

**UNIVERSITY OF AGRICULTURAL SCIENCES AND
VETERINARY MEDICINE BUCHAREST ROMANIA**

***FACULTY OF MANAGEMENT, ECONOMIC ENGINEERING IN
AGRICULTURE AND RURAL DEVELOPMENT***



SCIENTIFIC PAPERS

**SERIES "MANAGEMENT, ECONOMIC ENGINEERING IN
AGRICULTURE AND RURAL DEVELOPMENT"**

Volume 9 (2) /2009

PRINT ISSN 1844-5640

University of Agricultural Sciences and Veterinary Medicine , Bucharest, Romania

Scientific Papers “Management, Economic Engineering in Agriculture and Rural Development“
PRINT ISSN 1844-5640

Volume 9, Issue 2/2009

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To be cited : Scientific Papers “Management, Economic Engineering in Agriculture and Rural Development“, Volume 9 (1)/2009

Manuscript submission . Published by DO-MINOR Publishing House (DPH),

Publisher Office : 6 Aleea Parva , Bucharest, Romania

Phone:+40 728833391

www.dominor.ro

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This volume includes the scientific papers of the 9th International Symposium
“Prospects of Agriculture and Rural Areas Development”,
Session “Agriculture and Rural Areas Development”,
May 7-8 , 2009 , Bucharest ,
University of Agricultural Sciences and Veterinary Medicine, Bucharest, Romania

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INABILITY CREDIBLY EVALUATION OF JUST VALUE IN ANIMAL HUSBANDRY. LIMITS AND DEVELOPMENTS

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Key words: *assessment, fair value, cost, biologically active, market.*

Abstract

Assessment in agriculture, in general, animal husbandry in particular, requires a special evaluation, assessment based on the fair value less estimated costs of sale point. But not always the fair value can be credibly evaluated because of the limitations that will be presented and developed in the paper.

INTRODUCTION

In Romania, although it is a country with high agricultural potential, agricultural activity accounts after 1989, knew very few specific approaches. Agriculture activity by it specific, requests an accounting variety. Knowing that the biological evaluation of the assets is frequently based on the fair value less estimated point costs from initial recognition of biological assets, up to harvest, sometimes this evaluation cannot be made at initial recognition, appealing to the accounting model based on the historical cost.

International, the variety and specificity of agriculture accounting, the body concerned to prescribe the accounting treatment of agricultural assets, the IASB (the order of International Accounting Standards, in developing this sense of IAS 41 „Agriculture” [7]. Local, Romania, awareness and concerns for the application of IAS 41, were the authors [2], but it should be carefully treated the impossibility of a credibly evaluation of the fair value, this impose limits, and the need of development here.

MATERIALS AND METHODS

Materials used for research are books and articles from specialized magazines of the authors that are presented in the bibliography. Research method used is documented from previously materials.

RESULTS AND DISCUSSION

Starting from the accounting method most commonly used and recommended by IAS 41, namely the valuation of assets in organic agriculture, in general, particularly in animal husbandry, the initial recognition and at each balance sheet date at fair value less estimated point costs of sale, analysing agricultural activity features, it was found that sometimes we are unable to credibly evaluate the fair value. If you have an active market for biological assets and agricultural products, than prices in that market represents the base for determining the fair value of these assets. But the question arises when we don't have an active market for biological assets to be valued and recognized initially. In this case it will use price or market value of such [7]:

(a) the most recent transaction price on the market that shows that there were no significant changes in economic circumstances between balance date and the date on which the transaction was conducted;

(b) market prices for similar assets appropriately adjusted to reflect differences;

(c) sector benchmarks such as the herd expressed by kilograms of meat.

In Romania, the recommendations of activity are given by Law no. 73 / 2000 on the organization and functioning of the markets for agricultural products and foodstuffs in Romania. In case that no such prices or values of the market is not a credibly evaluation a fair value can then use one of the following methods that an entity consider to be more credibly for This:

(a) the current value of net cash flows of assets at a date before the tax rate determined by market fluctuations;

(b) assessing the cost less any accumulated depreciation and any accumulated impairment losses.

When the fair value of biological assets can be credibly estimated, the entity subsequently assessed on the basis of the biological assets of the methods presented later, it will soon assess the biological asset at fair value less estimated point costs of sale. Entity that has done such assessments will present the explanatory notes of the financial information relating to:

(a) description of the biological assets for which applied a different method than the assessment based on fair value less estimated point costs of sale;

(b) an explanation of that result as fair value can be credibly evaluated;

(c) a description of the modification of the evaluation, gains or losses arising and their impact.

Changing of the initial assessment when the entity was an exception in case of credibility assessment based on fair value less estimated costs of point of sale, when the decision becomes credibly fair value is a subjective, leading to inconsistencies in the application and Such results would not be presented correctly. Council for International Accounting Standards, decided to apply the fair value assessment as soon as it can credibly evaluate in [7].

In some cases, for example in some markets in regression, when estimates cease to be credibly it may be appropriate evaluation of the change in fair value less estimated costs of

point of sale used initially, in cost, but this kind of practices on the ground as „an entity will use the exceptional credibility as excuse for interruption of the fair value accounting in a market in regression [7], but under the current economic crisis I consider that this should be allowed.

If a fixed asset is included in the category of assets available for sale, individually or in a group, presumed credible assessment for that asset.

Failure to evaluate the credibly fair value of biological assets and agricultural products may appear only at initial recognition.

Council of International Accounting Standards, regarding treatment of any expenses related to the biological assets has not prescribed any recommendation in this regard, considering that if you used a model based on the fair value, such treatment would not be necessary. Subsequent expenditure relating to the biological assets in case of exceptions to recognize the biological assets at cost less any depreciation or amortization computed for those biological active reasoning appealing to the professional, will be treated as period costs or capitalized costs.

CONCLUSIONS

[1] Romanian accounting course various stages of adapting to new demands of market economy after 1989, but no stage have not made specific references to the accounting in agriculture. No OMFP by 1752/2005, for approval of accounting regulations in accordance with European directives, were not made specific requirements for reporting financial entities in the agriculture in general, livestock in particular, due to the fact that no european accounting reference does not contain specific regulations for some specific sectors of the economy (agriculture as a particular sector).

[2] Specific accounts for agriculture in the application model, the initial recognition and at any time the balance, based on an the assessment based on fair value less estimated point cots of sale.

[3] In the conditions in which we market to enable biological assets and agricultural products, and recommendations for the assessment of fair value are not reliable, is impossible to evaluate in a reliable fair value.

[4] Failure in a credibly assessment of the fair value of biological assets and organic products only at initial recognition.

[5] Because the romanian agricultural entities will need to implement International Financial Reporting Standards in the near future, the need to adapt accounting regulations, of romanian reference with agricultural activity features, registration of the biological assets and agricultural production at fair value.

[6] Developement base don the impossibility to evaluate in a reliable fair value of the biological assets and agricultural products will be more in the future to the extent that agricultural entities will adapt Romanian reference accounting at the international implementation of International Financial Reporting Standards.

[7] Adoption of a General Plan Agricultural Accounting for entities in the agriculture field and a specific financial reporting, the amendment of accounting legislation in this regard.

[8] The Accountant General Plan Agricultural and specific financial reporting should be made only to large agricultural entities, agricultural small holdings and to lead accounts in a simple game, making only brief accounts information without involving small farmers too much.

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SUBMISSION OF THE INFORMATION IN THE NOTES TO THE FINANCIAL SITUATIONS OF THE ENTITIES WITH ANIMAL HUSBANDRY PROFILE

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Key words: *biological assets group, fair value, physical changes, financial risk, government subsidies.*

Abstract

Entities with animal husbandry profile presents features livestock shows in terms of presenting information in the financial statements. Presentation should be made on each group of biological assets, separately on mature and immature biological assets, separate account assets and biological reproduction. Not to be omitted the presentations such as accounting policies, accounting reconciliation between the beginning and the end of the financial year, strategies for managing financial risk, government subsidies. Without exhaust the subject, paper presents proposals for presentation considering the issues considered to be more important for livestock entities, with the possibility of extension depending on the particularities of each entity.

INTRODUCTION

Romania, a country with high agricultural potential and European Union Member State, the next period may benefit from structural funds and cohesion funds received by the European Commission and to support regional agricultural policy. Financial instruments, structural funds and cohesion are the basis for efficient work and to achieve local and European agriculture development, principles which were established by the European Commission and undertaken by Romania through the National Strategic Plan 2007 - 2013 . To access these funds each entity must develop projects feasible, technically and economically, which are based on an economic and technic documentation. Within these documents a role they have both the financial situation and the current forecasted. Presenting information in these situations is very important, it must provide information about relevant economic and the financial situation of the entity, information that sustain success of the project and default accessing funds. The paper will be presented on issues in financial reporting in general agriculture, animal husbandry in particular, and issues related to the presentation of the information in the notes to these situations.

MATERIALS AND METHODS

Method research is documented and the results of research are oriented to the accounting normativism, the materials are books and articles from specialized magazines, authors of pages four, which will be presented in the bibliography.

RESULTS AND DISCUSSION

Starting from the idea that after 1989, accounting agricultural activity, knew shy specific approaches locally, the author considers necessary attempt to address how to present the financial statements of agricultural entities in general, animal husbandry in particular, information relating the agricultural activity, livestock, these entities. The subject considered to be complex would not be exhausted in this presentation.

First it should be noted that agriculture in the method of valuation used (exceptions being, but are addressed elsewhere)

is based on fair value less estimated point costs of sale. Starting from this issue and presenting the information in the financial statements and notes present features.

IAS 41 „Agriculture” make recommendations on the presentation of the information in the notes of the financial statements of such agricultural entities [6]:

- a company must provide cumulative gain or loss in the current period on initial recognition of the biological assets and agricultural products and modification of the fair value less estimated point costs of sale of the biological assets;

- the company must provide a description of each group of the biological assets;
- unless the information presented in published financial statements, the enterprise should describe:

- (a) the nature of its activities, which involve each group of the biological;

and

- (b) non-financial measures or estimates of the physical quantities:

- (i) company biological assets for each group at the end of the period, and

- (ii) agricultural products during the period.

- the company must present the methods and significant assumptions applied in determining of the the fair value for each group of the agricultural products at harvest point and each group of the biological assets;

- the company must provide fair value less estimated point costs of sale of the agricultural products harvested in the period, determined at the harvet point;

- the company must submit:

- (a) the existence and the amounts of the biological assets whose title is restricted and the carrying amounts of the biological assets that guarantee obligations;

- (b) the purchase commitments for the development of the biological assets, and

- (c) strategies for the financial risk management related to agricultural activity.

- the company must submit a reconciliation of the accounting changes biological assets between the beginning and end of current period. No comparative information is required. Reconciliation must include:

- (a) gain or loss from changes in fair value less estimated point costs of sale;
- (b) increases due to purchases;
- (c) due to sales discounts;
- (d) reduction due to harvest;
- (e) increases resulting from the the combining enterprises;
- (f) Net differences course resulting from the conversion of the financial entities abroad, and
- (g) other changes.

So, in the notes to the financial statements of agricultural entities in general, in animal husbandry in particular, should be structured and presented the information as follows:

- references to reporting on the bases;
- operations and activities of the entity agricultural livestock;
- biological assets present;
- reconciling the accounting of biological assets;
- strategies for financial risk management;
- Government subsidies and assistance;
- More presentations such as information about that fair value cannot be credibly evaluated, depreciation method used, life duration, the depreciation rates used, gain or loss recognized from the sale of assets valued at one and the other information that the entity considers appropriate to this.

We illustrate, with the possibility of extending the presentation, several issues will be presented in the notes of the financial entities of agricultural livestock profile.

Basis reporting

Entity will be submitting its registered office, registration of its ORC, local reference under which they were drawn financial situations, the reporting currency. It will also refer to the fact that financial conditions were made based on the historical cost, except the biological assets that are valued at the fair value less estimated point costs of sale, and other information which they deem necessary and relevante users.

Operations and main activities

Entity subject to this main activity, number of physical presentations, presentation biological assets groups, mature and immature biological assets, bio-active in producing and consuming. Will be presented the results of thr physical production and value, the estimated cost points of sale, resulting in obtaining production time, etc..

Presentation of biological assets

It will present information on that biological assets were assessed using the same method each year with the assessment that the fair value less estimated point costs of sale. Fair value of the animals was determined on the basis of market prices of the animals at the same age, race or other similar characteristics. Agricultural products are evaluated in time to obtain initial, harvest, at fair value less estimated costs of point of sale using prices in the market area in which the entity has its headquarters. Also presented will be of value changes of staff, admit them to the profit and loss. Biological assets accounting value reconciliation

Will be presented with information on:

- Biological value of early exercise;
- Increases due to purchases;
- Gain or loss arising from changing the fair value of the estimated costs Minis point of sale;

- Due to sales discounts;
- Reduction due to other outlets (exp. slaughter);
- Fair value minus estimated point costs of sale at the end of the period.

Strategies for financial risk management

It is well known that if the prices of biological assets, agricultural products change frequently, the entity may be subject to the financial risks. The entity must provide information to the effect that manage these risks, the management is often doing analysis of the market prices of the biological assets and agricultural products that do not conclude contracts with negative financial influence because of the price changes. The entity must have an active management of the financial risk. Because the activity in agriculture, in general, in animal husbandry in particular is often the subject to risks of diseases and epidemics, management must show how to manage these risks and if they were taken over by the insurance companies.

Government subsidies and assistance

The entity will refer to:

- If government subsidies are recognized in the financial and other forms of the government assistance;
- The size of the government subsidies and government assistance;
- The failure;
- Government subsidies contingent attached;
- If it is expected to be significant on the level of government subsidies.

Other information related to the government subsidies and government assistance that entity are considered to be necessary given.

Other additional information:

Husbandry entities should present the notes to financial statements additional information with reference to the following aspects:

a) evaluates whether the entity's assets at cost less any accumulated depreciation and accumulated impairment losses for those assets it must provide the following information:

- Biological assets that were the basis of such assessment;
- A fact explaining why fair value can not be credibly evaluated;
- Depreciation method used;
- Terms of useful life and depreciation rates used;
- Gross value and depreciation and accumulated impairment losses at the beginning and end of the period;
- Gain or loss recognized from the alienation of the assets so valued;

b) if during the current fair value of the biological assets measured at cost less any accumulated depreciation or amortization, to become credibly, the entity must provide information about the following:

- Biological assets that were subject to such assessments;
- Reasons that the fair has become credible;
- The modification.

CONCLUSIONS

[1] In various stages of the adaptation to the Romanian accounting requirements of the new market economy, have

not made specific references to accounting in agriculture as a specific way of it, due mainly to the assessment based on fair value less the estimated point costs of sale.

[2] The need for urgent structural and cohesion funds for Romanian agriculture considered financial instruments which operates based on well established principles, so the necessary for development of Romanian agriculture, the transformation in competitive agriculture, in accordance with the requirements of the Common Agricultural Policy developed at EU level.

[3] Presentation of the viable projects for accessing structural and cohesion funds, and requires the development of the current financial situation and forecasted to provide correct information, or lack of the models for drawing these financial reports and related notes, drafting and difficult the economic and technical documentation related.

[4] The need for adopting a General Plan Agricultural Accounting for entities with specific farm and adopt a specific model of financial reporting, accounting amend legislation in this respect, provided they adjust to the demands of International Financial Reporting Standards in the near future.

[5] Need to develop a practical guide for understanding and application of new regulations which will be adopted with case studies and models in support of agricultural entities, because they can develop financial reporting current and forecasted.

[6] Based on developments presenting the information in notes to the financial statements of the entities in the agriculture in general, animal husbandry, in particular, will not stop here, will certainly be more as you plan will be developed and Accountant General Agricultural financial reporting for entities in the agriculture field. As agricultural entities will cover new regulations in practice, the need for improvement as a result of signals of practice will require new developments.

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PROMOTION AS FACTOR OF SUCCESSFUL SALE OF ORGANIC PRODUCED VEGETABLE ON INTERNATIONAL MARKET

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Key words: organic vegetable, promotion, international market

Abstract

In paper work is indicated importance of promotion for organic produced vegetable sale on international market. When is applied in international surrounding, promotion, as one of the marketing mix instrument, significantly influence on potential consumers, which are faced for the first time with organic produced products from specified country, with main goal to get important information about company, and offered products too. Based on information which potential consumers gets by promotion, positive attitude about products is created, as one of the first steps which leads to purchase. Promotion considers communication on international market by the promotion mix instruments. It is important that noticed instruments operated together, in other words their action has to be coordinated for reaching full influence of promotion.

INTRODUCTION

Demand for organic produced agricultural alimentary products, on the international market, is increasing. It is expressed in countries which has high economic standards of living and which population have possibilities to put in daily consumption an organic products too. Because of noticed increment of demand, number of producers which have in production program organic products is constantly higher. By producers of organic vegetable number growth is increasing importance of promotion as one of instruments of international marketing mix. Importance is in informing of consumers about value of specified producers product, what will resulted favoring in process of purchasing.

IMPORTANCE OF PROMOTION FOR ORGANIC PRODUCED VEGETABLE SELLING

By promotion, through instruments of promotion mix, is disseminated information which are important for company, or products which are offered on market, according to which consumers get positive attitude, what is the one of first steps which lead to purchasing. At promotion of organic produced vegetable is important to point at geographical origin, as optimal conditions in which is established production.

Promotion has a crucial role in accomplishment of adequate level of market representation, but for itself can not make product successful. Only by promotion activities it can not be achieved market success for product, or for that is necessary to accomplish synergetic action of all four marketing mix elements¹. According to that if other instruments of marketing mix (product, price and distribution) are not on adequate level of needs in aimed segment of pointed international market, it is not possible to achieve long lasting appearance on observed market.

Promotion activity goals in international marketing are²:

• Informing, education, directing or stimulating of appropriate and timely adjusted reaction of some markets or

markets segments,

- Stimulation of distribution channel activities or appropriate sales transactions,
- Creation or keeping of company/product image,
- Underlining of specific product characteristic,
- Keeping of popularity or market presence of company,
- Achievement of constant connections or direct contacts with targeted groups, which are important for realization of total marketing program.

At designing of promotion strategy it is important that some instruments of promotion mix would not be watched as separate functions, so they have be combined in contingent upon product by itself, characteristics of purchasing process, etc.

For consumers promotion is with multiple importance. To consumers can be shown why the product is good for using and which persons are potential buyers, or they can get information about producers, or they can be induced for trying and usage of product. Promotion can contribute to the value of producers' trade marks on few ways: by creation of trade mark awareness, with connecting of true association in consumers' conscience, with the image of trade mark, stimulation of positive trade mark estimation and stimulating of consumers and trade mark connection.³

Important factor of adequate marketing effect achievement is promotion mix, which by the aspect of international marketing considers⁴:

- ⇒ Economic propaganda (advertising)
- ⇒ Sales promotion
- ⇒ Personal selling
- ⇒ Public relations and publicity
- ⇒ Interactive or direct response marketing

Advertising – represents type of public announcement with the aim to inform and influence on consumers, or to help in products selling. It is the most important instrument of promotion mix for spending goods, in which organically produced vegetable fit too⁵.

¹ Akhter S.H (1994.): *Global Marketing*, South-Western College Publishing

² Modified according Jović, M. (2002.): *Međunarodni marketing*, Institut ekonomskih nauka, Beograd

³ Modified according Kotler, P., Keler, K., L., (2006.): *Marketing menadžment*, 12. izdanje, Data status, Beograd

⁴ Modified according Jović, M. (2002.): *Međunarodni marketing*, Institut ekonomskih nauka, Beograd

⁵ Vlahovic, B., (2004.): *Marketing poljoprivredno-prehrambenih*

Main goals of advertising are⁶:

- To inform – about appearance of new products on market, where products can be bought, about prices and products characteristics,
- To remind – where specified products can be purchased, what are its advantages, that is correct time for buying,
- To convince – in other word confirm consumers that this product is really necessary for them, which it is better than other one, etc.

Goal of advertising appliance is in moving of demand line. If through propaganda activities of company is enabled higher selling, with its growth circumstances of production increment are created, which has to satisfy better demand on market. According to that, production costs by unit of product have to be lower, what enable decreasing of prices. Eventually price decreasing can induced further selling growth.

Sales promotion – means for selling promotion have as goal getting stronger and quicker buyer answers. Means which are used for selling improvement have next advantages⁷:

- Communication – attract notice and it can direct consumers to product,
- Stimulation – means mitigation or contribution which gives value to the consumer,
- Call – means type of invitation for prompt transaction.

Improvement of selling could be done on selling spots by attractive product exposure, what is important for consumer's recruitment, those one who are buying without to much thinking (impulsive buyers). Basic instruments for organic produced vegetable selling improvement are free samples, fairs, tasting, discounts (bonuses), distribution of advertising materials, etc⁸. Effects of selling improvement are short lasting, so they are not efficient in creation of long term consumer's preference to specified products.

Personal selling – is communication of seller representative with potential consumers, with main goal to promote and sell products. It is characterized with two way communication, so it is possible caring over of information from seller on buyer, and answering on specified questions from buyers too. Personal selling is more represented at promotion of machines and equipment, or at valuable and risky products, and it is less in use at promotion of alimentary products.

Public relations and publicity – this instrument of promotion mix has great importance for buyers informing about company, or products. It refers to creation of positive attitude connected with products, which producer wants to let on international market. Information characteristic, which are let on this way, is in that they are published in means of public information and they are not paid by the company. Advantage of on this way presented information is in higher credibility, what is especially important at selling of alimentary products.

Public relation is instrument for trust building between producer and his surrounding on specified international market. Goals of international PR campaigns are⁹:

- Achievement of trade mark image on various international

proizvoda, Poljoprivredni fakultet, Novi Sad

6 Kotler, P., (1989.): *Upravljanje marketingom, Zagreb*

7 Kotler, P., Keler, K., L., (2006): *Marketing menadžment, 12. izdanje, Data status, Beograd*

8 Vlahovic, B., (2004): *Marketing poljoprivredno-prehrambenih proizvoda, Poljoprivredni fakultet, Novi Sad*

9 Bennet, R. (1995): *International Marketing – Strategy. Planning, Market Entry & Implementation, Kogan Page, London*

markets,

- Achievement and dissemination of company image in public,
- Increment of interest for products,
- Achievement of adequate reputation in local media,
- Decreasing of selling costs (especially of distribution channel).

Direct response marketing – is established on information and selling system, where producer apply direct, personalized connection with every buyer by the interactive communication. By using of this promotion mix instrument he is directly call upon buyer, what is advantage in developed countries. Presumptions of successful direct marketing creation are¹⁰:

- Arranged computer data base,
- Appropriate connection with targeted segment,
- Efficient system of distribution.

Direct response marketing would be in near future more and more important because of telecommunication development, what will influence on increment of potential consumers number, which will be target group of this promotion instrument.

CONCLUSIONS

Success in appearance of organic vegetable producers on international market is significantly determined by correct defined promotion strategy. Promotion is important instrument of international marketing mix, but, if other instruments (product, price and distribution) are not on adequate level of aimed market segment needs, it is not possible to achieve long lasting appearance on observed market.

By increment of competitiveness among organic vegetable producers it is raising a need for presentation of indispensable information about company and products to potential consumers through instruments of promotion mix, with the aim of favoring in purchasing process.

Individual instruments of promotion mix are specific and it is important that they act integrated, or in other words their acting has to be coordinated in the aim of better presentation of company and products on international market.

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IMPACT OF PROPERTY REFORM ON THE MICROFINANCIAL PHENOMENON

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Key words: reform, investments, financial mechanism

Abstract

Property reform means the totality of economic, politic, social and other kinds of measures meant, on the one hand, to ensure the diversity of property forms and to improve their structure, and on the other hand, to from premises of the efficient exercise of property rights on the economic potential elements, the corporate governmental mechanisms being included. In the Republic of Moldova, according to the Law nr. 459-XII from 22.01.91 on property, there are three types of property: private, collective, including "kolkhoz", and state property.

INTRODUCTION

The property reform shall be understood as a totality of economic, political, social and other action aimed, on one part, to ensure diversity of ownership forms and optimize their structure, and on the other part, ensure conditions for efficient fulfillment of ownership rights for economic potential elements. In the Republic of Moldova in accordance with the Law on property #459-XII dated 22.01.91 there are three types of property: private, collective, including kolkhoz, and state ownership. These types of property can exist in different organizational forms: individual, familial, cooperative, joint stock companies, economic entities, state-owned enterprises and institutions, municipal, organizations and public movements, religious organizations, mixed, including with participation of citizens and legal persons from other countries, as well as other forms of property that are not forbidden by law.

Under conditions when over 90% of economic assets of the Republic of Moldova were owned by the state, where the latter proved to be inefficient in the most obvious form, civilized reform of property implied initiation of denationalization of property and privatization.

Although in modern East-European context transfer of ownership rights for production facilities owned by the state is traditionally considered the main means for creation of a private sector in an economy dominated in the public sector, although, these two processes should not be confused or mixed. In first place, it is not likely that transfer of property from the state into private ownership is sufficient for creation of a private and dynamic market economy. In the second place, such private market sector can be created more successfully by stimulating formation of new enterprises and expansion of existing unit in private sector in the process of formation than by transformation of state-owned goods into private goods.

MATERIAL AND METHOD

From theoretical and scientific aspect material of this

article has been made in the context of complex and systemic approach to modern economic concepts.

Taking into consideration the bases of research, fulfillment thereof employed a large range of economic methods of study based on principles of dialectic determinism. For this purpose, when applying scientific abstraction it has been taken into consideration that the driving force of development is internal contradiction between phenomena and processes. It has been considered that induction and deduction do not constitute independent and separated from each other forms of research, but determine each other and present the required aspects of the general method of studying economic reality. It has been found necessary that each phenomenon and process to be analyzed, and the latter must be completed with synthesis.

Complexity of studied economic and financial phenomena has necessitated the use statistical methods, namely analysis of correlation and regression. In the same time, for this purpose there was employed a multidimensional compared analysis based on Euclidian distance method.

RESULTS AND DISCUSSIONS

Financial situation represents the result of interaction of all elements of financial relations system in an enterprise and can be determined by an ensemble of indicators that characterize its capacity to pay for its obligations. The main goals of analysis of financial situation are: evaluation of structural dynamics and rotation of assets; evaluation of structure dynamics and circulation of own and borrowed capital; analysis of value and dynamics of absolute and relative indicators that characterize financial stability; analysis of solvability and liquidity of balance assets. On the basis of these theoretical aspects we will move on to multidimensional analysis methods in order to calculate the rate of financial independence

The rate of financial independence (own capital concentration rate) is determined by applying the formula and characterizes the weight of enterprise owners' property in the total amount of investments in its activity. The higher is this indicator, the most stable is the company from

the financial perspective and independent from external creditors. Creditors invest „easier” into a company that has a higher share of its own capital in the total amount of financial resources.

In the same time it is important to mention that the level of financial independence is treated differently in different countries. In accordance with information from the Organization for Economic Cooperation and Development, OECD, the share of borrowed funds in the total amount of financial resources constitutes in average in Japan - 85%, in Germany - 64%, in the U.S. - 55%. In these countries investment flow has different characteristics – for example, in the U.S., the biggest share in financial flow is provided by the population (for example, through mutual funds), in Japan – by banks. Considering these facts, a higher value of borrowed capital concentration ratio tells us about a higher level of trust by banks to corporations. And vice versa, a smaller ratio indicates inability of a company to make bank loans, which represents a warning for investors and creditors.

When local banks make loans in favor of companies owned by foreign legal persons, the interest rate is lower because it is considered that the credit risk in case of such loans is lowest; in some cases the banks make loans to this group of enterprises under guarantees of state. In case of agricultural enterprises (kolkhozes) 1 lei of own capital is opposed to 0.05 lei in borrowed capital. The reason that can explain such low value is that potential borrowers need medium-term and long-term loans at low interest rate (considering poor financial situation of local agricultural enterprises). The bank portfolios in this segment of loans is not well developed. As for private companies, it should be mentioned that the majority of them represent commercial structures, whose activity is strictly aimed at short-term operations, and brings relatively high profit. For this reasons, the banks are prone to

	Financial independence	Borrowed Capital / own capital
Total by forms of ownership	0.40	1.47
<i>Property of the Republic of Moldova</i>	<i>0.47</i>	<i>1.13</i>
Public property	0.70	0.43
Property of state	0.58	0.72
Municipal property	0.92	0.08
Private property - total	0.27	2.67
Private property	0.11	8.07
Collective property	0.28	2.62
including kolkhoz property	0.95	0.05
Property of public organizations and movements	0.22	3.47
Property of religious organizations	0.06	15.51
Mixed property (public and private, without external involvement)	0.47	1.14
<i>Foreign property</i>	<i>0.17</i>	<i>4.93</i>
Property of foreign countries	0.25	2.98
Property of foreign citizens, legal persons and aliens	0.17	4.99
Mixed foreign property (without involvement of the Republic of Moldova)	0.22	3.47
<i>Property of mixed enterprises</i>	<i>0.22</i>	<i>3.49</i>

Table 1. Financial independence and debts ratios

Source: elaborated on the basis of data from the National Statistical Bureau.

make loans to this group of enterprises.

CONCLUSIONS

The research lead to the following conclusions:

1. An efficient financial mechanism, under a positive influence of consequent promotion of economic reforms, it

must stimulate economic entities of the Republic of Moldova to gain value; keep and multiply value; borrow value and not allow irrational ‘blocking’ of value.

2. Application of criteria for evaluation of economic indicators of economic reforms gives a less favorable picture about CIS countries as compared to Central and Easter Europe countries.

3. Economic growth in Moldova can be characterized by a notion of ‘restoring growth’.

4. There is a negative dependence between global indicators of reform promotion and lower share of industry in GDP. Reduction of industry in GDP implies reduction of value ‘devouring’ amount – a phenomenon mostly observed in industrial sectors.

5. Moldova did not allow for strong effects of economic growth.

6. There is an indirect relation between GDP growth and applied methods in privatization. The methods used in privatization in the Republic of Moldova generate unfavorable effects for obtaining the value.

7. A multidimensional compared analysis of financial indicators observed in Moldovan companies subject to form of ownership shows the highest financial ratios in private companies, followed by collective and mixed enterprises. Factors for obtaining the value, however, are not managed efficiently. As a result, the property reform in the Republic of Moldova by creation, development and consolidation of the private sector has not resulted in expected economic effects. In the same time, there was established a tendency for an indirect positive correlation between GDP per capita and PPC and share of private sector in GDP in post-communist countries.

8. A compared multidimensional analysis of financial results found in enterprises of the Republic of Moldova subject to organizational – legal form shows that the highest financial ratios are found are individual enterprises followed by limited liability companies, simple limited partnership and closed joint stock companies. Inefficient development of the financial sector makes less advantageous such legal forms of organization that in order to be efficient need a developed financial market and forces economic entities to organize business in relatively simple organizational forms primarily based on funding from its own resources.

