.

Internal audit has been imposed as a compulsory activity in the field of public finance of the European Community, because of the globalization of public financial services.

If the social and unemployment insurance system, the health insurance system, the industrial structural adjustment programs, sustained from public and communitarian funds, may be considered as merchantable financial products, then these products must have four essential characteristics:

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- Standard design;
- Fitted for the most flexible administration,
- A convenient and comfortable relation between the “purchaser” and the “supplier”;
- Protection against fraud.

Internal audit focuses on the internal control system of the public body, for a reasonable appreciation of the quality and the performance of the management, related with the public body’s objectives.

Thus, identification of all of the public body’s objectives is a task quite difficult. For any private economic body, having any kind of legal form of organization, the main objective is the profit.

For a public body, the objectives may be very different, depending on the field or the branch of social activity in which the public body activities, as well as its organization (the public body acts in an autonomic manner or as a decentralized structure of a governmental body).

Management performance evaluation becomes a necessity when public bodies are financed from public revenue formed from taxes that, in most civilized countries, goes beyond 40% from gross domestic product.

Generally, the activity of the public bodies is examined in external audit missions, made by the supreme audit institutions of every country (for example, the Court of Accounts).

However, a well-known truth states that the supreme audit institutions are examining “dead phenomenon”, past fiscal years and closed operations. Only internal audit can face a concomitant examination of an operation or an activity, being the fastest tool for top management of the public body, which can collect and synthesize data, provide unbiased information and make first recommendations.

Internal audit examinations are considered to be ex-post when are related to operations and concomitant when are related to the public body’s activities. Main results of the internal audit examination concern risk identification, and recommendations for risk response actions, procedures and plans.

REAL ECONOMY AND ALLOCATION ECONOMY

A major request of the development of the informatics society is the automation of the most complicates system of administrative data processing of an economy and more precisely the administrative data processing from the budgetary activity. The execution of the budget consists in the sales of the incomes and the accomplishment of the spending acknowledged by the legislative forum.

The achievement of an adequate informatics system comes in the auditor’s support, which has to give its verdict in a real time on what concerns the justifiability and the opportunity of the administrative data processing of the public money.

Analyzing the nature of the relations and flows inside and outside the national economic spaces, contemporary economic theory makes a clear difference between real economy (or exchange economy) and public economy.

If the exchange economy comprises real, monetary and financial flows, generated by the relations of exchange, production, consumption, distribution, property, labor, and so on, public economy comprises flows of distribution of the public income, as drawings from the income realized in the exchange economy, established through public decisions, and monetary flows connected with the relations of financing the deficit of the public budget.

After the public income is re-distributed on every destination, those funds are depersonalized, being used for covering the public needs, offering public utilities to all social subjects.

Internal audit must examine the way in which the public body- as an operator in both the public and exchange economy – uses the monetary and financial flows, the forces and the rules of the market, in achieving its objectives.

In addition, a task of the internal audit is the process of adjusting the needs and resources, realized, at all levels, by decisions and constraints of public authority. Those decisions are, themselves, object for the internal audit examination. Through the internal audit missions include auditing of the projects of budget, of the budgetary execution, concessions and public acquisitions, spending the communitarian funds, and so on.

CONTINGENCY AND CONFIGURATIVE APPROACH

Classic management approach of public bodies strives to explain that maximizing the efficacy of the organization depends on mutual harmonizing of its activities, policies and projects. The disadvantages of this approach are materialized, at the top management level, in inappropriate decisions; inadequate to the complex reality, by taking into account only a few variables and simplistic relations between them (linear or proportional).

Today's environments in which public bodies must operate do not rely on one strategic project, but several parallel initiatives that must combine to meet their objectives.

In fact, today's official, political and financial commitments impose that the management of Romanian public bodies must face, to accomplish their objectives, both operations (ongoing and repetitive) and projects (temporary endeavors undertaken to create unique products or services or to respond to requests that cannot be addressed within the organization's normal operational limits.) With decentralized and global work forces, projects must coordinate the efforts of multiple cross-functional teams operating in different environments. In this dynamic environment, traditional models of managing and organize the public bodies stagger, and project-based organizations thrive.

Project management relies on temporary adaptive structures, resulting from the dynamic interactions of the organization's environment variables and intra- or over organizational strategies. The evolution of a project-oriented organization is a succession of sequences of punctual equilibrium points, synthesizing the influence of a great number of variables.

As the first counselor of the top management of the public body, internal audit must adapt its procedures and techniques to the project context. In that case, internal audits may reveal the real causes of failure, prevent failure of projects through proper and operative recommendations, and improve project processes. For capital projects, together with revisions, internal audits must be performed after each work package from the Work Breakdown Structure and/or after each project phase.

STRATEGY AND TACTICS, EFFICIENCY AND EFFICACY

Functional structures or cross-functional and adaptive structures of the public bodies must be examined by internal audits, as methods for fitting the organizations to achieve their objectives. The complex environment, in which public bodies must perform their activities, and the increased complexity of the objectives they must accomplish, imposed frequent changes of their structure, to face the challenge of "shooting at moving targets".

Strategic changes of the objectives of public bodies often translate into changes of functional structures. Observations suggests that in a public body of any size, three to five years are necessary for the new organization to settle down and people to become comfortable with it. Well-defined strategic decisions avoid frequent changes of strategy. Actual responses to those risks are the adaptive structures.

Internal audit must examine both strategy and tactics. Tactical decisions can only be successful if they are made within the context of the strategic plan. Public bodies are created to carry out long-term general economic and social functions, thus, when examining the viability of actual performing actions, internal audit must emphasize the strategic context.

Efficiency is defined as a ratio between results and the cost of the resources used to obtain these results. Efficacy is defined as the degree in which stated objectives are fulfilled and as a relation between expected impact and effective impact of an operation and/or activity. As Paul Drucker stated, is more important to do well something that we intend to do, than to do well anything else.

INTERNAL AUDIT IN COMPUTER INFORMATION SYSTEMS ENVIRONMENT

Most of the administrative and financial functions of the public bodies are supported by computer information systems (CIS). Internal audit must provide detailed

knowledge of CIS used inside the public body, which data and decisions flows are supported by CIS, what is the actual paper circuit provided by CIS.

Besides the case when the object of an internal audit missions is the CIS itself, knowledge about CIS is a part of data gathering audit procedures.

The subjects are the set of requirements of the users of the CIS, the application system that should conform to these requirements and the software and hardware for the input, storage, processing, display, output and communication of data.

Risk evaluation in CIS environments includes:

- Lack of audit proofs for some operations, if the CIS is not properly designed;
- In case of programming bugs or other malfunctions, uniform processing of the same operations can conduct to error propagation in the processed data;
- If the access procedures of the CIS are not properly designed, this may lead to unauthorized access and the lack of separation between execution, control and authorization of the operations. In manual procedures, distinct individuals perform these actions;
- Errors and irregularities of data, due to human misuse and/or operating errors. This risk can be limited if the CIS provides procedures of validating data and is fault tolerant. In some cases, such errors can lead to system failures;
- Batch processing provides insufficient audit proofs;
- Manual control procedures depend upon correctness and accuracy of computer processing;
- CIS procedures can offer tools for analytic and synthetic management controls. The efficacy of those controls depends upon the accuracy of the data provided by the CIS.

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L’EVALUATION DE L’EXCEDENT OU DU DEFICITE BUDGETAIRE

MIRELA POPESCU *

RESUMÉ: *Dans cette œuvre se présente les principaux notions concernant l’exécution du budget, la relation entre les ressources financières et leur destination qui peut indiquer un état équilibre, un excédent budgétaire, ou un déficit budgétaire.*

MOTS CLEF: *budget, ressources financières, revenus est dépenses, l’excédent budgétaire, le déficit budgétaire, le budget équilibre .*

Au cadre de l’exercice financier, sous la direction et responsabilité de l’ordonnateur principal des crédits, dans les conditions de la Loi concernant les finances publiques et de la loi budgétaire annuelle, on élabore, on approuve t’on exécute le budget local.

Exécution du budget finit en 31 décembre chaque année

Tout revenu qui n’a pas été encaisse et toute dépense qui n’a pas été effectuée jusqu’a 31 décembre sera paye, selon le cas, dans le compte du budget d’année prochaine.

Les crédits budgétaires, qui n’ont pas été utilises jusqu’a la fin d’année, sont annules.

Les ordonnateurs principaux des crédits sont légalement responsables de:

- a. l’utilisation avec le maximum efficacité des crédits budgétaires
- b. la réalisation des revenus
- c. l’utilisation efficacité des sommes reçues du budget d’état
- d. l’intégrité des biens reçus par unité qu’il conduit
- e. l’organisation et l’actualisation de la comptabilité et la présentation, quand c’est le cas, des justifications sur les budgets

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A l'aide de la comptabilité budgétaire et des documents évidence comptable budgétaire on rédige des bilans comptables trimestriels ou annuels dans lesquels on met en évidence les revenus planifiés et réalisés, les dépenses planifiées et réalisées, l'excédent planifié et réalisé ou le déficit planifié et réalisé d'un budget local.

Après la fin d'année, à l'aide des données du bilan comptable et du compte annuel exécution du budget local, on établit et on analyse la manière d'exécution du budget respectif pour année budgétaire expirée.

Le compte annuel exécution du budget local comprend:

1. pour la partie des revenus: des revenus groupés dans des chapitres et des sous chapitres
2. pour la partie de dépenses: des dépenses groupées dans des chapitres et des sous chapitres en mettant en évidence les crédits et les dépenses effectuées
3. excédent ou le déficit budgétaire, et, dans la situation où la somme des revenus est égale avec le total des dépenses effectuées, le budget est équilibré

2. EXCÈDENT BUDGÉTAIRE

La relation entre les ressources financières et leur destination peut indiquer un état équilibré, un dépassement des dépenses par les ressources – excédent, ou un dépassement des ressources par les dépenses – déficit

Si les budgets déficitaires sont critiqués par de nombreux économistes et hommes politiques et tolérés involontairement, les budgets excédentaires ne sont pas, non plus, très favorablement caractérisés.

L'appréciation d'un excédent budgétaire peut être nuancée en fonction des facteurs qui l'ont généré. En principe, excédent budgétaire peut être le résultat de la réalisation de revenus au-delà des estimations ou des dépenses moins que prévu

Dans le premier cas, il est le résultat de la productivité supérieure du travail, de la réduction de la consommation de matériaux, de la valorisation des matières premières et des matériaux, de l'utilisation de la capacité de production etc dans des meilleures conditions que ce qu'on a prévu lors de la rédaction du programme et du budget.

Dans le deuxième cas, excédent est le résultat de la réalisation de certains objectifs ou actions: constructions, modernisations et réparations de routes, systématisation et urbanisation, le développement de l'enseignement et de la culture avec une consommation réduite de matériaux et ressources, sans affecter les paramètres qualitatifs et quantitatifs.

En réalité, on rencontre des situations quand les ressources qui n'ont pas été utilisées, à cause de la réalisation des objectifs pour lesquels on les a prévues

Dans tous les cas mentionnés, les ressources monétaires restées utilisées, qui se trouvent à la fin d'année sous forme excédent budgétaire, ne sont pas disponibles.

L'apparition d'excédent budgétaire constitue un indice pour remarquer que, dans l'exécution du programme économique on a commis des fautes ayant un effet économique positif ou négatif. Cela exige une analyse approfondie des causes et des mesures pour éliminer les défauts et les difficultés.

Un budget local peut se trouver dans n'importe quelle situation des celles présentées ci-dessus:

- a. équilibre
- b. excédentaire durant tout l'exercice budgétaire
- c. excédentaire durant les trimestres et équilibre à la fin d'année

Dans les tableaux suivants, on présente ces situations:

Le budget équilibre					
Trimestre	I	II	III	IV	Total
Revenus	1000	1500	1500	500	4500
Depenses	1000	1500	1500	500	4500
Excédent	0	0	0	0	0

Le budget excédentaire durant tout l'exercice financier					
Trimestre	I	II	III	IV	Total
Revenus	1500	2000	3000	2000	8500
Depenses	1000	2000	2500	1500	7000
Excédent	500	0	500	500	1500

Le budget excédentaire/déficitaire durant les trimestres et équilibre à la fin d'année					
Trimestre	I	II	III	IV	Total
Revenus	1000	1500	1500	500	4500
Depenses	800	1700	1000	1000	4500
Excédent	200	-200	500	-500	0

Excédent annuel du budget local qui résulte à la fin de l'exercice budgétaire, est reparti de la manière suivante: le remboursement des emprunts éventuels des années précédentes ou d'année actuelle et le paiement des intérêts qui en proviennent, la constitution du fond de roulement propre cumulé dans la limite de 5% des revenus propres, y compris la cote des sommes divisées de certains revenus du budget d'état réalisée par le budget propre dans l'année en question, des paiements au fond de la trésorerie du département en conformité avec les normes méthodologiques approuvées par l'ordre du Ministère de Finances Publiques.

3. LE DÉFICIT BUDGÉTAIRE

Le déficit budgétaire est devenu un phénomène caractéristique du monde contemporain.

Le déficit budgétaire est caractéristique pas seulement des pays développés mais aussi de ceux moins développés. Plus leur développement est faible plus ils arrivent difficilement à faire face aux besoins de fonds en utilisant leurs propres ressources. Les facteurs qui déterminent l'augmentation du niveau des dépenses d'une année à l'autre sont expliqués par l'influence différente des conditions économiques, sociales, politiques, organisationnelles, par les objectifs de la politique interne du gouvernement.

Parmi ces facteurs on peut énumérer:

- facteurs démographiques
- facteurs économiques
- facteurs sociaux
- facteurs militaires
- facteurs historiques et politiques

Pour couvrir les dépenses budgétaires on fait appel à des diverses situations:

- réexaminer les revenus afin de les majorer
- réexaminer les dépenses afin de les diminuer
- augmenter les cotés impôt et introduire des nouvelles cotés
- emprunts contractés sur la marche interne et externe

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INFORMATIC SYSTEM OF FINANCIAL MANAGEMENT

MIRCEA PREDA *

ABSTRACT: *The financial management of an economic activity is one of the most important tasks as part of the Financial Accountancy function. The management of the relations with Customers and Suppliers holds an important place in this activity.*

The large number of both Suppliers and Customers and also the object and the relationship conditions between the Economic Agent and then make it a rather intricate problem.

KEY WORDS: *informatic sistem, financial management*

1. PROBLEM PRESENTATION

If we take also into account the quantitative aspects, such as:

- Number of customers;
- Number of suppliers;
- Number of invoices issued or received;
- Number of Notices of Receipt and Advises of Dispatch;
- The number of positions and operations they are subject to;
- Number of intermediary documents to be made out according to the Accountancy Law: Purchase Journal, Sales Journal, Suppliers/Customer Record Cards, VAT Journal and other documents required for relationships management;
- Number of operations the above mentioned information is subject to, we come up to impressive figures to be calculated, manipulated, recorded and managed by people under the current legislative conditions.

Many of these elementary operations are simple and entail simple operations, transcriptions accounts but, at the same time, they require care, responsibility, record-keeping and expertise.

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If these operations are not done according to established norms and agreements, suspicions and lack of trust may arise between partners and their creditworthiness diminishes or is lost and this eventually results in the decrease of turnover and their being ousted from the market.

The System of Financial Management has been developed in order to solve the above mentioned activities in better conditions by reducing routine operations, improving performance speed, quality of record-keeping and efficiency.

2. THE GOALS OF THE SYSTEM

The system ensures the management of relations among partners from the angle of connecting informational elements: invoices, notices of receipt, advises of dispatch and by considering the manner the relations between partners unfold by means of settlements of accounts.

Moreover, the system enables us to manage the relation between administrator and managers, by a system of value settlements of accounts. In order to attain these objectives, the specific activities have been structured in a simple and suggestive menu presented below.

3. THE MAIN SYSTEM MENU

The main menu is the connection element between the user and the Financial Management System. It enables the user to choose the group of activities he wants to carry out next. Selecting is simply done by using the navigation arrows (↑↓) followed by Enter or Hot Keys (Bright Lights) or using the mouse.

After having selected the desired option and Enter has been pressed a new specific menu is opened out of which the desired option, or group of options, is selected if the option ends with “▶”. Leaving the current menu is done by pressing the keys “ESC” or choosing the option “Terminate”.

The main menu structure is the following:



The role significance and the operation mode of each option is shown below:

- *Invoices* – contains a large number of activities that ensure the management of relations with suppliers and customers: updating invoices, settling them up, consultation, occasional and regular services, the balance of invoices described in 3.1.
- *Receptions* – comprises activities specific to updating receptions, visualizing the main bases, generating reception centralizer, consultation and special services described in 3.2.
- *Managements* – comprises activities specific to the management of administration–manager relations and includes: updating management entries, sales (by settling up) and drawing up management reports described in 3.3.
- *Exit* – is the option that signifies dialogue ending with SGF after which the relation with the Operation System is established.

3.1. INVOICE SUBMENU.

It ensures the activities of updating invoices, their settling up, consultation, special services and balance of invoices through the following menu:



3.1.1. UPDATING

It activates the activity of updating invoices, which implies collecting the information necessary to their management in a simple and convenient form. The system accepts using the same computing instrument of managing the issued and received invoices by stating the type of invoices transmitted at the present moment:

- P – received invoices
- E – issued invoices

Communicating the necessary information is done by means of the invoice updating screen whose structure is shown below:

```

Actualizare Facturi
-----
Unitatea: AF PREDĂ MIRCEA SOFTWARE
                ACTUALIZARE FACTURI
Tip facturi[P/E]: Initializare Inregistrarea Urmatoare:D
Client   : S SC GOSCOMLOC SA
-----
          Factura      : 595096
          Data facturarii : 12/01/2004
          Termen de plata in zile : 0
          Valoare fara TVA : 1000000.0
          Valoare TVA : 0.0
          Total de achitat : 1000000.0
          Magazin : 1
-----
<Cu ESC Terminati !> Este bine [D/N] ? D
-----
P&M
  
```

The user communicates to the system the information managed by the system with the following significance and features:

- *Invoice type* – the type of invoices transmitted in this dialogue; P or E
- *Initialization of the next record* [Y/N) :
 - D - the fields updated at the end of each invoice are initialized.
 - N – the information of the previous invoice is stored, it is useful for the invoices issued when the invoice number and invoicing date are stored.
- *Customer* – the first letter of the customer's name is punched, then a list of the partners beginning with the requested letter is provided, after which the desired partner is located. The navigation arrows (up, down) can be used for selecting and then Enter must be pressed . If the partner does not exist, the key Home is pressed and the record " Add " is located and then the partner updating operation is started for which the requested information is transmitted without modifying the code, afterwards the keys CTRL+W are punched for resuming the current position.

- *Invoice* – the invoice number is entered, if it exists in the data base it is transferred into the modification mode of the available information.
- *Invoicing date* – is the date of invoicing under the form *dd/mm/yyyy*
- *Term of payment in days*: in relation to the invoicing date, if entered, reports can be requested depending on the date . Which are the invoices to be settled up in the x-y period ;
- *Unincluded VAT* – invoice value without VAT is introduced.
- *VAT value* – the VAT value from the invoice is filled in;
- *Total amount* to be settled is automatically computed by summing up the above values.
- *Shop* – the code of the shop the merchandise was distributed to is filled in. Is it right [y/N] ? the answer is Y if it is right and N if it isn't right .

Note 1. Is the user consulted if the invoice is settled up ? if the answer is “ y “, the settlement of accounts updating screen is activated and then we return to the following invoice .

Note 2 When the invoice updating operation is completed the key ESC is pressed .

3.1.2. SETTLEMENT

It makes possible to settle up invoices in order to establish balance per invoice, partner, month.

The invoice can be settled up in several installments and in various ways (by Cheque, Receipt, Pay Order, Compensation) lending the system a great deal of flexibility and convenience in the process of managing the above documents and also of managing invoices .

The structure of the updating screen is given below.

Decontare Facturi	
Unitatea:	RF PIEDA MIRCER SOFTWARE
DECONTARE FACTURI	
Client :	7477865 SC GOSCOMLOC SA
Decontare	
Termen de plata in zile:	0
Valoare fara TVA :	1000000.00
Valoare TVA :	0.0
Data facturarii :	12/01/2004
Total de achitat :	1000000.0
Magazin :	1
Factura:	595096
Nr. document:	561214
Tip document:	CHI
Data :	20/01/2004
Suma :	1000000.00
este bine (D/N) ? D	
Suma restanta: 1000000.00	
P&M	

- Invoice Settlement

It is a double-structured screen, on the right there is the information relevant to the settlement and on the left there is the information relevant to the account which makes it possible to check quickly the operation to be done.

The significance of the fields is the following:

- *The Invoice* – the number of the settled up invoice is punched, unless there is a window displayed with invoices arranged to current balance number.
- *Document number* – the settlement document number is given.
- *Document type* – the type of settlement document is given (Cheque, Receipt, Pay Order, etc) which makes it possible to manage settlements better according to type . Appended to the receipt the document series can be printed if necessary;
- *Date* – the date of settings up under the same form dd/mm/yyyy.
- *Sum* – the settled up amount. Is it right [Y/N] the answer is Y or N according to whether the information is correct or not.

Note 1. The cycle of settlement updating is repeated until the key ESC is punched.

3.1.3. CONSULTATION

It is the most widely used system function that ensures the retrieving of information from the Data Base and displaying or printing it in various forms-as a rule the most necessary and useful ones for the accountancy activity, while for other forms or types the assistance of the author is requested.

This function ensures the filtering of information from the data bases, ordering it eventually centralizing and correlating it in accordance with the type of report requested and with the parameters provided by the user.

In drawing up the reports the user's assistance is requested in order to accurately establish the conditions of solving the demand the list type requested or the choice of report ordering.

The destination of the report made is established by the user through a standard menu which can be found at: the network printer, in a file, at the Local printer or Subscriber.

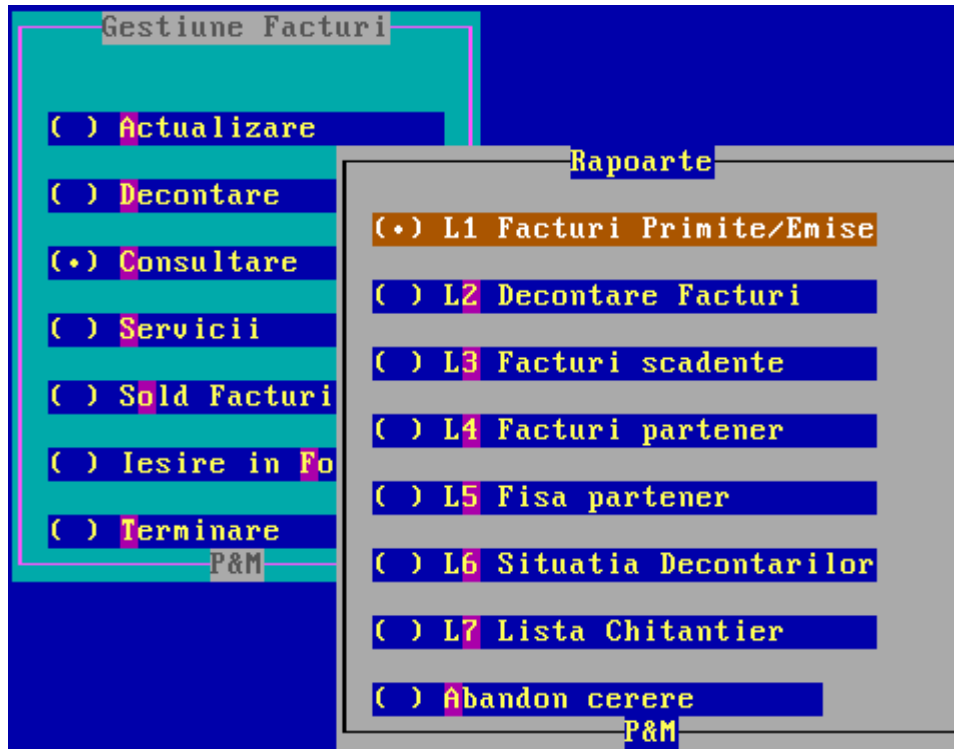
The structure of menu is the following.

3.1.3.1. L1 ISSUED/RECEIVED INVOICES

It allows making a list of issued or received invoices, which have or haven't been settled-up also of all the invoices made in a time interval and ordered according to date, partner or invoice number.

In order to draft the report, the following parameters are required:

- Invoices Issued/Received [I/R];
- State [T/D/N]-state of requested invoices



- T-all invoices
- D-those settled up
- N-those which haven't been settled up
- Time interval requested for invoice date, defined by:
 - Inf Date-date at the beginning of the interval
 - Sup Date- date at the end of the interval
- How to order {D/P/F} established the order of invoice presentation:
 - D – according to the invoicing Date
 - P – according to the Partner's name
 - F – according to the Invoice number

Note.1. On the message line the requested parameter is explained.

3.1.3.2. L2 SETTLEMENT OF INVOICES

This function retrieves from the data bases the specific parameters defined with the above significance, while additionally two listing variants are offered:

- U – list per unit
- G – list per managements

3.1.3.3. L3. MATURE INVOICES

This function retrieves the invoices to be settled up in a future period of time depending on the settlement term in days and the invoicing date. The significance of the parameters used is the same as in L1.

Note.1. The report is arranged on days and invoices and has a total per day and a general total that enables the administrator to prepare the action required for fulfilling his engagement.