9 Arrange efficient stimuli that will ensure restructuring of enterprises;

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ACCOUNTING POLICIES AND TREATMENTS REGARDING THE DRAWING UP AND PRESENTATION OF FINANCIAL SITUATIONS

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Key words: *the balance sheet, the profit and loss account, the situation of the modifications of the own capital, financial situations*

Abstract

The new accounting vocabulary gravitates around the new tendencies regarding the comparability of the financial-accountant situations of the company for the transmission of a true image of the company's performances which may be read and interpreted in any corner of the world. The financial situations become useful to the extent of inducing a vision or a bridge oriented towards the future, respectively, if they help the users evaluate the capacity of the company in order to generate future flows of treasure, as well as the moment and certainty of their generation. Generally, the annual financial situations include: the balance sheet, the profit and loss account, the situation of the modifications of the own capital, the situation of the treasury flows and the explanatory notes in the annual financial situations. The annual report includes, besides the synthesis documents, general information about a company and an analysis of its activity. It is about a document which the company publishes annually, in order to supply information about the activity it developed during the year.

INTRODUCTION

The term of "Financial statements" is used by the General Framework of IASB (International Accounting Standards Board) where it is stated that financial statements represent a part of the financial reporting process. A complete set of financial statements usually consists of balance sheet, profit and loss account, a statement of financial position modifications (which can be presented in two ways: either as a cash-flows statement- funding flows statement, or as explanatory notes- a constitutive part of the financial statements).

Additional materials and information can also be included for a better understanding. The same document stresses the fact that the financial statements do not include elements, such as directors' reports, presidents' reports, board's discussions and analyses or similar elements that can be included in an annual and financial reportă[1]."

The 11th paragraph states that an enterprise can pretend to write down its financial documents according to the International Accounting Standards provided that they comply with all the requirements of each applicable Standard and each interpretation applicable to the Interpretation Permanent Committee [2], the objective of the financial statements being that of presenting faithfully the financial position or performance and enterprise cash flows [3].

A faithful presentation under all its significant aspects in compliance with the International Accounting Standards requires, among the others, supply of additional information when Standards requirements are insufficient to allow users to understand the impact of transactions and the particular events related to the financial positions and enterprise results [4].

MATERIAL AND METHOD

The material and the method used to achieve this paper

consist of research, forays in the specific purpose literature and analysis and interpretation of data found out in the specific purpose literature.

RESULTS AND DISCUSSIONS

Considering its type of activity, each enterprise has to determine whether or not to present as separated classifications in the balance sheet, the current and intangible assets and the current and long term debts. When the enterprise claims not to do this classification, its assets and debts have to be presented amply considering their liquidity.

The notion of balance sheet was stipulated in the Accounting Law no. 82/1991. The 10th article of the Accounting Law states that the administration official document is the balance sheet that has to give a fair, clear and complete image of the patrimony, the financial statement and the achieved results, and its components are: balance sheet, profit and loss account, annexes and administration report.

As it is prescribed in IAS 1 "The Financial Statement Presentation", the balance sheet will consists of the following elements:

- a) total of assets to be sold and active in cassation groups, classified as for sale in accordance with IFRS 5 tangible assets o owned for sale and ceased activities;
- b) debts included in cassation groups classified as for sale in accordance with IFRS 5.

The 67th paragraph of IAS 1 "Financial statement presentation" states that the balance sheet has to include additional lines- elements when IAS requires it or when such a presentation is necessary to correctly precise the financial position of the enterprise.

As for the loss and profit account, it has to include, at least lines elements presenting the following values:

- incomes;
- results of operational activities;
- finance costs;
- the part of losses and profits related to the contractual joint venture enterprises and through the adjusted balance

method;

- profit tax expenses;
- profit or loss from current activities;
- extraordinary elements;
- minor interest;
- periodical net profit or loss.

IAS 1 “Financial statement presentation” does not stipulate any presentation scheme for the profit and loss account. Thus, the 77th paragraph states that: enterprises must present either in the loss and profit account or in its appendix, an analysis

- Supply of information regarding the evolution of cash-flow and quasi cash (the document explains the cash-flow variation starting with the result reflected in the loss and profit account- achieving harmonization between cash-flow and accounting result);

- Supply of information regarding operational activities, investments and funding developed by a enterprise during the financial exercise.

A company is estimating to have a turnover of 24.000 units. per each year between (N) – (N+4) develops a special project

The effect of each of the four treatments on the accounting result is shown in the following table	Year N	Year N+1	Year N+2	Year N+3	Year N+4
Treatment A					
Turnover	24.000	24.000	24.000	24.000	24.000
+Project income	-	-	-	+ 7.200	+ 7.200
- Expenditure on depreciation	-	-	-	- 4.800	- 4.800
=Accounting result	24.000	24.000	24.000	26.400	26.400
Treatment B					
Turnover	24.000	24.000	24.000	24.000	24.000
+Project income	-	-	-	+ 7.200	+ 7.200
- Expenditure on depreciation	-	- 8.400	- 1.200	-	-
=Accounting result	24.000	15.600	22.800	31.200	31.200
Treatment C					
Turnover	24.000	24.000	24.000	24.000	24.000
+Project income	-	-	-	+ 7.200	+ 7.200
- Expenditure on depreciation	-	- 8.400	+ 8.400	- 4.800	- 4.800
=Accounting result	24.000	15.600	32.400	26.400	26.400
Treatment D					
Turnover	24.000	24.000	24.000	24.000	24.000
+Project income	-	-	-	+ 7.200	+ 7.200
- Expenditure on depreciation	- 4.800	- 3.600	- 1.200	-	-
=Accounting result	19.200	20.400	22.800	31.200	31.200

Table 1. Each treatment effect of the four ones on the accounting result

of expenses using a classification either based on expenses nature or their function within an enterprise.

As expected, due to OPFM no. 94/ 2001, in Romania, there have also appeared cash-flows statement as a distinct component of enterprise financial statement.

The introduction of this document in the enterprise annual financial statement is one of the measures meant to develop the Romanian accounting system correlated with the tendencies manifesting in the accounting field at the European and international level. The cash-flow statement is drawn up in accordance with one of the models of IAS 7 “Cash Flow Statement” being exemplified in the Directive.

Many Romanian enterprises are confronting with financial blocking, problems regarding payment capacity and solvability maintenance. Under these circumstances, it is a good measure to introduce this compulsory financial reporting document in Romania for a better harmonization with the IAS considering the financial blocking decrease at the macroeconomic level through a better assets management.

The objectives of writing down cash-flows are:

that needs expenses of 9.600 units

The project expenses and incomes are estimated as it follows:

- Year N: development expenses of 4.800 units;
- Year N+1: development expenses of 3.600 units;
- Year N+2: development expenses of 1.200 units;
- Year N+3: project income of 7.200 units;
- Year N+4: project income of 7.200 units

The company may choose one of the following treatments:

Capitalization and amortization of the development expenses between N+3 and N+4;

Capitalization of the development expenses during N year and placement them in the loss and profit account as a result of the appearance of some uncertainties regarding the project finalization at the end of exercise N+1;

The same treatment as for b) variant, underlining the fact that at the end of the year N+2, when there is any lack of uncertainty related to project finalization, the development expenses are reactivated.

Classifying all expenses as “research” and placing them in

the loss and profit account following the accrual of costs.

We remark that, even the result got during five years is the same, no matter what variant we may have, the result of each exercise is completely different from one treatment to another.

CONCLUSIONS

Generally, no matter what kind of accounting system each country may have, the annual report structure is the same. Yet, there are some differences related to presentation of the accounting- financial data through the synthesis documents.

To conclude, all the information sources, the synthesis documents are considered by all users as being the most comprehensible and also reflect the official image of the company in the most efficient way. They are the core of the whole informational process on the basis of which decisions are made.

That is why the quality of the information presented and the adequate development of the society are elements of great importance for both those who draw up financial statements and those asking for this type of information.

The objective of the financial statements is to provide the necessary information regarding capital changes, financial results at the financial exercise end, performances and dynamics of incomes, expenses, results and financial debts, profit and its distribution and capacity of doing demandable payments, such as interests and loan reimbursement, salaries or dividends.

The financial performance shows the degree in which an enterprise accomplishes its objective related to profit achievement. The economic theory considers that, for any enterprise, this objective aims at maximizing profit. However, there are some managers who hope for only a satisfactory profit. Admitting the maximum point of profit is only an extremely subjective operation. For this reason, we could assume that a company accomplished the objectives while achieving profit when shareholders are satisfied with it.

The gross profit also can mislead users, for examples, a profit increase does not necessary mean a favorable change. The cause of this increase needs being identified. Is it an effect of the turnover, the efficiency increase or the influence of both factors? Is it a consequence of the fact that the exercise was a good one; the precedent one was "bad" or is it only a result of the option between different accounting methods?

We also may add that synthesis documents generally accomplish different functions during the yearly investment period depending on a specific moment as well as the content and the nature of data coming from other sources. Thus, they represent the precedent prognosis assessment basis. A detailed analysis of the differences between prognosis and financial results is necessary for a better understanding of the particular factors leading to the record of some differences between these ones.

The financial statements accomplish the function of establishing a trend of the future performances although it is not used as a direct operational instrument, for example:

revealing the figure regarding long term debts are useful to forecast expenses with interests.

Admitting the elements described by the financial statements represent the moment when an element from the balance or profit and loss account is incorporated, respectively the moment when reality starts acting on the financial position and/ or enterprise performance.

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ACCOUNTING POLICIES AND METHODS REGARDING THE RECOGNITION, EVALUATION AND DEPRECIATION OF THE COMMERCIAL FUND

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Key words: commercial fund, analysis-diagnose, evaluation, the company

Abstract

The commercial fund interest to the highest degree the analysis-diagnose disciplines and the economic-financial evaluation disciplines from the following reasons : (1) they refer to one of the most important components of the intangibles assets group (the commercial fund or goodwill); (2) it is found in the balance sheet of companies and in consequence it can constitute the object of certain analysis, evaluation, claims and/or parting in commercial, civil or matrimonial litigation; (3) advices to a redefinition of philosophy, values, attitudes and social conducts of the associates of a trading company, business partners and life partners. The commercial fund is constituted of intangible elements, including the right to contract, that is the amount paid up and due to the preceding tenant, for the transfer to the buyer of the rights which result from convention, as well as the legislation regarding the commercial property, intangibles which are not the object of an evaluation and of a separate recognition in the balance sheet and which concur to the maintaining and development of the potential of the company's activity.

INTRODUCTION

The goodwill is treated by IFRS 3 business combination and it represents the unidentified part of the payment done by the buyer on the occasion of business combination.

This Standard aims at intensifying the relevance, credibility and comparison of data that an entity presents in the financial statements related to a business combination and its effects. It achieves this objective by setting up principles and requirements according to which an acquirer:

1. Admits and assesses, in his financial statements, the acquired identified assets, the debts and any other minor stake concerning the acquisition.
2. Admits and assesses, the acquired goodwill as a result of a business combination or a profit following a business acquisition.

3. Determines what type of information must be presented to the users of financial situations to assess the nature and the financial effects of the business combination.

MATERIAL AND METHOD

The material and the method used for this paper consist of research, approach on specific purpose literature, and analysis of data from specific proposed literature.

RESULTS AND DISCUSSIONS

CONCLUSIONS

- 1) Goodwill refers only to the intangible assets value;
- 2) The enterprise value is direct proportional with the

IFRS 3 – BUSINESS COMBINATION ACCOUNTING ADJUSTMENTS	GOODWILL SOLVED ISSUES
<p>Main objective An acquirer of an enterprise admits the acquired assets and the debts at the right value assumed at the date of acquisition and presents information that allows users to assess the nature and the financial effects of the acquisition.</p> <p>IFRS 3 ‘Business combination’ imply that:</p> <ol style="list-style-type: none"> 1. all business combination should be recorded through acquisition method 2. the goodwill developed through an association of enterprises to be recorded by acquirer as an asset starting with the acquisition date and to be initially assessed as an additional association cost incurred above the recipient expectation in term of fair net value of assets, debts and contingent identifiable debts of the purchased enterprise <p>The general administrative costs as well as other costs that cannot be directed to the business combination are not included in the costs of combination. These ones are not admitted as expenses when they incur.</p>	<p>IFRS 3 Business Combinations entered in force after the 31st of March, 2004, the Standard IAS 22 had already been improved for many times before. Before adopting IFRS referential, this standard consists of the following elements. In its framework, two significantly different accounting methods were accepted in respect to business combinations: the aggregation of interests or the uniting of interests and the acquisition method.</p> <p>Further on, the financial analysts and other users of the financial statements proved that the utilization of two different accounting methods for similar transactions influence negatively the financial data comparison.</p> <p>Moreover, certain experts could reveal that using different accounting methods for this type of transactions with the aim at getting the “desired” outcome may lead to a polished up value of the enterprise.</p> <p>Additionally, IAS22 provided two options for using the acquisition method: the identifiable debts and assets could be initially assessed either through the basic accounting treatment or an alternative accepted accounting treatment.</p> <p>Under the basic accounting treatment, the admitted and identifiable assets and debts were initially assessed as a sum of fair values up to the limit of the participation rights got by the buyer and the accounting values preceding the acquisition, but not exceeding the minority participation rights.</p> <p>Using the alternative accounting treatment, the admitted and identifiable assets were initially assessed at their fair value at the acquisition date. It is obvious that when they are using alternative accounting methods for similar transactions, the information utility is affected by both lack of comparison basis or that of credibility.</p>

synergetic effect generated by using all human, material and financial potential, but also elements that may be independent of this potential (goodwill);

3) The synergetic effects reflected in the profit size are given by the following relation: one enterprise = market + product + people;

4) The goodwill value does not comprise of end-products and raw materials stocks, financial long term assets, cash, tools and equipments that can be separately assessed and used by their owner.

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ROMANIAN CERTIFIED TRADITIONAL PRODUCTS - IDENTIFICATION AND GEOGRAPHIC DISTRIBUTION BY DEVELOPMENT REGIONS

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Key words: agrifood sector; traditional agrifood products; agricultural geographical distribution; development regions

Abstract:

The growing interest of consumers regarding the characteristics of traditional products implies the existence of much information regarding nature, methods of production and processing of traditional products, but especially in the areas they are produced. Different forms of structuring the territorial allocations in obtaining different traditional agrifood products in Romania require information on the geographical distribution of these resources. The identification activity of obtaining traditional products represents a complex process, with broad socio-economical implications that can only develop as its aspects grow and include new objectives and theories.

INTRODUCTION

Different structures of territorial distribution of Romanian traditional agrifood production require information on the geographic distribution of resources used for these products. This distribution form is directly corroborated with economic and political-social changes in agrifood production sector. Economic intensity in transition traditional agriculture requires a resource zone distribution. It is already known that the whole Romanian rural area has potential for traditional agrifood production. A zone distribution of agritourist resources consists in knowing the priorities and differences in geographic area and in agricultural technologies (which can develop into alternative technologies, according to agricultural preoccupations).

MATERIAL AND METHOD

1. Criteria and indicators for the identification of zones with potential and vocation for traditional products

- *General criteria* refer to the natural environment, in all its complexity, including plain, hill and mountain regions.

- *Specific criteria* can be structured quantitatively (number, value, weight of elements involved in obtaining traditional products) and qualitatively (level and degree of technological production systems, specific potential of certain agricultural areas, product value following the application of original-unique agricultural/nonagricultural production systems, accessibility to these technologies, preservation and organic degree of products, diversity of forms that might become a type/assortment/line of traditional product).

- *Criteria for the degree of stability (permanent character)* used to establish activities of traditional agrifood production: primary, secondary, derived.

- *Criteria for establishing the alternative technologies system* in agrifood sector, as well as for the decline of once agritourist activities, or of the entire territory.

- *Criteria for establishing territorial units* with the same potential for traditional food production (production technologies, cultural, social-economic criteria etc).

A study for the identification of zones with potential and vocation for agritourist products includes indicators which establish the potential and the value of these products.

* *Potential and technical infrastructure:* volume of traditional products, forms of raw material supply, existence of traditional utilities in localities, production unit etc).

* *Traditional food capitalization:* the channel of these products, value resulted from product delivery (incomes, economic efficiency levels etc).

Considering the current geographic location of Romanian agrifood production, *the value is given by indicators like weight of traditional production units, weight of resources for the raw material, zone ecologic quality etc.* Indicators used to establish the territorial distribution of traditional production must be constantly updated through the quantitative side (considering political, social-economic at macroeconomic level), as well as through the qualitative side (all aspects of the analysis of traditional product potential).

2. Stages and priorities in establishing the zones with vocation for traditional products

* *Stage of identification (inventory) of traditional products patrimony:* resources are analyzed from the point of view of their utility, functionality and profitability.

* *Stage of analysis and establishing the preponderant forms by product:* SWOT analysis requires the identification of strong and weak points, opportunities and threats for every agrigeographical zone.

* *Stage of selection and classification* by the importance of structure elements included in the technological documents for each product, which can be assimilated for different product forms at national and local level. The programme of investments and their efficiency are presented, along with the lines of action.

* *Stage of establishing the zones (subzones) with potential for traditional products,* when territory limits are established, as well as zone structure, harmonization and integration of technological endowment, natural and social-economic specific features for each region, best functionality at all levels by implementing suitable informational systems, formation of an integrated system between subsystems based on an integrative environment in the zone, economic and social efficiency.

3. Identification of agrifood products according to current conditions of their launching on the market

- zone identification must be conceived and accomplished as a fundamental instrument in territorial development;

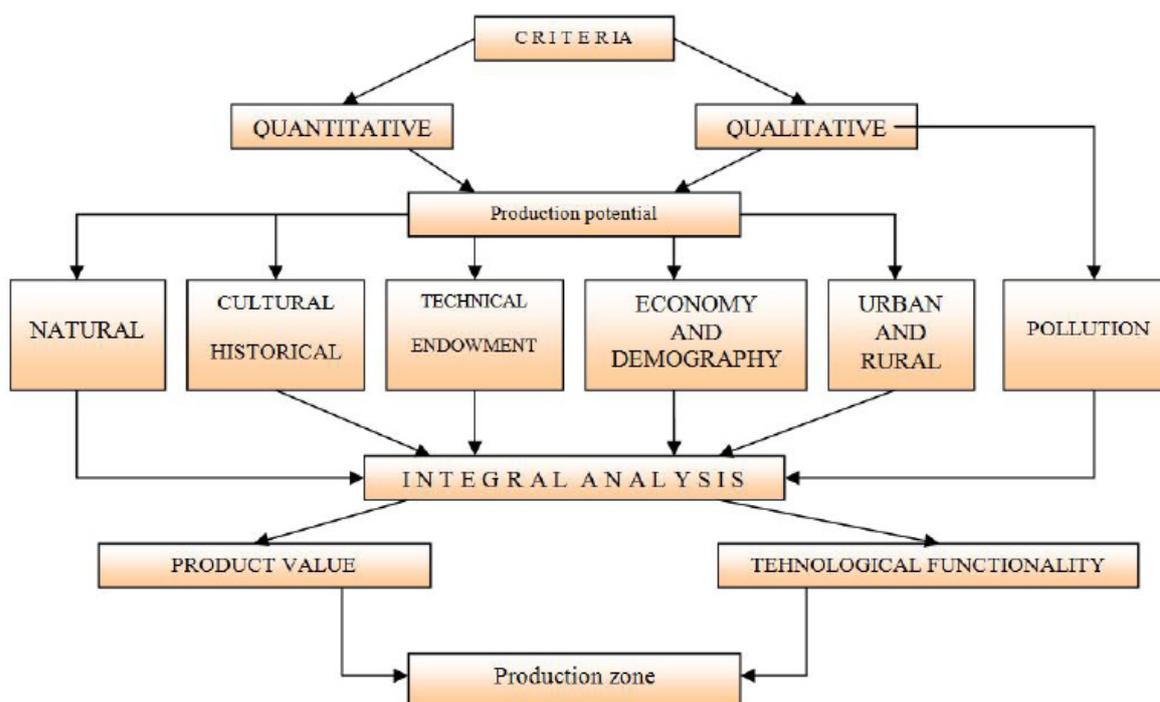


Fig.1-Criteria in identification and zone distribution of traditional product units

- identification activities require production management, therefore the realization of a sketch-network within a specific channel, to superpose as much as possible over the zone potential for the activities with vocation developed in specific geographic structures;
- zone identification must indicate a certain natural-geographic area with vocation for certain products, for which suitable logistics and channel should exist;
- zone identification must take into account territory specific character (vocation) of the Romanian traditional agrifood product;
- shaping an agritourist zone or subzone must consider existing agritourist potential;
- when systematizing the units at territorial level, as a component of such a zone distribution, stress should be laid on both product value (nutritional, aesthetic, organoleptic etc, considered as gastronomical objectives), and the value of symbolism and territorial vocation.

RESULTS AND DISCUSSIONS

Establishing the Romanian zones with potential and vocation for traditional agrifood products

A primary analytical investigation of several traditional products was performed according to the territorial distribution of Romania's development regions. In order to establish the zones with potential and vocation for obtaining brands, the territorial distribution of these product categories for the 8 development regions (product ranges) must be known. Product structure can be interpreted as follows:

- out of the total 1984 certified traditional products, 73.932% is held by Central, North-West and South Muntenia development regions. Central Development Region is the most significant among them, due to its 28.326% level;
- cereal products include 397 products, out of which the weight is held again by Central Development Region, with 60.70% of the total;

- dairy products – South Muntenia Development Region holds the weight with 40.656%, followed by Central Development region with 23.442%;

- meat products are concentrated in Central Development Region with 23.234%, North-West Development Region (14.806%) and West Development Region (9.339%);

- processed vegetables and fruits (only 26 products certified at national level) are registered only in half of the development regions. Bucuresti-Ilfov Development Region holds 57.692%;

- traditional alcoholic drinks – out of the total 236 products, 2/3 are held by North-West Development Region and around ¼ by South-Muntenia Development Region;

- fish and honey – the number of registered products is insignificant (1 fish product and 2 honey products).

It is easy to notice that traditional agrifood products are distributed within a macro-territorial zone, in different development regions. Identification of the zones with potential and vocation for brands requires county administrative-territorial information. Therefore, the distribution of the 1984 MADR certified products by counties is presented below:

- out of the total certified products, Arges holds the weight at national level, with 21.875%, followed by Satu Mare and Sibiu with 11.995% each;

- traditional cereal products are considered to be specific for Sibiu county (with 30.982%) and Alba county (with 16.624%) of the total 397 bread products at national level. The fact that 24 counties do not have traditional products obtained from cereals should be noted;

- dairy products are concentrated mainly in Arges county (37.032%) and Sibiu county (8.493%). The rest of the counties reach a maximum level of 5.775%, with 6 counties not having registered traditional dairy products;

- traditional meat products are concentrated in Suceava county (with 79 products accounting for 17.995%) and Arges county (with 45 certified meat products accounting for 10.25%). 17 counties do not have registered traditional meat

products;

- traditional vegetable-fruit products (with different types of processing) are concentrated in Ilfov county (with 50.00% of the total), followed by Neamt ()with 19.230%). 36 counties are not represented with this type of traditional products;

- traditional alcoholic drinks are concentrated in Satu Mare county (with 50.423%), followed by Arges county (with 19.915%). These products are not registered in 27 counties;

- traditional fish products appear only in Braila county (1 product), while honey products are registered in Arges and Sibiu counties (1 product each).

AKNOWLEDGMENTS

This research work was financed from PNDII Project (2007 – 2010) – *Promotion of traditional brands of Romanian agrifood products and identification of market niches in the context of implementing traceability in product channel.*

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COMMUNICATION MANAGEMENT IN SMES

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Keywords: *effective communication management, communication barriers, rules and techniques of effective communication, forms of communication, communication networks*

Abstract

In terms of the management, the communication is one of the most used "tools" used by manager to coordinate his team, to make him understood and to polarize around him all the other efforts and to jointly achieve certain objectives. The efficiency of the organizational communication remains dependent by the sender, receiver, channel transmission, but also by the conjunctural factors that may be disturbing, barriers that may filtering, modifying or distorting the message sent. To prevent such situations it is recommended to observe certain rules of effective communication and proper use of the techniques and methods, such as active listening theory and method hearing. For the communication taking place daily between offices/ departments/ directorates, the theory suggests some ways to improve the current communication processes, starting from organization structure designing to applying to IT technology, video and e-mail.

INTRODUCTION

The communication establishes a dialogue between the company and its audience, which may be of different types of employees and shareholders, to consumers, institutions and NGOs. This dialogue consists of messages sent by the company and answered from the audience. Where through two one concerned in this parts dialogue alone, and everything are unfurled in a dynamic marketing environment it must take account of other competing messages that are perceived as a noise, that information coming to disturb actions enterprise. In that process, store customer information and may decide on this basis, whether to buy the company or the competition. The company is repositioning, whenever environmental changes in one or more factors, and customers tend to opt for something else.

MATERIAL AND METHOD

In the research we have used information from the scientific literature of Romanian and foreign authors as well as data from a field of veterinary pharmacy. As methods of research and work have used the case study, analyzes comparative models of establishing communication strategies

RESULTS AND DISCUSSIONS

The communication company's modern involves both the use of various forms of information and incentives to consumers for processing their actual consumers, and establish effective communications with its own employees, and shareholders with its suppliers, with the financial and public. Of how to combine and designing the elements and communication functions in the context of a strategy to promote choice, depends on the effectiveness of all steps taken in the promotion [1]. Logical scheme of a model of communication is shown in Fig. 1.

Communication within the organization may have a variety of forms, which are classified by several criteria, as follows:

a. Depending on the direction of vehicular messages noted:

- Downward communication
- Ascending communication
- Horizontal communication (lateral)
- Diagonal Communication

b. After the transmission of relevant:

- Written communication
- Verbal communication
- Nonverbal communication

c. Depending on the mode of conduct, communication can be:

- Communicating to each other directly
- Indirect mutual communication is via telephone, radio devices or interactive television;
- Unilateral direct communication takes place in the transmission of orders or information meetings, messages do not require response;
- Unilateral indirect communication is conducted through speeches, letters, movies, etc..

d. After formalizing the show – including:

- formal communication messages circulating channels on organizational relationships, which take various forms: spoken or written, direct or indirect, bilateral or multilateral
- informal communication takes place on informal channels, which include relations organizational.

Factors of influence of organizational communication

On organizational communication triggers a multitude of factors, internal and external. Among the factors, those who have greater influence on the communication are:

- Configuration-organizational structure
- Configuration and operation of information system
- The style of management leave their imprint on the degree of personalization of the communication (authoritarian managers promote downward communication, formal and unconditional obedience from subordinates, those who adopt the style of participatory-democratic use verbal communication along with the written and the nonverbal,

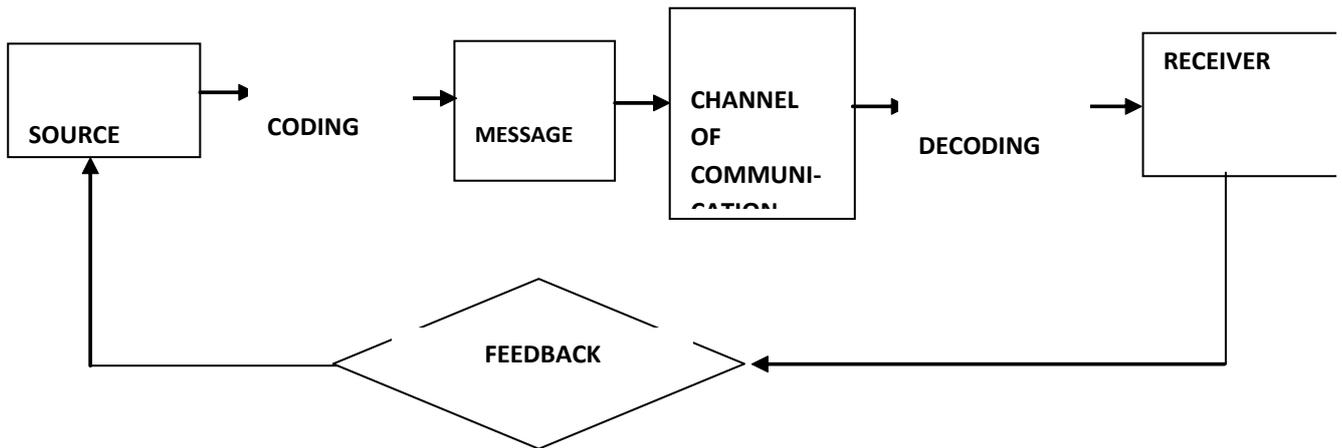


Fig. 1. The model of communication in promoting

face to face with informal aspects).

- The type of organizational culture influences communication through its basic components, by tradition, but the unwritten rules.

Blocking factors specific organizational communication

Differences between people, personality, experience, training, culture, etc. generates some difficulties in achieving accurate and efficient communication, and the same message can be received in different ways by different individuals. Difficulties in communication due to blocking factors, which may be specific or general. Blocking specific factors that depend on human-side of the psychological and the physical side of the communication may be generated by managers or subordinates.

Managers raise barriers to communication with their subordinates or from several causes, such as:

- Insufficient capacity for the transmission of information due to: insufficient documentation; trend of over sizing introductory explanations, unnecessary; tendency to soliloquize, without giving the possibility of a dialogue, the lack of confidence in partner and opinions or lack of time ;

- Use of inappropriate language the person who hears the message: too lofty, with strict terms of specialty, with too common, stereotypes, etc.;

- Inappropriate use of a tone that leads to intimidation and lack interlocutor to reply;

- Lack of ability to conduct dialogue manager in the objective;

- Lack of listening or hearing misuse by managers to subordinates due to: lack of respect for the interlocutor; prejudice that subordinates may not have good ideas for solving problems; tendency to appreciate that any idea or suggestion that contradict their own ideas, is personal attacks, resistance against the introduction of new ideas that would disrupt the existing order and would require additional efforts to overcome difficulties etc.;

Subordinates pose obstacles to communication from various causes, such as:

- Convinced that their problems do not interest him the manager;

- Lack of habituation and ability in communication;

- Book to express their views, fearing the reaction of the manager and the endangerment of the position and opportunities for advancement;

- Fear that the proposals made will be considered as

superior report of failures tolerated them;

- Dissatisfaction because of frequent change orders by managers and, therefore, lack of confidence in their competence.

Fulfill all duties of a manager is conditional on the existence of communication activities through which they can be met with success. According to a study, the share of communication during the work the manager of an American company [4] is very high and varies according to its hierarchical position within the organization. Managers lower their working time dealing with communication activities in the proportion of 74% (listening-speaking-48%, written -17%, read - 9%), the share of communication managers average is 81% (listening-speaking-57% write 14% read 10%) and a top-level managers is 87% (listening-speaking-62%, write 13%, read 12%).