3.1.3.4. L4 INVOICES AT THE PARTNER

It retrieves from DBF's required in the interval of time for one or several partners, marking the desired partners is done, putting INS on 1 at the desired partners, who are ordered alphabetically.

After marking, CTRL+W or ESC is pressed, after the cursor has been shifted from the last marked partners.

Note1. A total per partner is made and at settlement only the latest payment document is presented.

3.1.3.5. L5 PARTNER FILE

It prepares the file of a partner where all the invoices and settlements can be checked, and additionally the balance evolution per each invoice is presented. Eventually, the balance per partner and the general total is presented: sum total invoiced, settled and the balance due.

3.1.3.6. L6 THE SETTLEMENT SITUATION

It retrieves the settlements made in a given period and it offers two variants of presenting results:

- List 1 - unstructured - arranged per type of settlement document and settlement date with total amount per day and document types;
- List 2 – structured in two zones – invoice settlement in the previous period and invoice settlement of the current month.

The information is put in order according on the level of document type, period and report.

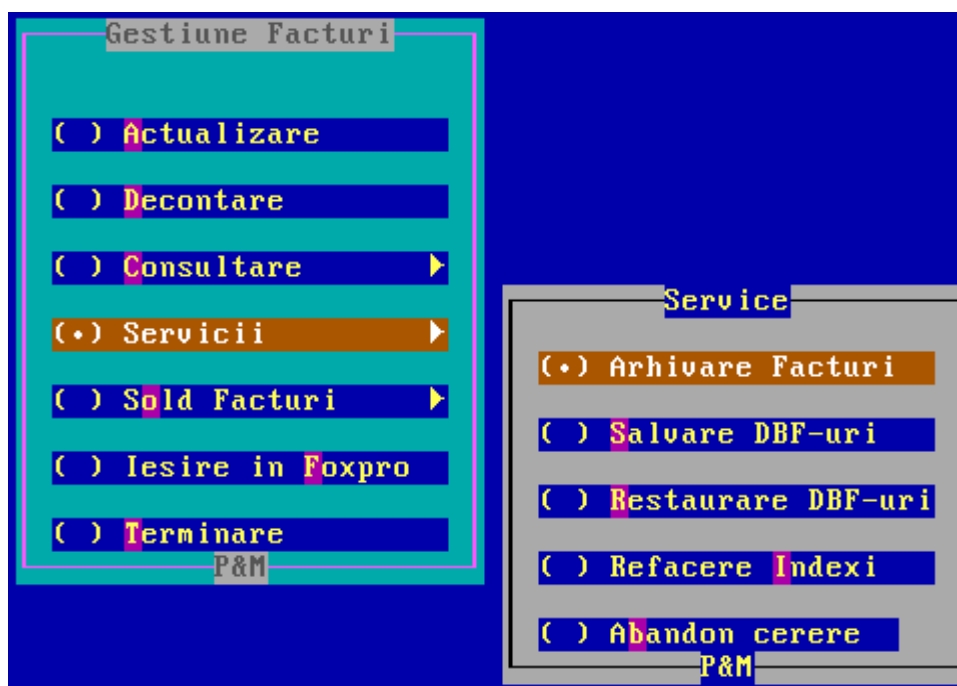
3.1.3.7. L7 RECEIPTS LIST

It retrieves the payment documents whose number is comprised within an interval given by the user and which are ordered according to the document number. It allows checking the payment documents.

3.1.4 SERVICES

This option comprises activities that ensure improved system reliability, security of the main information stored or spotting certain incidents of the index alternation type.

The main actions specific to the option are:



- Invoice archiving – it allows keeping archives of invoices and of the settlements due to them for a specified month. The saving mode is requested:
 - T – All: balance – free invoices in the solicited month settlement.
 - D – Settlement in the required interval it is useful for older variants when only invoices were kept in the archives.
- DBF saving – it saves only the main bases of the system. Implicitly the floppy disk is solicited but saving I can be made on the hard disk in a directory chosen by user. The acceptance for saving each base is requested and finally the archiving result is displayed;
- Reindexing – it remakes the indices afferent to the data bases and displays the result. It is useful when indices have been altered as result of incidents.

3.1.5 INVOICE BALANCE

It offers the possibility of generating the balance for the issued or received invoices each month. The generation equation is observed:

$$\textit{Preceding balance} + \textit{current entries} - \textit{current settlement},$$

and their listing.

These functions allow the preceding balances to be remade, an aspect which does not result from the current balance provided by the other reports, The structure and significance of the corresponding menu is:



- *Invoice Balance Listing* – it lists the balance of invoices issued in a month for which generation has been carried out;
- *Monthly Balance Generated* – it generates the invoice balance per solicited month for customers and suppliers. The preceding balance is supposed to exist, if it does not, zero is added to the current month invoices and the corresponding amounts are settled up, afterwards the balance per invoice is computed.
- *Invoice Balance Centralizer* - it list the balance of centralized invoices per partners and it comprises invoice per partners and it comprises invoice number, invoiced value, value settled and balance due per supplier.

3.2. RECEPTION SUBMENU

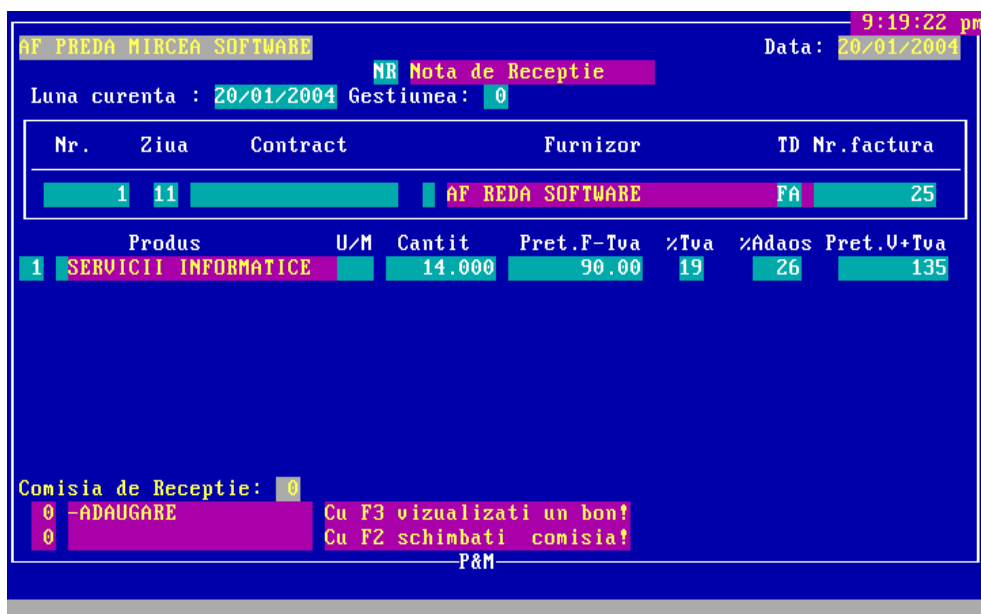
It comprises updating activities of Receipt Notice or Advices of Dispatch, of goods classified lists but also of invoices and corresponding settlements by a consulting system of user and also visualizing functions of date bases, centralizer generation consultation and specific services included in the following menu:



The role and the function of menu are given further on.

3.2.1. UPDATING

It allows updating (adding or modifying) the notices of receipt and setting the cash price after applying trade mark up and the V.A.T. The updating screen comprises all the information that will be the object of data processing and has the following structure:



The significance of the updated fields is:

- No – type of document updated NR – notice of Reception, AE – Advice of Dispatch;
- Current month – the month when the NR was made out is required, the day which is transmitted individually does not matter.
- Management – the code of the data management which made the reception is punched or 99 to add a new commission ;
- No – notice of reception number which is unique per unit;
- Day – the day the Notice of Receipt or the Advice of Dispatch was made out;
- Contract – information regarding the contract or order, if such is the case;
- Supplier / Customer – the partner in the relation is chosen by keying the first letter, then we proceed the same way as for Invoice Updating;
- Document Type – the document type taken as a basis for making out NR, usually the Invoice, is established;
- Invoice No.- the number of accompanying invoice;

There follows a list with elements from the NR which finalizes by “0” or ESC.

- No. – current number position in the invoice ;
- Product – the first letter of the item is keyed and then a list of products appears, but if 1 is put at the account these are not taken into account on listing invoices (discount, Taxes, etc.);
- U/M – unit of measure;
- Quantity – quantity checked and signed for;
- Unincluded VAT price – price without VAT;
- %VAT – the specific VAT percentage for the item, implicitly 19%;
- %Trade mark-up – the mark-up percentage used, is orientate;
- S Price + VAT – selling price +VAT after which the mark-up is computed again.

Note 1. The list is continued till 0 is pressed at **no** or ESC is pressed.

Note 2. With F3 a document is visualized where common deletions or modifications can be made.

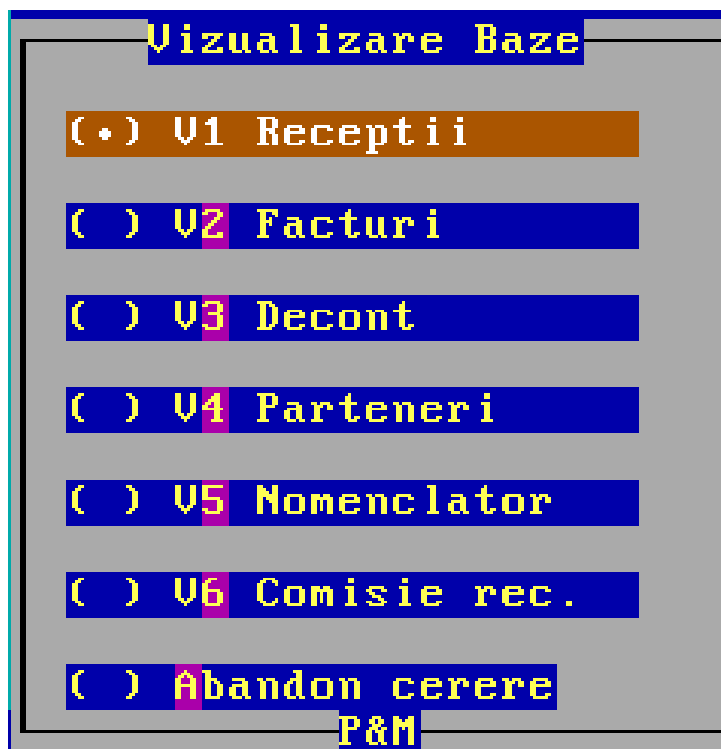
Note 3. Additional documents and enclosure are requested.

Note 4. The information pertaining to the invoice is recorded and it is seen whether the invoice is receipted.

Note 5. The transmission of Notice of Receipt ends with ESC.

3.2.2. BASE VISUALIZING

It enables us to visualize the main specific base SGF and allows to delete records by displaying a “.” (point) in front, without having the correlations checked. The menu structure is the following, and significance is suggestive so it doesn't need explaining:



3.2.3. CENTRALIZER GENERATING

It generates a centralizing base in order to list a report on management with invoice issued and received over a period, as a rule a month.

Note 1. It is obligatory before launching the report.

3.2.4. CONSULTATION

It allows to prepare a large number of specific reports useful to the accountancy activity or managing the three domains: suppliers, customers, management.

The structure of the corresponding menu is the following:



The role of the options in the menu is the following:

- L1 – List of receptions O – lists the receptions on A₄ horizontally;
- L2 - List of receptions V – lists the receptions on A₄ vertically, two on the page;
- L3 – Document list – centralizer of receptions per number of documents;
- L4 – Management list - centralizer of receptions per managements;
- L5 – Product list – a kind of warehouse file;
- L6 - V/C journal – prepares the journal of sales or purchases;
- L7 – Partner Top – prepares a top list of partners (Suppliers / Customes);
- L8 – Lists for excise duties – prepares a list of items for which excise duties have to paid;
- L9 – Central V. Journal – centralized sales journal;

Note 1. Each of the reports requires also the user's attention in order to establish the conditions of preparing the reports and some specific parameters that are similar to those previously presented.

3.3 MANAGEMENT SUBMENU

It allows the management of the relation administrator – manager and comprises the activities mentioned in the menu below.

Some of the information are taken directly from previous activities: invoices, receptions but they are processed in the specific records at the user's request. In addition, the daily settlements write the administration have to be updated by cash deliveries. Setting out from them two management reports are drafted by means of which the balance of each management is established based on the same principle: previous balance + current entries – current.



The significance of the activities in the menu is:

- Updating entries – records the notices of receipt registered to management, it is an operation which can be resumed, the records of the current month being deleted;
- Sales updating – updates the daily settlements in management and establishes the daily balance. The settlements are transmitted daily and the balance are automatically remade.
- L1 – Management Report A – it lists the management report analytically per day and for each management registered;

- L2 – C Management Report – lists the centralized report per month and managements. It is useful for management.

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CONSIDERATIONS ABOUT THE STRATEGIC OUTLOOK ON THE QUALITY MANAGEMENT OF THE ROMANIAN HIGH SCHOOLS

SORIN RADU *

ABSTRACT: *The mission formulating has as purpose the personalization, particularization of university. It reflects through what it will be differentiate by other university, wich will has their own identitate, the character and the way that it will traverse in its development.*

KEY WORDS: *high scholl, mission, university*

1. Strategical outlook of the university.

The mission characterizes the outlook of what a university intend to do and become, on a long term. Through mission are declared the specific of activities, wich it will enterprise and the way wich management will take in the future.

A correct mission formulated has to answer to the following questions:

- *who* is that university?
- *what* is it doing?
- *where* is it going to?

The mission formulating has as purpose *the personalization, particularization* of university. It reflects through what it will be differentiate by other university, wich will has their own identitate, the character and the way that it will traverse in its development. Without the clear precisation about what it *wish* on what it doesn't *wish*, about the direction that next activity will has, a university can't become a lider in its activity domain. The mission can be establish both for the whole university and for any component in part.

The definition of university mission, as well as each faculty, partly has to permite the understanding and definition of educational activities domain and types in wich is implicated a university. Because a university develops both teaching activity and scientific research or a lot of specialized services, the mission's orientation to

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organized quality makes necessary taken in consideration all the factors that influences the quality level of those process/services.

Through mission of university must precization the moment when it will give the strategic direction another way. In the same time, the mission has to communicate in a clear, interesting and concise content.

The outline of mission, in a detail way, realises through strategic direction of university in each of fundamental domain: teaching activity, scientific research, other specific services. For example: the concept of teaching activity may be conceived as a compromise resultant between the following elements: *what do managers want; what do the students want; what do the teaching staff want; what the managers and teaching staff can do.*

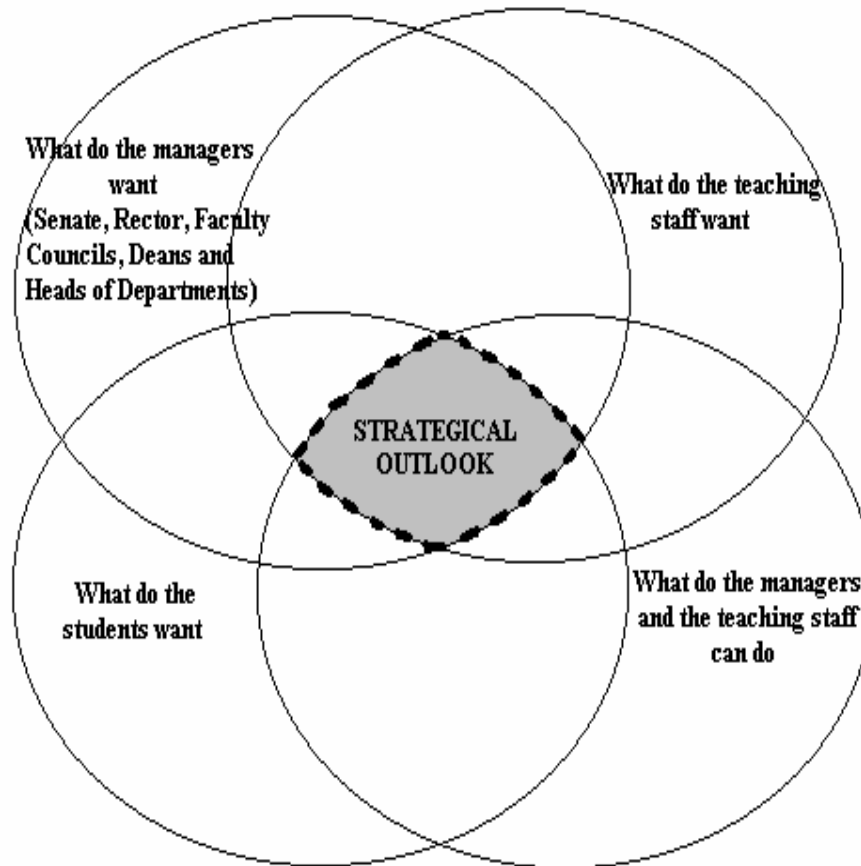


Figure 1. Strategic position of a university

The strategic direction must be in concordance with what the managers *want to do*. If what make do a university doesn't corespond with managers aspiration, there are all chances that their interests and their implication in managerial process to be reduced, process organization to be inadecvate and the results are minim. In these circumstances, both number and teaching and administrative staff loiality will be continue diminuated, will increase their unthansfull and some of them, probably the most capable, will leave the university or they will carry on adiacente activities, decreasing the quality of their works. The most efficient students will orientate to another universities, the only attraction element of new students being an easy obtaining of a university diploma.

What do the students want. If the wishes and aspirations of candidates at the admission test or of students are not satisfied, they aren't candidate at the admission test or they will leave the faculty. Once with the candidates or students loss, the university will be in impossibility to continue its activity.

The students wishes are very complex and different, sometimes even contadictory, and that's why a university wich is concern on quality, must give a special importance studying of differents groups of students reasonings, and must orientate about "**target groups**". Through students reasonings should be *teaching process quality and corespondance of their activities with the most performances standards of european universities*, but also *the easiness of admission acces, the facility of exams promotion and obtaining a universitary diploma or the possibility of benefit some social facilities* (scholarship, hostel).

In some situations, both the managers and the teaching staff wish to maintain or even extend of one particular kind of teaching activity, forget to take in consideration the mutations that take places in request's structure. In industrial units, such a conception means "stock production". If there is still a chance that over a year, or two or ten years, somebody buy however that product, in higher education such a thought has immediate effects. "The overproduction" of university diplomas can lead quick to degradation of the university imagine and to request decrease even under normal limits. These structural disfunctions are the heaviest to overtake, especially in state university, in case in wich doesn't exist a fast feedback in what depend of activity cycle potential, and the decision organism at a national level are proved not capable to use a set of lever that are very used in european system. Due this fact, according to World Education Report (1993), elaborated by UNESCO, romanian higher education structure continue to carry, in a pregnant way, the mark of organization conception of soviet education.

What does the teaching staff want. If university direction is contrary to teaching staff values and aspirations, the managers' decisions will meet the staff resistance and they will lose from efficacitate, the teachers trying to realise only not to get in trouble. The number of control atribution person and of those from administrate activities will have to increase and the operators efficacitate will decrease fast. Students will notice the interests absence of teaching staff and the activity quality degradation, the best of them make their choice for another university.

What can do the managers and the teaching staff. The most frequently, the Romanian universities are confronted with the same situation. In their desire to maintain or increase the number of teaching staff are orientated to development some specialities and types, for which the request is excedentary, but their university preparation, and especially mentality and experiences from former periods are limited in a delicate way the efficiency of activities. In a current way, The objectives, dimensioned depending on request, are overtaken the human potential necessary the quality of teaching staff is decrease in continue way even if organization objectives are directionated to excellence and quality. With a such of situation are confronted both universities and faculties at which the number of students increase by far over the level which can assume both the quality standards and those, which in standards absence, invent new specializations with “**commercial names**”.

The strategic outlook of a competitive university must be position in the place in which there are intersected all of four types of factors which determined the essence, the content and proportion of higher educational activities. The strategic orientation of university has two essential components: outside outlook and internal outlook.

The outside outlook resulting from reporting at students necessities and requests, consist in: the establishment the target students group, position in educational system, detail definition of educational services concept, operational strategy, integration ways of strategic system, offering system of educational services.

The internal outlook, resulting from reporting of teaching and administration staff necessities and requests, consist in: establishment the personal segment; position of human resources management; detail definition of educational services concept; the specification of strategic orientation about difference between financial and unfinancial rewards values got by teaching staff; the integration ways of strategic system in human resources management; operational strategies on its own personal.

2. The quality management of the university

After 1989, as a result of laws development process, the university autonomy is extending in a continue way, getting to include both decisions, which refer to programme structure, curricula, groups of study, and those concern the expenditure way of financial resources.

Simply that, this extension of university autonomy made that in decision adoption at university level, the direction place and nationality rationament, centralized to be taken by specific interests of teaching staff and leadership from each university, being negligent in the most part the requests on market work. The public control, as a practise form of persons right, of civilian society is almost like non-existent.

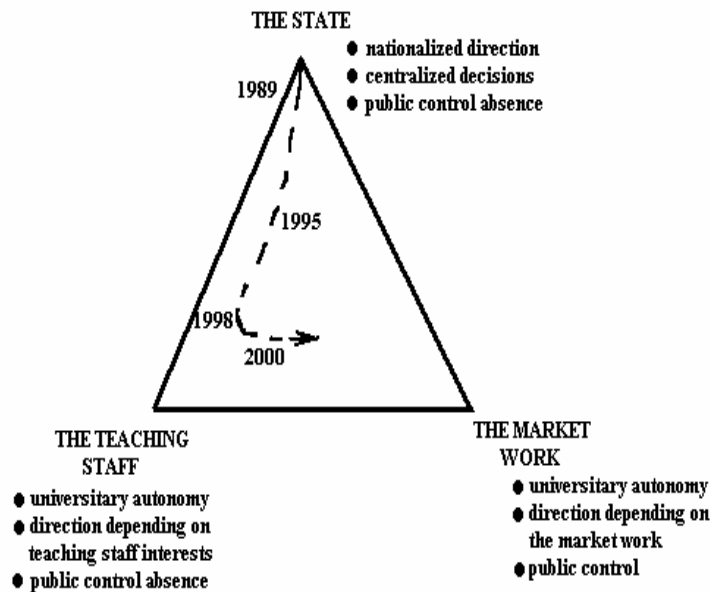


Figure 2. The direction of deciding rareasonings at university’s level in development conditions of autonomy degree

The mission formulation haven’t to be flat. From mission have to result why the university reorientates to a new direction in quality management. The expression has to be simple, concise and displayed with clarity. It hasn’t to let any doubt on the way that management will take in future. For a best communication of mission, this has to:

- to crystallize the points of view of top-managers about university direction on a long term;
- to specify the support that the university leadership will give to teaching and administration staff and to students;
- to communicate the organization objectives about quality and the fact that the teaching staff and the students have the ability of challenging a change in their work;
- to show how the university is preparing for its future direction.

After the mission and stategic outlook have been defined, the managers have to act for objectives and strategies materialization. All of these are come to their knowledge through specific means of communication.

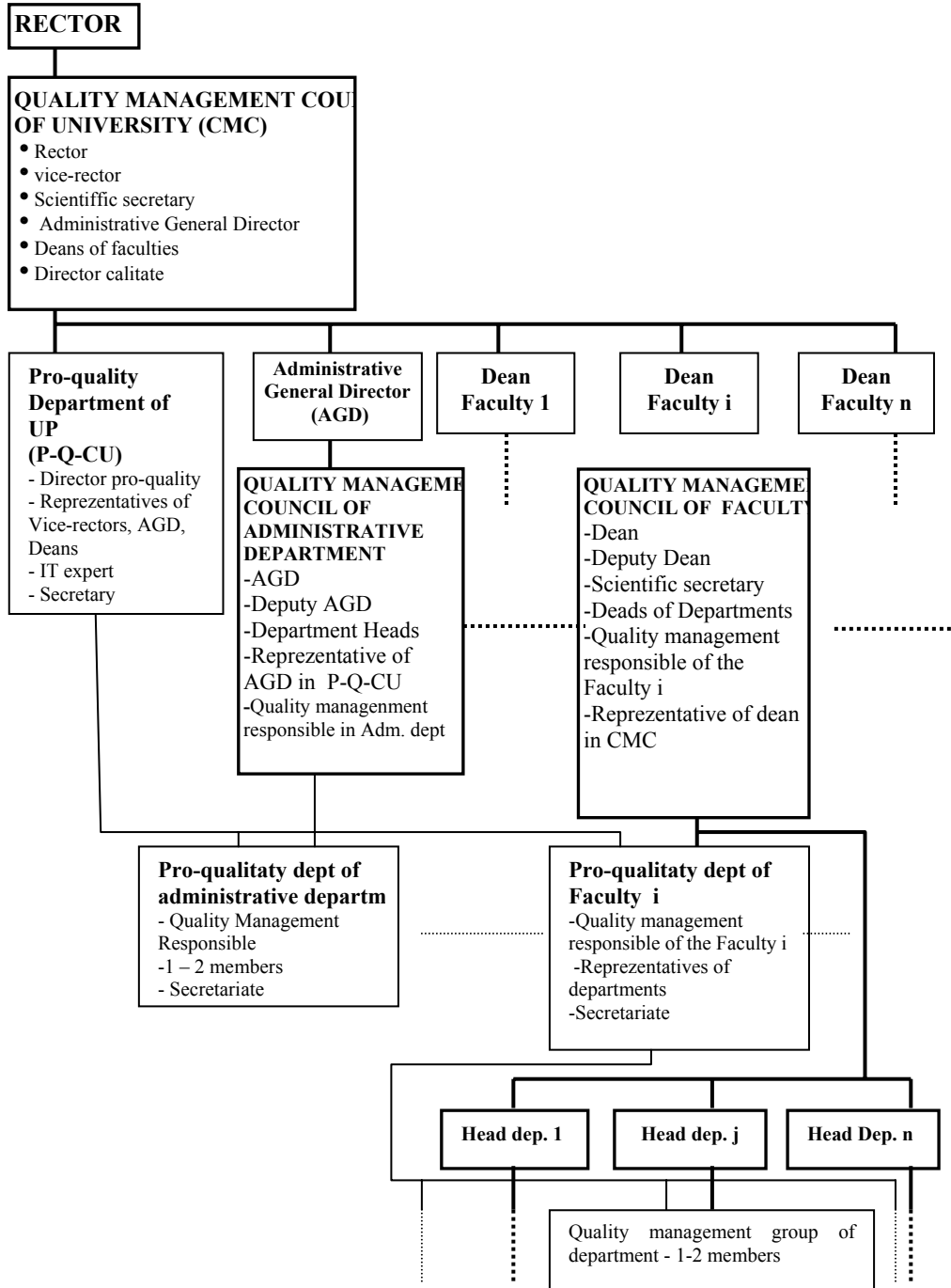


Figure 3.