Given that an inefficient communication is one of the essential causes of the occurrence of problems that managers must learn to decrease the frequency of cases of inefficient communication and managers to become, more efficient. Managers working effectively are those who are effective communicators. One of the most important techniques used in organizational communication is active listening techniques. This consists in receiving, checking and decode the message through dialogue immediately with the issuer. Communication is based on the active encouragement of emotional side, thus overcome the barriers of perception, culture, personality and status. In active listening receiver focuses not only on the meaning of words but also the feelings, attitudes and emotional load of the message, encouraging dialogue partner to speak, to express their views, ideas and feelings towards the matter in question.

Organization and in relations with the external environment, for example, by acting on market and promote their products where communication plays a crucial role.

Problems arising in practice is the delineation between subjective information (your sales agent in the dialogue with a client) and objective information (sales made by that client in the last six months), the source of information that can be personal or impersonal (statistical) timeliness of information marketing information system.

Therefore, the need to reduce errors as much as from [5]:

a) market research: inadequate design of the questionnaire, the sample unrepresentative, unqualified operators interview, superficial analysis of data collected;

b) the sales force: sales representatives do not communicate the information to put him in an unfavorable light; sales

representatives may not notice significant events occurring in the market;

c) the interests of consumers: consumers reported their complaints more frequently than satisfying related product / service;

d) research done by agencies: agencies survive and selling services, so research produced by them is distorted in the sense that it reveals, some agencies may be misleading data to show that you need their services.

Forwarding a message does not guarantee that it will be understood as such. Furthermore, the recipient can receive it completely wrong, and remain a very different idea of what the sender wanted to convey, which is possible when the two speak the same language. Communication as an element of the marketing mix, consists of three lines of action

- Internal communication - between business and personal, via the official newspaper of the company or employees, intranet etc. which communicate internally decisions, changes in behavior and even the relationship with customers, there may occur and so-called grapevine, informal communication, wireless phone, which compete through official communication, but can be used if management is intelligent, for the faster and more credible a message;

- Interactive communication - between employees and customers in the form of advice on sales, in choosing the best offers, or customize them;

- External communication - between businesses and customers, which transmit the message, is to a certain position on the market and consumers in mind.

Role in marketing communication is central because it supports the marketing plan, send the promise of marketing, helps clients understand and take the offer.

To do this, there are so-called flows of communication, flow of external target audience is current and prospective customers, distributors, business competitors or non-competitors, other categories of public and internal stream format of messages for employees and shareholders of the company. All categories of public who may have direct or indirect influence on the objectives and customers are communicated as part of the marketing mix [7].

Basically, entering a new market, to maintain or increase current share of the market depends more and more the reputation and image of the company, the quality of relationships with different categories of public.

The objectives of corporate and commercial nature are made by communication and promotional communications continue. Commercial communication aimed at quantitative objectives in general, will combine items as advertising, sales promotion, public relations, sales force, direct marketing and corporate communication will aim ongoing communication with target audience through selection of personalized items as brand, design , packaging, architectural, etc. uniform.

Communication mix is chosen depending on the market that does the business. By their nature, products and services, target segments and marketing environment, industrial markets and consumer influence the choice for an instrument or other communication. Key criteria governing the selection and use of a particular instrument by undertaking are: the required level of control over the message transmission, the financial resources that can be deployed; credibility that it gives a company the size and dispersion territorial target audience, territorial size and dispersion of the target audience.

Control over the message is necessary for the undertaking

to ensure that it is transmitted and received by your target audience. Moreover, it should be understood, because the receiver to be accordingly. Control over the message is complicated by noise that can distort. Control depends on financial power. If the enterprise has enough money to pay a third party to send her messages, the control will hold as long as you can pay for it. However, corruption message in the short term is possible if a breach in vigilance control. For example, if the design differs from the message initially, part of control is lost. It happens so when the relationships with advertising agency is not effective and follow the concept of creative phase fails to prevent getting an inadequate design [2].

Paid advertising, promotions and sponsor enable a high level of control and PR, and advertising less, because the third party services are offered voluntarily. Environments that can transmit advertising are very different (TV, radio, newspapers, magazines, posters, Internet), and each has its specific costs. Therefore, financial resources may limit the use of a particular environment, even if otherwise it would be advisable.

PR's get high scores in Chapter credibility as receptors perceive as the third party neutral, which endorses the offer. Comments such third parties are seen as objective and trusted environment in which are disseminated. Companies often turn to celebrities as guarantors of their tender. Credibility distracts them from the buyer that is selling something, the main objective of the campaign. For example, producers of food for pets are associated with recognized trainer in Romania and, in addition to tips for dogs, to communicate and how to reach a healthy nutrition through consumption of certain products. Thus, credibility should be taken into account as an important aspect of marketing communication.

Territorial size and dispersion is an indicator that the communication pursues dependence on the size and the spreading audience [3]. A national audience can be met effectively only with the tools of mass communication, such as paid advertising and promotions. On the contrary, offers require specialized personal attention to each client faces, to show, customize, demonstrate, install and maintain complex equipment, which makes direct contact much more important. Communication uses five main tools: advertising, public relations, promotions, marketing direct and personal selling. Strategic role and function of each are developed further, using some clear definition.

Advertising refers to the payment of a channel, some of the possible (TV, newspapers, cinema, outdoor advertising) in which a specialist in marketing itself to communicate with your target audience. Advertising is a non-personal form of mass communication, which provides a high level of control held by those in charge of design and advertising message [5]. However, the possibility to persuade an audience by advertising escapes precise measurements, and its effect on sales. Advertising is not very credible, the target audience thought, many times, that message is deliberately exaggerated, and tilting to creditors, rather, messages received on other routes. The method remains, however, a flexible, allowing rapid communication with audience's large or specialized segments. Although overall costs are high, the costs per customer are among the lowest, considering all the mix

Public Relations include all forms of personal communications between a company and its public in order to create and maintain a common level of understanding. Public relations are no public advertising or free advertising. Enter

into the composition of their event management, sponsorship and the lobby.

Direct marketing is an interactive system of marketing that uses one or more advertising channels to generate a measurable response and / or a transaction for each location. Unlike conventional approaches, direct marketing is to create a relationship person to person, partnership, communicating directly with clients and staff. Personal Selling is the process by which a sales agent communicates with one or more buyers in order to sell a product / service. Communication is made from human to human, and feed-back is offered instantly. Costs associated with this method are usually very high. Communicational mix involves using any of the above tools in a unified and aggregated to achieve the objective of promoting specific and measurable. Each element of the promotional mix has a different capacity to communicate and to help achieve certain objectives. Effectiveness of each instrument can measure aiming at the same time, making the decision to purchase. The decisions have different concerns, and rank the different product characteristics. These needs should be handled individually by each participant to stimulate interest by relevant information and insurance.

The effect of an instrument of communication is not always typical response scheme, therefore it is necessary to estimate the speed of response previously aggregation communication mix. A brand manager has used several means of communication to promote the offer, will know exactly how quickly obtain response for each and will be able to mix and balance. Each campaign is unique in that it involves a number of variables huge or unpredictable (eg response to competitors). Therefore, instruments should be used to complicate each other, and because the campaign is not only seen as it progresses, it is recommended to test the combination on a more limited market, regional.

The communication is not only about the customer and the offer for him, but the chain of distribution itself. In launching a new product or business coverage as part of a larger market, the companies has, in terms of communication, two types of strategies, the strategy of push and pull type of strategy. On the market veterinary medicines manufacturers, but also the accessories and food for pets should be very attentive to the role played by the doctor making the decision to purchase. Although the animal is the end user, the owner of the animal acts in the decision veterinarian. This, in turn, is communicated businesses (producers), as instruments of communication first conferences and congresses, where they present the newest products and the results obtained after treatment.

CONCLUSIONS

1. Choosing the most appropriate strategies for communication management is the premise of organizations to achieve objectives;

2. Tactical planning of each communication tool is easier and simpler when there is consensus on strategic direction.

3. Communication management strategies is a prerequisite for the fulfillment of management functions;

4. Strategies to facilitate communication integrated marketing communication, which saves time, money and stress

5. A good communication strategy (internal communication) creates a link to the company, so that each knows what others will get.

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THE PRICE MANAGEMENT IN THE COMPETITIVE ENVIRONMENT APPLIED TO SMES

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Key words: *strategy, penetration price, expansionist price, market, competition.*

Abstract

The company can establish the price at the same value, at a higher or lower value than the one practiced by the competition. In the case it is chosen to practice a lower value, it can find itself in one of the following situations: Penetration price: the price of the product is established at a loss, the goal being to gain quota on the market. The strategy is used in order to enter on a new market or for placing a good that is of large usage; the strategy of the predatory type: the deliberate decrease of the price, in order not to allow the competition to enter on the market. There are offered promotional packages and gratuities whose cost the competition (smaller enterprises or newer on the market) do not allow bearing; The expansionist price: smaller or lower prices in order to ensure larger markets. The small prices can be maintained until the attraction of a clientele or customers, after which, it passes, gradually, at bigger prices.

INTRODUCTION

The analysis of pricing management in competitive environment applied in the SME market for veterinary use. After the enterprise that will produce the strategy which will apply it, the target groups of customers and positioning, will pass at establishing the price. In general, the enterprises must take decisions at forming the price, changing the price, price strategy. This process becomes more complicated because the new approach of the price and business relations, the price is no longer regarded as a variable of its own, but like a way to negotiate a long term relation based on contract. The price has the covering functions of the costs, of remuneration of the contractor, of information of the groups that participates in the exchange and correlation of supply and demand. The objectives of the price are investment efficiency, market share, the competition and maximizing the profit. Therefore, beside the price itself, the enterprise has in view, at this mix chapter, and aspects like the product quantity, the contract duration, method of payment, delivery terms, the method of lending, the oldness of the business relationship, etc.

MATERIAL AND METHOD

In the framework of researching were used the data supplied from a enterprise from the veterinary pharmaceutical domain (FARMAVET GALATI SA) as information from the specialty literature of Romanian and foreign authors. As methods of research and work were used the mathematical methods for determining the prices, case study, comparative analysis between the profile markets, models of establishing the prices, models of setting up the price strategies.

RESULTS AND DISCUSSIONS

1.Price formation and the factors of influence

According to Stigler [5], the market is the place where the price is formed, maintaining a certain tolerance, which covers the transport costs. Therefore, to study the mechanism of price formation in the veterinary pharmaceutical industry,

we start from the market characterization. The market of pharmaceutical products is just partially integrated, what is making the price to be inelastic (doesn't vary with the changes of the quantity required or offered). Also, the market of products of veterinary usage isn't free, being subject to a European legislation and nationally rather restrictive. The research and development in the pharmaceutical sector are seen as a public good and the state is making efforts to maintain this status, which leads to market distortion, by introducing specific regulations (for example, the patent protection) The evolution of environmental marketing has an effect on the price by increasing the offer available for costumers. For example, from a relatively restricted market with a limited number of options, has moved to a variety of products and services, which contributes at increasing the bargaining power of the buyers, who can then protect from the excessive charged prices. The meeting point where the demand and offer varies, on the pharmaceutical product of veterinary usage market, according to the appearing information, and which determines both the producers and consumers to reorient (for example, if it's announced an outbreak of an epidemic, the request for a certain type of vaccine will increase sharply, secondary holding this information, and the offer will shape after the request; in these conditions, the data of pricing changes. However, given the specific of the market, in which, as an exception, the consumers are not sovereign, and the good purchased are superior – the expenditures with them are increasing as the income increases- the price can't be established exclusively trough the intrinsic mechanism, as meeting point of the request and offer. The national health system may create a pressure on the price, maintaining it at lower values, trough two main mechanisms:

- a) limiting the price, trough: parallel imports, the recommended price and the approved price
- b) the price compensation, trough the national system of health insurance

As a variation compared to human medicine, in the European veterinary health system doesn't exist, widely, the health insurance institution, which operates, in exchange on the US market. For example, the Pets Best Insurance

company provides life and health insurance for the company animals, in the planning system of care (basic and higher), which covers 80% of the treatment costs, including non-conventional treatments (acupuncture, chiropractic) and the routine controls [6].

On the other hand, the consumer receives just the final value, the shown price, while, in terms of the producer, the price is a formula that takes into account a set of factors expressed in the product cost. A synthetic formula of calculating the price includes the cost – a factor required, and profit – desirable factor: $p = k \cdot (1 + g / 100)$

The cost of the product, at his turn, depends, in the case of the products of veterinary usage, of the following factors:

- the cost of research and development, which are large and are having a trend of growth;
- the marginal costs of production are low, once the product has been launched on the market;
- marketing costs, which covers approximately one quarter of the total costs of the product;
- globalization and in the same time, concentrating the global market around several major producers;
- information asymmetry, which leads to difficulties both in correctly estimating the costs of research and development, and of the benefits for the consumers

And in the case of the price, the enterprise follows general objectives as survival, profit maximizing, increasing the market share [3], but and the special objectives in relation with the distributors (increasing the presence on different canals of distribution or increasing the degree of distribution) and in the relation with the buyers, by improving the rapport quality-price, influencing the opinion about the price or trough promotion as and quality indicator.

In practice, in pharmaceutical industry in general, and in the products of veterinary usage, in this case, setting the price depends only to a small degree by the competitions reaction, the main criteria taken into account being the cost. The producer is establishing the price so as to cover, through it, as many expenses (of installation, with the raw materials, with research-development and design of the product, with the distribution, with maintaining, with acquisition, administrative, of market withdrawals, etc...) and risks (the risk of premature withdrawal from the market, expenses of judgment, for payment of damages, etc). The pharmaceutical industry is, par excellence, a risky one, because can't be known in advance, even if the product has been tested, what adverse effects and of what scale, will have its administration of weight, the price must cover as much of the costs and from the eventual penalties charged to the producer. The price of a veterinary pharmaceutical product consists of three elements:

- the ingredient price (what the pharmacy pays for the product)
- the service costs (the cost of prescription and the cost of release)
- net income obtained from commercializing the product

An example of price formation for a veterinary pharmacy is presented below

Forming of the price for the pharmacy Dr. Labus

For a veterinary pharmacy we estimated the following costs:

- a) *direct costs of the pharmacy* – 1400 euro per month (instrument, containers, packages – 700 euro monthly, the prescription costs (forms) – 200 euro monthly depreciation of the computer and of the software – 500 euro monthly)

b) *the indirect costs of the pharmacy*

- wage costs: 800 euro per month
- cost of maintenance and rent – 575 euro per month (500 euro rent, 75 euro maintenance)
- the costs of advertising – 100 euro monthly
- c) *Other costs: 50 euro per month*

Total prescription costs: 2825 euro per month

The estimated volume of the prescriptions is of 4000 of recipes per month, so the allocated cost to each prescription will be approximately 0,007 euro. So., the pharmacy should add, at the cost of each ingredient, an average amount of 0,07 euro. This addition is the smaller the pharmacy commercialize several pre packed products (dominant trend on the current market), and with how much the sales volume is greater.

Following this case study and of the model of price formation described above, it can be seen that on the Romanian market this theory doesn't apply, the pharmacies practicing commercial addition as at any consumer product. A report of the Association of Manufacturers of Medicinal from Germany illustrates that in 15 European countries the producer is adding between 47 and 81% from the final price, the wholesaler between 3 – 5%, and the pharmacy between 15 and 29 % [7].

2. The request elasticity and of the supply according to price

The concept of elasticity refers to a variable responsiveness to the changes of another.

The enterprise it's putting herself always the question what happens with the demand when the price increases. Decreases, but to where? The demand is sensible to any change in price, and any increase or decrease of the price with one unit this may change. The elasticity of the demand according to price shows with a report between the relative modification of the quantity and relative price change, the reaction of buyers and the trend of sales. If the price increases with 10%, the demand decreases by more, or less than 10%? Or exactly the same percentage?

The measure of this changing of the demand is the elasticity, subdivided in four types:

- a) elasticity of demand according to price; b) elasticity of supply according to price; c) the demand elasticity according to income; d) crossed-elasticity

If the demand is elastic in relation with the price, then increasing of the price will reduce the total income, and lowering it will increase it. Conversely, if the application is inelastic in relation to price, the increasing of the price will increase the total incomes, case in which is applied in the veterinary pharmaceutical industry.

The drugs being superior goods, the demand will increase as income increases, which mean that the demand is elastic in relation to income. The crossed elasticity is the variation of the demand for a product as response at modifying the price of another product, substitute or complement. If there is substitution, the price elasticity is high. The substitution depends a lot on the consumer, two identical or similar good technically can't be equal if in the consumers mind one of them has a better positioning. In the case of complementary goods (for example, to a low income, the medicines and the aliments may become complementary goods) the crossed elasticity is negative, and in the case of the substitutes is positive. The supply may be inelastic in relation to price, case in which the suppliers finds it difficult to adapt from under way at the price changes, or elastic, allowing them to react promptly. For the pharmaceutical industry, it is

available rather the second scenario. The demand elasticity is evaluated based on the estimation of the sales representative, the estimations in sales, the historical data analysis, surveys among costumers, using the test markets, modeling market. Depending on these factors, and of the market conditioning, the enterprise may take a decision concerning the price variant that it advantages, decision managed trough price strategies.

3. Price strategies

3.1. The price establishing depending on the seller

The price based on the costs: *cost-plus* is expressed as and commercial addition at costs, trough a simple technique, which ignores the demand influences and of the competition. We suppose that the elasticity of the demand for a product is E_p . The marginal income is MR, and the marginal cost, MC. $MR=MC$, from where it follows that: $P = (E_p / 1+E_p) \times MC$. How the demand is more elastic, with that the mark-up will be smaller, for not to reduce the total incomes.

The method of profitability threshold [1] is based, also on costs, in determining the price, in addition the firm calculates and the corresponding price of profitability, below which would lose For covering the costs, the company must sell a sufficient amount of product, at a reasonable price, which to exceed the afferent costs of the profitability threshold. The cashing over total costs represents the company profit. If the company wishes to obtain a bigger profit, it will need to sell a bigger quantity of products at the established price, or to sell the same quantity, but at a higher price. Selling at a higher price, it is possible to limit the estimated volume sales, due to the elasticity of the demand and the competition price.

To counteracting of some situations of this type, the tenderers must set more prices of sale, estimating, respectively, the corresponding sales volume of the threshold of profitability, the potential demand and the profit

The profit dimension

One of the main objectives of any producer or supplier is that of maximizing of the profit.

For this, the company evaluates the demand and the costs of production, according to the different levels of prices, choosing the price that assures maximum profit.

3.2. Establishing the price depending on the buyer

At establishing the price according to the buyer is taken into account rather the perception of the buyer about the value, then the seller costs. The appreciation of this perception may be proved difficult. There are two variants of price based on value: the low price of every day (EDLP – every day low price) and the high-low price. The first is a constant low price, without discounts (the image created in the consumer mind must be that of the product at reduced price, to stimulate sales growth); the second is a higher price, but the promotions are frequently.

3.3. Establishing the price depending on the competition

The enterprise can set the price at the same value, to a higher value or lower then that practiced by the competition. In the case in which is choosing to practice a lower value, it can be founded in one of the following situations [2].

(1) Penetration type: the product price is established at loss, in order to gain the market share. The strategy is used to enter on a new market or for positioning of a good of large consumption;

(2) The predator strategy type: the deliberate lowering of the price to prevent the competitors to enter on the market. Is

offering promotional packages and gratuitousness of which cost the competitors (smaller firms or newer on the market) can't afford to support it.

(3) Expansionist price: lower prices in order to ensure broader market

The low prices can be maintained until to attracting a clientele, after is moving gradually at higher prices. If, on the contrary, the enterprise it decides for a higher price then the competition, also exists three variants [4]

(1) Value price type: is addressed to those buyers who are seeing in price a indicator of their status, or the product quality. It can be used and then when the eventual defects of the product costs too much to not to buy a quality product, but more expensive (drugs);

(2) Opportunist price: fast win, from products in high demand, for which is requested a high price, on the short term (pharmaceuticals);

(3) Skimming the market: high price at the beginning of the life cycle of the product, because of the costs and investments in research. Is exploiting the investment advantage, for quickly gain, on short time.

Another option is price maintaining at parity, as:

(1) Price “going-rate”: the same price for similar products, when some competitors are controlling the market

(2) Target price: the price is determined according to the profit level what must be maintained

(3) Marginal price: the price is fixed at a value which covers the variable costs and a part of fixed costs

In the case of the products of veterinary usage, the above strategies are applying as follows:

a) Skimming the market: Trough skimming, the enterprise is targeting in a first stage, the price insensitive buyers, following that, then, depending on market developments, to gradually reduce the price to attract and other customers The pharmaceutical companies may adopt this strategy when the drug that its commercialize is better the existent substitutes on the market (choosing the strategy, in the stage of introduction, depends on the level of therapeutic innovation). Also, this strategy is used when practically, is no competition. For example, a producer of food for animals which incorporates in the product an inhibitor of proton pump, and sells it as a diet for ulcer, he could ask, for a limited period of time, a price much higher than the producers of normal dietary. Also as a consequence of applying the strategy of skimming, the pharmaceutical companies can refuse to enter on know markets as low-price, or may postpone the entrance, for not to be forced to accept prices that would promote parallel imports, limiting them, thus the incomes on the neighboring markets.

b) Penetration: If, in terms of therapeutic innovation, the product characteristics are similar to other products on the market, the company will resort to a strategy of penetration, aiming to earn trough lower prices, a loyal clientele. For example, if a manufacturer intends to commercialize a hipocolesterolemiant drug, he must put the issue of competition of all varieties of (simvastine, fluvastine, rosuvastine), of the lecithin, of naturist drugs, of the diets. In this situation, the company is obligated to differentiate itself, by adopting a lower price than other competitors.

c) The price type value is targeting the prestige segment, of the pets owners who are seeing in price a manner to distinguish, to make from their animal a mirror of their

own status. The price type value is encountered especially in the area of accessories (collar with precious stones, unique clothing) and of the services (pensions and hotels of three or four stars for dogs and cats, pet-sitting, providing psychological counseling services for company animals, or of entertainers to maintain their tonus. Also, the drugs destined to oncological treatments, or adjuvant in the oncological therapy, because are ensuring a better quality of life, at which is having access only who permits it (which could pay for it – so called quality for those who can afford it) may adopt strategies of value type.

d) By the opportunist price is following achieving of a large profit on short term, through levying of some higher taxes for a much requested product. For example, the vaccine producers, or of antiseptic solutions can take advantage of crisis situations, such as avian flu, swine fever, triggering an outbreak of rabies, to sell quickly large quantities of products at prices above average.

e) The expansionist price: Entering the market with low prices isn't a characteristic of pharmaceutical industry. Instead, it is a practice pretty common in the food industry. The producers of food for pets may take this tactic, a low starting price, following to progressive increase the pretensions, while gaining customers.

f) The price type predator is met in the case of veterinary services which works with the state, and are having the interest to promote low prices to gain field (in public tenders, for example where is practicing exclusion on the criteria of price), taking out the competitors from the market. Rendering services practices the price type predator, to get to hold the monopoly in a geographic area.

g) The price going-rate applies to hygienic and medical products, of spray type and disinfection solutions. The producers are relatively few, the possibility of diversification (assuming that these products doesn't combine with accessories – collar anti-flea, cages with disinfection system) are reduced, so that's why is preferable the variant at parity with the competition.

h) The strategy of targeted price may be applied of a product which is commercialized on a limited period of time – for example, training products for pet care. In proportion as is developing the specialized sites, are appearing consecrated journals in the area, forums, TV shows, etc., these products will be removed from the market. Therefore, the producer can make a calculation concerning the profit that wishes to obtain it before the product begins to decline, setting the price based on the estimated profit.

i) The marginal price: usually, the pharmaceutical companies are making their calculations regarding to the marginal price after expiry of the patent. The risk, in the case of a marginal price too big, which tries to absorb much of the costs, is the generic competition, which enters on the market at lower prices, severely reducing the profits of the companies that commercialize branded products, after they are no longer protected by patent.

The final price of the veterinary pharmaceutical product is formed, so, at the intersection of groups of factors generated by the complementary perspective over the market and of interests, many times, competing. Therefore, the process of establishing the price is an attempt to optimize of a unpredictable function.

1. Under the conditions of market economy, becoming more dynamic, of the changes that have places in the buying habit of consumers, of the competition increasingly fierce, not only nationally but also internationally, choosing the best strategies of marketing acquires great values for enterprise development, keeping them on the market and obtaining some good economic results, both on short term and in perspective.

2. The price intervenes directly in completion of the sale-buying document, sometimes being decisive in the buyer option.

3. The price is the only component of the marketing mix which can be adjusted quickly, the companies being able to use the price as economic leverage, then from here resulted the importance of price strategies adopted and applied by the enterprises and necessity further study of this topic.

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CONCLUSIONS

CASH FLOWS ANALYSIS OF AN ENVIRONMENT ENTITY

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Key words: treasury fluxes, subsidizing activity, investment activity, operating activity, direct method, indirect method.

Abstract

The information regarding a company's treasury fluxes are useful for users since they allow the assessment of the company's capacity to issue treasury securities and treasury equivalents as well as its treasury requirements. IAS 7 can be applied to all companies that have the obligation to draw up a treasury flux position regardless of their activity. This aspect is justified by the fact that fundamentally companies, regardless of their type of activity or organizational type, need the treasury due to the same reasons: the need to perform their activity, to settle debts and to ensure the lucrativeness for investors. At the same time, the treasury has a significant importance for the company due to both its dimension and to its sign (positive or negative) since it allows the characterization of the company's status (financial health, vulnerability, bankruptcy, etc.). The treasury flux position allows, if used together with other components of the annual financial positions, the assessment of the company's net asset fluctuations, of its financial structure (including liquidity and solvability) as well as its capacity to change the fluxes (size, meaning and their maturity dates) regarding the adjustment to the new requirements as well as to new opportunities.

INTRODUCTION

The treasury flux position should meet certain requirements and the fluxes depending on the type of activities performed by the company can be classified into:

- treasury fluxes from operating activities;
- treasury fluxes from investment activities;
- treasury fluxes from subsidizing activities.

The individual presentation of these types of fluxes allows the assessment of the effects of each activity, of the company's financial position as well as the setting up of relations that may emerge between these activities. A unique transaction may involve fluxes that are classified in different categories. Thus for an amount of money paid as installment for a loan may involve both interests – that are included in the operating activities, and capital refunding – which is definitely a subsidizing activity.

A company may present its treasury fluxes from operating activities by applying one of the following methods [1]:

- direct method, according to which the main gross treasury entries and exits are presented;
- indirect method, according to which the operating fluxes are reconstituted beginning with the net result that is adjusted in a certain way **to eliminate** the following: transactions that have no effect upon the treasury, discrepancies and regularizations of previous or future entries and exits regarding treasury, income and expenditure issues connected by the treasury fluxes specific to the investment and subsidizing activities.

According to IAS 7, companies are encouraged to use the direct method as it provides information that is not available if the indirect method is applied. [2]

According to the direct method, the information regarding

the main categories of gross treasury entries and exits can be achieved in the following ways [3]:

- On the basis of the accounting entries performed by the company;
- By adjusting the sales, sales costs and other elements of the result account to take into consideration the following:
 - Fluctuations resulting from the period of stocks, book debts and operating debts;
 - Elements that have no effect upon the treasury,
 - Other elements for which the effect upon the treasury consists of investment or subsidizing fluxes.

According to the indirect method, the treasury fluxes coming from operating activities are set by the adjusting the net result to take into account the following [4]:

- Fluctuations resulting from the period of stocks, book debts and operating debts;
- Elements that have no effect upon the treasury, like depreciations, commissions, delayed taxes, latent earnings or losses, benefits which are not given the associated companies, minority interests.
- Other elements for which the effect upon the treasury consists of investment or subsidizing fluxes

The table showing the treasury fluxes of an environment entity form Galati was accomplished as a result of the cash flow analysis and of the employment of the direct and indirect method, according to IAS 7, is presented below:

DIRECT METHOD

Table 1. Direct Method – Calculation of the net treasury flux from operating activity

FLUX		CALCULATION	VALUE
1.	Cash receipts from clients	$\text{Cash receipts} = R_{c4111} = S_{i4111} - S_{f4111} + R_{q4111}$ $\text{Initial balance}_{4111} = 250.000 \text{ (BC)}$ $\text{Final balance}_{4111} = 135.000 \text{ (BC)}$ $\text{Debtor money circulation}_{4111} = CA \times 1,19 = 1.500.000 \text{ (CPP)} \times 1,19 = 1.785.000$ $\text{Creditor money circulation}_{4111} = 250.000 + 1.785.000 - 135.000 = 1.900.000$	+ 1.900.000
2.	Cash receipts, operating subsidies for personnel payment	$\text{Cash receipts} = R_{c7414} = 90.000 \text{ (IS)}$	90.000
3.	Payments made to suppliers (payments made for immobilized body corporate are not included)	$\text{Payments} = \text{Debtor money circulation}_{40} = \text{initial balance}_{40} - \text{final balance}_{40} + \text{creditor money circulation}_{40}$ $\text{Initial balance}_{40} = 350.000 \text{ (BC)} - 250.000 \text{ (IS)} = 100.000$ $\text{Final balance}_{40} = 155.000 \text{ (BC)} - 100.00 \text{ (IS)} = 145.000$ $\text{Creditor money circulation}_{40} = (\text{stock acquisition} + \text{energy and water expenses} + \text{third party services expenses}) \times 1,19$ $\text{Stock acquisitions} = \text{Debtor money circulation}_{371}$ $\text{Debtor money circulation}_{371} = \text{Final balance}_{371} - \text{Initial balance}_{371} + \text{Creditor money circulation}_{371}$ $\text{Final balance}_{371} = 5.000 \text{ (BC)}$ $\text{Initial balance}_{371} = 45.000 \text{ (BC)} + 50.000 \text{ (IS)} = 95.000$ $\text{Creditor money circulation}_{371} = \text{Debtor money circulation}_{607} = 450.000 \text{ (CPP)}$ $\text{Debtor money circulation}_{371} = 5.000 - 95.000 + 450.000 = 360.000$ $\text{Debtor money circulation}_{371} = \text{Final balance}_{371} - \text{Initial balance}_{371} + \text{Creditor money circulation}_{371}$ $\text{Energy and water expenses} = 30.000 \text{ (IS)}$ $\text{Expenses on service providers} = 90.000 \text{ (IS)}$ $\text{Creditor money circulation}_{40} = (360.000 + 30.000 + 90.000) \times 1,19 = 571.200$ $\text{Debtor money circulation}_{40} = 100.000 - 145.000 + 571.200 = 526.200$	- 526.200
4.	Rent payments made in advance	$\text{Payments} = \text{Debtor money circulation}_{471} = \text{Final balance}_{471} - \text{Initial balance}_{471} + \text{Creditor money circulation}_{471} = 20.000 \text{ (BC)} - 40.000 \text{ (BC)} + 70.000 \text{ (IS)} = 50.000$	- 50.000
5.	Payments on salary and social debts	$\text{Payments} = \text{Debtor money circulation}_{42,43} = \text{Initial balance}_{42,43} - \text{Final balance}_{42,43} + \text{Creditor money circulation}_{42,43} = 350.000 \text{ (IS)} - 11.000 \text{ (IS)} + 500.000 \text{ (CPP)} = 524.000$ $\text{Creditor money circulation}_{42,43} = \text{Debtor money circulation}_{64} = 500.000 \text{ (CPP)}$	- 524.000
6.	Payments on tax and operating fees	$\text{Payments} = \text{Creditor money circulation}_{446} = \text{Initial balance}_{446} - \text{Final balance}_{446} + \text{Creditor money circulation}_{446} = 0 \text{ (BC)} - 0 \text{ (BC)} + 60.000 \text{ (IS)} = 60.000$ $\text{Creditor money circulation}_{446} = \text{Debtor money circulation}_{635} = 60.000 \text{ (IS)}$	- 60.000
7.	VAT Payments	$\text{Payments} = 350.000 \text{ (IS)}$	-350.000
8.	Prepaid profit tax	$\text{Payment} = \text{Debtor money circulation}_{441} = \text{Initial balance}_{441} - \text{Final balance}_{441} + \text{Creditor money circulation}_{441}$ $\text{Creditor money circulation}_{441} = \text{Debtor money circulation}_{691} = 255.000 \text{ (CPP)}$ $\text{Payment} = 90.000 \text{ (IS)} - 17.000 \text{ (IS)} + 255.000 \text{ (CPP)} = 328.000$	- 328.000
TOTAL		Net treasury operating flux	+ 151.800

INDIRECT METHOD

Table 2. Indirect Method – Calculation of the net treasury flux from operating activities

Elements		CALCULATION	VALUE
1.	Result before taxing	1.550.000 (CPP)	1.550.000
2.	Elimination of the expenses and incomes that do not have effect upon the treasury: (+) Depreciation and commissions expenses (-) income from commissions	160.000 (CPP) 60.000 (IS)	+160.000 - 60.000

	Elimination of the expenses and incomes that are not related with operating activities:		
	(+) interest expenses	70.000 (CPP)	+ 70.000
	(-) income from demising short-term investment	70.000 (CPP)	- 70.000
	(-)income from demising fixed assets	70.000 (IS)	- 70.000
	(+)expenses from demising fixed assets	30.000 (CPP)	+ 30.000
3.	(-) income from investment subsidizing	100.000 (IS)	- 100.000
	Result from operating activities before deduction of the working capital variation necessary from operating activities:		+ 1510.000
	(-) stock variation	50.000 (BC) - (45.000 + 50.000) = - 45.000	+ 45.000
	(-) operating debt variation	135.000 (BC) – 250.000 (BC) = - 115.000	+ 115.000
	(-) variation of the expenses made in advance of operating activities	2.000 (BC) – 40.000 (BC) = - 20.000	+ 20.000
	(+) variation of the operating debts	Operating debts at the end of the year = 155.000 (BC) – 10.000 (IS) + 11.000 (IS) = 156.000 Debt at the beginning of the year= 350.000 (BC) – 250.000 (IS) + 35.000 (IS) = 135.000 Variation = 156.000 – 135.000 = 21.000	21.000
4.	(+) Variation of the income in advance of operating activities	350.000 (BC) – 320.000 (IS) – 60.000 (BC) = - 30.000	- 30.000
5.	Result of the operating activities after the deduction of working capital variation necessary		+ 1.681.000
6.	Prepaid profit tax	Idem direct method	- 200.000
	TOTAL	Net treasury operating flux	+ 1.481.000

4. CALCULATION OF THE NET TREASURY FLUX FROM INVESTMENT ACTIVITIES

Table 3. Calculation of the net treasury flux from investment activities

Flux		CALCULATION	VALUE
1.	Cash receipts from immobilized corporate selling	Cash receipts = Creditor money circulation ₇₅₈₃ x 1,19 = 70.000 (IS) x 1,19 = 83.300	+ 83.300
2.	Cash receipts from investment subsidizing	Cash receipts = Creditor money circulation ₁₃₁ = Final balance ₁₃₁ – Initial balance ₁₃₁ + Debtor money circulation ₁₃₁ = 420.000 (BC; IS) – 90.000 (BC; IS) + 100.000 (IS) = 430.000 Debtor money circulation ₁₃₁ = Creditor money circulation ₇₅₈₄ = 100.000 (IS)	+ 430.000
3.	Payments made for immobilized body corporate	Debtor money circulation ₄₀₄ = Initial balance ₄₀₄ – Final balance ₄₀₄ + Creditor money circulation ₄₀₄ Initial balance ₄₀₄ = 250.000 (IS) Final balance ₄₀₄ = 10.000 (IS) Creditor money circulation ₄₀₄ = Debtor money circulation ₂₁₃₁ x 1,19 Debtor money circulation ₂₁₃₁ = Final balance ₂₁₃₁ – Initial balance ₂₁₃₁ + Creditor money circulation ₂₁₃₁ Final balance ₂₁₃₁ = 810.000 (BC) + 420.000 (IS) = 1.230.000 Initial balance ₂₁₃₁ = 750.000 (BC) + 380.000 (IS) = 1.130.000 Creditor money circulation ₂₁₃₁ = 120.000 (IS) Debtor money circulation ₂₁₃₁ = 1.230.000 – 1.130.000 + 120.000 = 220.000 Creditor money circulation ₄₀₄ = 220.000 x 1,19 = 261.800 Debtor money circulation ₄₀₄ = 250.000 – 10.000 + 261.800 = 501.800	- 501.800
4.	Cash receipts from selling short-term investments	Cash receipts = Cost of sold securities + Earnings from transfers = Creditor money circulation ₅₀₈₁ + Creditor money circulation ₇₆₄₂ Debtor money circulation ₅₀₈₁ = Initial balance ₅₀₈₁ – Final balance ₅₀₈₁ + Creditor money circulation ₅₀₈₁ = 70.000 (BC) - 0 (BC) + 0 (IS) = 70.000 Creditor money circulation ₇₆₄₂ = 70.000 (CPP) Cash receipts = 70.000 + 70.000 = 140.000	+ 140.000
5.	VAT Cash receipts due to investment activities	45.000 (IS)	+ 45.000
	TOTAL	Net treasury flux from investment activities	+ 196.500

5. CALCULATION OF THE NET TREASURY FLUX FROM SUBSIDIZING ACTIVITIES

Table 1.4. Calculation of the net treasury flux from subsidizing activities

	Flux	CALCULATION	VALUE
1.	Cash receipts from capital increases	Cash receipts = Creditor money circulation ₁₀₁₂ + Creditor money circulation ₁₀₄₁ Creditor money circulation ₁₀₁₂ = Final balance ₁₀₁₂ - Initial balance ₁₀₁₂ - Debtor money circulation ₁₀₁₂ = 500.000 (BC) - 200.000 (BC) + 0 (IS) = 300.000 Creditor money circulation ₁₀₄₁ = 40.000 (BC) Cash receipts = 300.000 + 40.000 = 340.000	+ 340.000
2.	Cash receipts from issuing debentures	Cash receipts = + Creditor money circulation ₁₆₁ - Debtor money circulation ₁₆₉ = 90.000 (BC)	+ 90.000
3.	Cash receipts of new short-term loans	Cash receipts = 300.000 (IS)	+ 300.000
4.	Reimbursing of short-term new loans	Debtor money circulation ₅₁₉₁ = Initial balance ₅₁₉₁ - Final balance ₅₁₉₁ + Creditor money circulation ₅₁₉₁ = 300.000 (BC) - 150.000 (BC) + 300.000 (IS) = 450.000	- 450.000
5.	Interest payments	Payments = Initial balance _{5198;168} + Creditor money circulation _{5198;168} = 20.000 (IS) + 70.000 (CPP) = 90.000 Creditor money circulation _{5198;168} = Debtor money circulation ₆₆₆ = 70.000 (CPP)	- 90.000
6.	Paid dividends	Paid dividends = Result _{N-1} - reserves variation - variation of the result that was carried forward Reserves variation = Reserves _{N-1} - Reserves _{N-2} Reserves _{N-2} = 40.000 (IS) Reserves _{N-1} = 80.000 (BC) Reserves variation = 80.000 - 40.000 = 40.000 Variation of the result that was carried forward = 150.000 (BC) - 60.000 (IS) = 90.000 Paid dividends = 300.000 (IS) - 40.000 - 90.000 = 170.000	- 170.000
	TOTAL	Net treasury flux from subsidizing activities	+ 20.000

6. DRAWING UP THE TREASURY FLUXES TABLE TO COMPLY WITH IAS 7

Table 1.5. Drawing up the treasury fluxes table to comply with IAS 7

RELATIVE TREASURY FLUXES TO OPERATING ACTIVITIES (DIRECT METHOD)	
Cash receipts clients	190.000
Other general operating cash receipts	90.000
Payments to suppliers (excluding payments made for immobilized body corporate)	(526.200)
Payments on behalf of and in favor of personnel	(524.000)
VAT payments due to operating activities	(350.000)
Rent payments in advance	(50.000)
Other tax and operating fees payments	(60.000)
Profit tax payment	(328.000)
I. Net treasury flux from operating activities	151.800
Net treasury flux from investment activities	
Cash receipts from selling immobilized corporate	83.300
Cash receipts from selling short-term financial investments	140.000
Cash receipts from investment subsidizing	430.000
Payment for immobilized corporate acquisition	(501.800)
VAT Cash receipts due to investment activities	45.000
II. Net treasury flux from investment activities	196.500
Net treasury flux from subsidizing activities	
Cash receipts from the issue of securities	340.000
Cash receipts from the issue of debentures	90.000
Cash receipts from bank loans	300.000
Reimburse of capital in cash	-
Reimburse of obligatory loans	-
Reimburse of bank loans	(450.000)
Interest payments	(90.000)
Dividend payments	(170.000)
III. Net treasury flux from subsidizing activities	+ 20.000
IV. Variation of money liquidities and equivalent of liquidities (I+II+III)	368.300
V. Liquidities and equivalent of liquidities at the beginning of the year (from the balance sheet)	80.000
VI. Liquidities and equivalent of liquidities at the end of the year (V+VI)	448.300
VII. Liquidities and equivalent of liquidities at the end of the year (from the balance sheet) (VI=VII)	448.300

CONCLUSIONS

1. The direct method is characterized by the following aspects:

- It uses information like cash receipts and payments, the treasury variation upon the operating activities is equal to the amount resulted from cash receipts and payments;
- The information regarding the major categories of cash receipts and payments are not provided directly by the

financial positions. It can be provided either directly by the accounting entries or indirectly through adjustments. The amount of sales accomplished during the exercise usually is not the same with the cash receipts made due to the sale period. The details both from the balance sheet and from the profit and loss account are necessary to provide the information regarding the cash receipts from clients.

- The IAS 7 norm is recommended to companies being easy to be understood by users and allowing the presentation of the entire treasury activities assembly and at the same time

it facilitates the information gathering concerning the cash and resources employment.

- It is preferred by investors, providing useful information in the view of forecasting the future treasury fluxes;
- Both FAS 95, and FRS 1 encourages the employment of the direct method.

2. The indirect method is characterized by the following aspects:

- It is allowed by the IAS 7 norm.
- It is preferred by the company's management (as it does not reveal to the internal users the real image regarding the company's liquidity and solvability).
- It mainly uses the information provided by the accrual accounting;
- It emphasizes the discrepancies between the operating profit and the net treasury flux that comes from operating activities;
- This method consists of drawing up a reconciliation picture of the net result before taxes and of the outstanding elements with the net treasury flux from the operating activities.
- in practice, the majority of companies chooses the indirect method since a modern accounting system employs the accrual accounting.
- It is preferred by the company's accountants as it can be easily accomplished by processing some data that already exist in the balance sheet and in the profit and loss account.
- FAS 95 and FRS 1 agree to apply the indirect method, especially being applied in practice.

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FINANCIAL ANALYSIS ON THE BASIS OF THE INFORMATION PROVIDED BY THE BALANCE SHEET OF AN ENVIRONMENT PROTECTION ENTITY

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Key words: *balance sheet, financial decision, financial balance indicators*

Abstract

The balance sheet is the accounting document of synthesis that presents synthetically the financial and patrimonial situation of the company whose analysis may provide information about the company's solvability during the years of analysis. The information shown in the annual financial positions is processed by the economic and financial analysis to illustrate statically and dynamically both the patrimonial status and movement and the resulted outcome. Therefore the company's management may conclude the following: whether the indented objectives over the given period of time (or the analyzed exercises) have been attained, whether the financial decisions have been correctly adopted or simply if the economic increase and the financial balance have been accomplished. To know thoroughly a company's financial situation it is very important to study the way its financial structure and also the various indicators form its balance sheet had evolved over the years.

1. INTRODUCTION

The research will be accomplished on the basis of the balance sheet for the period 2006-2007. The analyzed indicator will be the **financial balance**, which can be defined as the company's capacity to ensure form its cash receipts the payment of its unsettled debts, including the currents debts brought about by the accomplishment of the object of activity or by the fiscal legislation, in a certain way as to avoid bankruptcy. [1]

There will also be taken into account the measures the company's management has applied in the situation when the company's solvability was temporary or outstanding and also the causes of the incapacity of payment situation. The company's solvability is mainly influenced by certain factors out of which we mention the most important of them [2]:

- The nature of the performed activity, which can determine certain technical and economic restrictions;
- The degree of activity capitalization, carried out by the fixed assets weight in the balance sheet's total;
- Duration of the operating process;
- Fixed assets life span and their degree of wear;
- The lien over the fixed assets (investments accomplished by self-financing or by leasing);
- Relations with the company's partners, especially the book debts and debts' refunding operations;
- Size of the company;
- Crediting activity (types of credits, credit employment, credit refunding);
- The personnel structure and the company's obligations that result form the work reports.

a. BALANCE SHEET

In this balance sheet, the assets will be grouped according to the liquidity criterion into fixed assets that have a very low liquidity and circulating assets whose liquidity may be greater or smaller depending on their type and the company's profile.

Drawing up a balance sheet is a rather difficult activity since it should be assessed the company's exigibility and liquidity taking into account the economic reality. This patrimonial analysis emphasizes the company's insolvability risk to settle

the engagement towards the third parties. In order to assess the insolvability degree, the patrimonial analysis studies, in the view of confrontation, the liabilities' degree of exigibility (property of becoming mature on a certain date) and the degree of assets' liquidity (possibility of being converted into money).

The necessary data for the financial analysis are processed in the balance sheet. The assets are structured depending on their liquidity and the liabilities are structured depending on the exigibility degree. Starting from a certain balance that should exist between the duration of a subsidizing operation and the duration of the corresponding means of subsidizing, the balance sheet emphasizes two main rules of financing, respectively the permanent needs of money allotting will be covered from permanent capitals, particularly form own capitals whereas the temporary needs will be normally financed from temporary resources.

The company's analyzed balance sheets for the two years are presented in the table 1., respectively table 2.:

Table 1. Balance sheet for 2006

Assets	2006	Liabilities	2006
Means > 1 year	369.850	Resources > 1 an	310.229
immobilized non-corporate	0	Own capital	155.701
Fixed assets	369.747	Debts > 1 year	154.528
Financial fixed assets	103		
Means < 1 year	68.457	Resources < 1 year	138.779
Stocks	19.750	Debts < 1 year	138.779
Book Debts	48.707		
Short-term investments	0		
Treasury means	10.701		
Fixed assets and bank accounts	10.701		
Total assets	449.008	Total liabilities	449.008

Table 2. Balance sheet for 2007

Assets	2007	Liabilities	2007
Means > 1 year	630.461	Resources > 1 year	412.006
Non-corporal immobilized	0	Own capitals	177.997
corporal immobilized	624.274	Debts > 1 year	234.009
financial immobilized	6.187		
Means < 1 year	104.643	Resource < 1 year	329.008
Stocks	86.508	Debts < 1 year	329.008
Book debts	18.135		
Short-term investments	0		
Treasury means	5.910		
Cash in bank and in hand	5.910		
Total assets	741.014	Total liabilities	741.014

b. NET SITUATION

Numerous analysts, starting from the balance sheet juridical approach, use the *net situation* concept, estimating from the accounting point of view the rights the company's owners have over the company. On the basis of the financial balance sheet, the net situation can be determined as following:

NET SITUATION = Total assets – Total debts – income in advance = own capitals

in 2006 : **NET SITUATION** = 449.008 – 293.307 – 0 = 155.701

in 2007 : **NET SITUATION** = 741.014 – 563.017 – 0 = 177.997

The net situation registered an increase of 22.296 ron in absolute size, respectively of 14,32% in relative size. The positive increasing net situation shows a healthy economic management. This increase is a result of reinvesting a part of the net profit and of other accruals. The net situation increase actually determined the accomplishment of the financial management major objective, namely the company's value maximization, respectively of the value of its own capitals.

c. PERMANENT WORKING CAPITAL, determined on the basis of the financial balance sheet (liquidity-exigibility balance) constitutes a liquidity working capital or financial working capital and can be set up in two ways:

a) financial working capital = permanent capitals (own capitals + medium and long-term debts) + commissions – permanent necessary (net fixed assets)

In 2006 : financial working capital = 310.229 + 0 – 369.850 = -59.621

In 2007 : financial working capital = 412.006 + 0 – 630.461 = -218.455

b) financial working capital = net circulating assets – temporary resources

In 2006 : financial working capital = 79.158 – 138.779 = -59.621

In 2007 : financial working capital = 110.553 – 329.008 = -218.455

As a result of the calculations done, we may notice that the stable utilizations exceeded the stable resources, thus accomplishing a negative working capital of -59.621 ron for 2006. It indicates the partial coverage of the stable utilizations, and as a consequence the company applied in 2007 for a 43.551 ron short-term loan. This aspect made the company dependent on banks, thus increasing its insolvability risk.

d. OWN WORKING CAPITAL has a more limited significance than the financial working capital. However it shows a certain aspect of the financial situation as it expresses the autonomy the company proves to have in the financing fixed assets investments.

Own working capital = own capitals – net fixed assets

In 2006 : **Own working capital** = 155.701 – 369.850 = -214.149

In 2007 : **Own working capital** = 177.997 – 630.461 = -452.464

The negative results accomplished for the two years reveals the fact that the fixed assets are not financed but partially from own resources. The company should run into debts to finance a part of its fixed assets.

e. BORROWED WORKING CAPITAL shows the size of the long-term borrowed resources, intended to finance the short-term assets (circulating assets) and can be calculated according to the following formula:

Borrowed working capital = Financial working capital

– Own working capital

In 2006 : **Borrowed working capital** FRS = -59.621 – (-214.149) = 154.528

In 2007 : **Borrowed working capital** FRS = -218.455 – (-452.464) = 234.009

The borrowed working capital increased in 2007 compared with 2006 by 79.481 RON in absolute size, respectively by 51,43% in relative size.

2. FUNCTIONAL BALANCE SHEET

The functional balance sheet provides a image over the company's way of working form the economic point of view, emphasizing both the utilizations and the corresponding resources of every cycle, respectively investments, operating activities, financing and treasury.

The functional conception is based on the assets and liabilities assessment on the purchasing price, making exception of the real value. The functional balance sheet is considered indispensable for the flux analysis. It allows the grasping of the financial policy aimed by the company and completes the results of the patrimonial analysis.

The functional balance sheet allows the analysis of the company's financial balance and of the financial structure at a certain point (at the end of the exercise), it also allows the learning of the needs depending on the existing categories of resources, it helps to calculate the financial safety margin and to make decisions for a company regarded from the financing resources employed in activity performance point of view.

To accomplish these aspects the delimitation of the means (utilizations) and resources taking into account the economic and financial cycle (operating, investment or financing activity) is required. For instance, taking out a medium or long-term loan will have a great influence upon the financing structure of a company over a long period of time and the decisional factors will have to take this aspect into consideration. In this particular case, the loan can be considered a stable resource. If the taken out credit will be used to accomplish a long-term investment, this investment will be considered a stable utilization. *Between the stable utilizations and the stable resources a biunivocal relation emerges: the employment of the stable resources leads to making profits that contribute to the stable resources increasing.* [3]

The increase of the stable resources the company has, allows the making of new investments that increases the stable utilizations.

The functional balance sheet can be drawn up starting from the information from the accounting balance sheet but which are classified taking into account the liquidity/exigibility criterion. It involves the assets classification according to their liquidity into fixed assets and circulating assets. The liabilities are classified according to their exigibility into capitals employed more than a year (called permanent capitals or stable resources) and debts less than a year (called short-term debts or circulating debts). Thus the functional balance sheet can be divided into four main structures [4] :

- Stable resources and utilizations corresponding to long cycles, namely finances that are refunded after a longer period of time and investments that wear out and will have to be replaced at a certain point when a new investment cycle begins;
- Circulating assets and debts corresponding to the operating cycle, including supplying, stocks, production and its selling to those that are characterized by the purchasing

activities and as a result of the company runs into the suppliers' debts and the cash receipts activities that result in book debts towards the clients.

In the view of drawing up a functional balance sheet, the following changes take place [5]:

- Rollout and commissions for depreciation, considered as capitals economized in the view of fixed assets renewal or financing anticipated losses, will be eliminated from the asset side of the balance sheet and will be included in the liability side of the balance sheet, in the own resources category.

- Expenses that are spread on many exercises will be included in the stable utilizations category, having a similar behavior as those of the fixed assets;

- Redeemable bonuses of the debentures will be eliminated from the asset side of the balance sheet and will be included in the liability side of the balance sheet, in the financial debts category, due to the fact that they actually represent a financial debt determined by the difference between the debentures' selling price and the redeemable value set by the issuing prospectus.

- Short-term bank loans, treasury credits and their corresponding interests will be deducted from the financial debts and included to the circulating debts.

The functional balance sheet for the analyzed company is presented in the following table 3. and table 4.

The working capital is used for assessing financial balance conditions that result from the short-term assets liquidity confrontation with the short-term liabilities exigibility.

At a certain date, the working capital represents the short-term assets surplus over short-term liabilities. For some companies, the working capital represents the cash in bank and in hand, the available amount of money to ensure the current payment continuity and the financing necessities of the operating cycle are mostly covered from the corresponding temporary resources like debts, employees, budget, etc. The working capital is a liquidity indicator: the bigger the working capital is the smaller the short-term debts for financing circulating assets are. Within the functional analysis, the company is vulnerable if it applies to banks for short-term loans. This aspect can be emphasized by the functional working capital variation and the variation of the working capital need. The working capital need is the most relevant indicator of the financial balance since it emphasizes those cyclical needs that are not financially covered from the temporary resources and permanently renewable within the same operating cycles.

The rule of the functional balance requires that the stable resources to be sufficient to finance the stable allotments. The working capital policy consists in the fact that the operating cycle implies permanent circulating assets needs but also temporary ones. Under these circumstances, the covering

Table 1.3. Balance sheet for 2006

Functional asset	2006	Functional liability	2006
Stable means	392.023	Stable resources	379.487
Corporate immobilized	391.920	share capital	161.000
Financial immobilized	103	Reserves	201
		Carried forward result	-31.381
		Type of exercise	25.881
		depreciation	22.173
		Debts to partners	47.085
		Long-term debts	154.528
Operating asset	36.256	Operating liability	59.493
Stocks	19.750	suppliers	64.562
VAT to recover	16.506	Debtor suppliers	-32.200
		payments made for immobilized body corporate	17.187
		Short-term loans	0
		Other debts	9.944
Assets outside operating activity	0	Liabilities outside operating activity	0
Liquidities	10.701	Treasury resources	0
Cash in bank and in hand	10.701		
Total assets	438.980	Total liability	438.980

Table 1.4. functional balance sheet for 2007

Functional asset	2007	Functional liability	2007
Stable means	677.547	Stable resources	531.977
Corporate immobilized	671.360	Share capital	161.000
Financial immobilized	6.187	Reserves	201
		Carried forward result	-5.501
		Type of exercise	22.297
		depreciation	47.086
		Debts to partners	72.885
		Long-term debts	234.009
Operating asset	97.857	Operating liability	249.337
Stocks	86.508	suppliers	137.775
VAT to recover	9.897	Debtor suppliers	-6.784
Other book debts	1.452	payments made for immobilized body corporate	54.854
		Short-term loans	43.550
		Other debts	19.942
Assets outside operating activity	0	Liabilities outside operating activity	0
Liquidities	5.910	Treasury resources	0
Cash in bank and in hand	5.910		
Total assets	781.314	Total liabilities	781.314

of permanent needs with a working capital is considered convenient, and the covering of the temporary needs with short-term loans.

1. GLOBAL NET WORKING CAPITAL is calculated as the difference between the durable resources and the stable means, thus:

GLOBAL NET WORKING CAPITAL = durable resources – stable means

This formula emphasizes the working capital stability.

In 2006: **GLOBAL NET WORKING CAPITAL** = 379.487 – 392.023 = -12.536

In 2007: **GLOBAL NET WORKING CAPITAL** = 531.977 – 677.547 = -145.570

The global net working capital is the durable resources part that competes with the circulating asset financing.

It can be noticed that over the two years, 2006 and 2007, the global net working capital had negative values; therefore it is compulsory the taking out of new credits to finance the operating needs since the liquidities do not cover entirely the exigibilities and certain short-term financial balance difficulties may emerge.

2. Working capital necessary can be calculated as the amount between the working capital operating necessary and the working capital necessary outside operating activities.

Working capital necessary = working capital operating necessary + working capital necessary outside operating activities, where:

working capital operating necessary = operating assets – operating liabilities

working capital necessary outside operating activities = assets outside operating activities – liabilities outside operating activities

working capital operating necessary ₂₀₀₆ = 36.256 – 59.493 = -23.237

working capital necessary outside operating activities ₂₀₀₆ = 0

working capital operating necessary ₂₀₀₇ = 97.857 – 249.337 = -151.480

working capital necessary outside operating activities ₂₀₀₇ = 0

Working capital necessary = -151.480

The working capital necessary is a dynamic indicator whose size depends proportionally on the turnover evolution and its components are connected to the current activity, especially to the operating activity. It shows the short-term financial balance between the cyclical allotments in stocks and book debts and the cyclical resources from discrepancies of payments towards the third parties. In the present case, it can be noticed that the working capital necessary registered negative values in both years, aspect that shows either a surplus of temporary resources as a result of the obvious acceleration of the circulating assets rotation or a temporary suspension of supplies.

CONCLUSIONS

1. To conclude, the financial analysis is oriented towards the accomplishment of a financial diagnosis and towards the users and aims at assessing the lucrativeness of the invested capitals and risks, accomplishment of conditions of the financial balances and autonomy, as a result of some major decisions: the company may suspend its activity, setting up a new short-term strategy or policy.

2. A financial diagnosis should aim at accomplishing a

more efficient resource employment and on its basis the bank may grant or turn down a credit to the company; also the investor may use it to elaborate his/her share purchasing or selling decisions.

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THE SIGNIFICANCE OF THE PREREQUISITE PROGRAMS IN THE FOOD SAFETY MANAGEMENT'S IMPLEMENTATION

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Key words: *prerequisite programs (PRP), management, food safety, contamination, danger*

Abstract

According to the European Union's regulatory standards and the WHO the food safety is the responsibility of everybody, starting from the primary production to the final consumer. All the organizations presented in all this food chain shall establish, implement and maintain the necessary processes for safety food production. These programs are sustaining the hazard's control of introducing in food products, dangers for food safety through the work environment or /and the biological, chemical and physical contamination, including the cross-breeding between the products. The Prerequisite Programs (PRP) must be periodically controlled and modified when their efficacy isn't adequate and the PRP are required for the functioning of the food safety management.

INTRODUCTION

Under current legislation, any producer must meet the necessary condition to protect the food as long as it is on their own control.

The term "preliminary program" (PRP) is currently accepted to describe a range of operations and necessary conditions to prepare the ground for implementations of procedures based on HACCP principles and to serve as a permanent support of this system (3).

Preliminary programs have implemented a whole system of productions and needs to be proper for the needs of organization of food safety. Each unit of the food chain should identify legal requirements and regulation, and to take into account the principles and codes of practice of the Codex Alimentarius Commission. (*,**)

MATERIAL AND METHOD

The case study was conducted in S.C.Nutricom S.A.Calarasi-point of work com. Pigs slaughterhouse model, during January-December 2008.

When the organization has established the preliminary programs they take into consideration the following:

- Construction and placement of buildings and utilities associated utilities;
- Sources of water, air, energy and other utilities;
- Related services, included waste disposal;
- Appropriate equipment and accessible for cleaning, maintenance and preventive maintenance;
- Cleaning and hygiene;
- Health personnel.

The first step in establishing effective links PRP was getting commitment from top management to understand how important it is that they be well written, understood and carried out by operational staff and of them who ensure the control. It is obvious involvement of general manager in the allocation of resources of time and money for implementation, maintenance and improvement of the PRP's. Have been documented and implemented following PRP's:

- the health personnel control of PRP-01;
- personal hygiene PRP-02;
- hygiene outer space and infrastructure PRP-03;
- hygiene of production equipment, sanitary landfills and annexes PRP-04;
- hygiene vehicles PRP-10;
- control pests PRP-05;
- access visitors PRP-06;
- waste management-PRP-07;
- Check drinking water PRP-08;
- Use and storage subsites chemicals PRP-09;
- Maintenance of buildings and equipment manufacturing PRP-10.

All these procedures specify how they are managed, which is clearly communicated what instructions they must follow, who is responsible and what correction/corrective actions are applied when the procedures are not conducted by written protocol or if they are not effective. All these activities must be planned.

Were identified by the decisions responsible for managing these programs and have prepared them for job descriptions that are clearly set out the responsibilities and authorities. It is necessary for the organization to provide training or undertake other activities to ensure that staff has the necessary skills and is aware of the importance and relevance of its activities. Each program must include preliminary procedures for routine checking. Checking should be done by another person than the one designated to carry out the primary task. This person will check if the PRP is carried in the manner that was designed and properly performed as monitoring and recording.

Checking PRP will be planned, and these must be modified if necessary. Records must be maintained on the check and modify.

RESULTS AND DISCUSSIONS

After they have been documented, PRP's have been made to meet operational staff or monitoring and that they understand the tasks they were assigned and what is their role in this program and responsibility. At the end of this training effectiveness has been verified through written and practice

tests. Also was been provided the materials and equipments needed for fulfilling the tasks they were entrusted.

To keep control of health personnel, the organization has signed a firm contract for a booth Medicine labor and employment check it regularly. There are daily records that provide proof that the heads of the locations were epidemiologically yards and checking health and hygiene of staff before beginning work. Periodically samples were collected by the sanitation equipment and workers hands to check the efficiency of the program. The analyses were made in D.S.V.S.A.Calarasi laboratory.