3. The quality management at the University of Petrosani

The problem of a new view of the university management appeared because of:

- The necessity of implementing quality management systems in higher education establishments
- The structures to be activated in this matter at the University of Petroșani
- The principles and methods to be used

Introducing quality management systems in Romanian Universities takes into account:

- The relations between university and society,
- The relations between different components of the University.

Necessity of a quality management system and of an institutionalized framework imposed by the following factors:

Internal

The existence of a body which insures the accreditation periodically: National Council of Assessment and Academic Accreditation (CNEAA) impose the necessity of an entity which insures between two consecutive accreditations:

- continuity of performances and their improving
- adaptation of universities to the changes of the expectations of society and labor market

- **At National level:**

National Council of Quality Management in Higher Education (CNMCIS). CNMCIS promotes the Quality management system, guaranteeing the activities in the University towards publicly expressed competencies prepare the University for Accreditation.

- **At institutional level:**

Structures pro-quality

External

Priority observed and encouraged by E.U.

The synthetic presentation of the quality management at the University of Petrosani is shown in fig.3

Main sub-systems envisaged for the quality management are:

- didactic,
- research
- administrative

For the implementation and development of a quality management system requests

- a climate of institutional economic and social stability allowing the individual and collectivities to appreciate the quality management and assimilate it as promotor of the perspective
- existence of appropriate tools, methodologies and structures

Introducing the quality management system the following outcomes are foreseen:

- coherence and consistence of management,
- creation of mechanisms to improve educational services, adaptation of individual and collective offers of teaching staff to the labor market demands
- involvement of students and staff in the establishment of guaranteed goals and outcomes
- motivation of regional and national role of the university and fulfillment on a transparent use of resources
- good placement in the internal hierarchy.
- compatibility and harmony with foreign universities.
- international recognition.

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CONSIDERATIONS FOR THE MINING ACTIVITY ANALYSIS THROUGH THE OUTPUT THEORY

SORIN RADU, GABRIEL DOLEA *

ABSTRACT: *In this paper it makes appeal to the output theory and the definition output function is characterized by some economical-mathematic indicators. The output concept is quite large and it refers at both material goods production through economical-industrial processings, and at work execution on service performances.*

KEY WORDS: *output theory, efficiency, mining activity*

Each output activity has a both technical aspect and an economical one. The both aspects are in mutually interaction and thus, both the engineer's target and the economist's one is to appreciate from the both points of view the output activity and to act on it.

In this paper it makes appeal to the output theory and the definition output function is characterized by some economical – mathematic indicators as: the total output, (the total productivity), the average productivity, the limit productivity, the gradient vector of output function.

For instance it has considered the hypothetical case of one output system (mechanized mining), and the acquired results allow us to set off the way in which must lead the output activity with a view to improvement the output system performances.

The output concept is quite large and it refers at both material goods production through economical – industrial processings, and at work execution on service performances. In all these cases, the output theory focuses on efficiency using of entering elements or of inputs, to realise the outputs.

The output theory observes the technical and economical characteristics of utilized systems to provide goods/services, having as purpose the optimum methods of combine the inputs like that a certain quantity of outputs are obtained with minimal

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costs. So, the output theory is the input – process – output theory and it defines an output function which put in correlation the inputs with the outputs. This output function specify the possible maximal output that can be realized with certain outputs quantity resulted from certain inputs or inverse, that is the minimal quantity of inputs necessary for a certain output volume.

For instance, let's consider a certain output system (the mechanized mining system) with the output function P, by the following form:

$$P = X_1 \cdot X_2 \cdot X_3 \quad (1)$$

where: X_1, X_2, X_3 – represent the output factors at the activity's level displayed in the system cadre (respective at mechanized mining level).

In general, through output factors, which can be also named input factors, understand the goods put in function for producing and retailing, also for obtaining the functional stocks of system. The outputs mean the goods which result through some output factors combination. The output factors are distributed in two classes: the decision factors and the elementary factors. The elementary factors are divided in: consumption factors, which enter in goods compence (substantial or unsubstantial) and potential factors. Consequently, the performed posts per day (X_2) represent a potential factor. The other two present factors in output function are:

X_1 [days] – factor of extensive nature representing the period taking for analysis

$X_3 \left[\frac{\text{tones}}{\text{post}} \right]$ - factor of intensive nature representing the work productivity.

Taking all these aspects in account, it can describe an output function in microeconomical theory, thus:

“If the quantities of each output factors 1, 2, 3, ..., m are noted with V_1, V_2, \dots, V_m and are considered as determinations variables, and the obtained quantities as dependent variable then at the producing of one single kind of produce (for example: the coal) in P(t) values, the output function is obtained from an equation system by the following form:

$$P = f_R(V_1, V_2, \dots, V_m) \quad / R = \overline{1, m} \quad (2)$$

The right part of the equation system extend at a determined number of different output factors: 1, 2, 3, ..., m.

Consequently, the (1) equation of output it can consider as a component part of such an equation system, in accordance with the P production has the possibility of to alternate depending on the three influence values: X_1, X_2, X_3 – variations which return different aspect of costs.

If in the (1) output equation modify the output factor X_2 with the λ quantity, then result for X_1 and X_3 factors (constants) the output quantity: $\lambda \cdot P = \lambda^1 \cdot P$. Through this, the partial output function (1) represent a first degree omogene function, so a partial output function linear omogene.

For a C degree omogene output function, result:

$$X = X(\lambda_{v_1}^o, \lambda_{v_2}^o, \dots, \lambda_{v_m}^o) = \lambda^C \cdot X^o \tag{3}$$

where X^o – represents the good quantity for $\lambda = 1$.

If all the three variables X_1, X_2 and X_3 are measure each with the same quantity λ , then result the output quantity $\lambda^3 \cdot P$. As concern the three influence values X_1, X_2 and X_3 the output function is thus a third degree omogene function.

If the influence values of the output quantity X_1, X_2 and X_3 are noted with $V_j/j = 1,2,3$, variable, then result for the output function, the next general way of written is:

$$P(t) = X_1 \cdot X_2 \cdot X_3 = \prod_{j=1}^3 X_j / X_j \cdot \geq 0 \tag{4}$$

For a synthesis of each relations deduced here and of parameters for each treble index (1, 2, 3) according with numerical values for $j/j = 1, 2, 3$ – define the index pair $[a = a(j); b = b(j)]$ as a complement respective for j , that is let to express through $(a, b, j) = (1, 2, 3)_{j=1,2,3}$ thus for example for $j = 2$ the index pair (a, b) is equal with (1, 3) remain the same if $a = 1$ and $b = 3$ or if $a = 3$ and $b = 1$.

That is, the output function (4) can also write in the next general form:

$$P(t) = X_j \cdot X_a \cdot X_b \left| \begin{matrix} (a, b, j) = (1, 2, j)_{j=1,2,3} \\ X_j, X_2, X_3 \geq 0 \end{matrix} \right. \tag{5}$$

The output function is characterized by an economical – mathematical indicators series.

That is, a first indicator – the total produce (PT) utilize for nominate the total output of a production system in a fixed period. The total produce is the indicator that measure the input elements quantity or the total production which result as an answer of using some resources specify quantities in a production system. The total produce relation by one simple variable show that the input elements quantity in according with a simple input “ceteris paribus”.

For this relation type the function is known as the productivity factor, return factor or answer factor. The productivity factor is the key element for the determination of the optimum input elements combination, which must use at the obtaining of a certain produce. Through the total productivity of one output factor at production realization P (in case of realization one simple produce) understand the P quantity which obtain through the production factor considered when the others are remaining constant. Reported at production function $P = X_1 \cdot X_2 \cdot X_3$ result that the total productivity of X_j variable is:

$$P_{tot_j}(t) = (X_a^{(c)} \cdot X_b^{(c)}) \cdot X_j \tag{6}$$

where (c) represents the constant symbol.

For exemplification, we taken the case of a hypothetical mechanized mining, for which we consider the following:

$$\begin{aligned} X_1^{(0)} &= 20[\text{days}] \\ X_2^{(0)} &= 30 \left[\frac{\text{posts}}{\text{day}} \right] \\ X_3^{(0)} &= 5 \left[\frac{\text{tone}}{\text{post}} \right] \end{aligned} \quad (7)$$

We obtain the following values for the total productivity.

$$\begin{aligned} P_{tot_1}(t) &= (X_2^{(c)} \cdot X_3^{(c)}) \cdot X_1 = 30 \cdot 5 \cdot X_1 = 150 \cdot X_1 \\ P_{tot_2}(t) &= (X_1^{(c)} \cdot X_3^{(c)}) \cdot X_2 = 20 \cdot 5 \cdot X_2 = 100 \cdot X_2 \\ P_{tot_3}(t) &= (X_1^{(c)} \cdot X_2^{(c)}) \cdot X_3 = 20 \cdot 30 \cdot X_3 = 600 \cdot X_3 \end{aligned} \quad (8)$$

Another indicator, the medium productivity P_{medj} of variable calculate reporting its total productivity P_{totj} at X_j , that is:

$$P_{med_j} \left[\frac{P_{totj}}{\text{day}} \right] = X_a^{(c)} \cdot X_b^{(c)} \quad (9)$$

For the considered example, we have:

$$\begin{aligned} P_{med_1} \left[\frac{t}{\text{day}} \right] &= X_2^{(c)} \cdot X_3^{(c)} = 150 \\ P_{med_2} \left[\frac{t}{p / \text{day}} \right] &= X_1^{(c)} \cdot X_3^{(c)} = 100 \\ P_{med_3} \left[\frac{t}{t / p} \right] &= X_1^{(c)} \cdot X_2^{(c)} = 600 \end{aligned} \quad (10)$$

Another very important indicator used in production function analysis is the limit productivity of a X_j variable. Also named marginal, P_{limj} is the variation rate of the general productivity of X_j variable reported at X_j variations and is defined through the production quantity derivate P after X_j variable (the partial derivate of P in report with X_j). That is:

$$P_{lim_j} = \frac{\partial P}{\partial X_j} = X_a \cdot X_b \quad (11)$$

For given values: $X_a = X_a^{(c)}$ and $X_b = X_b^{(c)}$, the right part of relation (11) is the same with the right part of relation (9).

So:

$$P_{lim_j} = P_{med_j} = X_a^{(c)} \cdot X_b^{(c)} \quad (12)$$

Another analysis indicator of output function is the output elasticity ω_j in comparison with X_j variable. With this indicator it can recognize how much depend the relative variable of production quantity P of the relative variation of X_j variable.

The output elasticity ω_j is defined as:

$$\omega_j = \lim_{\Delta X_j \rightarrow 0} \frac{\Delta P}{P} \left| \frac{\Delta X_j}{X_j} \right. = \lim_{\Delta X_j \rightarrow 0} \frac{\Delta P}{\Delta X_j} \left| \frac{P}{X_j} = \frac{\partial P}{\partial X_j} \right| \frac{P}{X_j} \quad (13)$$

Consequently, the output elasticity is defined as a report between the limit productivity and the medium one:

$$\omega_j = \frac{P_{lim_j}}{P_{med_j}} \quad (14)$$

For $P = X_1 \cdot X_2 \cdot X_3 = X_j \cdot X_a \cdot X_b$ results:

$$\omega = X_a \cdot X_b / X_a \cdot X_b = \omega_1 = \omega_2 = \omega_3 = 1 \quad (15)$$

The sum of the three output elasticities is equal with 3 and also equal with the omogene degree of the output function.

Another indicator is the limit product ΔP_{lim} of variables X_1 , X_2 and X_3 that show how at small variations dX_1 , dX_2 and dX_3 modify in the same time the production quantity P.

The limit total product ΔP_{lim} correspond mathematical to total differentiate dP of the production function and it is equal with the sum of the partial limit products $(\partial P / \partial X_j) \cdot dX_j$, that is:

$$\begin{aligned} \Delta P_{lim} = dP &= \sum_{j=1}^3 \frac{\partial P}{\partial X_j} dX_j = \sum_{j=1}^3 X_a^{(c)} \cdot X_b^{(c)} \cdot dX_j = \\ &= X_2^{(c)} \cdot X_3^{(c)} \cdot dX_1 + X_1^{(c)} \cdot X_3^{(c)} \cdot dX_2 + X_1^{(c)} \cdot X_2^{(c)} \cdot dX_3 \end{aligned} \quad (16)$$

For the supposed example:

$$P_{lim} = dP = 150 dX_1 + 100 dX_2 + 600 dX_3 \quad (17)$$

The total differentiate is the general form of tangential plan at area (or hiperarea) which represent the function:

If:

$$\begin{aligned} dX_j &= \Delta X_j = X_j - X_j^{(c)} \\ dP &= \Delta P = P - P^{(c)} \end{aligned} \quad (18)$$

then the expression:

$$\Delta P = \sum_{j=1}^3 \frac{\partial P}{\partial X_j} dX_j = P - P^{(c)} = \sum_{j=1}^3 \frac{\partial P}{\partial X_j} (X_j - X_j^{(c)}) \quad (19)$$

Represent the tangential hiperplan equation at hiperarea of third degree in coordinate point $(X_1^{(c)}, X_2^{(c)}, X_3^{(c)}, P^{(c)})$.

The output function $P = X_1 \cdot X_2 \cdot X_3$ in the coordinate point defined above correspond the production constant quantity $P = P^{(c)}$ and for which the production quantity variation $dP = 0$.

The tangential plan at isoquantum $X_1 \cdot X_2 \cdot X_3 = P^{(c)}$ in the point $(X_1^{(c)}, X_2^{(c)}, X_3^{(c)}, P^{(c)})$ will result from (19) and will be express from equation:

$$\sum_{j=1}^3 \frac{\partial P}{\partial X_j} (X_j - X_j^{(c)}) = \sum_{j=1}^3 X_a^{(c)} \cdot X_b^{(c)} (X_j - X_j^{(c)}) = 0 \quad (20)$$

For infinitesimal variations $X_j - X_j^{(c)} = dX_j$, the production quantity P remain constant and equal with $P^{(c)}$ and so $dP = 0$.

In these conditions the relation (16) becomes:

$$X_2^{(c)} \cdot X_3^{(c)} \cdot dX_1 + X_2^{(c)} \cdot X_3^{(c)} \cdot dX_2 + X_1^{(c)} \cdot X_2^{(c)} \cdot dX_3 = 0 \quad (21)$$

If one of the determined variable variations dX_j is equal with 0, then (21) reduce at a bidimensional relation:

$$X_1^{(c)} \cdot X_3^{(c)} \cdot dX_2 + X_1^{(c)} \cdot X_2^{(c)} \cdot dX_3 / dX_1 = 0 \quad (22)$$

which correspond the isoquantum curves equation.

$$\begin{aligned} X_1^{(c)} \cdot X_2 \cdot X_3 &= P^{(c)} \\ X_1 &= X_1^{(c)} \end{aligned} \quad \text{in coordinate plan } (OX_2, OX_3) \text{ with:}$$

From relation (22) we obtain:

$$dX_2 = -\frac{X_2^{(c)}}{X_3^{(c)}} \cdot dX_3 / dX_1 = 0 \quad (23)$$

The report: $-dX_m/dX_n$ can be considered as a technical substitution rate (that is a quantity variation of the output factors).

If we will transmit this notion about the determination variable X_1 , X_2 and X_3 , we obtain:

$$\begin{aligned} Q_{2,3} \left[\frac{P}{day} / \frac{t}{P} \right] &= -\frac{dX_2}{dX_3} = -\frac{dX_2^{(c)}}{dX_3^{(c)}} / dX_1 = 0 \\ Q_{1,3} \left[\frac{day}{t} / \frac{P}{P} \right] &= -\frac{dX_1}{dX_3} = -\frac{dX_1^{(c)}}{dX_3^{(c)}} / dX_2 = 0 \\ Q_{1,2} \left[\frac{day}{t} / \frac{t}{P} \right] &= -\frac{dX_1}{dX_2} = -\frac{dX_1^{(c)}}{dX_2^{(c)}} / dX_3 = 0 \end{aligned} \quad (24)$$

For the hypothetical example, result the next substitute:

$$\begin{aligned} Q_{2,3} &= -\frac{dX_2}{dX_3} = \frac{30}{5} = 6 / dX_1 = 0 \\ Q_{1,3} &= -\frac{dX_1}{dX_3} = \frac{20}{5} = 4 / dX_2 = 0 \\ Q_{1,2} &= -\frac{dX_1}{dX_2} = \frac{20}{30} = 0,66 / dX_3 = 0 \end{aligned} \quad (25)$$

In productive practical, the output days number X_1 in comparison with $X_1^{(c)}$ value, as a rule oscillate a little or even not oscillate. Contrary, the performed production points variation X_2 and of the productivity X_3 need to keep permanently under observation. From these consideration, the substitute rate is returned a practical value.

A last analysis indicator is the mathematical operator, which indicate the increase direction of the powerful function $P = X_1 \cdot X_2 \cdot X_3$.

This is the gradient vector of function $P = X_1 \cdot X_2 \cdot X_3$, which is defined thus:

$$grad P = \sum_{j=1}^3 \frac{\partial P}{\partial X_j} \vec{e}_j = \frac{\partial P}{\partial X_1} \vec{e}_1 + \frac{\partial P}{\partial X_2} \vec{e}_2 + \frac{\partial P}{\partial X_3} \vec{e}_3 \quad (26)$$

where: $\vec{e}_1, \vec{e}_2, \vec{e}_3$ - represent the unitary vectors of chartezian coordinate axis: OX_1, OX_2, OX_3 .

For the coordinate point $(X_1^{(c)}, X_2^{(c)}, X_3^{(c)}, P^{(c)})$ result:

$$grad P = X_2^{(c)} \cdot X_3^{(c)} \vec{e}_1 + X_1^{(c)} \cdot X_3^{(c)} \vec{e}_2 + X_1^{(c)} \cdot X_2^{(c)} \vec{e}_3 \quad (27)$$

The given total differential through (16) can be considered as a scalar product between the vector “grad P” and the unitary vector of coordinates axis (vectors).

$$d\vec{S} = \sum_{j=1}^3 dX_j \cdot \vec{e}_j = dX_1 \cdot \vec{e}_1 + dX_2 \cdot \vec{e}_2 + dX_3 \cdot \vec{e}_3 \quad (28)$$

For variation dP in $d\vec{S}$ direction, we obtain:

$$dP = \text{grad } P \cdot d\vec{S} \quad (29)$$

If we choose the $d\vec{S}$ direction in such manner that $d\vec{S}$ to fall in an isoquantum area $P = P^{(c)} = \text{constant}$, so that $dP = 0$ that is the gradient “grad P” is perpendicular in comparison with the isoquantum $P = P^{(c)}$, then result:

$$dP = \text{grad } P \cdot d\vec{S} = |\text{grad } P| \cdot |d\vec{S}| \cdot \cos \Psi \quad (29)$$

And from this relation result that the function $P = X_1 \cdot X_2 \cdot X_3$ for $\Psi = 0$ (that is in gradient’s direction) increase the most.

For the considered example, result explicit:

$$\text{grad } P = 150 \cdot \vec{e}_1 + 100 \cdot \vec{e}_2 + 600 \cdot \vec{e}_3 \quad (30)$$

This vector “stay” in the point ($X_1 = 20$; $X_2 = 30$; $X_3 = 5$) on isoquantum area $X_1 \cdot X_2 \cdot X_3 = 20 \cdot 30 \cdot 5 = 3.000$ [t], and through this is perpendicular also on the tangential plan:

$$150 dX_1 + 100 dX_2 + 600 dX_3 = 0 \quad (31)$$

or more exactly:

$$150 (X_1 - 20) + 100 (X_2 - 30) + 600 (X_3 - 5) = 0 \quad (32)$$

The variation dP is maximum if the change of place’s vector $d\vec{S}$ is on the same direction with the vector “grad P”, that is then when:

$$dS = C \text{ grad } P$$

where: $dS = |d\vec{S}| = \sqrt{dX_1^2 + dX_2^2 + dX_3^2}$, C - positive constant.

Reporting the components of these two vectors, we obtain:

$$\frac{dS}{grad P} = \frac{dX_1}{\frac{\partial P}{\partial X_1}} = \frac{dX_2}{\frac{\partial P}{\partial X_2}} = \frac{dX_3}{\frac{\partial P}{\partial X_3}} = C \quad (33)$$

For the considered example, we have:

$$\frac{dX_1}{150} = \frac{dX_2}{100} = \frac{dX_3}{600} \quad (34)$$

and from here, result:

$$\begin{aligned} \frac{dX_1}{dX_2} \left[\frac{day}{day} \frac{P}{day} \right] &= \frac{150}{100} = 1,5 = \frac{1}{Q_{1,2}} \\ \frac{dX_1}{dX_3} \left[\frac{day}{t} \frac{t}{P} \right] &= \frac{150}{600} = 0,25 = \frac{1}{Q_{1,3}} \\ \frac{dX_2}{dX_3} \left[\frac{P}{day} \frac{t}{P} \right] &= \frac{100}{600} = 0,16 = \frac{1}{Q_{2,3}} \end{aligned} \quad (35)$$

The “grad P” vector value, that is $|grad P|$ indicate the biggest variation of P reported at $d\vec{S}$, that is:

$$\max \frac{dP}{dS} = |grad P| = \sqrt{\left(\frac{\partial P}{\partial X_1}\right)^2 + \left(\frac{\partial P}{\partial X_2}\right)^2 + \left(\frac{\partial P}{\partial X_3}\right)^2} \quad (36)$$

and for the considered example:

$$\max \frac{dP}{dS} = |grad P^{(c)}| = \sqrt{150^2 + 100^2 + 600^2} = 626,498$$

For finding the biggest variation of function $P = X_1 \cdot X_2 \cdot X_3$, we will express the variation dX_1 and dX_2 in comparison with dX_3 and obtain:

$$dS = |d\vec{S}| = \sqrt{0,25^2 + 0,16^2 + 1^2} \cdot |dX_3| = 1,043 \cdot |dX_3| \quad (37)$$

so that, we obtain:

$$\max \frac{dP}{|dX_3|} = 1,043 |grad P| = 1,043 \cdot 626,498 = 653,4 \left[\frac{t}{P} \right] \quad (38)$$

In comparison with relation (10) and (11) result:

$$\Delta P \lim_3 = \frac{\partial P}{\partial X_3} = \Delta P med_3 = 20 \cdot 30 = 600 \left[\frac{t}{P} \right] \quad (39)$$

From comparison the relation (38) and (39) follow that the existent increase $\frac{\partial P}{\partial X_3}$ and the parallel at the coordinate OX_3 approach of maximum corresponding with grad P vector's direction reported at dX_3 component ($\max dP / |dX_3|$).

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DEONTOLOGICAL CODE OF THE INTERNAL AUDIT

ILIE RĂSCOLEAN *

ABSTRACT: *The function of Internal Audit is executed according to the Norms defined by the Profession. It is organized at international level and it complies with common rules which are self-imposed.*

KEY WORDS: *internal audit, The Institute of Internal Auditors, norms of internal audit*

The function of Internal Audit is executed according to the Norms defined by the Profession. It is organized at international level and it complies with common rules which are self-imposed.

In the year 1941, "The Institute of Internal Auditors" (I.I.A.) was founded in the United States and it gradually developed to international level as the number of affiliated national Institutes grew.

Thus, this world-wide organization gathers today almost 70.000 members from 110 countries, having a particularly important activity in the field of professional training and research, publishing papers and their own magazine called "The Internal Auditor". Also they organize a professional examination which is more appreciated every time: The Certified Internal Auditor examination (CIA); they organize conferences and colloquies, and define notions for all its members, including those adhering to the International Federation of Accountants (IFAC).

The Internal Audit is the object of other groups as well, like: the European Confederation of Internal Audit Institutes and the Francophone Union of Internal Audit. These two groups allow frequent and useful exchanges for the benefit of the International Community of Internal Audit.

The Norms of Internal Audit have been periodically revised, and the last revised variant came into effect on the 1st of January 2002.