Ex : BA 914- 915/26.02.08, BA 1195-1199/18.03.08, BA 1929-1930/29.04.08, BA 2131/20.05.08,BA 2631/20.06.08, BA 3028/22.7.08, BA 3179/04.08.08, BA 3294/12.08.08,BA 3527/22.08.08, BA3601/29.08.08,BA 3756/09.09.08, BA 3973/19.9.08, BA 4460/22.10.08, BA 4548-'02.11.08, BA4715/18.11.08, BA 4714/16.11.08, BA 4858/02.12.08, BA 5081/16.12.08.

Determinations includes: total number of germs(SR EN ISO 4833/2003), enterobacteriaceae (SR ISO 21528/2/2007), coli forms (ISO 4831/2006 si 4832/2006),coagulazo positive staphylococcus(SR EN ISO 6888/1,2/2002 AC/2005)and after interpretation of results included in the analysis of the result that they are appropriate and cleaning was effective.

To check the efficiency of programs hygiene productions areas, warehouses, attachments and equipment and medical equipment are performed daily sanitation of rapid tests "for protection" and the results are recorded and maintained on a period of 3 years. Watching the records of the Register Fast tests results for protection "has been found that all were suitable and therefore both of chemical substance and washing hygiene, and the operation themselves were effective."

Besides this rapid tests that give information in terms of qualify, regularly according to the "Program of autocontrol-2008" samples are taken and analyzed in D.S.V.S.A.Calarasi laboratory.

Ex. : BA 606-610 /04.02.08-cutting rooms, BA 859-862/25.02.08-depozit organs, BA 1501-1505/01.04.08 refrigerated cold stores , BA 1771-1773/10.04.08 machinery, BA 1770/17.04.08-vehicles, BA 2360/30.05.08-cutting rooms , BA 2533/16.06.08-table of cutting organs, BA 3034/21.07.08-plastic bags, BA 3171/31.07.08 -work table cutting, BA 3170/31.07.08-vehicle CL 03 MMM, BA 3291/11.08.08- longitudinal cutter, BA 3972/18.09.08-freezing store, BA 4549/31.10.08-slaughtering area clean, BA 5089/10.12.08 filter men.

All bulletins issued by the analysis were appropriate in the preliminary program microbiological. In what concern the water production unit, there are daily records attesting that the water was suitable in terms of organoleptic (color, taste, odor, pH) and also bulletins issued by the analysis laboratory authorized D.S.V.S.A. for samples collected for various points. Organization identifies every possible sources of drinking water.

Ex. :BA 6247-6247/16.11.07-R6,R20, BA 7196/19.12.07-R19, BA 533/01.02.08-R23, BA 863/26.02.08 R24, BA 1131/17.03.08 R27,BA 1833/21.04.08 R3, BA 2232/23.05.08 R17, BA 2632/10.06.08 R38, BA 3172/01.08.08 R44, BA 3602/27.08.08R58,BA3971/18.09.08R21,BA4461/20.10.08 R49, BA 4860/02.12.08 R70, BA 5970/15.12.08 R6

In the analysis of result register in the bulletins listed above evidence shows that water meet in the organoleptic, physico-chemical and bacteriological characteristic of water according to law 311/2004 on water quality.

Half-yearly review are conducted and the quality of waste water.

Regarding the control of pests, the organization signed a service contract with DDD a specialized company that has drawn a graph of the annual progress of these activities. Following the actions of each derating to disinfection was prepared by a process in which the provider verbally mentioned substances used concentrations, surface on which to act and the measures to be taken to start work.

Every track access unit is mounted traps for rodents, which are monitored weekly, and in the areas of production are mounted apparatus for capturing insects. The management waste is very effective; they are stored and managed properly. There are contracts with specialized units for lifting waste of animal origin and separately for the household.

Access unit is strictly controlled both own staff, and visitors and is only type filter with work equipment and to protect the food properly and only after a training safety. Staff serving dirty area of the slaughterhouse has access area clean it. There are specially equipped laundry for cleaning and disinfection of vehicles and livestock separate transport food. They found land records that are emphasized in these operations and rapid tests of sanitation and bulletins analysis which proves the efficiency of operations mentioned above. Chemical substances for washing and disinfection are identified and stored in conditions of security in the spaces provided. There are instructions and files to use security as well as opinions of the Ministry of Health that they can be used in food industry. The organization has documented, implemented and maintains an operational procedure which specifies how programs are managed maintenance and preventive maintenance of equipment and installation of equipment. All records that are executed within these programs were considered preliminary monthly meetings Food Safety Team.

CONCLUSIONS

1. For implementation of quality management system implementation is obligatory PRP sites.

Involvement is evident that top management has allocated financial and human resources to implement these programs and management.

2. That practice has proven that PRP-countries are properly implemented and appropriate organizational needs has led to increasing consumer confidence and business partners in products manufactured by the organization which is reflected in the expanding market and increasing sales turnover

3. S. C. Nutricom S.A. was authorized to make intra-trade in foods of animal origin, and the system of food safety management has been certified by SC Simtex-OC Ltd.

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IDENTIFYING AND MONITORING CRITICAL CONTROL POINTS FOR PROCESSING OF “CASCAVAL OVIDIU” AT MILK PROCESSING PLANT - S.C.AGROFAM HOLDING S.R.L CALARASI

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Key words: risk, determination tree, critical control point

Abstract: The present study describes the HACCP-Hazard Analysis and Critical Control Points measures, which represents the identification of specific hazard and application of the necessary control measures that lead to obtaining wholesome food products. During this research, the author has analyzed the potential physical, chemical and biological risks and has identified the critical control points. These are established using the determination tree (decisional tree), which is applied to the diagram of the technological process of obtaining fresh products; the author specifies the preventive and corrective measures that are to be taken.

The main idea of HACCP system is the risk identification within the shortest time possible, to assure the safety of the product, followed by developing and applying the necessary measures of preventing or removing the identified risks.

INTRODUCTION

SC Agrofam Holding SRL has established, improved and maintain own Food safety management system (FSMY) in accordance with SR EN ISO 22000:2005 food safety international standard. At their level, SC Agrofam Holding SRL intend through FSMY to assure that possibly risks for food safety are identified, classified, are under control at necessary level to eliminated direct or indirect risks for food safety and consumers welfare, to communicate proper information referring food safety along food chain, to communicate at all levels from organization completed information about FSMY and it's development.

High management of organization assure available enough resources and assure necessary information to apply specific activities for FSMY. All processes are monitoring, measured and analyzed periodically to realize all planning results and improve FSMY.

MATERIAL AND METHOD

Food Safety management system based on HACCP's principle is a preventive system of control maintaining of risks for guarantee the food safety. This system developed is documented through HACCP study and allow:

- ✓ To identify the critical control points and control CCP;
- ✓ To use an effective monitoring and controlling system for identified CCP.

Before establishing HACCP plan, was applied Good Hygiene Practices and Good manufacture practices, training that own staff to understand importance of self control.

In accordance with HACCP principle, was established members of food safety team (FST), which are distinguished like specialist in food technology, human health and food safety experts.

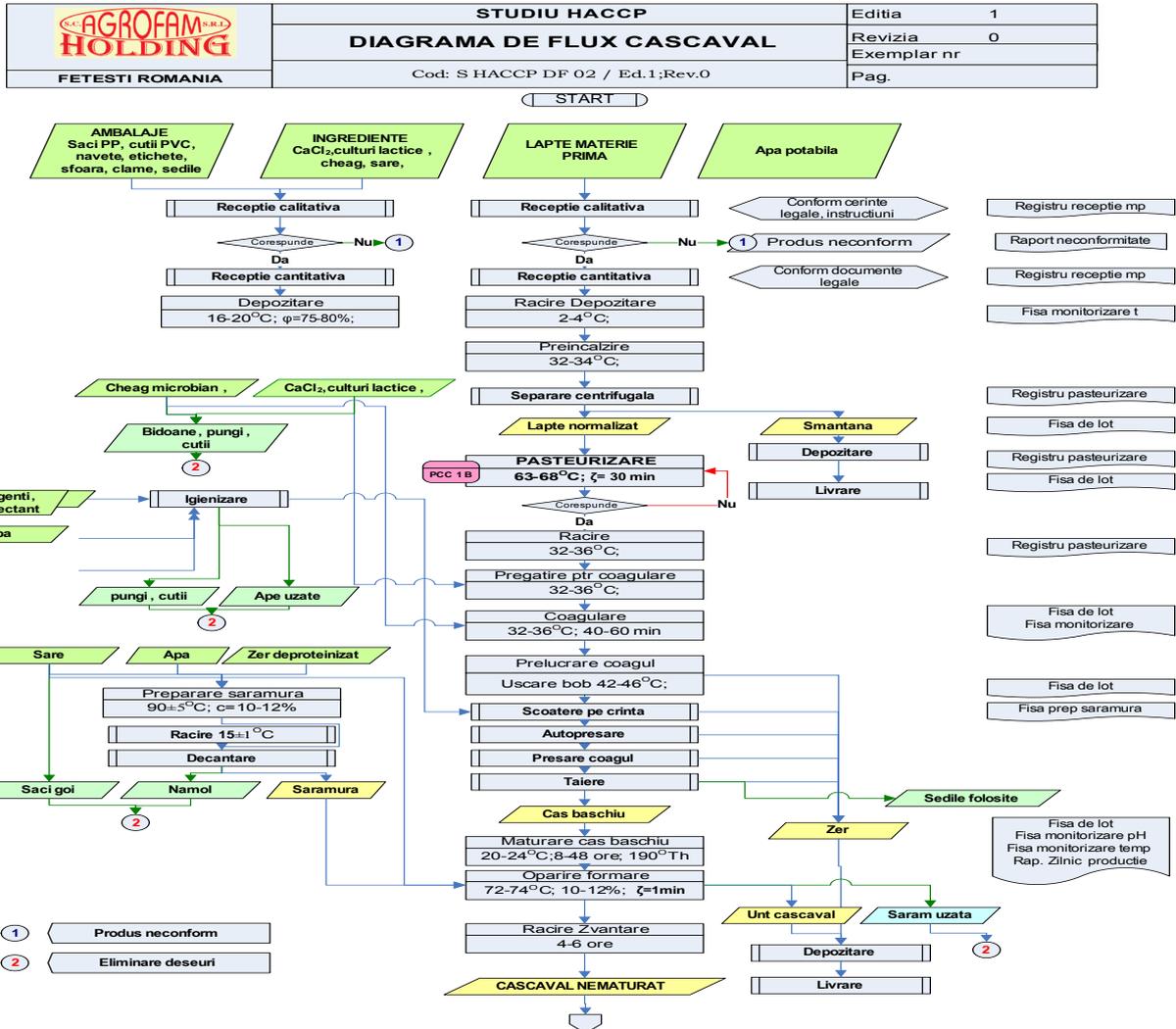
At second step FST identified all raw materials, secondary materials, materials in contact with food and described their characteristics enough to make an efficient analysis for establishing the roll and their importance in maintain or introducing risks in foods.

FST consider that this step is very important in hazard analysis and include: biological, chemical, physical characteristics, composition of formulated ingredients, including additives and processing aids, origin, method of production, packaging and delivery methods, storage conditions and shelf life, preparation and/or handling before

use or processing, food safety-related acceptance criteria or specifications of purchased materials and ingredients appropriated to their intended uses. Also, the organization was identified statutory and regulatory food safety requirements. All this component from this step are kept up-to-date.

At the next step, FST, described characteristics of end products. The end products characteristics was described in documents to the extent needed to conduct the hazard analysis including information as appropriate: product name or similar identification, composition, biological, chemical, physical characteristics relevant for food safety, intended shelf life and storage conditions, packaging, labeling relating to food safety, instructions for handling preparation or usage, method of distribution. Also the organization's FST are keeping up-to-date identified from statutory and regulatory food safety requirements.

Next action was make to establish flow diagrams, process steps and control measures. FST's members planed flow diagrams to be clear, accurate and sufficiently detailed, including the following: the sequence and interaction of all steps in the operation, any outsourced processes and subcontracted work, where raw materials, ingredients and intermediate products enter the flow, where reworking and recycling take place, where end products, intermediate products, and waste are released or removed. Flow diagram is presented in photo no.1.



The FST was verified the accuracy of the flow diagrams by on-site checking and maintained the records.

The existing control measures, process parameters and the rigorousness with which there are applied, procedures that may influence food safety was described in step “description of process and control measures” to the extend needed to conduct the hazard analysis. Was included external requirements from regulatory authorities that may impact the choice and the rigorousness of the control measures. All this descriptions are updated.

The food safety team was conducted a hazard analysis to determine which hazards need to be controlled, the degree of control required to ensure food safety and which combination of control measures are required.

In this step, “hazard identification and determination of acceptable limits”, all food hazards that are responsibly expected to occur in relation to the type of product or process was identified and recorded. For each of the food hazard identified was determined the acceptable level of the food safety hazard in the end products in accordance with established statutory and regulatory requirement. All this actions are recorded.

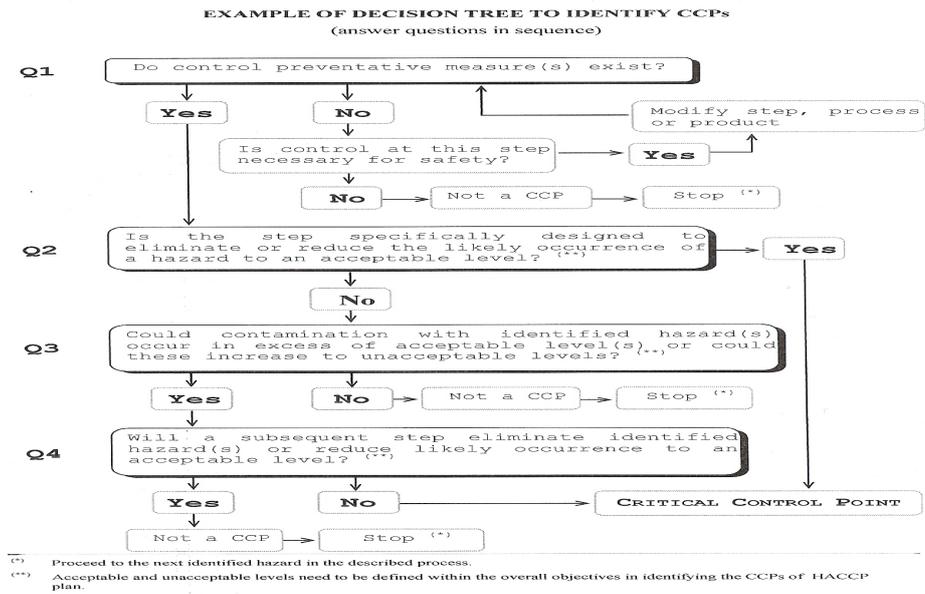
After identifying process, FST realized hazard assessment conducted to determine for each food safety hazard identified whether its elimination or reduction to acceptable levels is essential to the production of a safe food and whether its control is needed to enable the defined acceptable level to be met. This action was made in according with possible

severity of adverse health effects and the likelihood of their occurrence following table no 1:

Severity	Occurrence		
	small	medium	high
high	3	4	4
medium	2	3	4
small	1	2	3

FST’s members was selected, based on hazard assessment an appropriate combination of control measures which are capable of preventing, eliminating or reducing these food safety hazards to defined acceptable levels. Additional, was established the operational prerequisite programmes (PRPs) which are documented and included food safety hazard which are controlled by the programme, control measure, monitoring procedure, corrections and corrective actions to be taken if monitoring shows that the PRPs are not in control, responsibilities, authorities and records of monitoring. All these are recorded and kept in places.

In the next step, FST started establishing the HACCP plan. In advance of this action they start to identify critical control points (CCPs) this means that they used decision tree for guidance in determination of CCPs, presented in photo no. 2:



Meantime CCPs were established, FST's members established also critical limits for each CCP, specified and validated and must be in accordance with legal food safety requirement. Also they established a monitoring system for each CCP used for measurement or observation of a CCP relative to its critical limits. Critical limits was specified and validated. This system is able to detect loss of control at the CCP. Dates derived from monitoring are evaluated to designated person with knowledge and authority to carry out corrective actions which are indicated.

presents in table no 2:

Stage	Risk element	Q1	Q2	Q3	Q4	CCP No.
Pasteurization	biological	YES	YES	-	-	CCP1
End product storage	biological	YES	YES	-	-	CCP2

Final actions which collect all steps of implementation are reflected in HACCP plan presented in table no.3:

 FETESTI - ROMANIA	HACCP STUDY HACCP's PLAN SR EN ISO 22000:2005 Cod: S HACCP PLN / Ed.1;Rev.0	Edition- 1 Rev.- 0 Ex. no. Pag.- 1 / 1
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The stage	The parameters of the process/ Of the product/	Control measures	CCP	Critical limits	Monitoring			Who is responsible ?	Checked	Measures	
					What is it monitored?	The method	Frequency			Correction/ Corrective actions	Recordings
Milk Pasteurization	Temperature 68-72 °C/ Time 30min	-visual pursuit for temperature and time	Microbiological	T _s 68°C ≤ 30 min	temperature of the process -period of maintaining	handwriting recording and the thermogram	-continue for each lot of milk liable to the thermic treatment	pasteurization operator	FSTM (food safety team manager)	-recycling of milk through the installation -retraining for the personnel -treatment of the potential unsafe product according to the well-informed Procedure	-thermogram -pasteurization diagram -training report
Storage of the end product	temperature Storage period max.9 months	temperature's reading -read for the date of expiration -stocks rotation	microbiological	-1 > 8 °C -warehouse temp > 9 months	-warehouse temperature -Period for stocks keeping	-thermometer with bill sticking with alcohol -operator panel for the temperature's adjustment -Warehouse record card	-daily, 3 times a day	-warehouse administrator	FSTM (food safety team manager)	-products moving in other spaces with adequate temperatures -intervention on the cooling plant -personnel training	- recording card for pursuing of the storage temperature - Warehouse record card - training report

Food Safety Team

HACCP plan has the same form like prerequisite programmes but applicable only for critical control points identified. This plan document all critical control point and include the following information for each critical control point: food safety hazard controlled at the CCP; control measures; critical limits; monitoring procedures; corrections and corrective actions which must be taken if critical limits are exceeded; responsibilities and authorities; records of monitoring.

RESULTS AND DISCUSSIONS

HACCP study and implementing of Food safety management system was realized in four month from starting date (june 2008) in according with HACCP principles, international food safety standard SR EN ISO 22000:2005 and European and national statutory and regulatory food safety requirements. After first steps necessary for hazard analysis, was elaborated and established critical control points based on decision tree,

Validating is realized by food safety test records registered from accredited food laboratory which confirmed that milk product analyzed is safe and in accordance with food safety reglementation.

CONCLUSIONS

1. Based on Food safety management system improved and maintained at this organization, National Sanitary Veterinary and Food Safety Agency recognized conformity with national legal requirements.

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HUMAN RESSOURCES – INCREASE FACTOR FOR COMPANY COMPETITIVENESS

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Key words: competitiveness, productivity, responsibilities, efficiency, team production, lean production.

Abstract

The success of a company depends on the managers' knowledge and ability to use the methods of competitiveness increase. The methods aim at: - productivity increase; products and services quality development; clients assistance. Company and individual productivity has an important impact on the company competitiveness and it motivates the employees who perform well their responsibilities and who have a maximum efficiency. The research in this field has revealed that there are two concepts to take into consideration when it comes to improving the quality and efficiency of the working staff:- the first one is team production;- the second focuses on quality management and on the steady improvement of work (lean production).

1. Major concepts for competitiveness

A recent research has revealed there are two major concepts when we speak about quality and efficiency. The first concept is the one called “*team production*”. The second, called “*lean production*” focus on the management quality and on the steady simplification and improvement work. The table 1 shows the differences between these two concepts. Although both of them have change from the traditional models, in point of quality production and the necessity of changing companies and management perspective, the two concepts differ fundamentally.

“Team Production” Model

Involving the employees (the team) gives them power, information, knowledge, and substantial rewards. “*Power*” means the employees are stimulated to make their own

rewarding system is to be modified in such a way as to enable the employees with special abilities to be rewarded.

Companies with employees that are highly involved

This type of company transfers a great deal of its responsibilities and power of decision to the self-controlled teams. These teams make their own decisions, fulfill their activity and control the work relying very little on the executive staff of the company. The members of such teams must fulfill more complexe and more varied activities than those in the traditional productions.

“Lean Production” Model

This model refers to small team, responsible for simple reiterative tasks, for example for a segment of the assembling line. The members of the team learn their tasks in turn, by changing their position in the team. The team are free to find better ways and better methods to fulfill their tasks.

decisions, and this can be achieved by choosing to work either in flexible teams or in self-controlled teams.

Table 1. Lean Production and Team Production

Lean Production	Team Production
1. Manager as chief	Manager as “advisor/instructor”
2. Steady improvement, step by step	Dramatical improvement
3. Targets: high productivity and quality	Targets: organizational efficiency and work quality
4. Simple reiterative tasks performed by using the best methods	Complex, long-termed tasks
5. Flexible teams (“quality teams”)	Steady teams, often self-controlled
6. Cross training within the team	Cross training within the team
7. Focus ob production; high stress	Focus on sharing the profit; safety on the position in the team secured

All the employees can be given information about the global performances of the company, about the performances of each department, about the technological changes with an impact on the company, as well as information about the competition.

This knowledge is acquired by means of special training programmes, as for example “the cross training” within the team. The programmes will allow employees to manage more complexe tasks, to participate in making decisions and to perform their activity within the team, whereas the

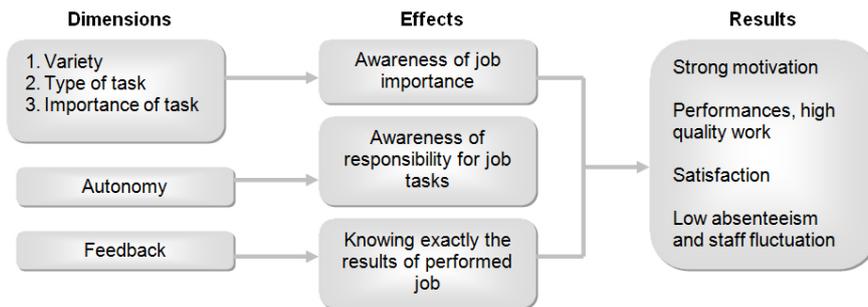
2. Methods to improve individual and group performance in the company.

Employment of groups is based on the idea that all the employees at all levels of the company bring their contribution to an efficient performance and, at the same time, on the idea that these groups can generate ideas. Consequently, the target of the participative programmes consists in allowing the groups to identify and solve the problems in their own area of activity.

Teams meant to improve work quality

These teams represented the most popular participative management form. The estimation has shown that a number of some hundreds thousands of employees were used. They proved to be extremely efficient in the fields of aero ships, automobiles construction and also in the field of steel industry and mass household wares.

A “quality group” is made of a small number of volunteers, between 8 and 10 employees within the same department, who meet for a few hours weekly to discuss problems connected to the quality and productivity of work.



Self controlled working teams

The self-controlled working teams are know as “autonomous working groups”. They are almost entirely give the responsibility for a certain product or service. It is the team that makes the most of the decisions connected to production. The management is responsible for the spreading of information about cost, quality, as well as any technical assistance requested by the team.

To allow these groups to work efficiently, the company has to issue more flexible control systems, to cancel bureaucratic procedures, to guarantee safety of positions and to allow radical changes within “employer - employee” communication.

Stimulation of employees

One of the most common methods used by companies to increase productivity is to grand money rewards depending on the level of performance.

There are several financial stimulation methods.

Financial stimulation methods

Individual stimulation methods and commission plans help the increase of individual productivity. Without them, employees might not be motivated to look for new strategies to improve their performance. Apart from individual financial stimulation, there are also other plans to rewards the employees, based on their performances within the groups and taking into consideration the global performances of the company.

Changes in the employee behavior

This change is often used to increase employee productivity, especially in the case of those who do not have a leading position.

Employee behavior can be changed through stimulation, punishment or passing-by.

Planification of objectives

This method has been successfully put into practice.

Research has shown that the objectives must meet four characteristics to prove efficient:

1. they must not be very easy to fulfill;
2. they must be specific and measurable;
3. they must be accepted by the employees;
4. they must guarantee the “feedback”.

Re-definition of job

In order to solve any problems connected to quality and productivity, job re-definition is very often used as a method for motivation increase. This method is based on the opinion that changing or re-defining the job in such a way as to please the employees, is a very efficient way to increase their motivation.

A new theory on the job structure tries to focus on variety, importance, identity and autonomy as factors generating positive psychological effects.

To increase motivation for a certain activity, there are several specific changes that can be operated:

- combination of tasks;
- establishing relations customers;
- opening of feedback channels;
- establishing teams;
- vertical charging.

Recent research has shown that this method of improving motivation, has been best used in cases of new automatic technology, due to the following factors:

- motivation increase;
- reducing of waiting time for a specialist to come to repair the machine;
- a better anticipation of problems and, consequently, a more efficient prevention of accidents.

3. Efficiency of motivational technics

Table 2 shows the results of a research on the efficiency of motivational technics. It is obvious that financial stimulation is the most efficient way to improve productivity.

To establish the objectives is a rather efficient method too.

However, the participation systems when making decisions and the re-definition of job are the least efficient for the productivity improvement.

Table 2 Comparison between the main technics to motivate the employees

Technics	No. of research studies	Average increase of productivity attained by using a specific motivation method
Financial stimulation	10	30%
Establishing objectives	17	17%
Participation in making decisions	16	0,5%
Redefinition of job	13	16%

4. The role of Human Resources Management

The research in this domain have established that productivity and quality are considered as being the most important aspects in which the firms are interested. The best methods of quality improvement are the motivation of the employees, the change of the organizational culture and employee education. We notice that all of these are related to human resources. The inspections, the control systems and usage of the newest equipment have been considered as less

efficient methods.

Therefore the human resources managers have a very important role in the efforts of quality and productivity improvement.

First of all, they have to contribute to the application of the quality for the improvement of the operations related to human resources within the organization and for the improvement in the assistance give to clients. Many human resources departments are comparing their activity to that of similar departments of successful organizations.

Second of all, human resources specialists must identify and solve the cases of inconsistency in the firm's policies when employees are receiving contradictory information. The 3rd and most important role of the specialists in human resources consists in simplifying the application of quality and productivity increasing methods through some activities such as the recruitment of future employees, training, gratification or other relationship related activities. Each one of these activities needs special attention in order to be adapted to the organization's objectives, to its working methods and its culture. Table 3 presents some suggestions on the way in which the role of the human resources department can be changed when an organization switches from a traditional structure to a working systems with self-managing teams.

5.Methods for human resources leadership

• *Constant training*

Constant training is offer considered as a medium term investment and as a strategy of human resources development.

Most human resource managers in European countries have seen the constant training of the employees as being among the most important objectives, this being one of the very few opinions on which different countries agree.

• *Evaluation of staff and career administration*

The criteria for the evaluation of staff are: mobility, global view on situation, and an ability to work outside the country.

• *Administration employees*

procedures in the field.

• *Remuneration*

Salary structures are very different from one another in Europeans countries.

6.Tendencies in the management of Human Resources

The different analysis presented reveal a large diversity of management concepts and practices, the importance of the national specifications in the history culture, legislation, economy levels and their consequences on the human resources management ways.

The comparison between countries is always delicate because, when taken out of their context, they can often lead to confusion. In order to bring these countries together from a human resource point of view, we need a large volume of information that will allow the improvement of managerial relations on the international level. The economic and social integration in the general policies means that the organizations must be flexible and open to the external world means that the organizations must be flexible and open to the external world. This leads to the necessity of closeness between countries in order to be able to develop a "traditional" management concept, using macroeconomic reasoning.

Some are tempted to speak about the best way to manage human resources. But there are several reasons why should be careful when speaking about universal principles.

The organizations choose different ways for their European transition: on one hand, each organization has its own activity, it is developing in its own way in accordance with its strong and weak points, with the quantity and quality of its available resources, with the projects of its leaders, etc; on the other hand, the European environment is not the same for all organizations when it comes to competition, accessibility, opportunities.

The firms translate these possibilities in different ways of organization, low of implantation abroad, relations between the headquarter and the affiliates, the independence degree of these affiliates.

An important number of European firms consider recruitment/selection outside the national borders as a means for surpassing the difficulties they encounter on their own national market of labor force.

Table 3 Changes in the management of human resources in case of adapting the self-managing teams work system

The functions of human resources management	Traditional management of human resources	Human resources management in using self-managing teams
1. The role of HR department	Centralized	Decentralized/consulting role
2. Recruitment and selection	Recruitment/testing by the specialists of HR department	Involving the teams in the recruiting and selection process of the members
3. Training and specializing	The HR department fully administrates all training and specializing programs	The HR department prepares the training participants within the teams
4. Employees and bonuses	Salary system based on the level of knowledge, age and obtained performances	Salary system based on accumulated knowledge and income division
5. Benefits administration	Vacation and working periods are scheduled at a managerial level	The teams are scheduling their vacations and work periods
6. Work relationships	The syndicate is the opponent	Good and cooperative relations between management and syndicates

The adjustment of the number of employees is done in accordance with plans that are determined by changes. This can lean to rather easy employment – discharge plans and, on the other hand, to a development of some external forms of flexibility.

There has been an attempt to apply an administration policy which would take into consideration demographical studies, as well as those perspectives resulting from the analysis of jobs evaluation. However, there are few similar elements among the various companies in point of application of such

The British are most oriented towards European recruitment/selection (20%), followed by France (17%), while the least oriented towards this solution are Germans (13% of the firms). Of course, the size of the firm is a determining factor in this decision of recruitment/selection. Some sectors are open to Europe than other.

We speak more and more about a "European management of the human resources" since there are more and more cases of national firms managed by people of other nationalities.

Bringing careers to European standards is one of the main

difficulties of the human resources European management, but at the same time it is one of the crucial elements that might solve a big part of the current difficulties.

The international career management system must be based on the following principles:

- the international management must not be separated from the national management;
- it must be a natural, steady and anticipated process;
- this system must be correlated to an internal communication sustained policy;
- various career opportunities must be open to everyone;
- the access to leading positions must be open;
- the management of human resources must reach out to advisers in all stages of the elaboration and implementation of the specific strategies in order to give them a international dimension.

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MODALITIES OF DETERMINING THE CAPACITY OF SELF-FINANCING OF THE COMPANY

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Key-words: self-financing, self-financing capacity, potential cash-flow, financial independence, financial potential.

Abstract

The capacity of self-financing reflects the financial potential derived from the profitable activity of the enterprise destined to remunerate the own capitals and to finance the investments of future expansion, maintenance and renewal. It is an indicator of large economic expansion, reflecting the financial force of an enterprise, the guarantee of its security and independence. Thus, the main role of the capacity of self-financing is to allow the enterprise to maintain and develop its technical-productive potential, to remunerate the shareholders and to ensure the loans reimbursement.