The Norms of Internal Audit propose the following objectives:

- to define the fundamental principles;

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- to provide a frame of reference;
- to establish the criteria of appreciation;
- to be an element of improvement.

The Norms of the Internal Audit are divided in 5 parts:

- Deontological Code
- Qualification Norms which reveal the characteristics that must be fulfilled by the internal audit services as well as the persons involved;
- the Operation Norms which describe the internal audit activities and also define the criteria of appreciation;
- Implementing Norms which exclude the previous ones concerning the specific missions;
- the practical application Procedures, which are optional but considered as authorised.

The deontological code submits to four fundamental principles:

- integrity - as a foundation of the confidence granted to the auditors;
- objectivity - ensured by the internal auditors' attribute of "totally independent";
- confidentiality - which is imperative, with the exception of legal obligations ;
- competence - which implies the continuous updating of their knowledge.

These principles can also be found in the conduct rules belonging to the Deontological Code, which are:

- to carry out the missions correctly;
- to respect the law;
- not to participate to illegal activities;
- to respect the ethics;
- to be impartial;
- not to accept anything that can comprise the decision;
- to avoid significant actions;
- to protect the information and not to seek any personal privilege;
- not to do only what can be done and to improve their abilities;
- to respect the Norms.

Referring to the Deontological Code of the Internal Audit, Jacques Renard, an authority in this field, makes the following remarks :

"In these agitated times when ethics are often heavily put to the test, the internal auditors wanted to indicate the strict path of rigour. To this purpose, the document clearly summarizes the principles which the internal auditor must not withdraw himself from; otherwise he would betray his mission. Certainly, these principles can impose redoubtable cases of conscience when the practise will find itself in balance opposed to obeying the rules." (Jacques Renard, Theory and practice of internal audit, Published by the Ministry of Public Finance, Bucharest, 2003).

The Romanian Chamber of Auditors has elaborated the Code concerning the ethical and professional conduct in the field of financial audit starting with a few essential considerations:

■ due to the differences of culture, language, legislative and social system from various countries, the assignment of elaborating the ethical norms firstly belongs to the specific organisms from every country. They also have responsibilities regarding the implementation of such Standards;

■ the identity of the internal auditor profession is characterised at world-wide level by setting a certain number of common goals and also abiding by certain fundamental principles for this purpose.

The Code includes three parts:

- Part A – applies to all professional financial auditors;
- Part B – applies only to public financial auditors;
- Part C – applies to the employed financial activities.

The fundamental principles and the conduct rules established through the IFAC International Audit Standards are used in the Ethical and professional conduct code concerning the financial audit elaborated by the Romanian Auditors' Chamber.

For applying the ethical requirements in the international activities, the following procedure will be used:

- when the ethical requirements of the country where the services are being rendered are less severe than the IFAC Ethical Code, then the IFAC Ethical Code must be applied.

- when the ethical requirements of the country where the services are being rendered are more severe than the IFAC Ethical Code, then the ethical requirements from the certain country must be applied.

- when the ethical requirements of the origin country are mandatory for the services rendered outside that country and they are more severe than the ones mentioned above, then the ethical requirements from the origin country must be applied.

At present in Romania the internal audit activity is controlled through the Governmental Ordinance no. 119/1999 and aproved with modifications and additions by the law no. 301/2002 concerning the public internal audit and the general norms concerning the exercise of the public internal audit activity, aproved by the order of the Ministry of Public Finance no. 38/2003.

The public internal audit is organized as follows:

- the Committee for the Internal Public Audit (CAPI), organism with advisory character, which takes action with regard to defining the strategy and improving the internal audit activity, in the public sector;
- the Central Unit of Harmonization for the Internal Public Audit (UCAAPI), divided in specialty compartments, directly subordinated to the Ministry of Public Finance.
- public internal audit compartments belonging to the public entities.

UCAAPI has among its responsibilities also that of elaborating the Ethical Conduct Code of the internal auditor, as well as respecting the principles and conduct rules imposed. The purpose of the Ethical conduct code for the internal auditor is to promote an ethical culture as a part of the global image of the internal auditor profession.

These principles are:

- independence – revealed by the fact that the public internal audit compartment is directly subordinate to the leader of the public entity, exercising a distinct and independent function from the activities of the public entity;
- objectivity – according to which the internal auditors must have an impartial attitude, not to have prejudice and to avoid conflicts of interests;
- competence – which considers that the training and experience of the internal auditors represent an essential element in reaching the effectiveness of the audit activity;
- professional conscience – according to which the internal auditor must display increased vigilance with regard to the significant risks susceptible to affect the objectives, activities and resources of the public entity.

According to the Procedural Guide of the public internal audit activity the principle of objectivity ensured by the independence of the auditor is protected through a distinct procedure called the “Independence Declaration”.

Thus, the independence of the internal auditors chosen to participate in a public internal audit mission must be declared. To this purpose every internal auditor must draw up a declaration of independence because their personal incompatibilities must be verified.

An auditor will not be assigned where there are personal incompatibilities, unless his appointment is absolutely necessary, and to this effect the leader of the public internal audit compartment will provide written justification.

If during the audit mission a real or presumed incompatibility should occur, the auditors have the obligation to urgently inform the management.

Among the existing personal incompatibilities there are:

- official relations, financial or personal, with somebody who could limit the ability of the auditor to discover and establish audit debilities by any means possible;
- preconceived ideas concerning different persons, groups, organizations or objectives that could influence the audit mission;
- possessing a job or any involvement in the last three years in the activity of the audited structure;
- having previously organized the accounting of the audited structure;
- having previously done the approval of invoices, cheques or other payment instruments for the audited structure.

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ZUR FRAGE DER MÖGLICHKEIT DER ANWENDUNG DER PRODUKTIONSFUNKTION VON GUTENBERG FÜR DAS STUDIUM VON PRODUKTIONSSYSTEMEN IM BERGBAU

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ABSTRACT: *The complex conditions and realities of the production processes of the mining industry require equally complex and highly developed theoretical-abstract instruments for their scientific investigation and research. One of these instruments could be identified in the production function of type B (Gutenberg). The present approach tries to outline a historical evolution of the concept of production function, to describe the main stipulations of Gutenberg's concept, and finally, to advance some considerations regarding the possibilities of using this function for the study of processes in the mining industry, drawing rather valuable conclusions from this attempt.*

KEY WORDS: *production function/factor, consumption function, optimal, mining, process*

1. EINE KURZE HISTORISCHE EINORDNUNG DER PRODUKTIONSFUNKTIONEN

Der Begriff und die ganze Diskussion über die Produktionsfunktionen stammt aus den Betrachtungen der Volkswirtschaft, insbesondere aus der Landwirtschaft: in diesem Rahmen wurde von *Turgot (1768)* die Idee der landwirtschaftlichen Erträge als Funktion der eingesetzten Faktorenmengen für das erste Mal angenommen. Turgot bemerkte eine weniger proportionale Zunahme des Ertrags unter der Voraussetzung des wachsenden Einsatzes der Produktionsfaktoren, die er als Gesetz des abnehmenden Ertrages, oder Ertragsgesetz zusammengefasst hatte.

Gutenberg (1951) stellte diese erste Betrachtung in Zweifel: als er seinen eigenen Begriff von *Produktionsfunktion* oder *Funktion der Produktionsfaktoren* im Gegensatz zu der von Turgot entwickelten *Produktfunktion* darstellte, schlug er auch

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eine alphabetische Einordnung vor, als Produktionsfunktionen von Typ A und B. Diese Einordnung konnte später auch eine wesentliche Popularität in der Fachliteratur und wurde in vielen weiteren Betrachtungen übernommen.

Die alphabetische Einordnung wurde weiter von *Heinen (1965)* ergänzt, durch die Entwicklung der Produktionsfunktion von Typ C: diese Funktion verbesserte die Funktion von Typ B, durch die Übernahme einiger Eigenschaften der sogenannten *Engineering Produktionsfunktion*.

Die von *Kloock (1969)* entwickelte Produktionsfunktion von Typ D, ähnlich wie bei der Produktionsfunktion von Typ C, betonte aber insbesondere die Zusammenhänge zwischen den eingesetzten Faktorenmengen und dem technischen Leistungsgrad der Betriebsmittel und zwischen diesem Grad und den resultierenden Outputmengen.

Im Rahmen neuerer Betrachtungen sind von *Küpper* und von *Matthes* dynamische Modelle der Produktionsfunktion vorgeschlagen worden, im mathematischen Ausdruck der Produktionsfunktionen von Typ E und F.

2. DIE PRODUKTIONSFUNKTION VON TYP B (GUTENBERG)

Der Ausgangspunkt des gutenbergschen Konzeptes in der Entwicklung dieser Funktion ist die Idee der „Anpassung“ der Produktionsfunktionen mit den objektiven Bedingungen der industriellen Unternehmen. Als Zentrum der Produktionsfunktion Typ B gilt die *individuelle Maschine*, deren technische Produktionsgesetze als Grund für eine kostenorientierte Entscheidung erforscht werden müssen.

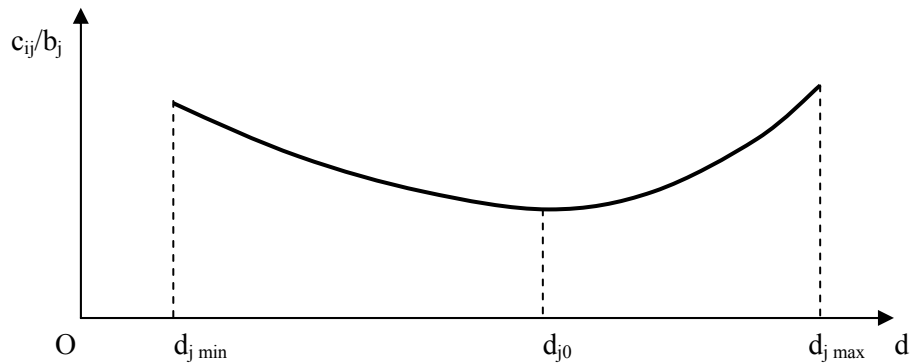
Die Rede hier ist von einer limitationalen Produktionsfunktion, basiert auf technisch determinierte Einsatzmengen der Produktionsfaktoren; als Konsequenz ist die Grenzproduktivität dieser Faktoren gleich Null.

Die Produktionsfunktion von Typ B unterscheidet zwischen einem direkten Input-Output-Zusammenhang für einen Teil der eingesetzten Faktorenmengen, bzw. einem indirekten Zusammenhang für den anderen. Diese Hypothese erlaubt eine Betrachtung des Produktionsprozesses auf zwei Ebenen: auf der ersten Ebene offenbaren sich die Zusammenhänge zwischen der Leistung der individuellen Einheiten des Unternehmens (Maschinen, maschinelle Einrichtungen, Arbeitsplätze usw.) und den eingesetzten Faktorenverbräuche, durch die sogenannten *technischen Verbrauchsfunktionen*; auf der zweiten Ebene werden diese technischen Verbrauchsfunktionen als linear-homogene Produktionsfunktionen von Typ B umgewandelt.

Indirekte Input-Output Beziehung – wird durch die Einfügung einer technischen Einheit (Maschine) zwischen dem Faktorenverbrauch und Output charakterisiert; die Gesamtheit solcher Einheiten bildet die eigentlich studierte Produktionskapazität. Die eingesetzten Faktorenmengen für eine bestimmte Leistung der Maschine sind in grossem Ausmaß von deren technischen Charakteristiken abhängig, kurzfristig vermutet als konstant. Die Verbrauchsmengen jedes Faktors auf

jede Maschine hängen von der Intensität (Produktionsgeschwindigkeit) des Maschineneinsatzes ab.

Bild 1. Technische Verbrauchsfunktion (Bsp: der Treibstoffverbrauch eines Autos)

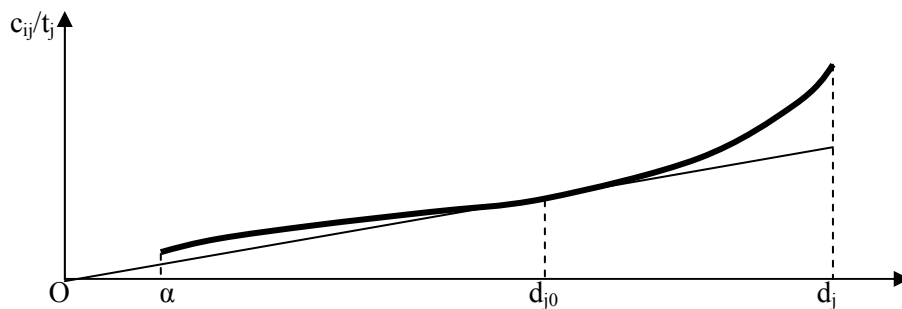


c_{ij}/b_j – Verhältnis zwischen den Verbrauchsmengen des Faktors i auf Maschine j und der Zahl der physischen Leistungseinheiten der Maschine j ;

d_j – Produktionsintensität der Maschine j (minimal, optimal, maximal).

Direkte Input-Output Beziehung – diese Beziehung kann auch mit Hilfe der technischen Verbrauchsfunktionen betrachtet werden. In der graphischen Darstellung sind diese als Abszissenparallelen zu beschreiben, weil der Faktorenverbrauch je physische Leistungseinheit unabhängig von der physisch-technischen Intensität der Produktion ist.

Bild 2. Umgerechnete Verbrauchsfunktion je Zeiteinheit



Optimaler Leistungsgrad

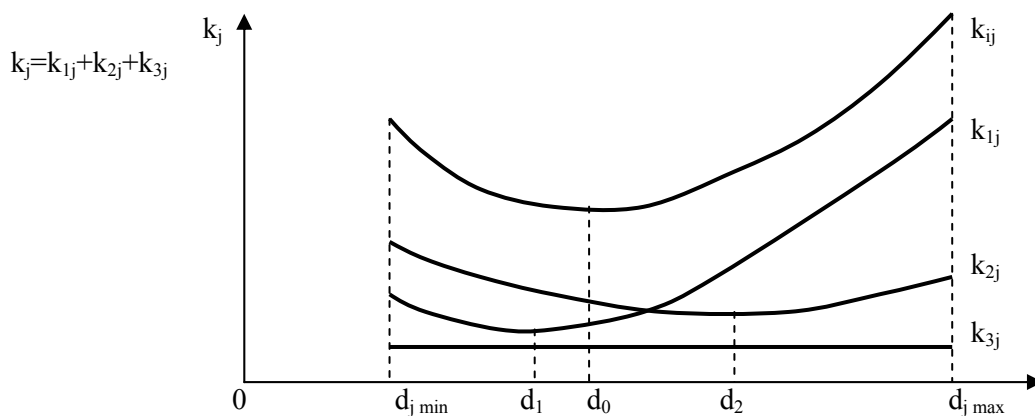
Es gibt für jede Maschine des Produktionsprozesses so viele Verbrauchsfunktionen, wieviele Faktorenarten verbraucht werden. Für einen einzigen Faktor hat die korrespondente technische Verbrauchsfunktion ein Minimum, als Ausmaß des optimalen Leistungsgrades des Einsatzes dieser Maschine. Betrachtet man jetzt gleichzeitig alle Faktoren, so ist der

optimale Leistungsgrad der Punkt, indem die Summe aller Faktorenverbräuche, bewertet durch ihre Preise und im Verhältnis mit der physischen Leistungseinheit, seinen Minimalwert trifft.

Als allgemeine Behauptung, ist das Optimum des Leistungsgrades in dem Punkt getroffen, indem das Kostenwachstum wegen zunehmender Verbrauchsfunktionen durch das Kostenabnehmen wegen abnehmender Verbrauchsfunktionen kompensiert wird.

Die graphische Darstellung eines Systems mit drei Produktionsfaktoren wird in Bild 3. gezeigt:

Bild 3. Geometrische Determination des optimalen Leistungsgrades einer Maschine



k_{ij} – Kosten des Verbrauchs des Faktorartes i je physische Leistungseinheit der Maschine j .

Produktionsfunktion von Typ B als System der Verbrauchsfunktionen von Produktionsfaktoren

Die Produktionsfunktion von Typ B wird aufgrund der technischen Verbrauchsfunktionen der Faktoren gebildet, darf aber nicht konzeptuell mit diesen verwechselt werden. Der Unterschied besteht darin, daß eine *Verbrauchsfunktion* den Zusammenhang zwischen dem Verbrauch von einem der n Arten von Faktoren je physische Leistungseinheit und Maschine und der physisch-technischen Intensität des Einsatzes der Maschine beschreibt; auf der anderen Seite erfolgt innerhalb des Begriffs Produktionsfunktion die Konfrontation aller n Arten von Faktorenverbräuche mit der Outputmenge des Systems.

Aktionsparameter der Produktionsfunktion von Typ B

Jedes Unternehmen (und insbesondere ein Unternehmen der Bergbauindustrie) konfrontiert sich sehr oft mit der Notwendigkeit, seine Produktion an externen Bedingungen anzupassen, die nicht unmittelbar mit dem eigentlichen Produktionsprozess zu tun haben. Stellt man die technischen Bedingungen seiner Produktion als Ausgangspunkt seiner Betrachtungen, so hängt die produzierte Outputmenge von den folgenden Größen ab:

M – Zahl der (identisch vermuteten) eingesetzten Maschinen;
 d^* - ökonomischer Leistungsgrad;
 t – Betriebszeit.

$$q = M \times d^* \times t \quad (1)$$

Man redet von einer *Intensitätsanpassung*, wenn das Unternehmen sein Output nur durch eine Veränderung des ökonomischen Leistungsgrades, mit konstanten Betriebszeiten und Zahl der eingesetzten Maschinen modifiziert.

Die *zeitliche Anpassung* erfolgt durch eine Modifizierung des Outputs als Ergebnis der Veränderung von Betriebszeiten, mit konstanter Zahl der Maschinen und ökonomischem Leistungsgrad.

Es handelt sich um eine *quantitative Anpassung*, wenn die Modifizierung des Outputs als Ergebnis der Veränderung der Zahl der Maschinen, mit einer konstanten Betriebszeit und ökonomischem Leistungsgrad erfolgt.

3. ANWENDUNGSMÖGLICHKEITEN DER GUTENBERGSCHEN PRODUKTIONSFUNKTION (TYP B) FÜR DAS STUDIUM DER BERGBAU PROZESSE

Das unter dem Namen Bergbauproduktion bekannte Mensch-Maschine-Natur System erweist eine außergewöhnliche und extreme Komplexität. Nur selten kann man in anderen Industrien Produktionsprozesse treffen, die durch einen breiteren Bereich der Skalengröße und dem Mechanisierungsgrad, durch eine stärkere Auswirkung, Veränderlichkeit und Unvoraussagbarkeit der Umweltbedingungen, durch eine stärkere Restriktion der Standortverteilung und durch eine breitere und schwerer kontrollierbare räumliche Ausdehnung als die der Bergbauproduktion, charakterisiert werden können.

Aus diesem Grunde wird es schon offensichtlich, dass sogar das Vorgehen, der Versuch um diesen Prozeß aus dem Sichtpunkt der Grundsätze der Produktions- und Kostentheorie zu modellieren, eine große Herausforderung und gleichzeitig eine schwere und komplexe Aufgabe darstellt.

Die Überlegungen, die auf der Basis der Zusammenfassung von Strukturen des wissenschaftlichen Denkens aus der Mikroökonomie und industriellem Ingenieurwesen mit Bezug auf die sechs Funktionsarten erfolgen können, zeigen die gutenbergsche Funktion von Typ B als einen guten theoretischen Ausgangspunkt für das Studium der Bergbauproduktion.

Diese mögliche wissenschaftliche Entscheidung kann relativ genügende Unterstützungspunkte im Gegensatz zur Produktionsfunktion von Typ A finden: obwohl Turgot diese Funktion als Instrument für das Studium der Urproduktion (also des Bergbaus und der Landwirtschaft) entwickelt hätte, kann sie seine Rolle heutzutage nicht mehr so gut wie früher, im Rahmen der gegenwärtigen, hochmechanisierten Prozesse der Bergbauproduktion, spielen. Der technologische Vorsprung ist dafür verantwortlich, dass das System der Bergbauproduktion aus einem *Mensch-Natur*

System zu einem *Mensch-Maschine-Natur System* umgewandelt wurde. In diesem Sinne, erscheint der grundsätzliche Vorschlag Gutenbergs als perfekt gerechtfertigt, die Maschine und ihre technischen Produktionsgesetze in dem Mittelpunkt der Betrachtungen des Studiums zu stellen.

Es ist offensichtlich, daß die Faktoren und Erträge der Bergbauproduktion wenigstens teilweise Subjekt indirekter Input-Output Zusammenhänge werden: das Verhältnis *Faktoreinsatzmenge – Ertragsmenge* wird durch die technische und wirtschaftliche Leistung der eingesetzten Maschinen vermittelt. Daraus ergibt sich die Notwendigkeit der ernstesten Untersuchung und Betrachtung dieser indirekten Verhältnisse mit Hilfe der Faktorenverbrauchsfunktionen, um die theoretischen Elemente der Produktion technisch zu fundamentieren. Weil sie fähig ist, den Produktionsprozeß in seinen Bestandteilen zu „diskretisieren“, kann die Produktionsfunktion von Typ B richtig und präzise, die zwischen dem eingesetzten und dem produzierten Mengen existierenden Zusammenhänge beschreiben, und das hier entstehende limitationale Verhältnis besser erklären.

Weiter kann auch behauptet werden, daß die Existenz eines optimalen Leistungsgrads des Maschineneinsatzes, der auch die Möglichkeit und die Chance eines Minimums der Verbrauchsmaterialkosten versichern würde, eine zusätzliche vorteilhafte Voraussetzung der optimalen Kombination der Produktionsfaktoren darstellen könnte.

Die objektiven Merkmale der Realität des Bergwerks erklären mindestens einen Teil der grundsätzlichen Hypothesen der Turgot-Produktionsfunktionen als ungültig, und zwar:

- die Dauer der Produktion ist nicht fest: darauf kann durch die Einsatzintensität oder – Leistung der Maschinen ein bestimmter Einfluss ausgeübt werden;
- die Merkmale der Faktoren der Bergbauproduktion beweisen deren begrenzte Teilbarkeit; das gilt für den Produktionsfaktor Arbeit, sowie für Kapital und für einen großen Teil der Verbrauchsstoffe;
- die Hypothese der perfekten Grenzsubstitution der Produktionsfaktoren gilt nicht für die Bergbaurealität, weil deren Kombination nur an gut begründeten (im technischen Sinne) Einsatzebenen erscheint, mit relativ geringen Änderungsmöglichkeiten; zum Beispiel ist die Zunahme der Arbeitskräfte- oder der Betriebsmitteleinsatz über eine technisch und technologisch gerechtfertigte Grenze unmöglich, auch wegen der räumlichen Beschränkung, die sogar Störungen der Arbeit verursachen kann. Im Bergbau soll man lieber eine Substitution der Prozesse, der Verfahren, der Organisationslösungen betrachten, statt einer der Produktionsfaktoren. Eine Diskussion über die Kombination der Produktionsfaktoren erscheint also vernünftiger als eine über deren Substitution;
- aus dem Sichtpunkt der technischen Gründung und der relativen „Starrheit“ der technisch möglichen Einsatzmengen der Produktionsfaktoren erscheint die typische Hypothese der gutenbergschen Funktion – die gleich Null oder an der oberen Grenze sogar negativen Grenzertrag – für den Bergbau gültig. Der Teil mit positivem Gefälle des graphischen Pfades vom Gesamtertrag (für geringe Einsatzmengen der Faktoren)

scheint nicht im relevanten Bereich der Bergbaubetriebsgröße zu existieren. Hier kann nur die Rede von wirtschaftlich vernünftiger Produktion sein, wenn bestimmte Minimalebenen und Kombinationen des Faktoreneinsatzes als Ausdruck spezifischer technologischen Verfahren und Prozesse erreicht werden. Jeder zusätzliche Faktoreneinsatz über diese Spezifikationen des Verfahrens würde nicht ein überproportionales, sondern im besten Falle ein

- proportionales oder an der Grenze sogar ein negatives Wachstum der Produktion verursachen;

- die qualitative Homogenität des Endproduktes ist kein Merkmal der Bergbauproduktion; der Abbau wird konfrontiert mit ständig und unabsehbar veränderlichen geologisch-bergbaulichen Bedingungen, erfolgt gleichzeitig in unterschiedlichen Abbaublöcken oder Teilen der Lagerstätte, durch unterschiedliche Verfahren und Technologien innerhalb sogar des selben Bergwerks, und hat als Konsequenz die Erhaltung eines Rohproduktes mit ständig veränderlicher Qualität. Das Phänomen ist gleichgültig im Falle des zweiten möglichen Outputs der Bergbauproduktion – die Grubenbaue; diese können auch wegen den getroffenen unterschiedlichen geologisch-bergbaulichen Bedingungen und der mechanischen und physischen Charakteristiken von Gesteinen, sowie wegen der unterschiedlichen eingesetzten Technologien, aus qualitativem Sichtpunkt differenziert werden;

- der Einfluß des Ertragsgesetzes kann auch hier getroffen und erkannt werden, und zwar, nicht nur auf den gesamten, komplexen Bergbauprozess, sondern auch für jede Abteilung, Betriebsmittel und Einsatzpunkt des Bergwerks.