INTRODUCTION

The self financing represents the wealth retained by the enterprise itself, constituting an internal source destined to cover the financing needs of the future exercise. The self financing is determined by the increase of the resources resulted by the own activity and will remain permanently at the enterprise disposal to finance the future activity, constituting the base of the reimbursement capacity.

The self financing is a sure way, ensuring financial autonomy, management independence towards financial and credit bodies. Also, the self financing determines the debt stop and implicitly the financial expenses and the access to the capital market and attracting the external capital. The level and tendencies of self financing are elements analysed carefully by the creditors and potential investors due to the self financing constitution as a base of the reimbursement capacity and the not payment level. So, the self financing is a source of own financing of the enterprise that creates advantages both for the shareholders, as using a part of the profit a increase of the stock course takes place, so their wealth, and for the enterprise, as it is not needed to call for external financing sources.

The self financing ensures the capitals increase, allowing the measurement of the efficiency of the own capitals. The global self financing is composed of two components: maintenance self financing and net self financing.

The maintenance self financing is represented by the sources to support, in the future, the productive potential as regards the renewal of the means of production and covering the exploitation risks. The sources of the maintenance self financing contain mainly, the amortizations corresponding to the real losses of the provisions and immobilisations value.

The net amortizations is the part that forms the own sources of the enterprise, over the requested need of invested capitals. The effect of this self financing is an increase of the patrimony, so a wealth. The net self financing ensures the own financing and determines the increase of the development possibilities in the future, mainly, of the net profit distributed for the own funds, that is the profit remained after paying the employees and the associations or shareholders. Another source of net self financing is the part

of the amortization fund that exceeds the real depreciation of the immobilisations.

MATERIAL AND METHOD

The capacity of self financing is calculated, starting from the incomes and expenses of the current management, by two methods: deductive method and additional method.

The determination of the self financing capacity by deductive method is made taking into consideration the following corrections: the financial incomes re evaluated without including the taking over on the amortisations, calculated financial expenses; the evaluation of the extraordinary incomes is made without taking into account the incomes of cession of the assets elements, share part of the subventions transferred on the result of the exercise and taking over the extraordinary provisions; of the extraordinary costs the extraordinary calculated amortizations and provisions are eliminated and the net accounting value of the elements of given assets. The additional method emphasizes the accounting elements that do not generate money flows. In this method it starts with the net result of the exercise to which the calculated costs are added not paid to a certain due and the calculated incomes are deducted.

RESULTS AND DISCUSSIONS

For S.C TMK S.A, by deductive method, the self financing capacity is calculated as difference between the collectable incomes, corresponding to some effective collections and payable expenses, corresponding to some effective or future payments.

Table 1. Self financing capacity – deductive method - thousand lei -

Indicators	Year 2006	Year 2007	Year 2008
Gross exceeding of exploitation	1.561.131	1.105.608	1.885.108
+ other exploitation incomes	0	0	0
- Other costs for exploitation	0	0	0
+ Financial incomes	9.933	37.022	17.397
- Financial costs	0	45.218	229.092
+ Exceptional incomes	0	0	0
- Exceptional costs	323	243	0
- Profit tax	63.743	325.563	234.932
= self financing capacity	1.506.998	771.606	1.438.481

The self financing capacity has a potential character as long as it is supported by future financing means and is equivalent to a net global potential cash-flow.

The inconvenient of the self financing capacity consists of the amortization influence, the provisions and the profit tax

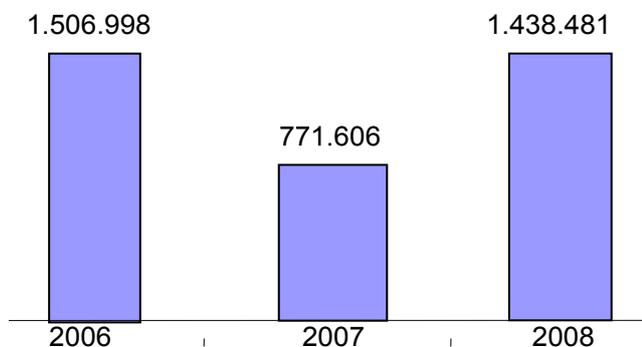


Figure 1- Evolution of self financing capacity

on its size. During EBE represents a potential gross cash-flow of exploitation, CAF represents a potential net global cash flow.

Regardless EBE, CAF is influenced by amortizations, provisions and profit tax, it has the advantage to contain in its calculation all the elements that generate the enterprise cash flow.

For S.C TMK S.A the self financing capacity is presented in table 2 and 3, where it can be noticed in year 2007, a

Table 3 . Size and dynamics of self financing - thousand lei -

Indicators	Year 2006	Year 2007	Year 2008
Self financing capacity	1.506.998	771.606	1.438.481
- dividends	370.000	604.497	392.796
= self financing	1.136.998	169.109	1.045.685
Self financing dynamics %	-	-85,12	518,34

reduction of 735,392 compared to the previous year, as a result of the reduction of the gross exceeding of exploitation, with 455.523 and the increase of costs with the profit tax. But, in all those three years, the enterprise registers financial independence, covering the remuneration of the shareholders by given dividends and creditors.

Table 2. Self financing capacity - additional method - thousand lei -

Indicators	Year 2006	Year 2007	Year 2008
Net Profit	1.493.848	604.497	392.796
+ Amortizations and provisions	13.150	167.109	1.045.685
- Subventions for investments transferred on the result	0	0	0
- taking over on the amortisements and provisions	0	0	0
- Incomes of assets elements cession	0	0	0
+ net accounting value of given assets elements	0	0	0
= Self financing capacity	1.506.998	771.606	1.438.481

Another expression of the real attitude of the enterprise to self finance, is the global self financing, that represents the difference between the self financing capacity and the value of the distributed dividends.

The size of the self financing indicates the efficient use of the capitals and ensure their attractive remuneration, being a positive signal for the potential investors. The self financing has an important role, indicating the enterprise performances and the action freedom from management point of view and choosing the investments, being indispensable for financing the maintenance investments, the replacement investments, the increase investments.

The self financing presents positive values, but decreasing, presenting in 2007 a reduction of 85,12% compared to 2006, due to the increase of the value of the dividends given to the shareholders and to the decrease of the self financing capacity. The level of TMK company self financing supposes financial independence, possibility to adapt a more competitive price strategy, as well the possibility of increasing the stock value of its shares, it would be quoted on the stock market.

CONCLUSIONS

1. The self financing represents an independent and stable source of financing, considering some conjuncture situations with negative effects on the enterprise, as regards the capitals collection on the financial or money market.

2. Although, the self financing is a financial healthy policy, it is not desired to exaggerate in this direction for the enterprise not to be divided on the financial market and for a better mobility of the capitals. Covering integrally the need of economic increase of internal sources, it can be easily to forget about the cost of the own capital comparing to the cost of the loaned capital, creating a false appearance that the first is free. The economic and financial reality shows that, the cost of the capitals is in many cases according to the cost of the own capital being higher than that loaned.

3. The self financing decision and its level are often influenced by external factors such as: taxation, constraints regarding the access on the financial market or various juridical constraints.

4. Regarding the taxation, it can be said about a relation of type high taxation – high self financing and inversely, in the sense that a policy of pressing taxation incites the enterprise to proceed to use a higher part of the profit. Instead, other regulations, such as those related to the reduction of the taxable base with certain costs, can influence in the sense of increasing the dividend distribution sooner than increase the self financing resources. Otherwise, investors who are taxed on income of dividends can choose the distribution of a more reduced dividend, in the favour of the reinvested profit, so to maximize the value of the enterprise and the patrimony of each shareholder.

5. The constraints regarding the access on the capital market

determines the enterprises that are not on the stock market, not being able to call for the capital market, to acquire the needed resources by means of bank credit, self financing or capital increase of own external funds.

6. The various juridical constraints consider the possible destinations of the enterprise profit: the distribution of dividends or reinvestment. The distribution of dividends reduces the destination of the self financing, but other notable results are obtained: the satisfaction of the shareholders exigencies, their fidelity towards the company manifested by durable possession of shares, that lead to the exchange rate increase, so to the enterprise value. The decision of

reinvesting the profit increases the self financing sources, but can provoke the discontent of a part of the shareholders.

7. The capacity of self financing presents important because: it decreases the financial risk, being able to destroy the burdens in the periods of economic crises, when the access to credits is difficult because of the high interests ; it is also an indicator of financial liquidity and solvability, that rise the level of enterprise credibility, increase the trust of the business partners, creating better conditions of negotiation the economic contracts; a good self financing capacity expresses also a good indebtedness capacity, respectively the possibility to guarantee better the banking credits for the enterprise, CAF being almost always a needed condition for obtaining a loan.

8. The inconveniences of the self financing capacity are: it is an obstacle for the capital mobility; the related resources have a relatively high cost.

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METHODS OF ANALYSING THE MANAGERIAL RISK BASED ON SIMULATION TECHNIQUE

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Key-words: stochastic decision, risk analysis, decisional alternatives.

Abstract

The application of the method of analysing the risk in the marketing sector, although very useful, faces a series of difficulties such as: the sure character of the variables in the marketing sector; the interdependences between the influence factors that needs the use of conditioned probability difficultly to be estimated; the high costs for elaborating some relevant studies of in the marketing sector.

The registration of the results in the form of probability distributions is made relatively easy with the help of stimulation, made by computer: for each iteration or route in the decision tree, when the computer identifies a decisional point, the electronic equipment is trained to make, alone, the bifurcation and to make the calculations for each branch that derives from the decisional point. The consequence of this proceeding is that when the computer completes one iteration, a value of the achieved indicator is calculated for each possible route in the stochastic decision tree. Subsequently after developing the stimulation program sufficient times the values of the indicator describe a distribution of the probability for each succession of possible decision.

INTRODUCTION

Mainly the risk analysis refers to the application of the laws of probabilities of key variables that affect a marketing project in order to determine the distribution of the values that the evaluated indicator can take. The most frequently the risk analysis in the marketing sector is applied to the projects for launching a new product. The analysis consists in the estimation of the distribution of the probability of each factor which influence such a decision and the stimulation of the possible results interval together with the associated probabilities.

The risk analysis operates with the distributions of the personal probabilities for each key variable. The information needed for the construction of these distributions are obtained depending on the variable analysed by the specialists, by the technical staff, from statistical data and specialised studies. The effects of the possible variations of each factor on the financial result of the project are stimulated with the help of the computer. The stimulation result is a distribution of the various values of the indicator that characterize the financial result of the marketing project, each of these values having associated a certain probability.

MATERIAL AND METHOD

The methodology of risk analysis does not allow to evaluate those interdependent decisions that appear in different moments of time (decisions sequence). This deficiency was remedied by Hespos and Strassmann who elaborated a model that contains together with the risk analysis also the sequence decisions analysis adopted in different determined moments of time.

The combination of the risk analysis with the conventional tree method led to the method of stochastic decision tree. Within this method both uncertainty and the sequential elaboration of the decisions are operated simultaneously. In order to determine a sequence of decisions with optimal

character or almost optimal, all the combinations of possible decisions are evaluated, both depending on the mathematic hope of the results and the aversion against the governor risk.

RESULTS AND DISCUSSIONS

Risk analysis (model Hertz)

The disadvantages of the analytical methods led to the approach of risk by using stimulation, the actual methodological field being named generically the risk analysis.

The risk analysis supposes mainly in the following steps:

- Definition of unsure input sizes;
- Estimation of the law of input sizes occurrence;
- Generation of input data;
- Calculation of output sizes;
- Adoption of decision based on risk profile.

This approach of risk was developed by Hertz, Hespos, Strassmann and others starting from the researches of Harry M. Markowitz regarding the selection of a portfolio and investments diversification (1959). Until this works the uncertainty within the analysis was treated in a determinist way. The main limitation of the analyses of determinist type consist of the fact that they do not take into account the distribution of the probabilities for ach factor that affects the decision. The procedure of using a reduced number of level for an estimation (used in the decision tree) remedy partially the deficiencies of the unique provisions, because it achieves a certain description, but more reduced of the possible results.

Each distribution of probabilities is characterised by the measures of the central tendency (arithmetic, median and module average) and by the degree of value dissemination (the diversion of the square average and variant). If the form of the distribution probability is the normal one (in form of bell), then M (average value) and the diversion of the square average can indicate the probability that the effective result to appear in a specified interval. If nothing is knew about the distribution form, certain limits can b given based on inequalities of Chebyshev who shows the probability as a

value in the interval $M \pm N$.

Table 1. Intervals when the results of the normal distribution and th other forms of distribution will appear

Interval of results		Probability for the effective result to appear within the interval	
From	to	For normal distribution	Regardless the distribution form
$M-\sigma$	$M+\sigma$	0,6856	≥ 0
$M-2\sigma$	$M+2\sigma$	0,9546	$\geq 0,7500$
$M-3\sigma$	$M+3\sigma$	0,9974	$\geq 0,8889$

For the estimation of a marketing project attractiveness the most important elements of the distribution of the analysed indicator are the average of the estimations and the diversion of the square average. The higher the estimations average is (for example the average of the benefits produced by an investment in a new product) the more attractive the project is. The size of the project risk is appreciated with the diversion of the square average σ , a reduced value represents a favourable situation for the governor (reduced risk of the project). If the other factors of the problem are constant, the certitude ($\sigma=0$) will be always preferred instead of risk ($\sigma>0$). The stimulation phases for the risk analysis of the marketing projects are:

1. the estimation of the value interval for ach factor that influence the analysed indicator. For example, if the projects profitability of new products are analysed, the influence factors can be: the interval of sale prices, the development rhythm of the sale market, the necessary investment, the cost of the future product, etc.;
2. the estimation within the intervals of the values of appearance probabilities associated to each possible values of the influence factors;
3. the determination of the way in which the factors are combined in order to obtain the result indicator;
4. the selection randomly of a value of the probability distribution of each factor and the formation of a set of these values;
5. the determination of the value of the analysed indicator obtained in the previous phase;
6. the repetition of the selection process of the sets of factors values and the calculation of the indicator of a rather high number of times to be able to b defined and rigorously evaluated the chances of appearing each result. The higher the number of repetitions is, the more precise the stimulation results are.

Finally alter this process a registration of all possible values of the analysed indicator is obtained, from unfavourable one to the most favourable, together with probability associated to each value.

If the governor considers that the form of the distribution of resulted indicator probabilities unsatisfactory, it can try to modify the input variables in the model. If for example the analysed project is that of launching a new product, and the simulated distribution of the profit is considered unsatisfactory by the governor the risk profit can be modified by stimulated actions. A new risk profile could develop by actions such as: the change of the marketing strategy, the modification of the fabrication costs by applying some alternative technical solutions, etc. The stimulation model can be reprogrammed in order to see the effects of these changes. In this way the decision bodies can examine the risk of the different types of marketing projects.

In case the distribution of all variables that influence the result are normal and independent, there are no difficulties in obtaining the final distribution of the result probability by using the theorem of sums distribution and normal aleatory

variable products. As in the economic reality a reduced number of distributions have the character of normal curves, and the project variables are often linked functionally (for example the quality sold and the sale price) the simulation represents the only practical viable solution.

By using the method Monte Carlo, within the simulation processes are solved completely the difficulties of the mathematic analysis to determine the distribution of the result probabilities by mathematic handling of the input distributions.

Method of stochastic decision tree

The stochastic decision tree differs of the conventional one under the following aspects:

1. the points of probable events are replaced with the distribution of probabilities;
2. the results of all the combinations of decisions are replaced with distributions of probabilities;
3. the distribution of probabilities of the results can b analyses with the help of the preference and risk concepts.

The inclusion of the distribution of probabilities for the values associated with different events is similar by adding of a high number of branches in each of the event points. As the stochastic tree is based on simulation, this is not necessary, in fact the number of branches is reduced to one, that practically eliminates the event points.

Instead of them, at each point at which a new event node appears, a selection of an probable economic model is made for each iteration of simulation, and the selected value is used in order to calculate the present value of the respective iteration.

The only branch starts from this simplified node extending to the following decision point and to the tree end. In this way the decision tree is much simplified.

In the conventional decision tree, factors such as the sales volume, the size o fan investment appear under the form of some specific values, although thy can not be known exactly. The stochastic tree makes the values of these factors to be represented by probability distributions, that increases substantially the estimation accuracy.

Another advantage of the method of stochastic tree is the evaluation of all combinations of possible decisions, because by this type of tree the decision structure is simplified.

For example, if in the analysis there are decisional sequences and each of them offers two alternatives, then there are 32 possible routes in the decision tree.

The principle of going from the final nodes to the initial one, applied in the decision tree, operates only with mathematic hopes, and the decision evaluation (in fact decisional sequences) is made by comparing the mathematic hose and

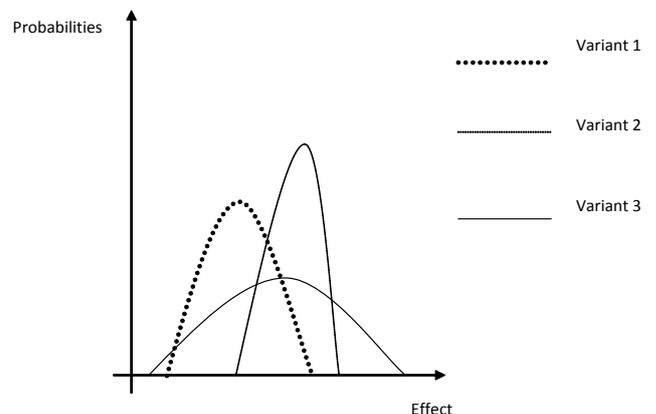


Figure 1. The presentation of the results of the analysis of stochastic decision tree

the selection of that one which represents the best choice. Regardless this, stochastic tree produces probable results for each possible decision route. Thus, the governor will be able to select the decision sequence not only by comparing the mathematic hopes but also by comparing the probabilities distributions associated to each decisional alternative.

In figure 1 the results that can be obtained of the stochastic decision tree are presented. The differences between the mathematic hopes of the profit can be seen in a more realistic perspective as by this method the relations between the mathematic hops and the entire distribution of the possible results are highlighted.

In case the same decisional situation is evaluate successively with the method of conventional decision tree and the stochastic tree the mathematic hopes resulted are not necessarily identical because of the following reason:

1. interdependencies between the variables are not taken into consideration by conventional approach;
2. the reduced number of point estimations used in the conventional decision tree for approximating an entire distribution does not express all the available information.

The three decisional alternatives in figure 1 show why a rational governor can chose another variant instead of the highest mathematic hope. Regarding the complete interval of possible results, the governor can select the alternative that is adequate to his preferences and attitude towards the risk. Variant 2 is with the most reduced risk, the form of distribution has a smaller degree of values dissemination around the average.

Variant 3 is with the highest risk, the possible values of the result indicator vary between the largest limits.

Variant 3 (choosing the governor who accepts the risk) offers the highest gain but simultaneously the most modest results.

CONCLUSIONS

1. The stochastic tree approach with the help of simulation by adequate languages of the computers is very useful. In some situations it is difficult to estimate the distribution of the probability of events in far decisional sequences. The opinions related to the possibility of practical implementation of these methods in the marketing sector are divided, practicians and firms specialized in information products giving a high attention to the conventional decision tree.
2. From that presented it can be estimated that in the marketing sector the risk and uncertainty are the best approached by simulation technique. The easier conditions the determinist methods suppose as regards the degree of detailing the needed information, makes them to be used in continuation on large scale. The systemic approach of the risk supposes the methods to be permanently updated depending on the concrete evolutions of the internal and external environment of the company.
3. The survival and the development of any enterprise is conditioned by the use of an efficient management that is based exclusively on using the economic lever, the aim of all leading decisions being the allocation of resources and maximisation of profit.
4. The system, the fundamental concept of the systemic approach has a relative character, in the sense that any system can be divided in sub/systems and, can b seen as a sub/system in a more complex system.
5. Thus, the enterprise seen as a system can be divided in more subsystems, can be seen as a sub system of a branch or of the national economy, in multiple and complex

connections with other economic and administrative units.

6. Seen as a system, the enterprise represents an unitary assembly with own juridical status with a certain functional autonomy, with input and output parameters well defined, able to adapt its functioning by means of the management system in order to achieve the proposed objectives.
7. The system analysis calls for outside the investigation method based on systemic approach also to a series of methods specific to the elaboration of the system projects among them the most important are:
 - a. The modelling method, uses an assembly of statistical/mathematic techniques, euristic techniques and cybernetic economic methods in order to determine an isomorphic representation of the objective reality. The model represents an isomorphic description of the reality, fundamental and simplified, in order to identify some relations that are difficult to be established in other ways.
 - b. The simulation method, is a technique of testing, evaluating and manipulating a real system, by means of experimenting on computer some mathematic and logical methods in order to observe and study the dynamic of the behaviour of the system in the future.
 - c. The analysis-diagnosis method has as aim the characterisation as exactly as it can of the system, highlighting the positive aspects, (strengths, opportunities) but also the negative one (weaknesses, threats) in order to formulate some modalities of intervention for ameliorating its performances.
 - d. The specific methods and techniques of collecting individual, group data (interview, questionnaire, Focus, Delphi, etc.).
 - e. Psycho-sociological methods, of investigation of interpersonal and group relations, of the decisional behaviour, as well training, selection and professional promotion.
 - f. Information methods, omnipresent in the analysis and design of some more performing systems, in general, as well for achieving the expert systems.
8. The study of the marketing sub-system supposes precision, its place in the enterprise system and it main internal and external connections.
9. The final aim of all the marketing activities is to offer the enterprise management tam a series of decisional variants, programs, oriented to the four components of marketing mix (product-price-distribution-promotion), such as to obtain the maximisation of the economic efficiency and a favourable and stable position on the market.
10. The risk in marketing as in other sectors can be evaluated, diminished but not eliminated regardless the methods used. It relates mainly to marketing the allocation of some sure resource for estimating and influencing an unsure future.

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INTEGRATION OF INFORMATION SYSTEMS IN THE PRODUCTION ENVIRONMENT

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Abstract

In the post Soviet period CIS countries and other ones, like Romania, didn't pay a special attention to the informational systems of automatization of production and distribution procedures. Today, this approach gets up to date and makes companies become more competitive. Multidimensional development, enlargement and integration of partnerships, difficulties and dynamism of business force enterprises to adopt informational systems of the last generation. These allow to overcome the difficulties and to draw out mutual advantages. One of the first steps in using these informational systems would be the re-shaping of the existent infrastructure by planning best the placement of the production zones, stocks and shops, while having limited resources. The system becomes in this way an informational source when analyzing the requests and orders, the necessity of raw material, following the contract's obligations as well as the purchasing and transportation ones.

INTRODUCTION

In the frame of appearance of global manufacturers on the market, at the same time under the condition of competition's growth among local manufacturers, more and more companies look for new ways of business development and growth. In this way, implementation of informational solutions contributes to achieving main business goals of companies from manufacturing environment, such as: increase productivity, supervision of performances, and control of manufacturing processes or increase the security of information. Via informational systems manufacturers have the possibility to distribute optimally their recourses, so that they meet the deadlines of orders and keep the policy of prices at a satisfactory level [1]. Manufacturers get a full and efficient administration of the following activities: preparing, programming, launching, supervision and controlling of manufacturing processes. They can also synchronize their finances, accountancy and budget planning activities with the immobilizations' administration, keeping, at the same time, a severe control over stocks, acquisitions and costs situation. Improvement of productive flow transforms in the end into "increase of productivity and improvement of final products quality" states Cristina Chirvasie, Manufacturing Solution Sales Manager from SIVECO Romania.

MATERIAL AND METHOD

In the abstract, a *system* is defined as a set of interacting components that operate within a boundary for some purpose. The boundary filters the types and flow rates of input and outputs between the system and its environment. The specification of the boundary defines both the system and the environment of the system. Components of a system are units (subsystems) acting in combination with other units to modify inputs in order to produce outputs. For example, a police officer directing traffic at a congested intersection is one component of a complex traffic control system. Other components include signals, signs, and lines in the street [2]. *Boundary* is the area separating one system from other, not physical in nature. It is a region through which inputs and outputs.

Principles and approaches in case of informational systems integration into manufacturing have been borrowed from constructions. The architect Eliel Saarinen, 1873-1950, an expert in buildings design said the following about architecture principles: "when you are designing something,

you should always keep in mind the fact how this object will integrate into the environment: the chair in the room, the room in the house, the house in the surroundings and the surroundings in the city's plan"[3]. The same situation can be met when implementing informational system into manufacturing sector. Everything becomes very clear only when every process of the company is being very well controlled. None of the company's structure components should be isolated from the whole when achieving the company's objective.

RESULTS AND DISCUSSIONS

The structure of the informational system in the manufacturing sector should be adapted to business necessities, achieving best results in comparison with competitors, increase profitability, reduction of the production cycle and efficient use of all production factors. Integration of informational systems into manufacturing leads to creation of development environment by identifying and creating the infrastructure of optimal planning of placements for factories, warehouses, points of sales and realization of products. In this way, the system becomes a source of information related to request, level of orders, synchronization of orders by forecasting, needs of raw material, best ways of delivery and transportation, etc. The informational system in manufacturing includes in its structure elements that assure transparency of the enterprise towards the client, the last one having the possibility to access the information about the product in real time, hold negotiations, set orders, change previous orders and follow up the level of execution of these orders. These elements allow identification and solving of delays in manufacturing process in case of their appearance in short time. It doesn't only give the possibility to inform the client about delays in the manufacturing process, it also helps finding best solutions and apply them in practice. Another role of manufacturing is to support marketing strategies. The functionality of this system assures selection of commodity markets, optimization of products range depending on market's situation, promotion of products on the market and protection of manufactures trade mark.

The company collaborates with other manufacturers or third parties when elaborating its products. The more these relationships are efficient, the better the company will assure its stability and profitability. For this purpose, these relationships have to be very well supervised and forecasted, while the company has to be very receptive to any

modification in suppliers' market when choosing the most efficient way of collaboration in future. Informational systems allow improvement of purchasing process of raw material which contributes to the elaboration of the final product and holds solutions of manufacturing, stocks and transport administration. These systems are also called Supplier Relationship Management. Many enterprises purchase semi-finished products or other components from third parties to manufacture their own products, but these products aren't finished and are not destined for sale to the final consumer but to other companies which will manufacture the final product and offer it to the consumer as a result of this collaboration. In this way, many factories that offer final products are in reality centers of assembling products that are not produced by them. As a result, a new feature of collaboration between companies can be determined, when manufacturers of semi-finished products as well as manufacturers of final products have one goal to be competitive and withstand market's tendencies.

During this collaboration between suppliers and manufacturers many barriers appear mainly related to the type of interaction when elaborating new products. It becomes difficult to outline the final product without knowing if the supplier can satisfy the product's requests and specifications. According to analysis around 40% of their time engineers spend on looking through the suppliers' catalogues for necessary components to make modernization modifications in the product [4]. Sometimes to avoid this routine procedure they appeal to complex purchasing orders of components which make the final product more expensive. In this way, the range of semi-finished products and components can be enlarged unlimitedly. And the moment from the new product concept appearance and its physical appearance can be difficult due to big work volume which makes the product expensive and increases the time of its development, manufacturing and promotion on the market.

This problem can be solved by creating a unique virtual informational space in the frame of which the concept of the new product will be elaborated. Employees of the manufacturing company as well as specialists of supplier companies that will deliver future components of the new product will be involved in this process. This work will require for sure elaboration of standards and approval of formats that include complete technical specifications of the product's components. Existence of a unique informational platform in the manufacturing company and the supplying company allows an easy coordination of the entire manufacturing process, purchasing process and its modification, if required.

Exchange of information between participants of the manufacturing process and direct implementation of these systems within the company are two main component parts that are to be analyzed separately. These components begin to correlate from the initial phase. In both cases the optimal solution will be chosen individually, keeping into account the possibility of integration into the system, costs of additional options, simplicity of the interface, etc. The solution will be chosen depending on the anticipated economic effect and can assure:

1. Efficiency in taking decisions (by managers)
2. Decrease of manufacturing costs due to analysis of resources use efficiency
3. Fast reaction to difficult situations
4. Information standardization at corporate level
5. Transparency of the company's manufacturing process
6. Control of products quality
7. High level of actualization and access to the information

A typical scheme of best known interactions within an informational system can be illustrated in the following way:

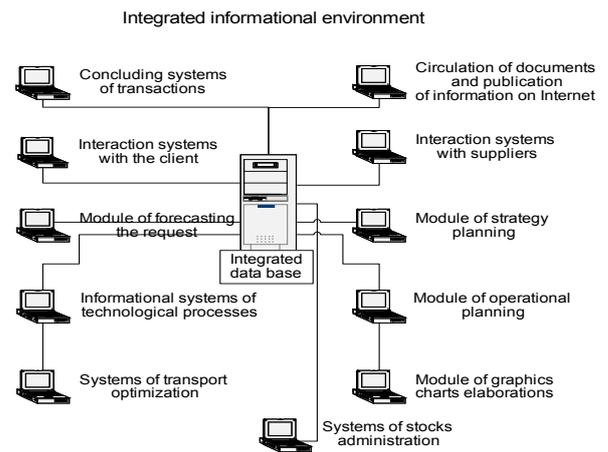


Fig. 1. Content of Integrated Informational System

Data base is playing the main role since it assures the exchange and stocking of data within an integrated manufacturing informational system. As a result, implementations of modern technological operating systems within enterprises that aim to decrease the production time, to improve products quality and as a rule accelerate the capital circulation become possible.

Big changes have occurred in the last years on the market. As a result, the behavior of manufacturing competitors altered also (ex. appearance of European Union). They are forced to appeal more and more to "on-line" type of business – in real time (communication systems between data bases allow processing of orders, issuing of invoices, printing of manufacturers and suppliers invoices). In Great Britain the most often used integrated systems are: "Tradent", "Istel" and "IBM Information Network". In Romania, there is "Integrated Information Package SIVECO Applications" which is a flexible and of high performances Informational System of Management based on Oracle Express products that meet all applications' requests, economic analysis and taking decisions support specific to enterprises. The volume of transactions that take place once these systems have been implemented increase with 200% yearly [5]. Companies that use these systems are: Marks&Spencer, Sainsbury's, Procter&Gamble, ICI, Unilever, IBM and other companies from Romania, like: OMV Petrom, Orange, Raiffeisen Bank, Aerostar Bacau, Ursus Breweries, Com Auto Meridian, etc.

CONCLUSIONS

1. An integrated, well organized informational system usually can bring competitive advantages, while strategic tactics that complete it allow companies to assure their clients with a profit of money or time or other indicators.
2. Integrated systems can be considered as a permanent source of competitiveness and profitability due to the fact that these implementations can not be so easily copied by competitors.
3. Implementations of modern technological operating systems aim to decrease the production time, to improve products quality and as a rule accelerate the capital circulation become possible.
4. Integration of informational systems into manufacturing leads to creation of development environment by identifying and creating the infrastructure of optimal planning of placements for factories, warehouses, points of sales and realization of products.
5. The system becomes a source of information related to request, level of orders, synchronization of orders by

- forecasting, needs of raw material, best ways of delivery and transportation, etc.
6. Informational systems in production environment can assure high level of actualization and access to the information.

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DIRECT TAX SYSTEM PRACTICED IN REPUBLIC OF MOLDOVA

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Key words: taxes, budget, fiscal system, financial resources, direct taxes.

Abstract

The present work shows the evolution of the Moldovan Direct Tax system and its role in Moldovan tax system. It is based on indicators from the Tax Code and the Pubic Budget of the Republic of Moldova and the research performed by the authors. Among the examined issues was the impact of the direct taxes on the social and economical processes, the way of summing and paying the taxes. The results of the performed research can be used as reference in the planning of Moldovan fiscal policy and inside fiscal system development programs.

INTRODUCTION

The taxes and the tax system are important components in Moldova's economic life, through these the state authorities gather financial resources, and it represents the motivation on which the idea of fiscality is based. By the definition of the Tax Code of the Republic of Moldova a tax is a compulsory payment having a non-equivalent character and which is not linked with the rendering of certain and concrete actions by the authorized body or officials towards the taxpayer who makes the payment. The actual Moldovan fiscal system includes 20 taxes, among which six are State taxes and seven local ones. Three of the state taxes are direct taxes, while the local ones more or less correspond to direct taxes characteristics. Among the totality of ways of extracting value to the state's benefit, direct taxes constitute a core part.

The direct taxes constitute the basis of a national fiscal system. Despite the fact that these appeared later than the indirect ones, the direct taxes offer a more dynamic channel for gathering resources into the National Budget, meaning the coverage for the State's expenses. The Direct Tax has the role of the economic moderator of the incomes the corporations and persons get.

According to Moldovan Tax Code's sixth article besides direct taxes we have the income and the real estate taxes. Until 2003 the direct taxes system included the corporate income tax, personal income tax, the land tax and the real estate tax. Nowadays we can divide the direct taxes into real and personal ones.

In the conditions of a market economy the taxes gain an important role in controlling and directing the whole economy into the desired direction. This means high demand to the mechanism of taxation and the fiscal system, which

should assure the collection of resources to the National Budget for the realization of the assumed duties. The taxes are a necessity as they are determined by the demand of the developing society. The necessity of the taxes is determined by the state functions, as the state has no other acceptable means to assure its income. The credits must be reimbursed and the emission of money creates inflation.

Personal taxes form a distinct category among the direct taxes. They have the object of taxation the income and the property.

MATERIAL AND METHOD

The research is based on the papers which serve as a fundament for development and regulation the direct taxes and the fysical system. These problems are reflected in the papers of foreign researchers as well as the local ones.

The informative base has been formed by the following institutions: National Bureau of Statistics, Ministry of Finance of the Republic of Moldova, internet, special publications of national structures (like Economica, Fin Consultant, In Adevarul) as well as the personal investigations and observations.

RESULTS AND DISCUSSIONS

The rates for the Personal Income Tax can be proportional or progressive. The most frequent used is the progressive rate. The rates and the income brackets can be different from country to country. According to Tax Code's 15th article, we have the following rates:

The Corporate Income Tax can be calculated in two different ways – one is identical with the Personal Income Tax and is a

Table 1 Personal Income Tax rates for 2007-2008

2007		2008		The tax rate
Annual	Monthly	Annual	Monthly	
Up to 1438 USD	Up to 120 USD Inclusiv	Up to 2428 USD	Up to 202 USD	10% 7%
Above 1438 USD Up to 1865 USD	Above 120 USD Up to 155 USD	-	-	15% -
Above 1865 USD	Above 155 USD	Above 2428 USD	Above 202 USD	22% 18%

distinct one. The way for taxation the legal person's income is determined by the organization of these – as societies of persons or as societies of capital. In case of societies of persons the taxation is frequently performed identically to the PIT, as it is hard to determine the property and the share of every associated person in the specific society. When it comes to societies of capital, the share of every associated part is clearly determined. This allows applying a different way of taxation

Usually there is a single rate for taxation the income of legal persons that is performed annually based on the subject's declaration.

Table 2 Corporate Income Tax rates 1999-2009

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008-2009
Rate	28%	25%	22%	20%	18%	15%	15%	15%	15%	0%

The influence of the Direct Taxes over the economy is possible through assuring the state with financial resources that are needed for the realization of public necessities.

The next figure shows the evolution of the part that the Direct taxes plan in forming the National Budget.

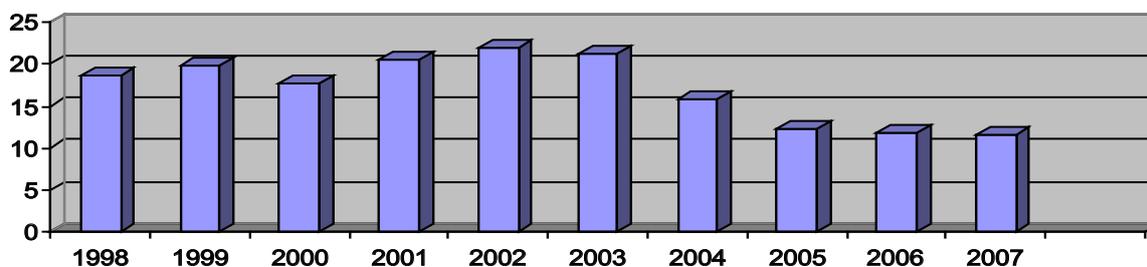


Fig.1 The Evolution of the Direct Taxes share among the incomes of the National Budget

The structure and the dynamics of the Direct Taxes in the National budget fin 2000-2007 are presented in the following table.

Table 3 Evolution of Direct Tax amounts in the National Budget 2000-2007 (mln USD)

Indicators	2000	2001	2002	2003	2004	2005	2006	2007
The National Budget's income	333,5	331,4	365,8	498,5	602,7	652,8	570,4	870,5
Direct Taxes	59,1	68,2	80,2	105,4	144,3	141,5	67,8	100,0
Among which:								
Personal Income tax	21,5	26,6	33,6	46,9	63,8	67,9	25,7	41,2
Corporate Income Tax	22,4	26,8	30,8	43,5	62,5	55,4	256,3	40,8
Land tax	12,9	12,6	13,6	12,6	15,3	13,2	13,9	14,9
Real Estate Tax	2,21	2,1	2,2	2,3	2,8	2,9	2,9	3,0

The analysis of the amounts of direct taxes and budget incomes shows an increase in the fiscal incomes of the national budget. However if we analyze the share of the direct taxes in the total amount of the budget income, we see a decrease of this share from 2000 till 2007.

Table 4 Share of the Direct Taxes in the total in the total amount of budget income, (2000-2007)%

Tax	2000	2001	2002	2003	2004	2005	2006	2007
Personal Income tax	6,4	8,0	9,2	9,4	7,0	6,0	4,5	4,7
Corporate Income Tax	6,7	8,1	8,4	8,7	6,8	4,8	4,4	4,7
Real Estate Tax	0,7	0,6	0,6	0,5	0,3	0,2	0,5	0,3
Total Direct Taxes	17,7	20,5	21,9	21,2	15,8	12,3	11,8	11,5

The share of the Personal Income tax and the Corporate income tax is, almost, identical, while in the developed countries the Personal Income Tax share is much more

important in collecting the public resources.

The Moldovan tax system was created in 1992, when a package of laws concerning it was adopted.

A country that assumed a democratic development as the supreme value of the society is obliged to discuss the basic principles of the tax system in the Parliament. In this manner, the state excludes the possibility of creating an inefficient tax system without any political responsibility. It is a truly positive fact that the state has the sole right to control the tax system, which leads to creation and implementation of a clever fiscal policy. The state's right to establish and collect the taxes derives as a consequence of the obligation to fulfill its duties. This should be performed in a way that will not harm its own taxpayers. According to Adam Smith „the citizens of every country should contribute to public expenses as much as they are allowed by individual possibilities, according to the incomes that it realizes, under the state's protection”. This statement shows that the taxation should be performed according to individual possibilities, according to individual income levels. From this statement one can understand that the taxes are just only if these are established

and collected according to individual possibilities of each taxpayer, being, at the same time, established in the scope of covering the public expenses. This meaning is also present

in the Constitution of the Republic of Moldova „the legal tax system should ensure a lustful establishment of the fiscal debts” [2 art. 58].

The theory of equivalence founded by Adam Smith and continued by Montesquieu, is the basic idea of a system in which the taxes are justified by the services and advantages

realized and guaranteed by the state. It may be concluded in the following sentence: “ the taxes are the price for the services delivered by the state”. These services realized band guaranteed by the state can be found in constitutional

provisions of the Republic of Moldova [2 art. 47].

The state is obliged to take measures in order to provide every citizen with a decent level of life, which would ensure the wellbeing for each citizen and for their families, including food, clothes, healthcare and other social services.

If in a democratic society as Moldova is declared, the man is considered to be of a superior value, then the life organization in this society does not appear as a self sustaining objective, but only as an intermediate way to assure a strong individual personality development. With that being said, the tax should be an instrument to realize the equality of chances, but not the equality of conditions. The democratic vision presumes that an individual should have the possibility to realize its options and to use its income for the development of the human personality. This presumes the influence of the individual options which persons make in function of needs that have to be satisfied.

The exemptions for the taxation of real estate are governed by art.283, chapter 5, Tax Code. There are also exemptions provided by local authorities mentioned in the article 284 of the Tax Code.

CONCLUSIONS

At the fiscal level, there was no attempt until now to harmonize the personal income taxes, which shows the political sensibility of the problem. It is true that the income taxes can influence the decisions of savings and investing at the national and international levels.

With that being said, the authors recommend several possibilities to solve this problem using the objection method. These objections can be issues to the Constitutional Court – regarding the constitutionality of a law; to the Government of the Republic of Moldova, which is responsible for all projects for laws and normative acts with financial character; one can also issue such objections to local authorities, as the real estate tax cannot be adopted without the approval of these.

One can take in consideration the experience of other countries to support such an objection. This experience shows that there may be exemptions made for the real estate tax for those with low levels of income, determined by establishing non-taxable income limit. In Moldova this limit is an income of 2428 USD annually (or 202 USD monthly) for persons, according to article 34 of the Tax Code, meaning that all the income below 2428 USD is non-taxable. The incomes of the natural persons, more or less, can show the economic strength of the taxpayer, which is not valid for the taxable goods, as objects of the property taxes. Taking this in consideration the authors consider that it may be reasonable to establish exemptions for certain categories of taxpayers. Also the authors consider that the current non-taxable minimum income level (202 USD) is not comparable with the minimum consumption basket, which is approximate 170 USD. Since the state is responsible to offer a decent level of living for all its citizens (The Constitution of the Republic of Moldova, art 47) and taking into consideration the huge gap between the non-taxable minimum income level (202 USD) and the minimum consumption basket (170 USD), the authors came to a conclusion that the Moldovan taxpayers are forced to taxes for incomes, which, normally, should be non-taxable.

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DECISIONAL PROCESS IN SMES

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Key words: decision-making, decision management, decision-making context, rational approach, experience

Abstract

The decision process, seen as a sequence of stages through which the management decision is prepared, adopted, applied and evaluated, is specific to some complex decision situations requiring the gathering and analyzing of a large number of pieces of formation and the time spending.

The decision-making process takes place in a certain context and its main keys are: the organization, the decision-makers, the issue, the in/out influence factors, the decision-making criteria, the various possible decisions and the utility of a such decision making. The decision-making processes are most often conducted in situations of uncertainty and risk, which means that besides a rational approach, the experience, intuition and imagination play a certain role in obtaining the best results.

INTRODUCTION

The management is currently applied in several plans at SMEs level. One of the major plans in which we can find the management applied at company level is given by the activity/attribute of the managers of adopting and implementing decisions. In the specialist literature, some authors call this plans “ the decisional system of the company”, system that works along with the technological, organizational, informational, etc..

The decision, by its nature is a rational choice between two or more versions followed, being a specific act of human activity in everyday life of the organization.

The decision represents the rational choice between two or more versions to follow to reach/achieve a goal (O_i), under certain conditions of allocated resources.

MATERIAL AND METHOD

In order to characterize the adoption of managerial decisions is determined by various factors that influences the current evolution of the company’s current business; between these factors that impose adopting of decisions by the firms, the theory discusses of two factors categories:

- the intern factors of the business organization , such as the proposed objectives, the directions set by stakeholders, the qualification of the employees, available resources, etc.
- the extern factors of the company, such as the market conditions on which is working, the business globalization , the economic situation, the

competitors activity, juridical restrictions etc.

RESULTS AND DISCUSSIONS

The decision represents the rational choice between two or more versions to follow to reach/achieve a goal (O_i), under certain conditions of allocated resources. So, we understand that any decision-making process is aiming a closer/distant, that between the moment to and t₁ of achieving the objective O_i proposed comes usually a interval of time; in a graphic schematization, the invoked ones are being presented as follows:

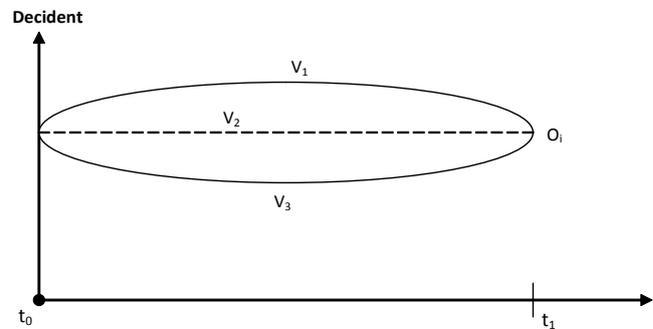


Fig. 1 Graphic representation of the decision

When we relate to an organization of SMEs type trough antithesis with the personal problems and the decisions with personal character associated to those, the situations greatly decreases very much in complexity because the participants number is smaller, and the reference environment is much more simple.

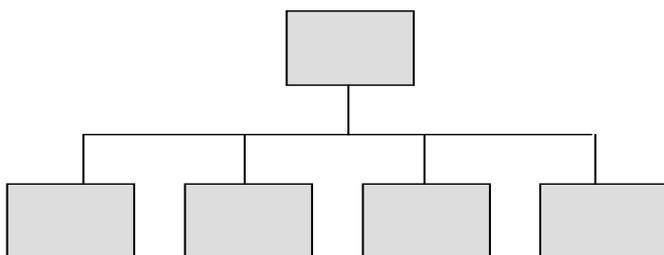


Fig.2 Structure of group

Structure of group/management team type

- The boss decides alone, allocate resources and influences the others behavior to achieve the objective O_i
- The group decides by consensus or voting the direction that it will be followed and directs its behavior in that direction

So, in the case of a SMEs firm we can discuss management decisions and we're having in view a formal organized structure of the type of a working group/ management team:

The adoption of managerial decisions is determined by various factors that influences the current evolution of the company's current business; between these factors that impose adopting of decisions by the firms, the theory discusses of two factors categories:

- the intern factors of the business organization , such as the proposed objectives, the directions set by stakeholders, the qualification of the employees, available resources, etc.
- the extern factors of the company, such as the market conditions on which is working, the business globalization , the economic situation, the competitors activity, juridical restrictions etc.

The managerial decision represents the chosen solution from several possible alternatives (V_i); she should be taken when the managers is being put in front of a problem to be solved (we will note this issue with P_i , having as equivalent the objective (O_i); we emphasize Ducker's idea that a decision is adopted only when it is truly necessary, required by the situation that crosses the company. How is having place or how should being proceed in selecting of an optimal variant of decision, namely the solution that when it is implemented, leads to maximum effect? We intuitively understand that, in the case of business organizations the whole issue of selecting of selecting of a variant V_i as an optimal solution of action is very complicated (is indentified first the P_i problem, is collected all the available information, is formulated various types of action V_i , is being tried to estimate the discount effect of each variant of action, is adopted the decision, is being applied the adopted solution etc.).

The decisional process constitutes the sequence of the steps trough is being identified the P_i problem (or O_i objective) is setting the number of variants, is being selected a variant from the multitude of possible action alternatives to resolve the problem and evaluate the obtained results.

Decision in organizational context

In the case of business organizations the problems occurs when is recorded a deviation from the desired results: market share declines, the sales are decreasing, are being los processes with the suppliers, is recorded an economic regression. When the problems are repetitive – it can be

methods used successfully in the past at new appeared problems; occurs in this case a certain risk related to the necessity of permanent training of the managers , in turn is ensured to the decision-makers/ managers a certain challenge and the opportunity to recourse at intuition/imagination.

The paradigmatic decisions are components of some decisional processes organized/ conducted in exemplary manner, with efficient results, communicated public, which is a successful model already known. We can say that they become a mode for other decision makers who are facing with similar problems that they become a type of precedent for similar decisional contexts.

In theory, like in practice, we across the decisions based on analysis and systematic modeling and provisional, case in which is resorting to the analysis and dynamic systems, forecast models, operational researches. It is significant to distinguish between two types of decisions and decisional processes associated, as suggested in the table below:

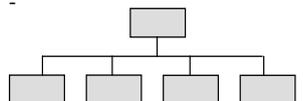
PERSONAL DECISION	MANAGERIAL DECISION
- seeks a goal $O_i(P_i)$	- seeks a goal $O_i(P_i)$
- is relatively simple	- is relatively complex
- allows V_i variations followed	- allows V_i variants followed
- it isn't influenced the behavior of others	- is influenced the behavior of others
- personal skills/responsibilities	- skills/responsibilities in relation with the group
	- refers to a formal structure of type:
	

Fig. 3 From the personal decision at the management one

It is appropriate to notice that in all that managers are doing, respective in everyday work, involves and the adoption of different decision; therefore, the decisional processes and associated decisions are founded again on the structure of al the five functions of management, as we can observe in the following figure:

The stages of decisional process

In the management theory, like in business practice, resolving of decisional context more complex requires traversing of some distinct stages, respectively solving of problem P_i (complex) is based on a formalized succession; between such phases we include:

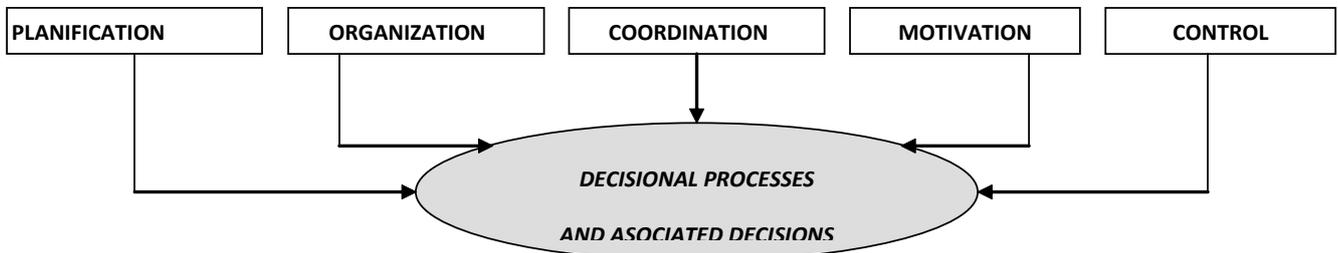


Fig. 4 The decision and the ensemble of the management process

taken the same decisions, understanding that it's about similar decisions, by the manager; one can say that we are dealing with repetitive decisions, based on routine; this category involves republication of some taken decisions in the past in similar issues/conditions and are having a positive role incontestable.

Other decisions are relating to continues learning and are preferred by those decision makers/managers who, based on the accumulated experience, is constantly adopting the

a. Preparing and defining of the problem P_i is the phase in which the problem is defined, indentifies the decision criteria and is developed scenarios/alternatives. This stage is an important element for which depends the success of decisional process; the majority of future operations will depend on the correct formulation of the problem P_i ; in the case in which exists an erroneous description of the problem, and the factors that

determines the problem aren't well known/understood, then the application of the decision will lead to negative effects.

b. The formulation of additional information on the objective O_i proposed to be achieved and/or at solving the problem P_i of resolving; is the stage in which the manager can still intervene in problem reformulation, the simplification of decisions criteria concerning the decisional context in which is it. The experience and imagination of the decision remain certain components that will influence any decision process in the real economy.

c. The development of scenarios or of alternatives being followed to achieve the objective O_i or to solve the problem P_i ; is about identifying all the variants from $V_1 - V_n$ that can be theoretical followed in the approach proposed. Typically, the number of alternatives must be large enough for the decision-maker to asses the options. The option for one of the decisional variants is closely liked to how it was made the decisional problem description.

Generating the alternative solutions requires a divergent approach, based on the pro and against presented by each group member; it is considered that the group decision can generate better the various alternative solutions to a problem P_i . Techniques of brainstorming and creativity are the two instruments that can be used to find the best alternative. Thus, it will be analyzed the strength and weak points of each alternative/scenario from V_1 to V_n , and the group leader will be able to judge each alternative separately and their effects on the objectives to reach.

Depending on the information available at any given time, the decision may be:

- decision under certainty conditions which implies the existence of a single result for each alternative V_i in part and suppose complete knowledge about this result;
- decision under risk conditions, which involves sever possible outcomes for each alternative V_i , and to each being attached a value and a probability of achieving of the result; the available information covers only partially the P_i description; whatever would be the variant v_i preferred by the decision-maker, adopting the decision means an taking a risk coefficient (Cr);
- decision under uncertainty conditions involves

taking the decision under the conditions in which aren't known the number of possible results, corresponding values and probabilities, information on the description of P_i are uncertain or vague, whatever would be the variant V_i preferred by the decision-maker means and assuming of a high risk coefficient (Cmr)

d. Adopting the decision, respective choosing the most suitable variant to follow, variant considered to be the optimal solution among all possible variants; after applying the decision chosen, should result, the maximum favorable effects on business organization; represents the phase in which the decision itself with effective effects in terms of the advantages/disadvantages.

e. The practical implementation of the decision involves, usually, the formal transmission of the decision towards executing, creating a new state of mind favorable to implement the decisions in all departments/services that will compete together successfully of respective decision; the stage of application of the decision, the managers reserves the right to make small corrections/adjustments of the decision in the sequence of the implementation steps, finally, is having place the evaluation of the decision effect and determining the degree to which the objective O_i (P_i) was achieved.

f. The assessment or the control is the final stage in the structure of a decisional process usual, when takes place the analysis and comparing of the resulted effects from applying the decision with the anticipated effects in the stage of obtaining alternative solutions; in essence, is assessing the degree of fulfillment of the objective O_i and of solving the problem P_i . In rapport of the objective nature and/or of the proposed problem, evaluating the effects of a decision may take various forms (descriptive, quantitative, financial, numerical, etc.) In general, the feedback and the reports made are necessary because the activities of this phase my require several corrections/adjustments, which will be introduced along the way, sometimes it may get at necessity of triggering of new decisional processes, which will be tangent/vary with the previous decisional process.

So, as conclusion, to those raised previously we understand

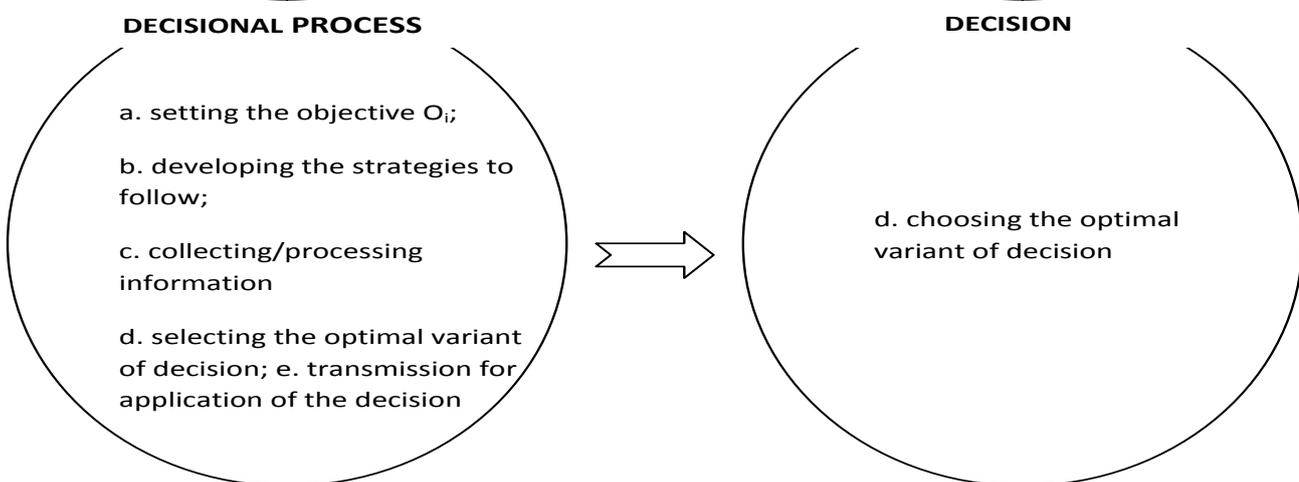


Fig. 5 Decisional process

that a usual decision process it is partitioned in several stages/

moments; in description we invoked six distinct phases, respective a-f, between which only one stage is that in which is adopted the decision itself (adopting the decision); is therefore need to understand distinct the decisional process and the decision

To distinguish explicitly between a decisional process and the associate decision to this, in the figure below we show that the choice of the decisional variant between n possible variants constitutes just only one stage (meaning d) from 7 stages in which was structured the decisional process.

In accordance with the general/fundamental objective of the organization is raising and other requests for the management to these in decisional processes, namely: the decision to be real, adapted to the environment in which the organization operates its activity; ensuring of clear formulations, precise, concise, un contradictory ; correlation with other decision within the organization etc.

CONCLUSIONS

In a normal process of decision we'll find again the following elements that compete each at adopting an efficient decision:

1. The decisional frame or the organization at the level of which takes place the decisional process and which will be affected by the resulted of applying the decision. The **actors/decision makers** are those employees who, in one way or another, are participating at realizing of a decisional process. The decision-maker is represented by the person/group of people who choose the optimal variant from the possible ones.

2. The decisional problem is object of the proposed action, respective achieving the objective O_i or solving the problem P_i . Decision is adopted to solve a specific decisional problem;

3. The states of the nature represents the complex of intern conditions and/or extern to organization that determines the corresponding consequences to a given alternative decisional, from the multitude of possible consequences. On the other hand, these conditions can be influenced, at their turn, by the taken decision.

4. The multitude of decisional variants ($V_1 - V_n$) includes all possibilities of solving the decisional problem, meaning the modalities in which a decision maker can act in a given moment in viewing the decisional problem.

5. The decisional criteria mean those aspects taken into account by the decision-maker, by which is assessed and is are compared the decisional variants $V_i - V_n$, for selecting the optimal variant, based on rationality, a decisional criterion can have multiple levels/values, corresponding to different decisional variants and/or states of the nature.

6. The goals that the decision-maker is aiming for each criterion in part are those levels of consequences, in relation to which a decisional variant will be considered better or less good.

7. The consequences of an action are the results that could be obtained for each decisional criterion C_i ($i=1, \dots, n$) in part and for each state of nature.

8. The decisional utility (U_d) is the attached utility to each consequence of decisional variants V_n and is expressed in units of measure that varies between 0 and 1; the utility is the capacity of a variant to produce the effect by the decision-maker at the initiating moment of the decisional process.

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THE APPLICATION OF SOCIETAL MARKETING POLICY ON FOOD PRODUCTS MARKET

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Key words: long- term agriculture, marketing etiquette, „bio”products.

Abstract

One of the marketing strategies consists in the fact: „Each entrepreneur must realize, that the profits are under market, and it is necessary to seek for sole customers. But nowadays there is a sector which might become a developing perspective on the market, namely a „bio”good consumers’s sector. The customers are bearing two slogans: „To keep fit is in fasion” and „We preffer home-made products”.

INTRODUCTION

One of the marketing strategies consists in the fact: „Each entrepreneur must realize, that the profits are under market, and it is necessary to seek for sole customers. But nowadays there is a sector which might become a developing perspective on the market, namely a „bio”good consumers’s sector. The customers are bearing two slogans: „To keep fit is in fasion” and „We preffer home-made products”.

MATERIAL AND METHOD

The research had been done in February-March, 2008; on an avrage of 1108 persons with an aproximate result guarantee of 98% and an error of $\Delta_w = \pm 3,5\%$.

RESULTS AND DISCUSSIONS

While the human developing is growing, as well as is growing the number of migrants, the customers are less condescending concerning the disregard of products quality, especially towards food products. The consumers use a lot of methods to detect the quality of the product, both traditional and non- traditional onces.

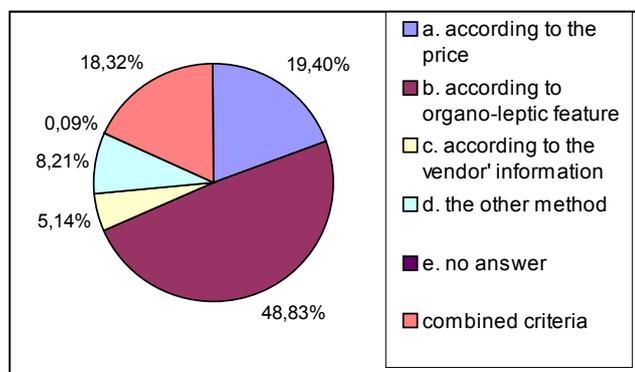


Figure 1. Methods of detecting the quality of the products

Sources: The research had been carried out at an average of 1108 persons comprising all the districts of the Republic of Moldova, except Transnistria onces.

It is noticeable that 48,83% of respondents appreciate the products quality only by sensual aspect of the product, as well as by aesthetic once.

So, this feature doesn't presuppose a quality detection. There are also psychological methods such as: the psychology of queue (a crowd cannot be wrong when it is purchasing the product), private experience, the strength of a brand name, etc.

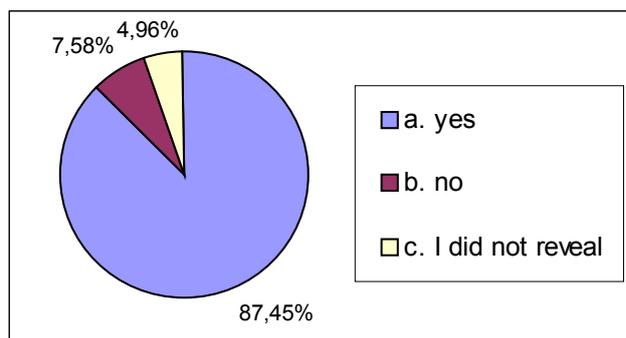


Figure 2. „Have you ever bought goods having quality damages?”

It is concluded that despite of various methods of quality detection, 87,45% from interviewed persons bought low quality goods.