4. SCHLUSSFOLGERUNGEN

Als Schlußfolgerung der oben dargestellten Ideen und wegen der Charakteristiken der gutenbergschen Produktionsfunktion, kann man behaupten, dass diese Funktion eine richtige und umfangreiche Beschreibung der empirischen Verhältnisse und der Merkmale der Bergbauproduktion darstellen kann. Die gutenbergsche Funktion bringt einen originellen Beitrag aus dem Sichtpunkt von Variablen, die einen bestimmten Einfluß auf den Faktoreneinsatz haben können: im Zusatz zur Outputmenge wird hier auch die technische Intensität des Betriebsmitteleinsatzes als eine solche Variable vorgeschlagen, die eine Grundlage für weitere Verbesserungen der Gestaltung des Bergbauproduktionsprozesses werden könnte.

Ein möglicher Einwand, der gegen diese Argumentation erheben werden könnte, behauptet, daß die gutenbergsche Funktion nicht die dynamische Dimension der Produktionsfunktion enthüllen kann: sie sei eigentlich eine statische Funktion, die unfähig wäre, jene zeitlich bedingten Änderungen des Modells in Betracht zu ziehen. Der Einwand ist nicht unbedingt gerechtfertigt: die Produktionsfunktion von Typ B zieht eigentlich die temporale Variable in Betracht, obwohl nicht explizit, aber indirekt durch den Begriff von Leistungs- oder Intensitätsgrad des Betriebsmitteleinsatzes als zeitlich bedingte Größe.

Weiter ist die hier dargestellte Betrachtung der Meinung, dass eine Übernahme von zusätzlichen dynamischen Variablen nicht empfehlenswert wäre: es besteht die Gefahr der unnötigen Komplikation eines Modells, das sich als Ziel eine Vereinfachung der sowieso hoch komplexen Realität des Bergbaus erklärt hätte. Auf diesem Grund erscheint zumindest in der gegenwärtigen Phase der Forschungen die Produktionsfunktion von Typ B als geeignet für diese Aufgabe, besser als die Funktion von Typ C (diese entspricht besser der Realität der Fertigungsindustrie) und insbesondere als deren von Typ D, E und F, die zur Gestaltung von komplizierteren und schwierig kontrollierbaren Modellen führen könnten.

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SUGGESTIONS REGARDING FINANCIAL RESOURCES SOLUTIONS TO CREDIT ROMANIAN AGRICULTURE

TRAIAN SILIVESTRU, OANA DOBRE-BARON*

ABSTRACT: *The main task of the banker is to act, no matter the circumstances, as a real professional, that is with thorough knowledge (in applying the legal and traditional norms), prudently (without exposing himself to futile risks), and diligently, with moderation and balance; such qualities are considered to be opportune by the Swiss code of bank behavior.*

KEY WORDS: *banker, finance, risks, credit*

The finance and credit of agriculture, in this period, cannot be conceived, nor realized, without having as a basis the principles of market economy. Bank credits for agriculture can be granted only on commercial grounds, taking into account the rigorous financial analysis of the solvability of companies in agriculture, banking prudence, the real costs of bank resources changed by the banks of commerce into investments or credits for which they require a 'credit price' expressed by the interest level asked by each bank; on principle, it is determined from resources cost to which functioning costs and profit can be added, although it is known that part of the functioning costs and of the profit are covered, in the case of a bank, by other sources of income (commissions and banking expenses); nevertheless we should take into account the fact that the part shared by the credit product within the whole amount of services and bank products reaches 85/90 %.

The main task of the banker is to act, no matter the circumstances, as a real professional, that is with thorough knowledge (in applying the legal and traditional norms), prudently (without exposing himself to futile risks), and diligently, with moderation and balance; such qualities are considered to be opportune by the Swiss code of bank behavior.

The links of the banking system with the companies in agriculture allow the bank to accede to the inner information of the company and determine the

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improvement of the latter's activity when the credit is granted in order to improve the company's activity and not to bankrupt it as it was the situations in a series of cases. This part the banks want to play, namely to mobilize certain resources temporarily available and to invest them in credits, stimulated the interest in creating and extending the banks of commerce in the countries in transition, although, at present, not all such banks are well trained and equipped, not necessarily with computer systems, but with a staff of high probity, correctness and, last but not least, professionalism.

Taking into account the seasonal character of agrarian production and, especially, of the vegetable one, agriculture needs a huge amount of financial resources, during certain periods, preeminently during the spring and autumn campaigns, as well as to create autumn and winter food products stocks; a large part of these resources should be provided by banks.

We must stress the fact that, at the beginning of such spring or autumn campaigns or when creating the stocks, the banks are completely unprepared, not knowing the amount of the financial resources needed, and granting the existent ones with great delays. Yet, it is well known that, for agriculture, to lose the best moment of starting working, as a result of lack of financing resources, means to lose the crop. The present form of financing agriculture through credits, especially the large crops (vegetable production) did not manage to settle these vital problems for Romanian agriculture.

Comparatively to the present form of credit used in agriculture, I suggest a different manner of financing agriculture through bank credits that has to notice the following five stages:

- 1.- establishing the necessary financing resources taking into account the amount of expenses that should be financed by bank credits on the basis of both the spring crops and the autumn crops technologies within which the expenses are monthly recorded;
2. - rigorously establishing, on the basis of crop technologies, the credit percents for each crop and each month;
3. - establishing the part of the credit percent of each crop within the spring crops expenses and the autumn crops expenses;
4. - establishing the part of the credit percent of each crop within the medium credit percent for each autumn and spring campaign;
5. - establishing the part of the credit percent of each crop within the medium credit percent for both campaigns.

According to the above manner we can determine the resources the banks need in order to start the credit of crops both for the spring and autumn campaigns and for creating food stocks. Afterwards it is necessary to correlate credit repayments for each campaign, which is the taking over of a part of the credits for each crop as seasonal stocks credits; the rest of the credit is used to further finance the crop, which is to restart the crop production process.

Consequently, credit financing resources are correctly distributed, avoiding the so called overcharge and allowing the credit granted companies in agriculture to turn to good account their food products all year long. Thus they are not forced to sell all their food products at harvest when the price is quite low; they can avoid such an unseasonable moment of selling production by eliminating the obligation of repaying the credits within 30 days from harvest.

Compared to the present form of credit, this new form is a revolving kind of credit (which means the mobilization of a medium term loan, through renewable short term credits) combining the taking over of a crop short term credit for another seasonal stocks short term credit with the correlation of repayment of this credit on the basis of capitalizing the stock in case of selling it neglecting or according to the terms of capitalizing animal products, when such stocks are used in animal breeding, depending on the animal category the stock is used to (horned cattle – milk, meat; sheep – milk, meat, wool; swine – meat; fowl – meat, eggs).

This new form of credit meant to finance vegetable crops can be illustrated by the following hypothetical case: both autumn and spring campaigns should be noticed, giving as an example the main crops in the autumn campaign, which are: wheat, barley, rye, barleycorn and the main crops in the spring campaign, which are: corn, sunflower, soy, white beet, potatoes and taking into account the expenses required by those crops per hectare, according to the technological data of each crop. The following tables show the situation of expenses taking into account a 100 % credit for the expenses according to technological reports of each crop, per month, expressed in percents out of the whole amount of expenses for each crop.

Next I exhibit the share of each credit percent for each crop within the total amount of autumn and spring crops. At the same time I present the share of the credit percent of each culture within the total amount of the two campaigns, spring and autumn, (per agrarian year), the way it is shown in the table called ‘The situation of the share of credit percents per crops and campaigns and according to the medium credit percent’.

This hypothetical example shows the fact that in the case of repayment of the credits granted for autumn crops, that takes place at harvest time, in summer, a part of the credits is repaid in order to start again the production process of autumn crops; the rest results in another credit, namely the autumn and spring ‘stocks credit’; its effective repayment is done with the gradual turning to good account of stocks outside or within animal breeding, as food for different types of animals; their repayment is connected to the turning to good account of animal products such stocks were used for.

Table 1.

**The situation of nominal expenses per crops and months
during an agrarian year**

Crop	Total	Autumn 2002			Spring 2003			Summer 2003		
		sep	oct	nov	mar	apr	may	jun	jul	aug
Autumn	Crop									
Wheat	2070	390	245	-	151	153	110	83	938	-
Barley	2177	390	185	-	164	147	103	1180	-	-
Rye	1226	162	169	-	71	139	109	-	576	-
Barley-corn	2143	391	185	-	164	147	103	1153	-	-
Total (A)	7616	1333	784	-	550	586	425	2424	1514	-
Spring	Crop									
Corn	2117	-	346	-	-	544	268	225	-	-
Sun-flower	4096	-	2061	-	584	254	413	-	-	784
Soy	2960	-	311	-	-	1090	295	238	135	178
White beet	7828	-	3526	-	982	696	943	804	321	321
Potatoes	14303	-	3130	-	388	4688	1016	1008	638	600
Total (S)	31304	-	9374	-	1954	7272	2935	2275	1112	1883
TOTAL	38920	1333	10158	-	2504	7858	3360	4699	2626	883

Autumn 2003			Total			
sep	oct	nov	A 2002	S 2003	S 2003	A 2003
-	-	-	635	414	1021	-
-	-	-	575	414	1188	-
-	-	-	331	319	576	-
-	-	-	576	414	1153	-
-	-	-	2117	1561	3938	-
734	-	-	346	812	225	734
-	-	-	2061	1251	784	-
695	-	-	311	1385	569	695
235	-	-	3526	2621	1446	235
2835	-	-	3130	6092	2246	2835
4499	-	-	9374	12161	5270	4499
4499	-	-	11491	13722	9208	4499

Source: Ministry of Agriculture, Annual Report, 2003

Table 2.
The share of expenses per months and campaigns within the total amount of expenses per crops and campaigns

Crop	Total	Autumn 1996			Spring 1997			Summer 1997		
		sep.	oct.	nov.	mar.	apr.	may	jun.	jul.	aug.
AUTUMN	Crop									
Wheat	100	19	1	-	7	7	6	4	45	-
Barley	100	18	8	-	8	7	5	54	-	-
Rye	100	13	14	-	6	11	9	-	47	-
Barleycorn	100	18	9	-	7	7	5	54	-	-
Total (A)	100	18	10	-	7	8	5	32	20	-
SPRING	Crop									
Corn	100	-	16	-	-	25	13	11	-	-
Sunflower	100	-	50	-	14	6	10	-	-	19
Soy	100	-	10	-	-	37	10	8	5	6
White beet	100	-	45	-	12	9	12	10	4	4
Potatoes	100	-	22	-	3	33	7	7	5	4
Total (S)	100	-	30	-	6	23	10	7	4	6
TOTAL	100	3	26	-	6	20	9	12	7	5

Autumn 1997			Total			
sep	oct.	nov.	A	S	S	A
-	-	-	31	20	49	-
-	-	-	26	19	54	-
-	-	-	27	26	47	-
-	-	-	27	19	54	-
-	-	-	28	20	52	-
35	-	-	16	38	11	35
-	-	-	50	30	18	3
23	-	-	10	47	19	23
3	-	-	45	33	18	3
20	-	-	22	43	16	20
14	-	-	30	39	17	14
12	-	-	29	35	24	12

Source: Ministry of Agriculture, Annual Report, 2003

Table 3.

The situation of the share of credit percents per crops and campaigns and according to the medium credit percent

Crop	Total	Credit % of crops per campaign				Credit % of crops per campaign			
		A 2002	S 2003	S 2003	A 2003	A	S	S	A
Wheat	100	31	20	49	-	31	20	49	-
Barley	100	26	19	54	-	26	19	54	-
Rye	100	27	26	47	-	27	26	47	-
Barleycorn	100	27	19	54	-	27	19	54	-
Total (A)	100	28	20	52	-	111	84	204	-
Corn	100	16	38	11	35	16	38	11	-
Sunflower	100	50	30	19	-	50	30	19	-
Soy	100	10	47	19	23	10	47	19	23
White beet	100	45	33	18	3	45	33	18	3
Potatoes	100	22	43	16	20	22	43	16	20
Total (S)	100	30	39	17	14	143	191	83	81
TOTAL	100	29	35	24	12	254	275	287	81

Crops share in % of credit per campaign				Crops share in medium % of credit per campaign			
A	S	S	A	A	S	S	A
28	24	24	-	8	5	12	-
23	23	26	-	6	4	14	-
24	31	23	-	7	6	12	-
25	22	27	-	7	5	14	-
100	100	100	-	28	20	52	-
11	20	13	43	3	8	2	-
35	15	23	-	11	6	4	-
7	25	23	28	2	9	4	4
31	17	22	4	9	7	4	1
16	23	19	25	5	9	3	3
100	100	100	100	30	39	17	14
200	200	200	100	29	35	24	12

Source: Ministry of Agriculture, Annual Report, 2003

The situation above is suggestively exhibit in figures 1 and 2.

The same procedure is valid for spring crops that are harvested in autumn when a part of the credit is repaid in order to start again the production process of spring crops; the other part of the credit is changed from a crop credit into a seasonal stock credit (autumn – autumn) and is effectively repaid when these stocks are turned to good account within or outside animal breeding.

The situation is suggestively presented in figures 3 and 4.

Figure 1. Credit Repayment for Autumn Crops

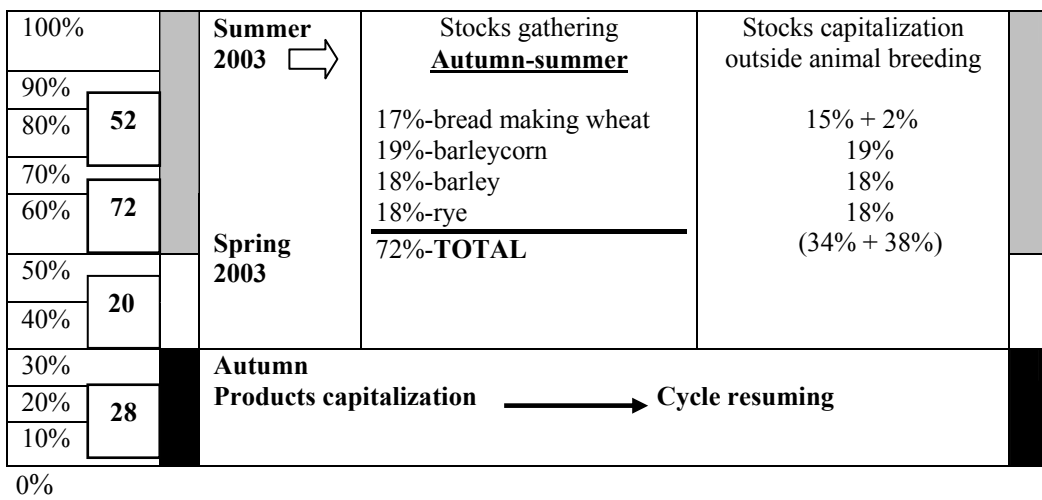


Figure 2. Repayment Rate According to Seasons

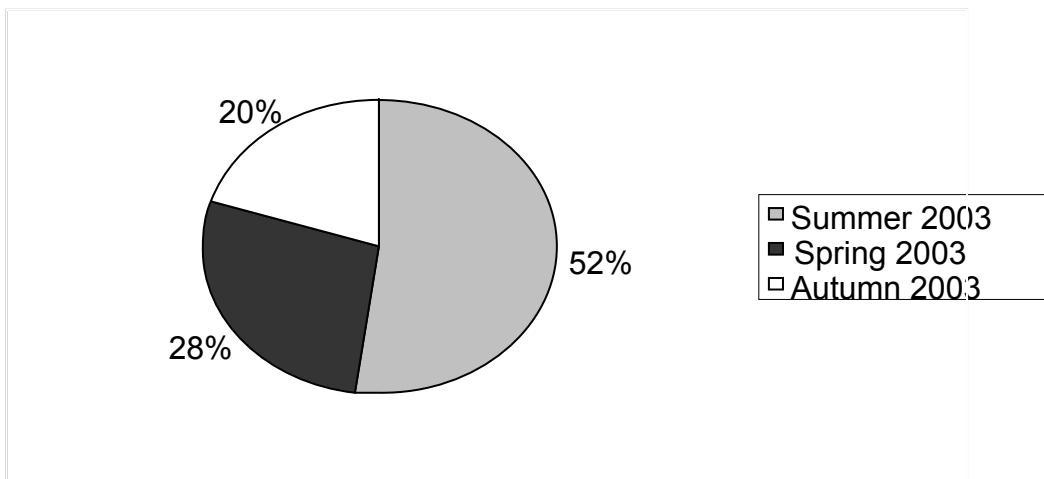


Figure 3. Credits Repayment for Spring Crops

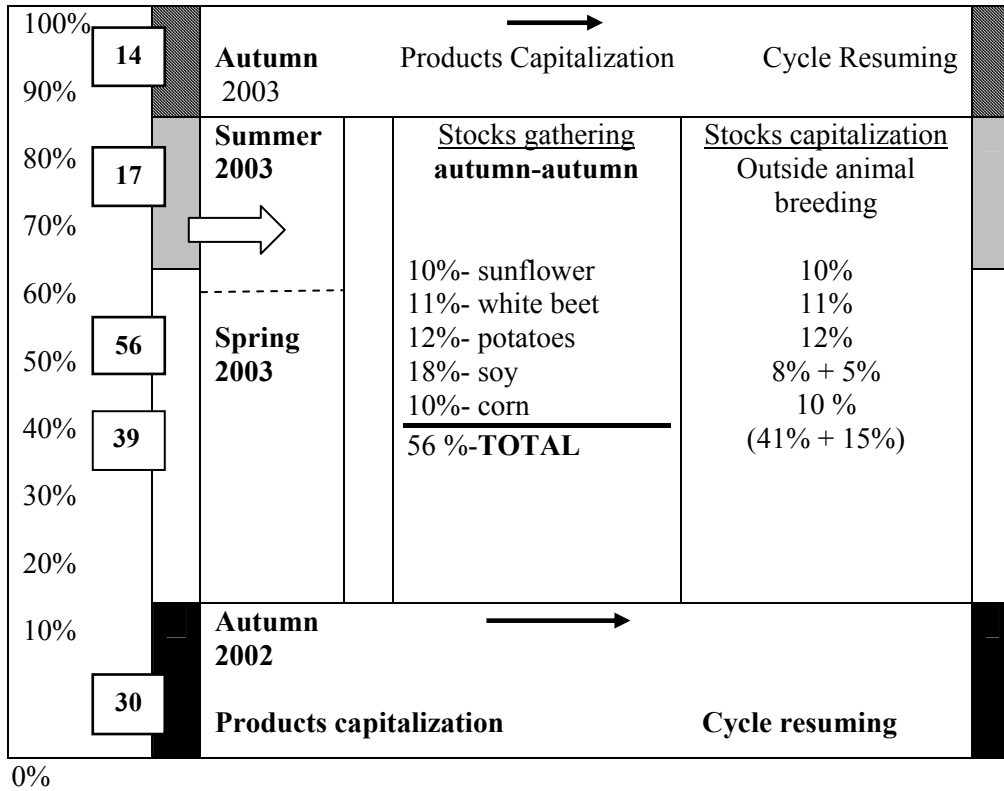
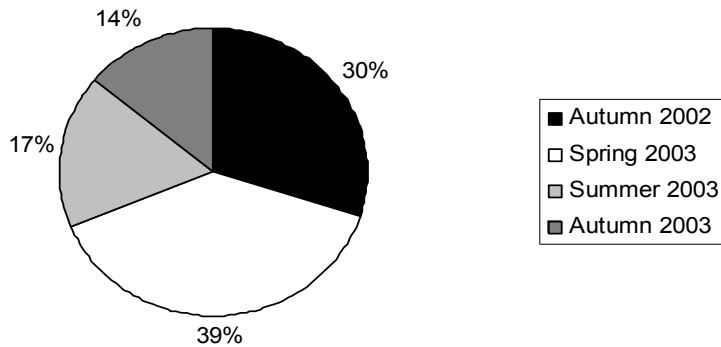


Figure 4. Repayment Rate According to Seasons



Figures 5 and 6 exhibit a credit module of the crops within the two campaigns as well as the manner of capitalization of the products obtained by both campaigns.

Figure 5. Credit Module of the Two Campaigns

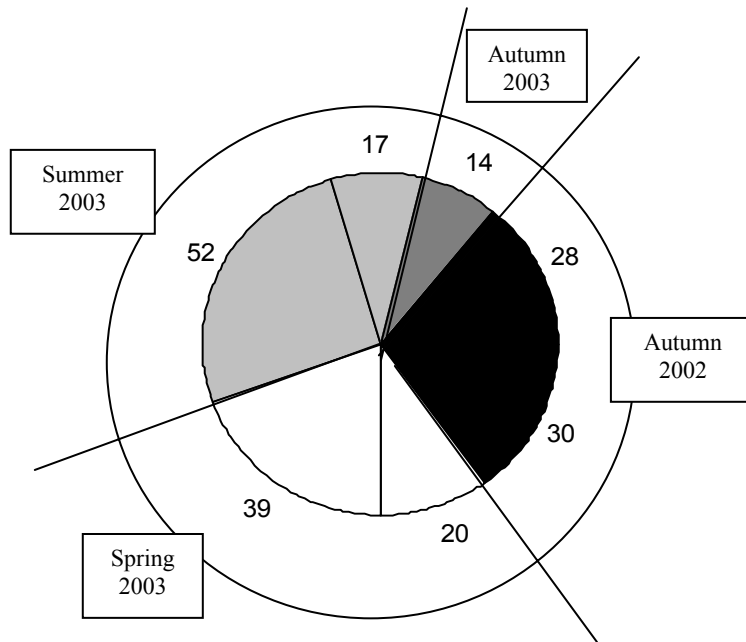
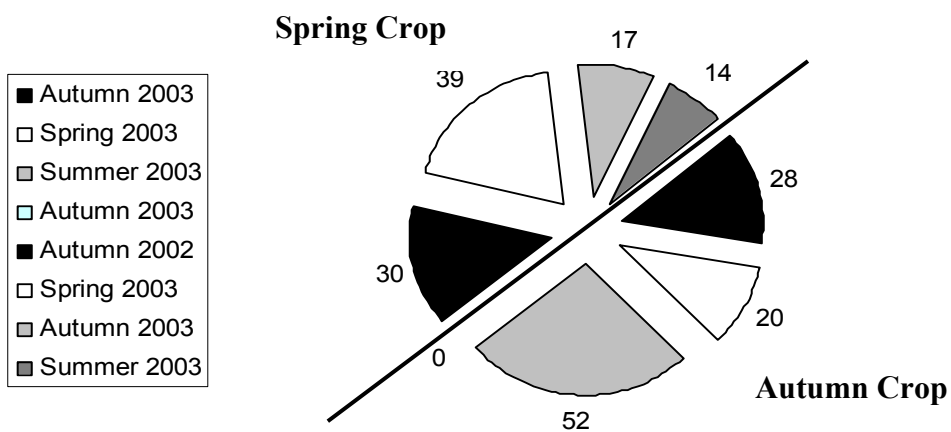


Figure 6. Capitalization Module of the Two Campaigns Products

Full cycle per agrarian year



The advantages of putting into practice such a credit form in agriculture, for vegetal crops, are more than evident and determine the following effects:

- They allow the exact knowledge of the resources required for agrarian campaigns;
- They allow the elimination of certain supplementary resources making use of the taking over of a credit for another credit as a result of changing the credit object; as a consequence there is no need of new credit files, new approvals, new answers or resources distribution.
- They eliminate bureaucracy in drawing out credit files and increase promptness in granting credits;
- They determine a genuine adaptation of credit to the crop, respectively to the stock, eliminating the stress in granting and repaying the credit;
- They allow the peasant (farmer) to capitalize the credit granted agrarian products at their best;
- They eliminate the arbitrary character of crediting vegetal agrarian production;
- They allow a perfect cooperation between bank and the credit granted agrarian producer regarding the credit negotiation, grant and repayment;
- They allow the banks of commerce to know the necessary resources of financing agrarian campaigns and to permit to several such banks to credit this field, taking into account the resources that each bank of commerce can invest into credits; this way the monopole of a single bank is broken.

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SUGGESTIONS REGARDING THE PART PLAYED BY AGRICULTURAL CREDIT ON MORTGAGE IN THE FOUNDATION OF VIABLE AGRICULTURAL EXPLOITATIONS IN ROMANIA

TRAIAN SILIVESTRU, OANA DOBRE - BARON *

ABSTRACT: *Taking into account the process of transition from a planned centralized economy, almost entirely based upon a state monopolist property and controlled by a unique political force, to an economy founded on private property ,economic liberalism, competition and the real use of economic and social resources, a special attention should be paid to credit and especially to the banking agricultural credit, taking into consideration the part and place it detains within the financial and economic mechanism of adjustment and stabilization of economic processes that take place in agriculture in this extremely restless period.*

KEY WORDS: *transition, economic liberalism, the banking agricultural credit*

Taking into account the process of transition from a planned centralized economy, almost entirely based upon a state monopolist property and controlled by a unique political force, to an economy founded on private property ,economic liberalism, competition and the real use of economic and social resources ,a special attention should be paid to credit and especially to the banking agricultural credit ,taking into consideration the part and place it detains within the financial and economic mechanism of adjustment and stabilization of economic processes that take place in agriculture in this extremely restless period .

Under these circumstances, the suggested themes have been approached under two aspects:

- on the one hand, according to the significance of agriculture credit, as an integrated system within market economy functioning, on a macroeconomic level as well as on a microeconomic one (state agricultural units, farms, agricultural companies and private

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producers), having in view the detailed knowledge of agrarian economy and of the society we tend to and have as a model;

- on the other hand, the scientific approach gives emphasis to the part played by the system of banking agriculture credit at present, within the process of solving the problems specific to this transition period, and especially within the problems connected to the process of implementing private property in agriculture, that took place more rapidly as compared to other fields.

Starting from the fact that food security of every people should be mostly provided by the natural resources of each state, and sequentially analyzing the components of food security on the individual level or according to social groups and categories, the existent situation does not determine a feeling of optimism and quietness, both concerning a global level and concerning Romania. The components of food security, as they have also been defined by the United Nations Food and Agriculture Organization (F.A.O.) are : food supply, food supply stability, population's access to food.

Taking into account these components and referring to the situation of Romanian agriculture after 1989, the resources of food supply (the first factor), unfortunately show a diminishing tendency. Regarding the second factor – resources stability – we can infer that in Romania unfavorable climate conditions determined a sudden drop of production. The third factor (population access to food supply), according to the incomes, represents the defining element of food security estimation; in keeping with some estimations, the real income of Romania's population dropped every year, after 1990.

Having in view these grounds and drawing a retrospective of the changes that took place in Romania's agriculture after 1989, we can infer that the starting point was the 'bet' with agriculture, and the first reaction was the furious devastation of the patrimony of the previous agricultural production co-operative farms.

Then followed the elaboration and implementing of the Law of Landed Property (18/1991), meant to give possession to the former owners of agricultural grounds, a law that was deficiently applied, being accompanied by abuses and painful convulsions; it determined the turning up of million of peasant subsistence households that implied the return to manual work and animal traction, excessive costs for poor quality mechanized works providing precarious crops, the ever – promised state financial support that so hardly reached the producers. In exchange, during this period an absurd discrepancy among the prices of native agricultural products appeared and a totally wrong policy of license grants for cereal imports was implemented.

The bet with agriculture was 'won' by burdening transition on those who also had to face industrialization during socialism (the peasants).

During the transforming process undertaken by agriculture after 1989 a series of changes could be seen; among these, some were positive, as the one regarding farmers and their descendents' giving possession, but there also were less positive changes such as the general disorganizing of activities and the ruin, to a great extent, of

the material means in agriculture, as well as the crisis that appeared in organizing the management of agrarian production as a result of the unprecedented dividing into lots and diminishing of agricultural grounds, as it could be inferred from the table The structure of agricultural exploitations in Romania.

One can say, without fear of being wrong, that, during this period, the truth that agriculture owns a perpetual potential vitality has been almost pragmatically ignored, no matter if it is about a tendency or a neglect; this clean economic source of national salvation has become the object of 'political bets', and it continues to be 'attacked' by the so-called 'transition injurers' that are the following: the lack of legislation (in case it exists, it is full of gaps and hesitating), investment penury, pompous reforms, work devaluation, large scale embezzlement and technical progress ignorance.

Table 1. The structure of agricultural exploitations in Romania

Type of exploitation	MU for number	No.	Medium size [ha]	Farming ground [thousands ha]	%	Arable ground [thousands ha]	%
1. Individual farms	thousands	3600	1.96	7072	47.8	5104	54.7
2. Family Associations	number	13700	112	1531	10.4	1120	12.0
3. Associations & companies constituted acc. to the law	number	3970	446	1770	11.9	1280	13.7
I. Private sector Total	thousands	3618	2.8	10373	70.1	7504	80.4
II. State sector & actionaries of which:	number	627	2882	1807	12.2	1440	15.4
-individual actionaries	thousands	(230)	(2)	(470)	(3.2)	(300)	(3.2)
III. Public sector of which:	number	3500	748	2616	17.7	394	4.2
- pastures				(2286)	15.5	-	-
Total	thousands	3851	3.8	14796	100.0	9338	100.0

Source: Ministry of Agriculture, Annual Report, 2003

The problem that worries humankind every 20 years is the 'food matter'. All the events that took place during the last years agree to Malthus's paradigm according to which 'the planet's population increases in a rhythm superior to the rhythm of growth of the global food production'. China, for example, needs an amount of cereals that surpasses the world cereals production, a fact that determines the increase of the prices and the diminution of the existent cereals stocks. Lets add to these facts the danger of accumulating and stressing the shortcomings of agriculture, together with anti-economic mentalities and behaviors, ignorance of the general interests regarding the part played by agriculture in assuring national food security.

Agricultural policy that should be implemented in this period must be one of a 'lasting and ecological development of agriculture', as academician N. N. Constantinescu asserts. In order to be viable and lasting the activities in agriculture have to accomplish three fundamental conditions: it should be economically efficient, ecologically efficient and socially efficient. Romania is a country with limited land resources; it can afford only the practice of an intensive agriculture, characterized by the supplementary allocation of production factors. The use of another strategy of development in agriculture is, in my opinion, bound to failure.

Among the production factors, the land, that is the landed property, is the essential element in increasing the agricultural production, Romania owning a medium, if not small, such property; accordingly, the entire use of agricultural lands should become the state's permanent concern; unfortunately, this does not happen as year by year lands remain uncultivated, in a state of neglect, a fact that determines significant losses of crops.

Likewise, at least one third of agricultural ground is not efficiently used and another third is inadequately used; besides, one may add the completely inadequate production structure. In my opinion, it would be of interest to implement during this period a so-called 'economic leadership' of the structure of agricultural production also having in view the paedologic and climate conditions of the country.

Romania faces a high percent of the population involved in agriculture, a fact that is determined by lack of modern mechanized and automatic processes in agriculture; from a structural point of view the population involved in agriculture does not match the demands, being characterized by a process of ageing and feminization that did not stopped with the implementation of the reforms in agriculture, but became more obvious.

The settlement of this negative phenomenon that manifests itself in Romanian agriculture was partly solved by the 1994 Law 16 (The Lease Law) which, in its turn, is submitted to certain changes in order to improve it by allowing a sub-lease. In order to stimulate young labor to work in agriculture a viable alternative might be the concession of farming grounds to young families being trained in the domain (graduates of Agricultural High Schools); according to the statistics, between 1981 and 1992 218500 medium educated personnel graduated such high schools. The grounds meant for concession to such families may belong to old owner families and especially to those with no followers.

The obtainment of the funds necessary to sell and buy land in order to increase the size of peasant households as a result of the changes brought to Law 18/1991, changes regarding the free circulation of land, the process of buying lands by Romanian citizens, exhibit two major disadvantages, under the present credit conditions:

- it demands a long period of accumulations, according to the consume restrictions within the peasant household in order to buy new lands, a fact that diminishes the chance of modernizing agriculture as a result of increasing the lands through buying;
- it demands the use of funds in the field of buying lands instead of their use in the field of technical and advanced technology investments; as a result, the expenses demanded by the process of buying lands represent a sort of unproductive capital on short term that could be used to increase production through buying tractors, agricultural machines, animals.

The sell and buying of lands could be solved, in my opinion, by resorting to credits on mortgage, granted for a period of 15-30 years, a fact that would permit peasants to benefit from important sums in order to modernize their farms.

The credit on mortgage is a relation between creditors (different banks) and the owners of debit accounts (the owners of real estates – lands). In order to grant such a credit the part of material guarantee is played by the property (the land) belonging to the owner to be granted. The credit relations and the repayment possibilities follow starting from this principle.

An essential characteristic of the credit on mortgage is the fact that in case of a ‘financial incapacity’ or bankruptcy of the owner of debit accounts the creditor has the right to turn the loan into good account by selling the goods of the owner (that is the land) who can thus lose the property. It means that this type of credit becomes the main means of supporting real estate.

The credit on mortgage implies a convention between the creditor and the person to be credited that stipulates the following:

- the property is a means of guaranteeing the credit;
- the conditions of repayment and term of payment;
- the penalties in case of anticipated or partial repayment of the credit;
- the circumstances under which, due to the neglect of the credit conditions by the person who got the credit, the property can be lost.

The main credits on mortgage are the following:

- credit on mortgage with variable interests;
- credit on mortgage with progressive repayment.

I have in view the following grounds that are based upon the real case of Romanian agriculture:

- the existence in the countryside as well as in towns of a large number of families made up of retired persons who own lands and have no followers or had followers who emigrated or abandoned them;
- their impossibility of working the land due to old age;
- the small incomes of the large majority of these families, their living standard being under the limit of poverty;
- their uncertainty of getting sure and stable incomes, as a result of capitalizing the land on lease to persons who might prove to be impostors or speculators, and their impossibility of checking the crops due to old age.

As an alternative I suggest the settling of this matter with the help of creative bankers who, due to the banks they lead, eager to increase their incomes and to have a safe capital investment and ready to support the families of retired persons as well as other peasant families in the countryside or those who want to settle in the countryside and from whom the banks demand the finance under the form of deposits, will be able to understand the opportunity and will make them offers in order to obtain a sure income out of the land they own.

This transaction between the land owner and the bank does not imply a classical sell and buy contract, but one owing to which the land owner maintains, during his life, the land's usufruct and receives, in exchange, from the bank he made the transaction with a certain sum of money every month.

The amount of this sum is established by the bank, on the basis of the level of the incomes the land owner would obtain from leasing or selling the land. The advantage for the land owner who proceeds likewise consists in the safety of getting every month the sum promised by the bank, irrespective of the production obtained or of the land's exploitation conditions.

It also consists in the regularity (every month) and the permanence of getting the sums till the owner's death. It should be mentioned that during the life of the first land owner the bank cannot alienate, through selling, this land; it can only lease it to professional leaseholders or lease it, in order to fructify and cultivate it, to young families or to those who want to settle in the countryside and live from agriculture but who lack the means necessary for buying such lands. At the same time the bank can create for these families facilities concerning the possibility of buying the land on leasing when the first owner dies. In fact, the bank can sell the land on lease after the death of the first owner.

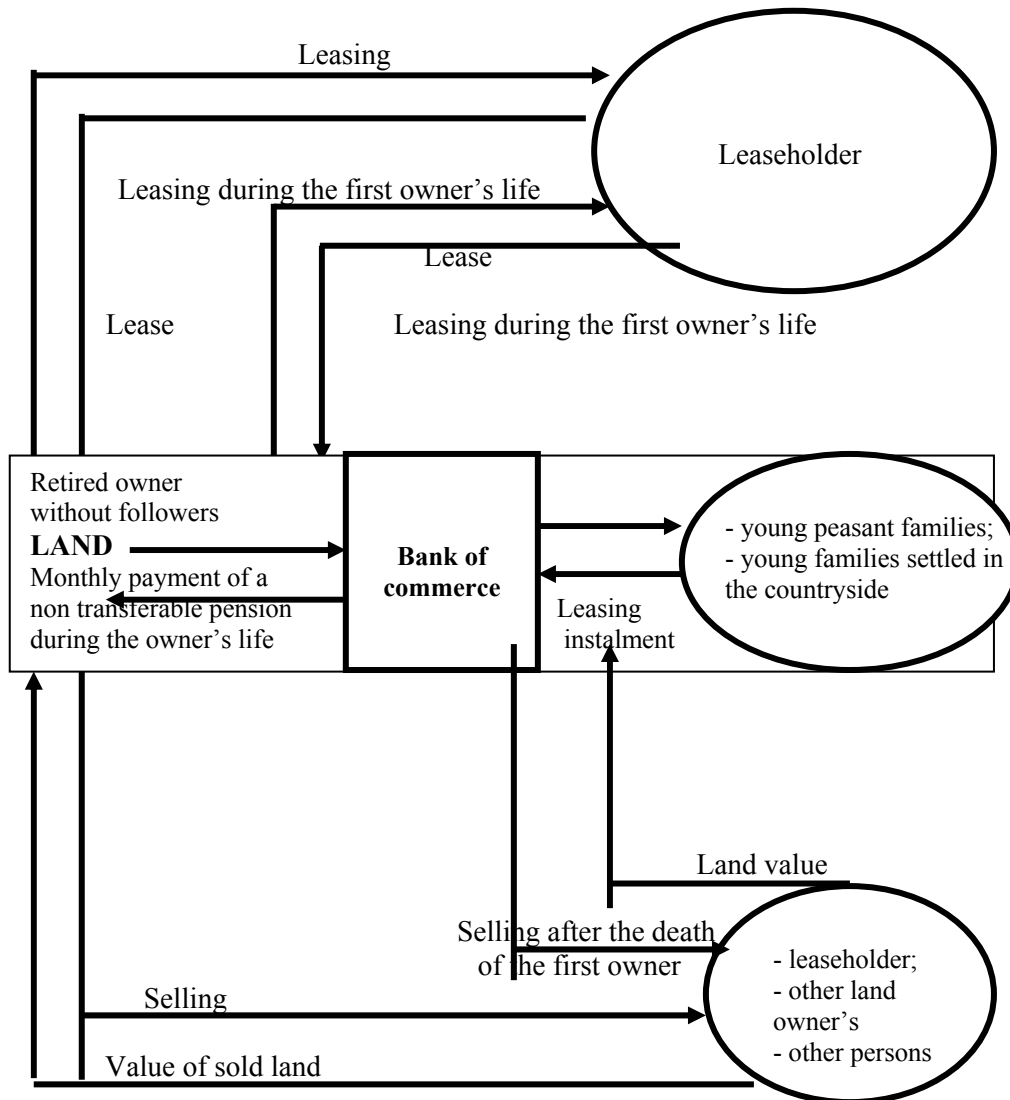


Figure 1.

This form of credit presents advantages both for the bank and for the person or the company who get the credit as it assures a safe capital investment in land made by the banks and it grants a substantial support to young peasant families or to those who want to settle in the countryside to live on agriculture. This scheme of the banks' capital investment in the land of the retired owners without followers is properly displayed in the image below.

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BENUTZUNG DER ARTIFIZIELLEN NEURONALEN NETZ (ANN) IM KONKURS VORAUSSEHEN

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ABSTRACT: *Der Artikel stellt die Möglichkeiten dar, Verfahren der artifiziiellen Inteligenz (artifiziielle neuronale Netze, Expertsystemen) im Bereich der Finanzen und Buchhaltung, anzuwenden.*

KEY WORDS: *klassische methoden für prognose*

1. Vorwort. Klassische Methoden für Prognose

In die Geschichte der Konkursvoraussehenbereich wurden mehrere wertvolle Behandlungen aufgrund diversen Paradigmen und spezifischen Algorithmus vorgeschlagen:

- die Bahnbrechende Werke der F, Fitzpatrick (1932);
- die liniare diskriminierende Analysis (A-H-N, Altman-Haldermann-Naraynan 1977; A, Altman 1968; B, Beaver 1966; E, Edminster 1972; R-F, Ramser-Foster 1931; E-M, El Hennawy-Morris 1983); Bl, Blum 1974);
- die rückgängige Analysis (Korobw, Stubr, Martin);
- logische Regression (W-S, Winakor-Smith 1935, D, Deakin 1974);
- Wahrscheinlichkeitsmethoden (T, Taffler 1982).

Die bekanntesten sind die Methoden der reelen rückgängigen Analysis, die zu einen Modell dieser Form führen:

$$Z = c_0 + c_1 * r_1 + c_2 * r_2 + \dots \quad (1)$$

c_i - sind Koeffizienten, r_i - sind die Variablen der Modell (bzw. Raten), z - ist der Ergebnis der Modellierung

Die benutzte Raten sind : Begleichungsfähigkeit (L), Zahlungsfähigkeit (S) und Profitbringung (P). Die Nutzung dieser Raten in die verschiedenen Modellen ist in die Tabelle 1.1 gezeigt:

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Tabelle 1.1

Raten	Laufende Größe	Benutzt von
R1 cash / laufende Passiven	L	E,D
R2 cash flow / laufende Passiven	L	E
R3 cash flow/ Gesamtsumme Aktiven	L	E-M
R4 cash flow / Gesamtschulden	L	BI,B,D
R5 cash / Nettoverkauf	L	D
R6 cash / Gesamtsumme Aktiven	L	D
R7 laufende Aktiven/ laufende Passiven	L	M,B,D,A-H-N
R8 laufende Aktiven / Nettoverkauf	L	D
R9 laufende Aktiven / Gesamtsumme Aktiven	L	D,E-M
R10 laufende Passiven / Eigenen Kapital	L	E
R11 eigenen Kapital / fixe Aktiven	S	F
R12 eigenen Kapital / Nettoverkauf	S	R-F,E
R13 Inventur / Nettoverkauf	L	E
R14 langzeit Schulden / Eigenen Kapital	S	E-M
R15 eigenen Kapital / Schulden	S	A,A-H-N
R16 Gesamtschulden / Eigenen Kapital	S	M
R17 Nettoeinkommen / Eigenen Kapital	P	B,D
R18 laufende Aktiven / Inventur	L	BI
R19 Nettoverkauf / Gesamtsumme Aktiven	P	R-F,A
R20 Nettoeinkommen / Gesamtsumme Aktiven	P	A,T,A-H-N
R21 EBIT / Ausgaben mit Zinsen	L	A-H-N
R22 laufende Aktiven (quick's) / laufende Passiven	L	D,E-M
R23 laufende Aktiven (quick's) / Nettoverkauf	L	D
R24 laufende Aktiven (quick's) / Gesamtsumme Aktiven	L	D,T,E-M
R25 Rentabilitätsrate für laufende Aktien	P	BI
R26 Bruttoeinkommen / Gesamtsumme Aktiven	P	A,A-H-N
R27 Aktienrentabilität	P	F,T
R28 Gesamtschulden / Gesamtsumme Aktiven	S	B,D
R29 Arbeitskapital / Nettoverkauf	L	E,D
R30 Arbeitskapital / Eigenen Kapital	L	T
R31 Arbeitskapital / Gesamtsumme Aktiven	L	W-S,M,B,A,D

2. Benutzung der Artifiziiellen Neuronalen Wahrscheinlichkeitsnetz (ANWN)

ANWN benutzt der Prinzip der Rückverbreitung, aufgrund der Fakt das ein ununterbrochenes Reaktionsignal (feedback) zwischen den Model und der laufende Antwort besteht / die Differenz zur Ausgang ist provoziert von Modellfehlern).

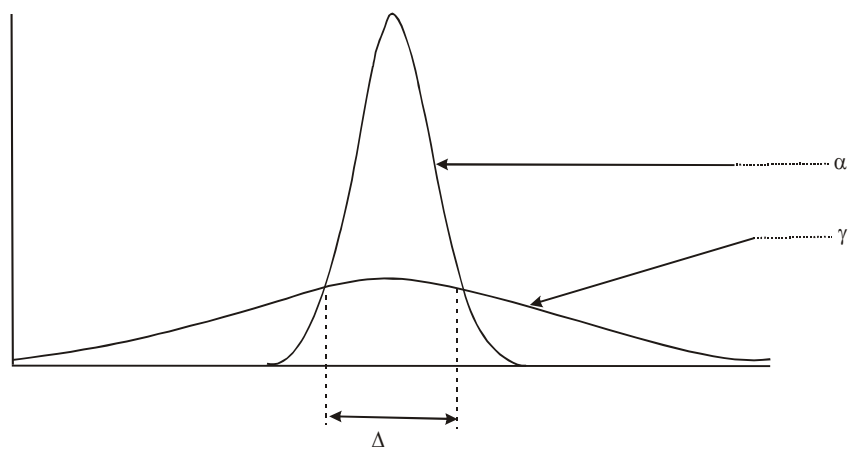
Die Fehlern sind gerechnet mit Wahrscheinlichkeitsregeln im Form :

$$L = -\ln(c) = -\ln(p(t_0 | c)), \text{ wo} \quad (2)$$

$P(t_0 | c)$ ist die Dichtheit der Vorgesehene Wahrscheinlichkeit der t Vektor in den Fall einer Kondition c.

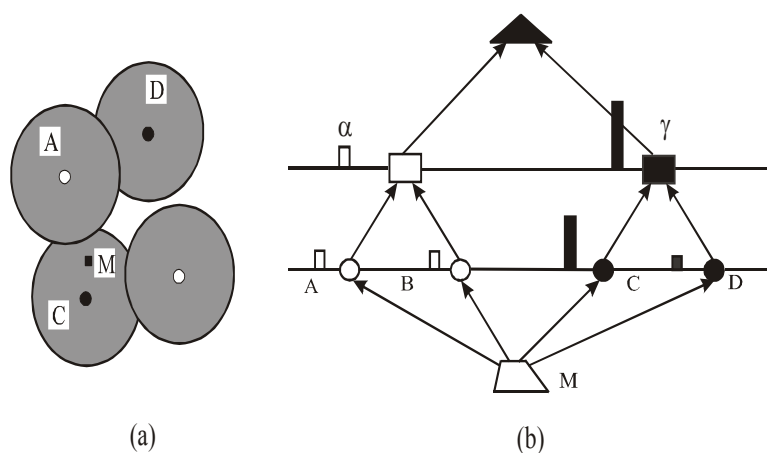
Wenn t der Antwort des Modells zur einer Fehler die als richtig angenommen wurde gegen der Zielwert (target) ist, dann $P(t | c)$ ist die mathematische Wahrscheinlichkeit der Fehler.

ANWN funktioniert auf dem Prinzip der Wahrscheinlichkeitsdichtheit. Die erwartete Dichtheit für die Prüfung einer Muster ist gerichtet zur bestimmte Klassen . Es wird identifiziert ob einen getestete Muster Teil einer bestimmter Klasse ist, oder abhängig der Antwort der Muster zur Wahrscheinlichkeitsverteilung. Dieser Prinzip ist in der Figur 1.1.



Figur 1.1.

Der Arbeitsprinzip der ANWN ist in Zeichen 1.2 angezeigt.



Figur 1.2.

Für den Test des ANWN Model wurden 122 Firmen geprüft , welcher Prognose vorher mit klassische Modellen statgefunden haben, benutzend fünf Eingangsvariablen:

- cash flow bezogen auf total Aktiven
- die Summe der Schulden bezogen auf total Aktiven
- Ausgaben für Benutzung bezogen auf total Reserven
- Laufende Passive bezogen auf total Schulden

Tendenz der Reserven berechnet als Vergleich der total Reserven im Jahr 1 und 2, bezogen auf total Reserven im Jahr 2 und 3.

In diese Struktur der klassische Modell war von Platt und Pedersen (1994) vorgeschlagen.

Im Bezug der Test für den ANWN Modell, die 122 Firmen wurde wahllos in drei Kategorien geteilt:

- ein Teil für training (11 in Konkurs+33 nicht in Konkurs);
- die zweite für die Feststellung der Modell erreicht nach die trainings (26 nicht im Konkurs + 14 im Konkurs);
- letzte Kategorie für die Prüfung der Firmen und nachher den Ergebnis Vergleichen mit die traditionellen Methoden (30 im Konkurs + 8 nicht im Konkurs).

Für den Vergleichen der Effizienz verschiedener Methoden wurden nachfolgende Methoden studiert:

- FISHER – lineare Diskriminierende Analysis;
- RAN-BP - Klassische ANN mit rückwärts Verbreitung;
- RANP – Neuronale Netze Wahrscheinlichkeit;
- RANP* - Neuronale Netze Wahrscheinlichkeit mit die normalisierung der Ergebnisse.

Die Ergebnisse sind im Tabelle 1.2 angezeigt, in zwei Varianten :

- in deflatierte Werten
- in nedeflatierte Werten.

Tabelle 1.2

	Deflatierte Werte			Nichtdeflatierte Werte		
	Global (n=38)	Nichtkonkurs (n=30)	Konkurs (n=8)	Global (n=38)	Nichtkonkurs (n=30)	Konkurs (n=8)
FISHER	27	20	7	33	26	7
	71%	67%	88%	87%	87%	88%
BP	28	24	4	30	30	0
	74%	80%	50%	79%	100%	0%
PNN	25	24	1	26	24	2
	66%	80%	13%	68%	80%	25%
PNN*	28	24	4	32	27	5
	74%	80%	50%	84%	90%	63%

3. Benutzung der Nichtwarscheinlichkeits ANN

Obwohl die Benutzung der ANN in diesem Bereich relativ neu ist, können wir eine chronologische Entwicklung machen:

- Wilson und Sharda vergleichen ANN mit die lineare diskriminierende Analysis und merken eine höhere Präzisionsniveau zur RAN 96%, als die anderen 91%. Es wurden 129 Firmen geprüft, 65 im Konkurs, 64 nicht, die finanziellen Raten waren genau wie die im Altman Muster;

- Serano- Cinca (1993) zeigt dass der Rückwärtsverbreitung Algorithmus und Selbstorganisierung geben bessere Ergebnisse (91%, bzw. 96% die Selbstorganisierungsmethode) als die Methode der diskriminierende Analysis. Es wurden 66 spanische Banken, daraus 29 im Konkurs, analysiert;

- Back (1996) hat ANN und der Rückwärtsverbreitung Algorithmus benutzt, und einen Präzisionsniveau von 95% erreicht;

- Für einen besseren Präzisionsniveau, Back hat eine Hybrid ANN-genetische Algorithmen benutzt, und eine Präzisionsniveau von 97% erreicht.

Für die Prüfung der ANN wurden 36 Firmen für lernentraining benutzt und andere 38 für testen; in den Set für training, 18 ANN waren nicht im Konkurs, und 18 mit 1,2,3 Jahren vor den Konkurs. Es wurden 9 ANN Typen mit Vorbereitung. Der Neuronenzahl der Eingangslayer ist gleich mit den Zahl der Eingangswerten (die gewählte Raten aus der Tabelle).

Der Ausgangslayer hat einen einzigen Neuron – entsprechend der Firmenstatus, mit nur zwei Werten: 0- für Konkursstatus, 1 – für nicht Konkurs. Im Fall jeder ANN wurden mehrere Systeme mit zwischenlayeren getestet, jede mit 9-12 Neuronen.

Für die Präzisionsverbesserung wurden Hybridsystemen benutzt, bestehend aus zwei Elementarsystemen:

- ein System wurde für den Auswahl der Eingangswerte, in diesen Fall wurden benutzt:

- DA - die Diskriminierende Analysis

- GA – die Methoden der genetischen Algorithmen

- der andere wurde für voraussehen benutzt, in diesem Fall NN – Neuronale Netz.

Synthetisch, die Ergebnisse wurden im Tabelle 1.3 verfasst:

- die Fehlern wurden in zwei Kategorien geteilt:

- a) Typ I – wenn die Vorhersagemethoden geben “nicht Konkurs”, aber in Wirklichkeit wird Konkurs sein;

- b) Typ II – wenn die Firma Konkurs programmiert ist, aber in Wirklichkeit nicht Konkurs ist;

- c) Die drei Linien sind die Jahrenzahl, bevor der Konkurs, auf dem die Vorhersage gemacht wird.

Tabelle 1.3

Jahrzahl die vorgesehen wurden bevor der Ergebnis	Typ I Fehler		Typ II Fehler		Gesamt Fehler	
	DA/NN	GA/NN	DA/NN	GA/NN	DA/NN	GA/NN
1	10.5	5.6	5.3	0	7.9	2.7
2	47.4	27.8	5.3	26.3	26.3	24.3
3	36.8	5.6	34.2	26.3	31.6	16.2

Als Schlussfolgerung, nachdem die Tabelle analysiert wurde, kann man sagen dass die beste Ergebnisse/kleinste Fehlerprozent) mit die Kombination GA/NN erreicht wird, oder die Eingangswerte mit genetischen Algorithmen gewählt sind und die Voraussicht mit ANN erfolgt.

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ANWENDUNG DER ARTIFIZIELLEN NEURONALE NETZ (ANN) ZUR AKTIENMARKT DER NIKKO BÖRSESYSYSTEM

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ABSTRACT: *Der Artikel stellt die Möglichkeiten dar, Verfahren der artifiziiellen Inteligenz (artifiziielle neuronale Netze, Expertsystemen) im Bereich der Finanzen und Buchhaltung, anzuwenden.*

KEY WORDS: *Vektor, Rentabilitätsevolution, Wertebereich, Wachstum*

1. Allgemeines. Problembereich

Es wurden die folgende Entitäten benutzt, mit die folgende Abkürzungen:

- einen Vektor (eindimensionales Matrix) bestehend aus Regresionsfaktoren mit der Zeit, Dow Jones(DJI)
- das medium Wert der langfristige Zinsen der Schatzschein für den Land (JGB)
- einen Vektor mit die JGB Werte in eine Zeitspanne.
- einen Technischer Indikator spezifisch der Börse, IT in diesem Fall.

In der Tabelle 1.1 ist die Rentabilitätsevolution der Aktien gezeigt: der erste Wertesatz zeigt die Wochentliche Veränderung der jährliche Mittelwert der Rentabilität, abhängig dem Wertebereich für DJI; zum Beispiel, damit er im Bereich $[0,0.1]$ liegt, die Rentabilität ist 26.83%, die Standardabweichung in diesem Fall ist 9.06% und wird erreicht durch die Verarbeitung 14 Klassen . So wird in diesem Bereich der größte Verfall für DJI bemerkt,der kleinste Niveau für JGB und der korrekte Niveau für IT.

Aufgrund dieser Tabelle, kann man behaupten, dass der Wachstum der DJI in einer Woche beursacht nächste Woche einen TOPIX Wachstum und wenn die Zinsrate JGB klein ist, oder ein Verfall einander bedingt zu eine kleine Wert des IT in einer woche meldet, dann TOPIX wird nächste Woche wachsen.

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Tabelle 1.1

Rang	DJI Evolution der Vektor	JGB Langfristige mittelwert Veränderung	JGB Langfristige Veränderung	IT Die mittelwert der Gesamtveränderung
0 - 0.1	26.83	-26.57	51.93	0.00
	9.06	10.14	6.33	0.00
	14	8	16	0
0.1 - 0.2	-106.93	31.45	48.44	41.47
	0.00	5.50	9.10	6.16
	1	64	30	65
0.2 - 0.3	-43.47	25.47	35.19	10.39
	10.26	6.46	6.03	7.53
	12	77	32	46
0.3 - 0.4	1.74	29.76	-2.44	3.14
	8.95	7.92	6.24	6.57
	40	40	31	20
0.4 - 0.5	20.85	-34.16	9.14	-0.70
	6.95	14.17	11.14	10.48
	51	17	18	14
0.5 - 0.6	4.83	-5.17	14.92	-5.24
	7.99	8.04	6.71	9.00
	62	30	34	12
0.6 - 0.7	18.49	-26.49	18.08	4.59
	6.96	10.97	6.28	7.25
	27	38	21	18
0.7 - 0.8	14.89	12.85	17.11	-0.06
	8.53	6.88	6.56	7.81
	48	21	53	25
0.8 - 0.9	17.11	0.00	-16.21	11.23
	9.93	0.00	9.17	8.34
	30	0	33	68
0.9 - 1.0	57.20	0.00	-47.34	-19.61
	10.52	0.00	10.88	13.76
	10	0	27	27

Diese erste Schlussfolgerung gibt uns die Voraussetzung für die Möglichkeit einer Voraussetzung der Aktienmarkt, in die erste Phase, durch elementare statistische Methoden.

Es wird bemerkt in diesem Fall dass die Benutzung der ANN sehr effizient ist, weil ANN flexibel im lernen ist, im Beziehung mit die komplexen Abhängigkeiten von Eingang und Ausgänge.

2. Die Architektur der ANN Voraussehungssystem

Die Basis Struktur ist in die nächste Figur angezeigt. Der system besteht aus mehrere ANN modulen die im Lernprozess "Geschichte"- Daten benutzen. Jeder Modul wird eine Voraussehung machen, die Rentabilitätsrate für nächste Woche, und diese wird der Ausgang der ANN sein.

In die Figur 1.1 wird die prinzipielle Struktur der benutzte ANN gezeigt; es wird bemerkt die Rangordnung, bestehend aus drei Schichten (layer), einen für Eingang, einen intermediär (versteckt) und einen für Ausgang. Der Ausgang ist eine Analogische Wert zwischen $[0,1]$.

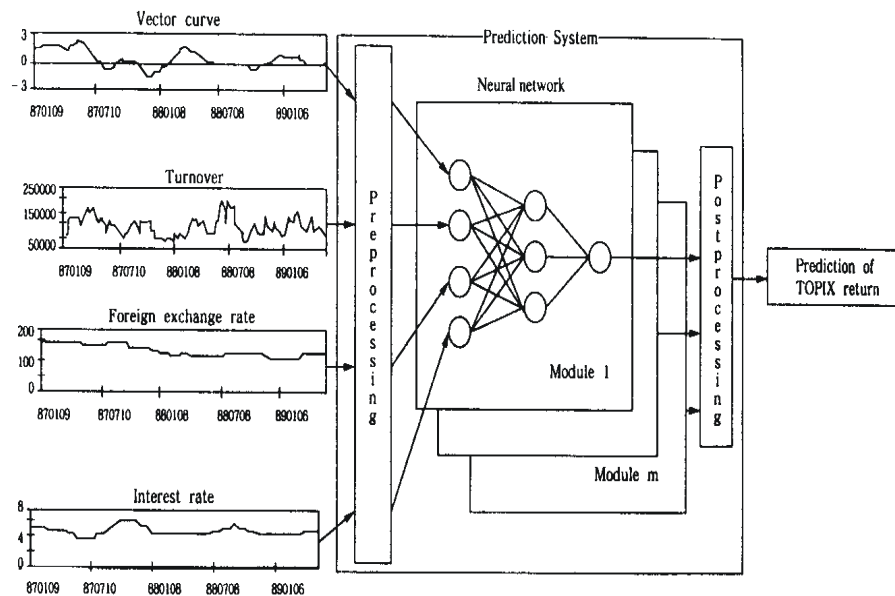


Fig.1.1.

Es wurde die Methode mit die Verbesserung der Lerngeschwindigkeit benutzt. Im Fall einer großer Menge der Eingangswerten wird die Methode der Komplementärlernen benutzt. Diese erlaubt die automate Aktualisierung der w Faktor, interaktiv während der Lernprozess.

Die Eingangswerten für ANN sind Sätze bestehend aus:

- Umsatz (turnover);
- Die Werten der Aktien zur Zeit;
- Zinsrate;
- Devisenstand im Bezug zur Hauptmünzen;
- Dow Jones stand.

Der Datenset benutzt für Training sind gewählt aus einen breiten Spektrum, nachdem sind sie in Zeitserien verändert. Für die Verringerung der Systemstörung, wird einen Satz aus Wochentliche mittelwerte indem jeder Eingang Index in drei Werten verändert ist :

- eine mittelwert die veränderlich ist;
- ein Verfallkoeffizient;
- die Differenz zwischen den laufenden Index und das Mediumwert.

In die nächste Tabelle werden die Eingangssätze angezeigt, ob sie benutzt (B) oder unbenutzt (UB) werden:

Der Ausgang der ANN ist die Mittelwert der gemäßigten Koeffizienten w_{ij} , und die wöchentliche mittelwert erzeugt von TOPIK System.

Falls eine Serie aus geschäftliche Zeitmaß benutzt wird, (größere Zeitspannen inclusiv für einen größten vorausgesehenen Horizont) werden Störungen auftreten (größere Geräusche (noise)) und eine kleinere Informationsmenge.

Es kann nachgewiesen sein dass die Störungsschwingungswerten proportional mit der radikal der benutzte Zeitspanne ist, die Voraussetzung schwerer zu realisieren ist. Infolge der ANN – testen wird bemerkt dass der optimale Voraussetzungshorizont ungefähr 10 Wochen ist.

Tabelle 1.2

Eingangswerten	Niveau	Tendenz (trend)	Relative Niveau
Aktienpreis	UB	B	B
Transaktionsvolumen	UB	B	B
Langfristige Zinsrate	B	B	B
Wechselkurs Yen/Dollar	UB	B	B
Prozent der Transaktionen gegen die meist transaktionierte Aktien	B	B	B
DJ (Dow Jones)	UB	B	B

3. Testen und Auswertung der System

Wie in die obere Absätze erwähnt wurde, die Benutzung einer ANN besteht aus zwei Phasen:

- die lern-training Phase;
- die Benutzung-Phase, in unser Fall die Voraussetzungphase.

In der Tabelle 1.3 werden die Korrelationskoeffizienten angezeigt, die zwischen der Lernphase und der Voraussetzungphase eintreten, im Bezug zur gesamtzahl (N) der Wochen dafür die Voraussetzung stattfinden soll.

Man kann merken dass im Fall einer monatliche Lernphase, die Korrelationskoeffizienten sind groß :0.4 - 0.5, und in eine drei monatige Lernphase die

werten fallen unter 0.2. Diese Ergebnisse suggerieren dass die Regeln die ANN ausgeben sind sehr wechselhaft, so dass eine trainierte ANN nicht mehr als 1-3 Monate benutzt werden kann.

Tabelle 1.3

N		8	10	12	Mittelwert
L	M				
1	6	0.442	0.421	0.416	0.435
	12	0.417	0.483	0.446	0.458
	18	0.341	0.386	0.449	0.414
	24	0.415	0.473	0.458	0.457
	Mittelwert	0.498	0.533	0.529	0.528
	6	0.287	0.236	-0.119	0.175
	12	0.184	0.215	-0.303	0.043
3	18	0.080	0.065	0.019	0.060
	24	0.119	0.078	0.047	0.063
	Mittelwert	0.207	0.185	-0.124	0.106

Aus der Benutzung der System wurde zur nächste Schluß gekommen:

- infolge ANN – Benutzung wurden einige Zeitspannen bemerkt, mit schwachere Leistungen . Diese Zeitspannen sind aleathorisch, scheinend ohne Grund und wurden keine effiziente Mitteln gefunden die es ausscheiden liessen. Aufgrund dieser Stand, wurden mehrere Lerndaten in paralell benutzt, und in Voraussehungphase wird der Mittelwert der vorausgesehene Ergebnisse berücksichtigt;

- insgesamt wurde ein Mittelwert der Korrelationskoeffizient in Höhe von 0.5 bestätigt, zwischen die vorausgesehene Werten und die vorherige Ergebnisse. Es muß erwähnt werden dass einen solchen Netz nicht mehr als eine Monat benutzt werden konnte;

- gegenseitig, für die bestimmung der Nützung der Netz zu eine Korrelationskoeffizient um 0.5, es hat sich eine Simulation der Verkauf und Kaufwerte in dieser Mode: wenn die vom System vorausgesehene Wert größer als einen Niveau ist, wird einen Aktien-Geschäftsbereich der TOPIX Index angeboten; wenn die vorausgesehene Wert unter dieser Niveau liegt, der Geschäftsbereich wird verkauft;

- auf eine längere Zeitspanne, der System wurde für die Voraussehen der 145 Werten benutzt, und wurde ein Korrelationskoeffizient von 0.293 ($R^2 = 8.6\%$) erreicht, und eine Richtigkeitsrate der Voraussehung von 62.1%. Der Test R^2 war zwischen 8% und 10%;

- es wurde die Verbindung zwischen die Voraussehung der ANN mit eine Hedging Strategie gemacht, damit die Riskrate noch mehr vermindert wird. Die Fondsmanagern haben die Evolution der TOPIX Index verfolgt: sie haben “futures” verkauft wenn ein Marktfall erwartet war, und haben zurück “futures” gekauft wenn eine Marktwachstum erwartet war. So wurden die NIKKEI futures im Handel benutzt.

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COMPARATIVE ANALYSE OF THE SMEs FROM ROMANIA AND EUROPEAN UNION

GABRIELA SLUSARIUC *

ABSTRACT *Comparing the definition of small and medium-sized enterprises from Romania with the one recommended by the EU, it is observed the fact that the point of view of number of employees, this is identical. From point of view of turnover, the Romanian definition is more restrictive, the maxim level of this being at 8 million EURO, comparing with the similar condition from UE*

KEY WORDS *small and medium-sized enterprises, turnover, employees, enterprises, founs, candidate countries, turism, capital.*

An enterprise fits in the category of small and medium-sized enterprises if all condition about turnover and employees.

Comparing the definition of small and medium-sized enterprises from Romania with the one recommended by the EU, it is observed the fact that the point of view of number of employees, this is identical. From point of view of turnover, the Romanian definition is more restrictive, the maxim level of this being at 8 million EURO, comparing with the similar condition from UE (7 million EURO for small enterprises and 40 million EURO for medium-sized enterprises).

In Romania, does not exist restrictions concerning maxim capital of the small and medium-sized enterprises. In UE exist this restriction, but this is progressive: 7 million EURO for small enterprises and 27 million EURO for medium-sized enterprises. So, the definition used in Romania is in concordance with the one recommended in European Union.

In 2001, in all 13 candidate countries had been recorded approximately 6 million active SME, so an average of 460.000 for every candidate country. The number of jobs proceeded from these enterprises had been of almost 30 million with an average of 2.307.035 jobs per country. A comparison on the same date (2001), in Romania had been recorded a total number of 404.675 enterprises, from which 402.359 with private

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capital having 1.905.035, respectively 1.844.312 employees. ving 1.905.035, respectively 1.844.312 employees.

Table 1.**The definition of SME in Romania and EU**

Conditions for IMM	Micro	Small	Medium
ROMANIA			
- maxim number of employees	<10	<50	<250
- turnover	<8	<8	<8
- other conditions		25%	25%
EUROPEAN UNION			
- maxim number of employees	<10	<50	<250
- turnover (million EURO)	n/a	7	40
- total maxim funds (million EURO)	n/a	5	27
- other conditions	n/a	25%	25%

Most of SME from Romania, like in the member countries, are micro-enterprises. In Romania, from the total number of SME, 91,2 % had been micro-enterprises in 2001.

From the poit of view of labour share angage.in the sector of the SME in the total employees from economy, the situation is presented in the table no2

Table 2.**The labour share angage.in the sector of the SME**

Europe (European Union+ AELS)	State candidate	Romania
66%	72%	40%

It is obvious the fact that the labour from Romania employed in SME is 50% lower than in Europe – 19 and in other candidate countries.

The average of the employees in the SME is presented like this:

Table 3.**The average of the employees in the SME**

Europe (European Union+ AELS)	Candidate countries	Romania
5,5	6,9	4,8

It can be observed that in Romania, the SMEs has in average, less 5 employees, situating under the european average. There is a difference between the average of SME from the candidate countries and the member countries. In Malta, Cyprus, Turkey – 3 candidate countries that don't have a planified economy, the number SMEs is at the same level of the states in EU. In the South part of the continent – Greece, Italy, Spain and Portugal is characterized by a bigger ponderosity of the micro-enterprises.

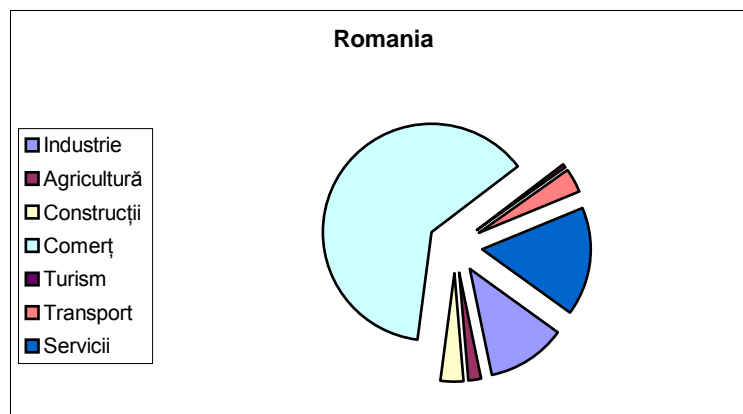
Table 4.

Branch	Romania	State candidate	Europa (Eu+AELS)
Industry	11,6%	12%	10%
Agriculture	2,0%	-	-
Construction	3,3%	16%	13%
Trade	63,0%	19%	25%
Tourism	0,5%	5%	6%
Transport	3,6%	12%	6%
Services	16,1%	36%	30%

The percent of the SME in candidate countries and in Europe includes the SME which activates in financial services domain (banking services, insurance)

The situation of the SMEs repartition on activity categories in Romania is presented in the figure no.1

The situation of the SMEs repartition on activity categories in Romania

**Figure 1.**

The situation of the SMEs repartition on activity categories in European Union is presented in the figure no.2

The situation of the SMEs repartition on activity categories in European Union

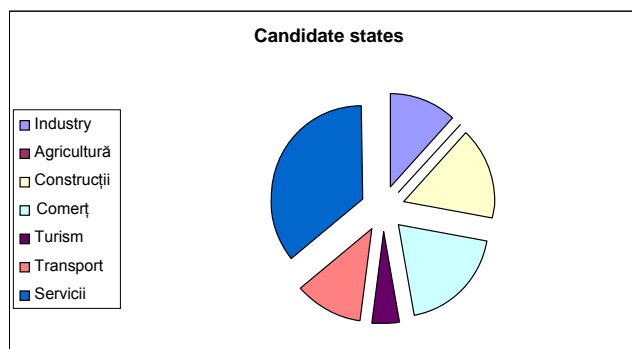


Figure 2.

Comparing the definition of small and medium-sized enterprises from Romania with the one recommended by the EU, it is observed the fact that the point of view of number of employees, this is identical. From point of view of turnover, the Romanian definition is more restrictive, the maxim level of this being at 8 million EURO, comparing with the similar condition from UE (7 million EURO for small enterprises and 40 million EURO for medium-sized enterprises).

By comparatively analysing the weight of the Romanian SME with the SMEs from the candidate countries and SMEs from EU results some particularities of SME from Romania:

- the most of the SMEs from Romania are implicated in trade activity, the percentage in EU being lower by 2.5 times
- „the turism” branch is very poor represented, respectively only 0.5% comparative with 0.5% respectively 6%, so 10 times poorer represented
- the percent of the SME from the „constructions” sector is 4 times lower than the european average recorded in candidate countries and in Europe ;
- the percent of the SME in „industry” category is 11,6%, comparatively with the one recorded in EU (10%) and in candidate countries (12%)

Work productivity (in Eu) – in 2001 – is presented below:

Table 5.

	Work productivity			
	Micro Enterprises	Small Enterprises	Medium Enterprises	TOTAL
Europe	40.000	75.000	105.000	65.000
Romania	2.688	3.688	3.542	3.278

It can be observed the fact that the average value of work productivity recorded in SME in Romania is 19 times lower than the one recorded in Europe. In size types the situation is the same. However, in evaluating these differences we must consider the fact that the definition of SME in Romania is not identical with the one in EU, concerning turnover.

For developing fast and harmonious of this sector, in Romania it came into being the National Agency for Small and Medium-Sized Enterprises and Cooperatives.

The National Agency for Small and Medium-Sized Enterprises and Cooperatives (NASMEC) is established by the Government Decision No. 753 / 2003, and took over the organizational structure, all the attributions and functions of The Ministry for Small and Medium-Sized Enterprises and Cooperatives

The NASMEC purpose is to implement the Government's program of SMEs, cooperatives and domestic trade development.

Basic functions of the National Agency for Small and Medium-Sized Enterprises and Cooperatives:

- **Strategic function** - defining, developing and implementing development strategies and programs for small and medium-sized enterprises and cooperatives, as well as domestic trade development and harmonization strategies;
- **Regulating function** - creating the legal and institutional framework required for achieving objectives and implementing programs in its sector of activity;
- **Management function** - managing state budget and non-budget funds and distributing such funds for the development of the SMEs, cooperatives and domestic trade sectors;
- **Representation function** - representing Romania nationally and internationally in its field of activity;
- **State authority function** - supervising the enforcement of legal provisions in its field of activity.

According to the Government's program, the National Agency for Small and Medium-Sized Enterprises and Cooperatives has set certain objectives that it is pursuing in the SMEs, domestic trade and cooperatives sectors:

- In SMEs sector creating the business environment favorable to stimulate private investors in establishing and developing SMEs;
- Streamlining the development of SMEs' productive and innovative activities;
- Improving the services available to SMEs to increase their business performance also in international markets;
- Improving the SMEs' access to financing;
- Improving the SMEs' access to foreign markets

So, on one hand there are sensible disparities between Romania and Europe – 19 and on the other hand from the point of view of the structure on activity categories and absorption of labour in different sectors of the economy.

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NEW TENDENCIES IN PUBLIC ADMINISTRATION DEVELOPMENT

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ABSTRACT: *After 1989 our country strongly experienced the public administration reform necessity. One of public administrations reform's objectives was to attract the citizens in planning and checking activities developed in the public sector and to create "an electronic administration" trying to improve the quality and the rapidity of services offered, using electronic aids.*

Public authorities are frequently assisted in promoting the social partnership process by the NGO. We must recognize that the NGO begin to have a main role in promoting a real relation between governs and citizens. In the eyes of public opinion the NGO present great credibility, because they are not submitted to governmental politics, commercial or political ambitions. They also have more flexibly structures, that aren't subdue to bureaucracy and hierarchies and the personal usually is volunteer, and not financial motivated ones.

The IT society development and the introduction of communication technologies create "an electronic administration". Public administration will be modernized and the main goal of authorities will be to increase the efficiencies of public services and to make them compatible with European standards. Through IT public administration will be able to collect local taxes on-line, to make public acquisitions through electronic auction and to create advantageous conditions for communication through videoconference system,

KEY WORDS: *reform, public administration, IT, NGO, electronic, paying taxes on-line, videoconference.*

Starting with 1990 our country experienced the reform necessity. Although initially whole attention focused on accomplishing economic reform, soon it became obviously that economic reform is impossible without the previous, or at least the concomitant, public administration reform.

The public administration modernization, from structural and functional point of view, was generated by some factors. The above mentioned factors were: *economic* (the creation of a public, modern and flexibly administration, opened to public-private partnership), *technological* (introduction of new technologies, such as Information

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Technology), *sociological* (attracting the citizens in taking administrative decisions) and *institutional* ones (the public administration restyling requested by European Union).

The public administration reform was also generated by internal factors (management, social and economic problems), and external ones (the quick development of technologies).

One of the public administrations reform's objective is to determine the existing problems from his spheres, to propose the optimum solutions and implement them.

Another objectives is to encourage citizens to attend the process of taking public decisions, to attract citizens in planning and checking activities from the public sector, and to create an "electronic administration".

This is the reason for which the NGO were attracted in public administration reform from beginning. Another important step of reform was to accept new technological middles used to pay taxes on-line, to make public acquisitions through electronic procurement and to facilitate communication through videoconference system.

The constitutional principle[†] enounced in the item 37 give legal form to NGOs - citizens can free-associate in politic parties, in trade unions, in syndicates and in any other forms of partnership. The right of association is a fundamental one containing the possibility for Romanian citizens to free-associate in formations or organizations to assist in social, political, scientifically and cultural life or to achieve some legitimate commune interest[‡].

The NGO can have an important role in promoting public-private partnership. This kind of public-private partnership has a main social impact, because allows citizens, beside municipal authority, to take decisions with major impact on population.

The NGO can accomplish this objective through finding new methods for the public politics' improvement and implicating citizens in decisional process. The decisions must be embraced by the closer authorities to the citizens, in the conditions in which relation among government and population becomes more complicated, due to facts that the politic decisions pass through many levels of administrations, and finally when are adopted, the decisions become untimely.

Citizens feel they have little influence regarding decisions took to national and local level, so they consider there is a "deficit of democracy" – so in these moments the concrete intervention of NGO would be oportune.

As a rule the public administrations authorities are involved obligatorily in relations with the NGO on the basis of legal disposals[§]. Therefore, the public

[†] Constituția României modificată prin legea de revizuire a Constituției nr. 429/2003 – publicată în Monitorul Oficial nr.758 /29 octombrie 2003

[‡] Constituția României comentată și adnotată – M. Constantinescu, Ion Deleanu, , Antonie Iorgovan, Ioan Muraru, Ioan Vida, Florin Vasilescu, București – 1992, pagina 93-94.

[§] Ordonanța 26/2000 – cu privire la asociații și fundații, publicată în Monitorul Oficial nr. 39/31 ian.2000, modificată și completată prin Ordonanța 37/2003 publicată în M.O. nr. 62/2003

administrations authorities are enforced to come into relations with these organizations and to accept the NGO's representatives with a view to a permanent cooperation.

Among town council attributions is to decided cooperation or association with NGOs to realize projects of public local interest. This partnership with NGOs, Romanian or foreign legal persons, will always be discussed in town council's public meeting and will be adopted with at least two thirds vote from councillor's number**.

According to public administration law, local authorities must support NGOs, by giving them business spaces, naturally depending on possibilities, to encourage and support their activity.

NGOs that unfurl an activity of general interest for at least three years and present a report from which result they developed a series of activities, projects and significant programs, specify to their aims, and they carried out the proposed objective, can be recognized through Government's decision as an "NGO of public utility".

The Government has a special department, that promote and estimate the governmental politics in the area of social life, formulate recommendations considering these, centralize the applications concerning requests of recognizing the public utility statute of NGOs and annually analyses the activity of associations and foundations recognized as "NGOs of public utility", revoking this statute to the foundations who are not accomplishing the imposed conditions anymore.

The teacher Ives Beigbeder shows in "*International role of NGO*" that at NGO's base stands the respect of their independences, as well as the observance of fundamental human rights. The author underlines the compliant hypothesis that the NGO can't scroll his programs and projects in optimum condition, without public authorities' help.

Regarding NGO's activity is required a tight collaboration with public authorities, obviously without enclosing NGO's spirit of independence and autonomy.

Lately NGOs have the tendency to exercise strong influences on public administrations, so we can underline that relations between the public administration and the NGOs is vast, alternating between cooperation and pressure.

NGOs shouldn't exercise pressures on public administration, but should orientate their activities in trying to inform citizens and find optimum solutions for their problems.

Concomitantly with the IT society development and the introduction of communication technologies, new challenges appear for the public administration modernization. Through these new technologies the authorities want to increase the efficiencies of public services and to make them compatible with European standards.

IT offers to public administration the possibility to create "an electronic administration". The goal of the "electronic administration" is to improve the quality and the rapidity of services offered, using electronic aids, managing to approach the citizens and to take the opportune decision, in accordance with their expectations.

** Legea 215/2001 a administrației publice locale, publicată în Monitorul Oficial nr. 204 din 23 aprilie 2001

Trough new technological means is possible to collect local taxes on-line, to make public acquisitions through electronic auction, to create advantageous conditions for communication through videoconference system, create a modern, pliant public administration, which offer a permanent connection between citizen and the public authorities, and change the rapport between these two public characters.

IT in public administration presents a series of advantage. The benefits are: the reduction of many specific administrative documents, obtaining more accuracy and real statistical information, reducing administrative employee number, increasing the transparencies of administrative documents, reducing the bureaucracies and advancing qualified labor levels.

Local and central “electronic administration” made his debut by creating portals containing the public administration’s formulary used in relation with citizens and businessmen, making also possible to deliver documents in electronic format to public authorities.

In 2001 a Government decision created the juridical, institutional and technical background for IT in administration by improving administrative documents quality and modifying relations between public administration and citizens.

To raise public administration’s activity efficiencies is necessary to modernize communication between institutions through new technologies and telecommunication middles. In this sense it’s obvious that local authorities must have and know how to use a PC and must be connected to one of the regional network, accessible to local level. Above all, in the same time, must be accelerated the possibility to transmit documents on-line. The key element for the success of public administrations reform is to optimize IT fluxes, by making an electronic circuit of documents and to create an electronic archive for documents.

Ordinance 24^{††} created the juridical necessary background to implement the payment of local taxes through electronic systems. Local public administration must offer to citizens electronic accessible middles, portals on Internet, so they can visualize the provenance of their due taxes and pay them through electronic middles, too.

To develop in good conditions the encashment of taxes through electronic middles^{‡‡} the financial authority has some significant responsibilities: to create a proper system, to offer advices and technical support regarding its utilization and the transactions that can be made using it, to supervise and to check up the conformity of its utilization with legal norms, to assure the confidentiality, the integrity, the access and the information permanent availability during the transaction, in accordance to our legislation. The fiscal authority offers facilitations to System’s users without perceived any taxes. Public authorities must also create an electronic Register of local taxes that will contain information regarding the users.

^{††} O.G. nr. 24/2002 – privind încasarea prin mijloace electronice a impozitelor și taxelor locale, publicată în Monitorul Oficial nr. 81 din 1 februarie 2002

^{‡‡} Hotărârea 181 din 28 februarie 2002, pentru aprobarea Normelor metodologice privind implementarea Sistemului electronic de încasare a impozitelor și taxelor locale, publicată în Monitorul Oficial nr. 158 din 5 martie 2002

Another important step for IT in administration was made through an order^{§§} which imposed the obligation for tax payers to use electronic declarations concerning the obligations for national budget, for the deduction concerning value-added taxes and other contribution.

IT has an important role in the attribution of public acquisition contracts through electronic auctions.

E-procurement contains many stages: the publication of participation announcement, the registration and selection of applicants, the communication and presentation of documents, the offer evaluation, and the communication of results (specifying the contractors). Every stage of e-procurement has its own rules imposed by the electronic System operator.

Introducing IT in public administration was a necessity, but we must underline there are a series of deficiencies appeared during this process.

Thus at central administrations level still exist an inefficient communication between the central public administrations institutions, financial funds to create an “electronic administration” are insufficient, the interconnection of databases is not ready yet, the administration electronic system is not secure and human specialized resources show a deficit.

As for local administration level financial funds to create a “local electronic administration” are also insufficient, human specialized resources are inadequate, unprepared and badly remunerated, and local administration does not have specialized departments regarding IT in administration.

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POSSIBILITIES OF IMPROVING OMNIASIG ACTIVITY EFFICIENCY

CONSTANTIN TOMA *

ABSTRACT: *Using actuarial calculation based on mathematical statistics and economics in order to elaborate and substantiate the tariffs that should be applied by the company. The business environment for the insurance- reinsurance companies is totally inadequate, being turbulent, because lots of companies are setting prices without any efficiency calculations.*

KEY WORDS: *share, market, tariffs, mathematical statistics*

Increase the company market share:

- *Continuing the acquisition process of other insurance companies (example Agras) or insurance portfolio takeovers (example BTR);*
- *Using actuarial calculation based on mathematical statistics and economics in order to elaborate and substantiate the tariffs that should be applied by the company. The business environment for the insurance- reinsurance companies is totally inadequate, being turbulent, because lots of companies are setting prices without any efficiency calculations, thus disturbing the market. In spite of this, OMNIASIG makes efforts to sell his products at the right prices, even if the prices are sometimes higher than the market average, trying to compensate by high quality services;*
- *Implementation of adequate marketing, PR and advertising programs for retail sector upon which the company decided to focus;*
- *Paying a special interest to the market researches in order to identify the products becoming popular on the market and with satisfactory efficiency. The purpose of such studies will be mainly to identify new profit sources more than to add a new position in the company's portfolio;*
- *The expansion plan is part of the company business plan extended on 10 years, that is until 2012. This is why it is inappropriate to assimilate products that doesn't positively influence company's actual and forecasted results;*

* *Chairman of the OMNIASIG, Romania*

- *Developing activities with social character*: sportive events sponsorships; charity involvements in health and teaching field, acts that bring a supplementary image benefit.
- *Opening agencies and sales points in order to have a better cover all over the territory.*

Increase the quality of claims assessment:

- *Continuous training of the claims inspectors;*
- *Paying the indemnity in due time to the clients, according to the insurance contracts terms;*
- *Decreasing the number of insurance frauds by collaborating with Ministry of Internal Affairs and other insurance companies;*
- *Undertaking preventive activities (stipulated in the new Road Code) which contributes to decreasing the overall loss ratio;*

Reorganize the company human resources structure

- *Taking into consideration the stipulation of the new Labor Code regarding the abrogation of civil contracts the company has to deeply reconsider its own sales force. Up to now an important part of company's income (approx. 72%) was achieved by agents. Given this new situation it is important to develop the concept of direct sales, which involves recruiting and training an own supplementary force that has to compensate the loss caused by the decrease in agents number.*
- *Setting a balance between the increase of employees number and the increase of the activity volume;*
- *Performing an efficient management policy in human resources area. That would lead to the increase in the quality of claim assessing activity and to a shorter period needed for the insured to be indemnified.*

Complete the informatization process of OMNIASIG activity

- *Including all branches in the online system (presently only 10 branches are functioning online) would allow the centralization of all data in real time and support the management take prompt and adequate decisions.*
- *Updating current versions of the applications used by the company- Insis (technical application) and Wizcount (accounting application) and undertaking multiple improvements in order to answer more properly to the company needs of centralizing and analyzing data.*

Transition from cash to accrual accountancy

- *Starting 2002, OMNIASIG will harmonize its accountancy to IAS. This implies to report the written gross premium and not cash gross premium as it did until December 31, 2001, meaning that will apply accrual accountancy principles.*

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OVERVIEW OF THE ADMINISTRATION OF ORACLE DATABASES WITH APPLICATION IN THE BUDGETARY SECTION

TEODORA VĂTUIU *

ABSTRACT: *The paper suggests the presentation of an informatics system for the automatic administrative data processing of the budgetary activity proposed for implementation at the Court of Counts, Romania, through which there can be achieved and arranged the information in a real time, so that the negatives phenomenon that can appear to be cleared.*

KEY WORDS: *databases, console, instances, storage*

INTRODUCTION

The Console's Databases folder allows you to administer database instances, schemas, security, and storage, and other database features from a unified tree view.

The unified access to administration functions offered by the Databases folder makes it easy to switch between tasks and to gain an accurate overall view of database configuration status.

You can use the Database folder features with or without connecting to an Oracle Management Server (OMS). (Figure 1.)

THE PRESENTATION OF THE APPLICATION:

Reforming the public bodies of a country is the hard core of any economic reform. In this paper, through public bodies we understand public authorities, public institutions, national companies and societies and public corporations. Internal and external audit are the first tools of the top management of the public body in examining the whole decision making system (strategy and tactics), the efficiency, efficacy and economical aspects of every operation and decision.

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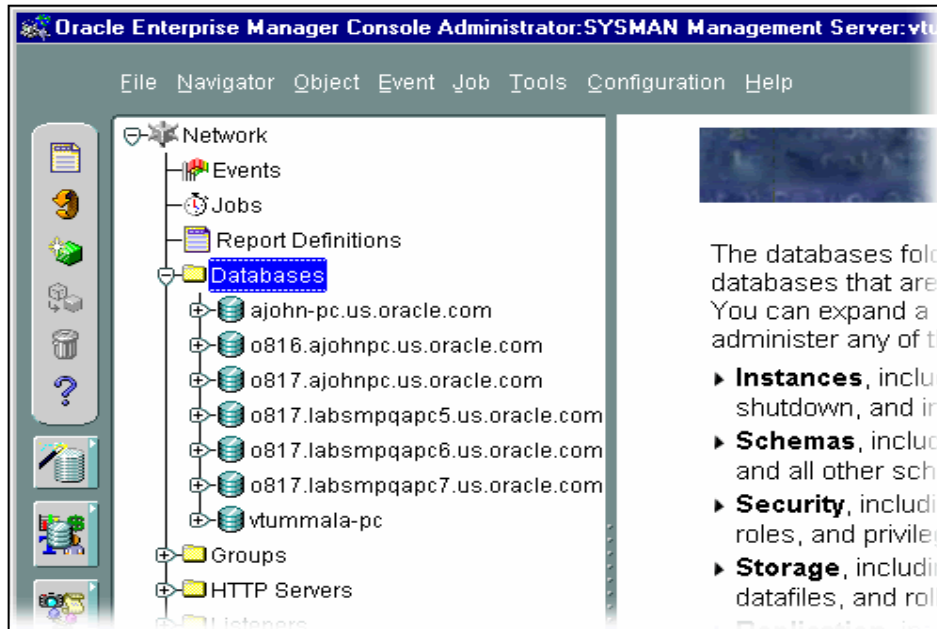


Figure 1.

A major request of the development of the informatics society is the automation of the most complicated system of administrative data processing of an economy and more precisely the administrative data processing from the budgetary activity. The execution of the budget consists in the sales of the incomes and the accomplishment of the spending acknowledged by the legislative forum.

The achievement of an adequate informatics system comes in the auditor's support, which has to give its verdict in a real time on what concerns the justifiability and the opportunity of the administrative data processing of the public money.

The paper suggests the presentation of an informatics system for the automatic administrative data processing of the budgetary activity proposed for implementation at the Court of Counts, Romania, through which there can be achieved and arranged the information in a real time, so that the negative phenomenon that can appear to be cleared.

It is indicated an adaptation of the dates with the most dynamic product for the administration of relational Oracle databases. Oracle has conceived the family products Oracle9i for offering a complete software infrastructure for the administration of the Internet's content, the developments and circulations of the applications for Internet.

The analyze of the dates has started with the study of the structure of incomes and spending from the law of state budget which is organized on parts, chapters, subchapters, titles, articles and breaks. For the systematization of dates in tables which can be interrogated and which can answer to our needs and imperatives of the application, we suggested the following levels (Figure 2.):

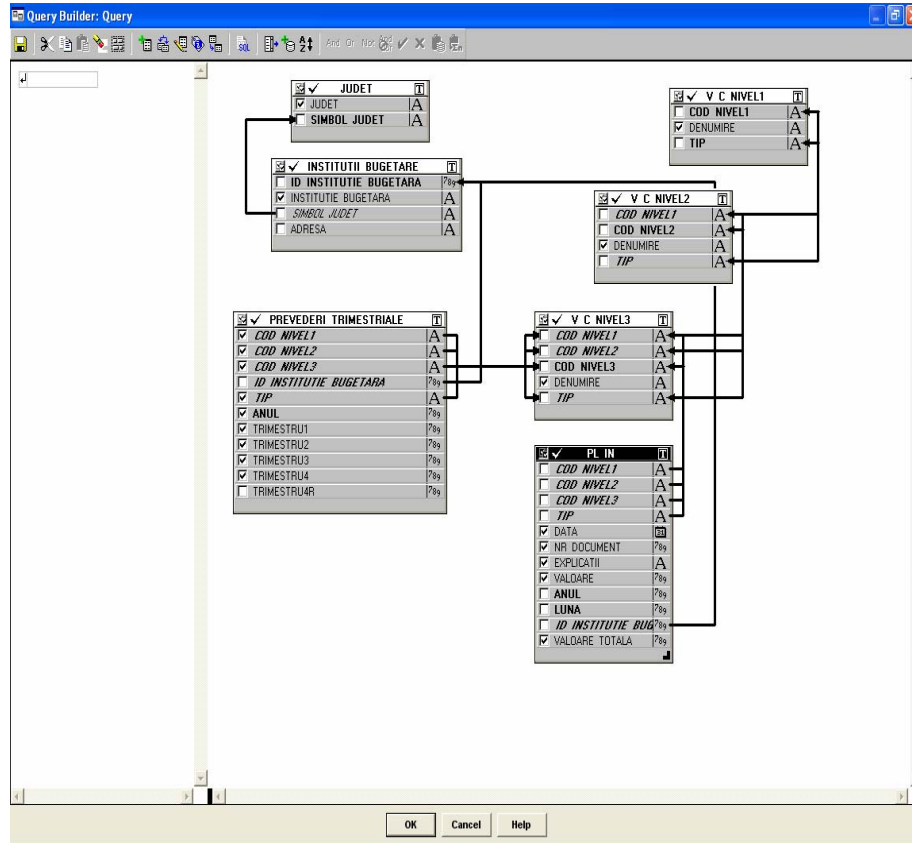


Figure 2.

This structuring of the dates gives the opportunity to introduce the dates at the lower level, trimestrial circumvention and monthly sales; and, on the other hand, you can compare the trimestrial circumvention and the trimestrial accomplishments.

For the implementation has been used the generator of forms ORACLE Forms, organized on pages (Figure 3.):

CONCLUSIONS

The application was conceived so that the auditor could have access to the date's system of the credit sequencer, allowing the noticed contributors with Internet access to see the results of a financial exercise and to draw the conclusions in what concerns the justifiability and efficiency of the manner of administering of the public money.

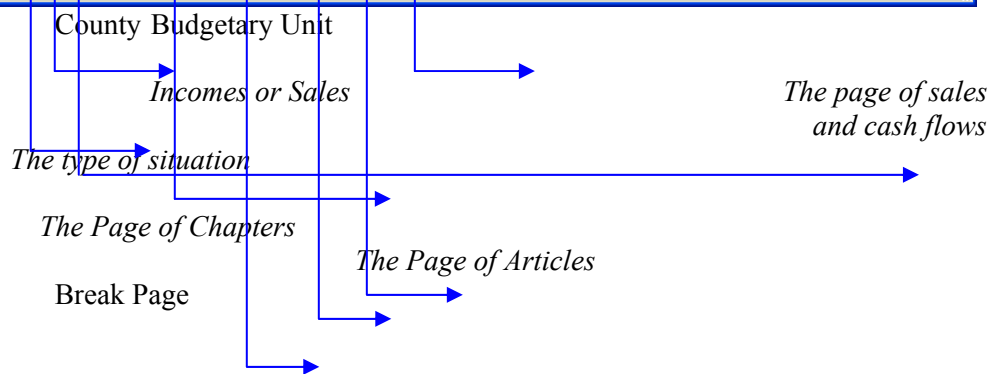
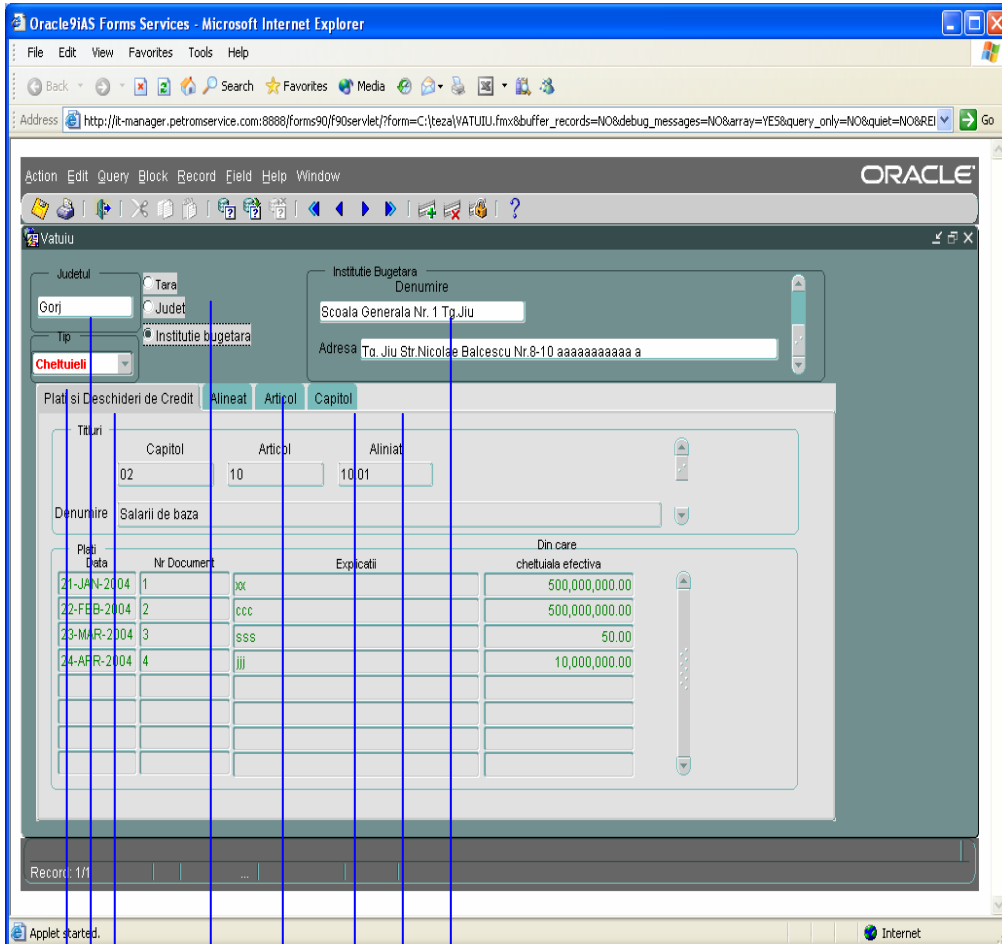


Figure 3.

In the end, there can be acquired reports like the following one (Figure 4, 5):

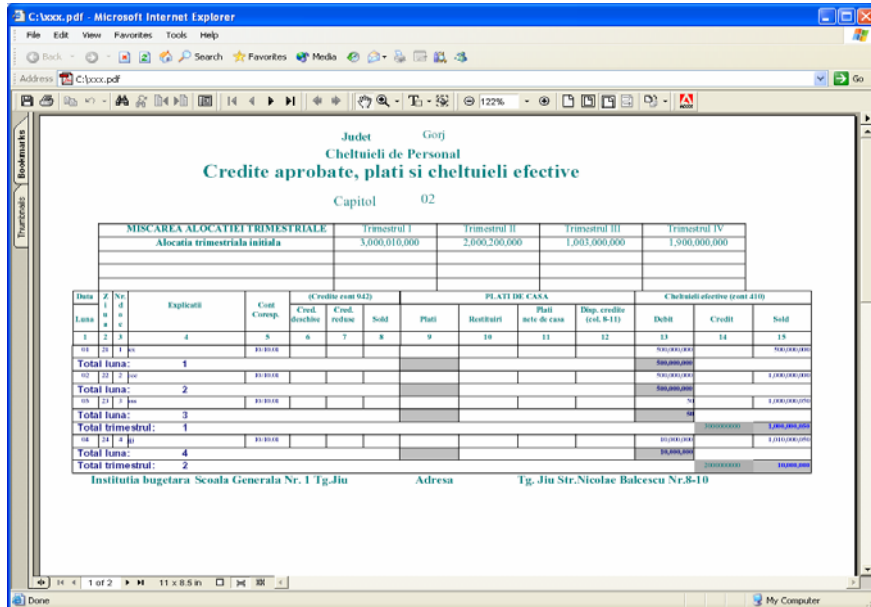


Figure 4.

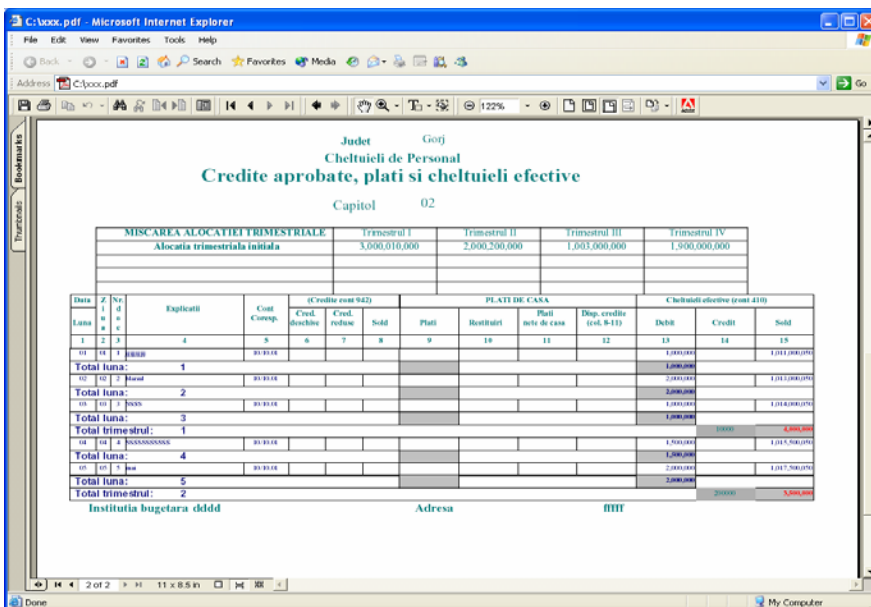


Figure 5.

The presented managerial strategy wants to be a advocacy in favors of the achievement of such an informatics system, based on this theory and realized through the application of the relational databases, using the Oracle9i.

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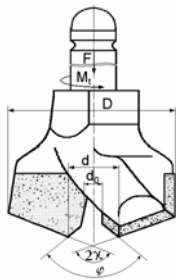


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