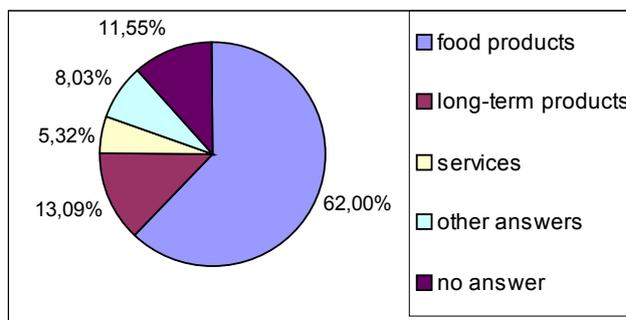


Figure 3. Low quality products detection

It is noticeable that 62% of interviewed persons have detected damages in food products which led to forcing the promotion of an societal oriented marketing by enterprises.

Societal marketing is suitable to an epoch distinguished by environment deterioration, scarcity of natural resources, poverty, hunger, social services disconsidering.

This way, societal marketing leads to assumption of some social responsibilities taken by the firm.

So, it is necessary to take into consideration the following items: the firm's benefits, consumers' supply and public interest; avoiding the situation of the conflict. In the result of this research the customers propose a model of subordination of enterprise priorities which might be an opportunity of economy development, as well as of agriculture from societal point of view.

This opportunity mediates between two market options: absorption and pressure.

in order to increase the consumers'satisfaction and then the growth of the firm's profits.

The consumers became very sensible concerning the quality of the products and even their nutrient quality. This is the reason they are interested to know what is the content of nutrient elements, the content of proteins and minerals. But in these circumstances of „ golden epoch” the ideas of classical capitalism could not be used any more, and namely the principle „caveat emptor” (the buyer should be prudent to assure himself concerning the quality of the purchased product) [1].

„Caveat emptor” had minimum justification: it was happening in a non-sofisticated marketing. While the technical progress made possible to increase the completion of products on the market, the legislation oriented to another

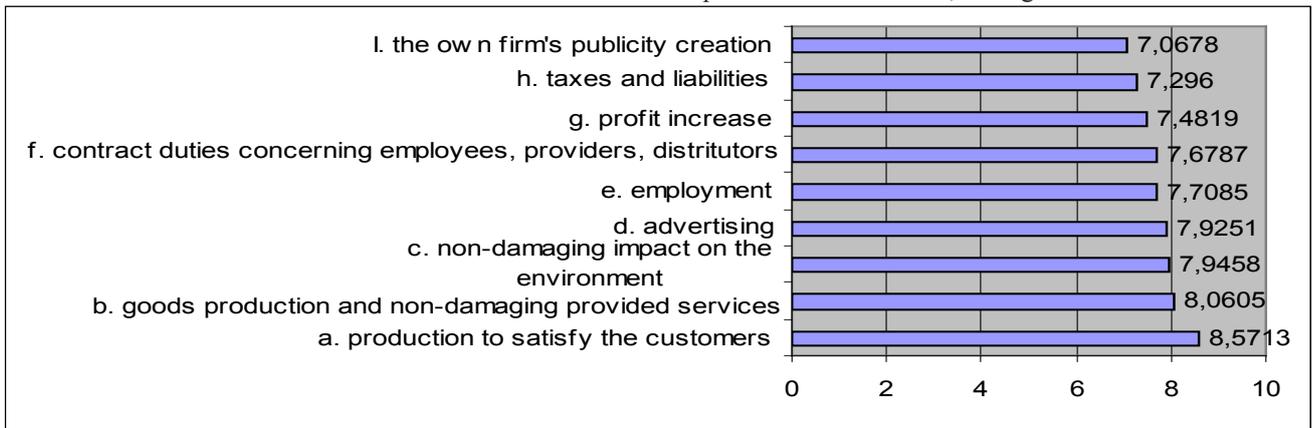


Figure 4. The subordination of entrepreneur's priorities via the customer's vision

It is noticeable that the issue of state budget contribution regarded as the most important responsibility of any enterprise is placed on the lowest level, and derives from „consumers' goods satisfaction”. It could be provided only as non-harmful goods and services.

On the first level, the consumers placed the environment which is regarded both, the provider of raw agricultural materials and the factor needed to be valued, but not in excess.

Societal marketing experiences on food market have the following branches: production to satisfy everybody's wants, providing security for customs through the delivery of secure products and the promotion of suitable products on the market, having the least remains or even avoiding them at all.

But a product is qualitative if „ all hygienic- sanitary conditions are provided to the product during transportation, loading-unloading, warehousing and opening according to all sanitary standards” [3].

If the producer provides a qualitative product on the market, it doesn't mean the product will be purchased and meet all the consumers' requirements.

The aesthetic quality plays also a very important role presented through: establishing the length of the product, establishing the price and ways of its communication, the location of marketing place, the seller's politeness.

In this conditions the ethics of marketing is indispensable. It will lead both to the growth on consumer's satisfaction and the growth of enterprise income. The societal marketing is aimed to create durative relationship between buyers and sellers. So, it is necessary all the requirements to be observed

principle: „caveat vendor” (the producer and the distributor are obliged to assure themselves that they are offering safe and qualitative goods and services). The evidence of a good quality could be detected apriori consuming, in the notices accompanying the product with a full description of the product content.

Examining the label of the product the buyer could decide or could not to buy the product. It depends on confidence and persuasion of the exposed information, etc. It is clear that the label of information of the product is the most trusted. There is also another source worth to be trusted such as „friends' advice and kin advice”. During last few years this last factor proves a decline due to the consumers' fastidiousness increase (having the sin of pride) also named snobs, who loose their interest for some products from the moment when they are available to everybody.

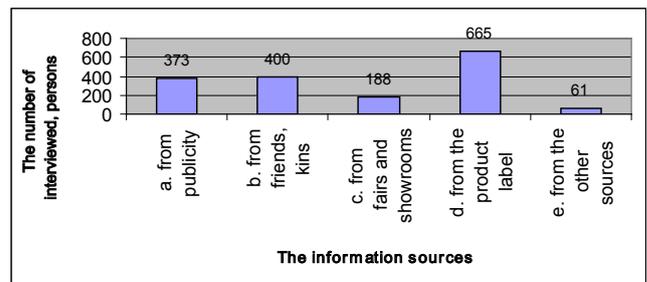


Figure 5. The main tendency of credibility to information sources

But the accompanying labels do not assure the understanding of chemical formula by the consumers, as well as the presence of some additives the impact of which is little known even by

the official institutions. There is still a dilemma, for instance, the European Community and the USA have rejected preservatives E-211, sodium benzoate, while in the Republic of Moldova are persisting, especially in cooling drinks; and it is possible thank to „Rules and sanitary standards concerning food additives” 06.10.3.46 from December, 17, 2001 [2]. Another strategy used especially „to seduce”, less regarded as a societal strategy is the strategy of offering „bio” or pure ecological products. It is fashionable western buyer to accept an behaviour of „crazy” consumption, which means that people look back nostalgically to the products produced in the past or „home-made” products generating a marketing sector profitable enough and namely of „bio” products consumers and „home-made” products consumers.

But these products differ from total products being be luxe products which means that to keep fit tends to be a fashion. The marketing ethics is also inform the consumers concerning „bio” products detection. It is certain they cannot be cheap because of huge amount expenses; they also have a short-term use in comparison with the artificial once, and aesthetically are less attractive and smaller in size. But the noticeable advantages are net high, namely specific taste to a characteristic sort without any additives in order to provide an exceptional taste quality; fortifies the health of the man and is increasing the immunity.

The firm also makes sole and profitable buyers which could provide huge and steady profits.

CONCLUSIONS

1. The zero point to run a succesful strategy is the relationship between producer, vendor and buyer, as well as all efforts of the firm are needed to be focused towards consumers’ needs satisfaction.

2. Consumers satisfaction is not carried out only via needed products deliverance, but it is also necessary to observe the ethic requirements of merchandising.

3. The amount of the consumers considering the quality first is going to be bigger than the number of consumers bearing in mind the price of the product. The consumer of the 21st century is more sensible concerning the impact of the product on health. In these circumstances appears a new length of marketing- the big amount of „bio” consumers which is a future of the long-term agriculture.

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MARKETING BETWEEN TWO MISSIONS: GENERATOR OF PROFITS AND SOCIAL RESPONSIBILITY

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Key words: societal marketing, cultural pollution

Abstract

Marketing links two basic functions in the community, namely those of production and consumption. Marketing is an activity which is directed at satisfying the needs and wants of customers through exchange processes which occur in the market. An exchange process actually means the transaction between buyer and seller, in which the buyer purchases a product and pays the supplier an agreed price for his wares. The market itself is made up of all the actual or potential buyers of these products or services. That is, it is made up of people.

INTRODUCTION

„To know indeed means to learn via causes” (F.Bacon).

The beginning of the 21-st century is remarked through Spinosa’s affirmation: „the man is the slave of own wants”, when needs satisfaction is becoming the initial aim of any producer, only under the condition of making profits. This way „... are created needs nobody needs; even though no need of false necessities...” (M.Twain).The mentality of the producer could be beyond of imagination sphere when it is to make a profit. But the 21-st century came with the surprise of selling the stars from the sky: the most cheap costs \$ 200.

Nowadays there is a consuming society and it will be the same in the future where the consumers satisfaction and getting the profits would be in concordance with the society’s interests for a long time: the slogan of the swindlers could be: „money is all, no matter what is their origin”, so all evils happening in the society is incriminated to the marketing.

MATERIAL AND METHOD

The research had been done using pictures, photos, statistics, experiment, the method of sealing the consumers’ appreciations, relative sizes of structure, abstract method.

RESULTS AND DISCUSSIONS

The social critics think the marketing is harmful to the society, consumer business domain institutions. Its impact on the society is revealed in the following proverb: „ he doesn’t care a pin” being blamed of: indifference concerning country’s tragedies, tragedies, cultural pollution, work time decline, politics connotation to cultural events, rigid division of society in social classes. For instance, after september,11, 2001 tragedy in the USA the MARS Company launched „M and M” candies, the package of which was decorate with traditional American ask containing the candies in red, white and blue; Wal-Mart sold swaddling clothes decorated with blue stars[2]. Even events generated by nature: inundations, snowfalls, accidents might be used by institutions to undertine the strong points. This device had been used during solar eclipse in summer, 1998, taking place in some European countries: that time the producers of sun glasses proved the best quality of their goods [1].

The marketing is also blamed of cultural pollution. The advertising is made in a very low level language, as it is shown in the pictures on www.odevay.com site on cheese and ice-cream,etc[3].

If the working week constitutes of 40 hours and the man works 260 days per year, which means that he would work only 2008 hours from 8760 hours per year: it is 23,74% from the hole and with a length of life of 71, it would be concluded



„You, maiden, would like some ice-cream”



Fresh cottage cheese of salted cow

Figure 1. Compromising publicity

that in fact the man works only 16 years and 9 months (here had been used the abstract method). But from this programm are excluded such holidays as: children’s day, professional holidays, etc. The holidays are also used by local officials in their own interest as propaganda events, especially the days of Saint Patrons of the city or villages.

In Chisinau on Saint patron’s Day are launched new trolley-bus lines, are edicated some social-cultural buildings.

Economic marketing is also blamed of formation of some social clans. This way, the fortune of the richest men (20 people in the world – 422,6 billion dollars estimated at the NGP of 24 states with a population of 512,97 million people, which means that the fortune of one millionaire would equal with the fortune of 25,65 million people.

The marketing impact on the individual consumer is expressed through false policies, which might be: concerning the established prices, performed promotion, package.

Very often the mediator is not taking into consideration the advertising carried out by the producer, which is advertising more products at a price per one, and the mediator is establishing a price per each product not taking into considetation the method of distributing the price into convinient parts to the customer. The information given on the package is not suitable to the content of the product:



Figure 2. „ Poison in small portions ”

So, on the package it is indicated that the product is natural, with out preservatives, but in the „content” of the product comes citric acid, which according to G. Menciniscopschi, represents poison in small portions, and according to EC standards is considered as cancerous toxin. The „content” also shows a mixture of mashed apples and peaches, but on the package there are shown graphically only the peaches. And the data concernig the temperatures of storage is not quite corresponding, as well as the relative humidity from the package and from additional label.

In the result of a research carried out at an average of 84 persons, in January, 15, 2007, the interviewed persons answed the question: „What is the marketing in your vision?”, and it was concluded that it is regarded through advertising and forced trade by 84,53% of respondents, as a new philosophy of the business- 9,52%, and only 5,95% affirm that it is a science focused to satisfy the consumers’ wants.

In case the publicity is understood as marketing, it is blamed of the following: (The question was: „What are your dislikes concerning advertising?”) 45,24% blames it because of their favorite programm interruption, 47,62% blames it of

non-adequite characteristics of the advertised product.

In this case the characteristics of the „prised” product don’t correspond to the real once. Despite this, it is still the main source of information (The question was: „What is the size (scale) of publicity influence on product selling?”, the results were the following: (used the scale with 5 levels) the publicity influences the selling of the product at the size of 60,72%.

One of the strategies used by producers and vendors is the use of non-rounded prices(here is the psychological purpose). But for the consumer this strategy means: (The question was: „What is your opinion concerning these products figures: 13,99 lei or 299 dollars?”

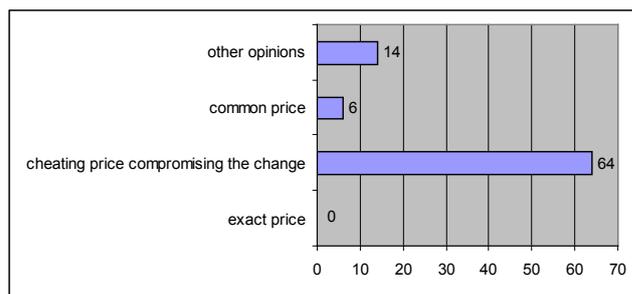


Figure 3. The impact of psychological price on the consumer

It is concluded that 76,19% affirm that it is a cheating price compromising the change, which means that the change is not taken by the customer because it is not comfortable to carry metal coins, or the seller affirms that there are no coins there. This point is also reflected in the following question: „What do you feel when the shop- assistant affirms that there are no coins there and gives you a sweet or a box of matches?”; 46,43% of respondents are sure that it is a forced selling, 20,23% don’t feel comfortable, but accept it, 16,67% are indifferent and 16,67% are pleased: it is better to have these goods than to loose the coins which are not comfortable to be carried.

The role of marketing is beyond the consumers’life and the producer’s activity. The Moldovan consumer used to stay in queue approximately 5 years and 9 months to purchase a „Jiguli 06” make at a price of 5500 rubles; the salary of which was 80 rubles and, in addition, the money for deposit could not be sufficient. When the flow of foreign goods started to grow on the market; the consumer attracted his attention towards these goods, the quality of which was not always good enough. White a bag of „Gucci” make costs at least 10000 €, in Moldova such bays could be purchased at

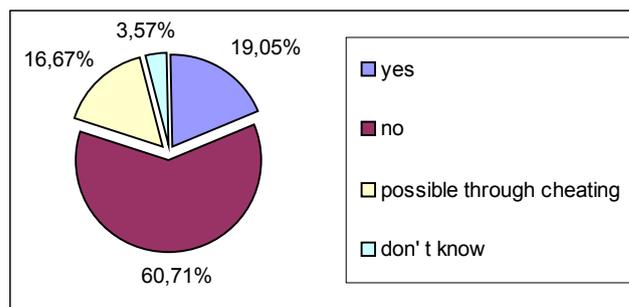


Figure 4. The scepticism of the consumer concerning entrepreneur’s activity

a price of 150 lei (this is just an imitation of the make- the outlaw business.)

There is also a problem concerning the relationship between a producer and consumer on Moldova market, this is the reason the native producers are not trusted by the consumers. Asking the question: „Could an entrepreneur make profit on the market of the Republic of Moldova, being loyal (honest) in his activity?”, there were the following answers:

This way, 60,71% of the interviewed affirmed that there is no chance for them, 19,05%- possible, if you know very well the domain of your activity, 16,67% - possible only under one condition: to be shrewd, which according to the DEX means to be able to come out of any situation, playing tricks, being a pretender, doing unfair things.

So, there is a pardonable thing towards the entrepreneur's activity concerning the narrowness of the market, they are obliged to abstract the consequences of the produced and delivered goods towards the consumers. Asking the question: „Have you ever, bought a product having quality damages?”, 75% of the respondents sustained that have purchased such a product and 54,41% of them have returned it back asking for recompense; but 27,03% put it somewhere and buy another one.

During the research the respondents were asked to mark with 1 (the least) and 10 (the most), which is supposed to influence the good choice, and there were the following results: the quality influences the most (8,8 points), price- 7,3 points although the price is not an index of the price, very often is judged by price, if there is no any information about product. All the time the consumers are seeking for quality but it is not always guaranteed.

Sometimes the vendors appeal to the official authorities in order to promote their sellings. The president of Romania declared that he would not reject the chicken and eggs himself even in the case, when it is said that these goods are infected of aiviar disease, because after a thermal processing there are no lethal outcome. It seems to be amazing, but the export of chicken had been forbidden. In addition, the consumers buy the frozen chicken in plastic bays, wich are closed with the help of a metal staple; but there is enough space between chicken and staple to be stuffed of a piece of ice sold at the same price.

A small experiment concluded the difference in meat quantity before defreezing and after defreezing:

Table 1. Experiment results

The type of the product	The quantity before defreezing, kg	The quantity after defreezing, kg
Frozen chicken	0,970	0,790

Chicken sold at a price of 52 lei per kilo, is bought by the consumer at a price of 50,44 lei per kilo, and the difference between after defreezing quantity and before defreezing quantity 0,18 kg constituted the quantity of the liquid which later one was thrown (9,36 lei).

The marketing is also blamed of creating monopolies and oligopolies and doesn't permit the development of the small business; especially uses the outlaw policies. Fourier said that: „ Oriental Company from Amsterdam burnt in public the whole storages of clove in order to increase its price.” The exposure of false slogans such as: „Jensen” make- strong drink produced by Moldova Codri Company would stimulate the potentation having great energetic effect. In this case it should be sold in drug- stores only.

CONCLUSIONS

1. It is necessary to bear in mind that marketing is a relative young science. „What do you want from a baby”, but there is something promising there, leading to a life quality increase, to enforcing the social and cultural edification; even though the firms are making mistakes, even though on the door of „Electotechnics” there is the message: „mashines for preparing food with gaz” or „fresh cottage cheese of salted cow”, it is good that they are detected by consumers and are indignant by firms mistakes. But this case could be regarded from another point of view: could be a tactics to make you prominent from many stimuli.

2. Marketing comes with a motto: „To know is not enough, it is necessary to act! To act by your own is not enough: you have also to teach the others!”

3. Marketing is playing the role of a messenger of society, it tends to increase the quality of consuming, but not of a quality as think the men that blame it of materialism. Marketing, regarded as an action of selling- buying cannot be criticized because it is a psychologist which practically doesn't need to be paid: when you are stressed, you go shopping; which is aimed to kill the time- for a small number of people- approximately for 5,95% persons.

4. So, the marketing is aimed to create a new society, a healthy one because to keep fit could be „in fashion”.

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MANAGEMENT OF MARKETING ENVIRONMENT ON THE MARKET OF VETERINARY USAGE PRODUCTS

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Keywords: management, stakeholders, the market environment, shareholders

Abstract

The enterprise is a complex system with internal resources and forces permanently supposed to external influences, so that we can say that the activity and the enterprise evolution is having the so called owner interests (stakeholders) that more or less are intervening over the enterprise. They may be among the shareholders interested in profit and development, from the staff which are following better employment conditions, materials benefits, the management that executes the strategic plans or the public, as source of labor, and not lastly , among the customers who expects and seeks the best solutions to their problem. In this situation, the enterprise must permanently observe the market environment and to indentify those internal forces and external that affects them directly or indirectly the activity.

INTRODUCTION

The enterprise must observe permanently the market environment to identify those internal and external forces that affects them directly or indirectly the activity. These forces are shown graphically in the following figure and may constitute the base of analysis for any industry or market.

useful tool for management in choosing a positioning on the market. Remains the questions when it must be realized the marketing audit, an the same in the segmentation case, this isn't the last step in resolving a marketing problem, but it is really a main activity in the frame of strategic planning, at least once a year.

So the management audit is ample process that includes one audit on each function of the enterprise. Thus, is

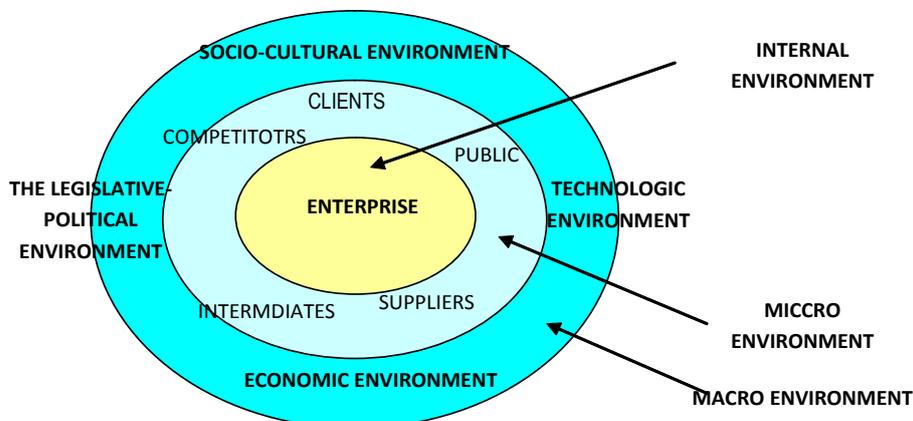


Figure 1 The marketing environment of the enterprise

MATERIAL AND METHOD

It is recommended that the marketing environment to be analyzed with the help of the marketing audit, a associated process primarily with the financial audit and led on the base of accounting standards.

RESULTS AND DISCUSSIONS

The entire organization may be subject to an audit process trough which the internal and/or external consultant shows the enterprise relations with the environment in which operates the strong and weak points in correlation with the opportunities and market risks. The marketing audit is a

developed an operational audit of the supplying activity and of production, follows the financial audit concerning the accounts and financial situation of the enterprise as well as of the costs calculation, of the profitability analysis, personal audit, the activity of distribution audit and, implicitly, the marketing audit. This has in objective all the activities and decisions concerning the distribution, final price, the buyers expectations and needs, respective, of the consumers, the post-consume behavior and the pos-sell service.

1.Internal Environment

When we use the term of "internal environment" we are referring to the enterprise and the operational variables that defines the internal situation, especially the strong and weak points of it. The most important information's are the shareholder structure, resources (materials, financial, of

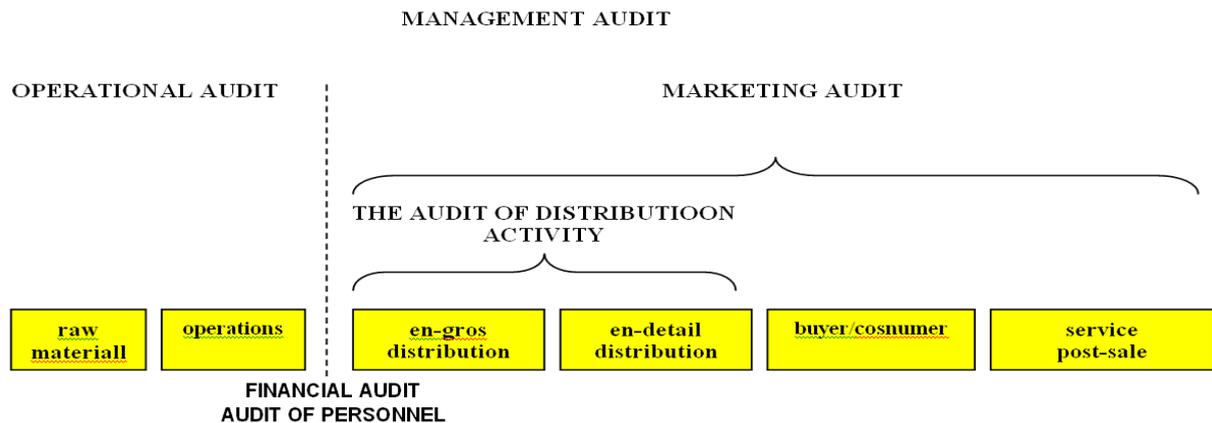


Figure 2. The types of audit in enterprise

personnel, etc) turn-over (by geographic distribution, the clients group, products, etc), the market share , profit rate, the marketing procedures, organizing of marketing activities, mix variables of marketing (product, price, placement, promotion) and the enterprise operations. To obtain the above information and , in elaborating the action plan, the specialist in marketing collaborates with the other departments of the enterprise, purchasing, research and development, production, accounting, financial, logistics. These relations of interconnection are forming the internal environment of the company. In the process of taking the decisions or of planning and implementation of the strategy, the management involves all the internal factors, and these are contributing according to specific activity, the purchasing department is seeking material resources, financial department contracts credits, the marketing department collects and interprets information about the market and its changes trough market research etc.

2. The enterprise microenvironment

The microenvironment comprises a serie of external factors that influences directly the organization and that it seeks to control. In other words, the enterprise observes and analyzes the actions of the market actors: suppliers, intermediaries, competitors, customers, clients, and the public and state trough represented institutions. A number of indicators such as market capacity, the market volume, the volume of sales or the market share supplies information concerning the market, the mode of organization and its evolution.

3. The enterprise macroenvironment

Forecasting the changes in the macro environment of the enterprise is difficult and supposes high costs, because, in most of the cases, the macro environment components are various, complex, constantly moving and modification [3].

According to the legislation in vigor “ the protection of animal health, animal welfare, preventing the transmission of disease from animals to human, the food safety of animal origin destined for human consumption, salubrity of forage for animals an environmental protection, in relation to raising animals, constitutes a state problem and a duty for all country people” [6] which means that all forces are involved in the sanitary-veterinary sector and for safety food. The macro environment on the products market of veterinary usage in Romania has undergone major changes since the decision of becoming a member of European Union. Thus, in July 1995, Romania submitted its application for accession to the European Union, the negotiations began in February 2000

and ended with the achievement of membership in January 2007. a relatively long process, which meant the adoption of economic, social and legislative system of the European Union.

Because of the major implications, the sanitary-veterinary system has been the negotiation subject in several chapters, having, and in present, an open character. Therefore, the process doesn't end with the adoption of various measures, but still continuous, because the European Union is a supranational structure in development, and the governments and member states must take into account the guidelines and rules adopted at central level, following to adapt to local specific.

The process, once initiated is expected, at the level of information that they have, to have whereas of evolution, because the principal steps towards the harmonization of internal rule with the European ones were already taken. At most, we can expect at reactions related to psychology, of adapting of the deep layers, both of the prescriptors, and of the producers and consumers, at the new requirements that configures, increasingly obvious, the system of rules of the game.

The components of socio-cultural environment, is on the one hand, demography, characterized by measurable aspects (sex, age, household size, regional distribution, income level, the economies and expenses of the population) and, on the other hand, social and cultural influences as attitude towards life, the interest for the environment or ethical.

The demography is the first source of information concerning the evolution of a local market, national or international. In the sanitary-veterinary sector we understand the demography as being, on the on hand, given by the number of farmers and owners of pets, and on the other hand, trough the effective indicator of animals.

According to INSSE data, in Romania there are 4462221 individual farms, of which 76% have both agricultural area and effective of animals, 19,74% have only agricultural area and the remaining 4,26% have only animals. It should also be noted that nationally there are 4484893 farms, ad the individual ones represents 99, 49% of the total.

We can affirm that today's agriculture is a subsistence agriculture, where is producing for the own consumption. Another indicator relevant for addressing the Romanian market, especially of the agriculture, is the repartition of farms depending of class size. At the level of individual agricultural exploitation is observed that 1025065 of individual agricultural exploitation, meaning 22, 97%, are operating in a total area of 2-5 hectares. Follows the exploitations of 1-2

hectares (20, 09%), and 685918 of exploitations with a total area of 0,1 – 0,3 ha. Cumulated, at the country level, 92,78% of the individual farms have areas between 0,1 – 5 ha. In the case of units with legal personality, 35% of them are having in exploitation total agricultural surfaces between 2 and 20 hectares. Another problem is the population age in the rural environment. Over 71% of inhabitants are over 55 years, and the age category under 35 years, only 3,6% are involved in agricultural activities [1]. Therefore, the marketing messages of the producers and distributors of products of veterinary usage must be adapted to a older public, with small agricultural exploited surface, used for obtaining agricultural products for their own needs or direct sale to the consumer. From the lack of financial means, both their products will not meet the new requirements of quality imposed by EU accession and, in time their offer will be replaced by the food retail trade.

The European Commission has undertaken, in order to reduce the gap, several measures [5]:

- initiating a pilot project, InnoMed, funded trough FP 6;
- establishing of a strategic agenda of innovation in the field, www.imi-europe.org ;
- the proposal of the project Innovative Medicines Initiative for funding trough FP7 following to draw for the next years, the amount of 2 billions of euro.

The institutional interest manifested for research and development in the pharmaceutical domain is explained trough the desire of Europe re become competitive on a global scale. The phenomenon isn't limited at the pharmaceutical industry, making part from a wider plan which is aiming the technologic progress and innovation.

We can't talk about the technologic environment in the pharmaceutical industry without to mention the important role of the quality, from obtaining, insurance, till to the

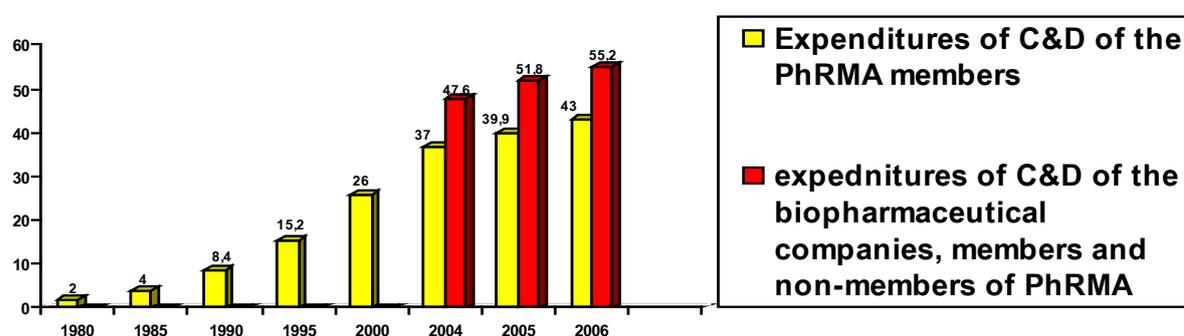


Figure 3 Expenditures of research and development in the pharmaceutical industry (billions of \$)

In the marketing domain, the new technologies facilitates detailed research with a volume much larger of data of the consumer needs, obtaining of products at the right moment and place, modern distribution channels, building a database of a high quality, the direct dialogue, etc. The market of the products of veterinary usage makes part, from the research point of view, development and obtaining products from the pharmaceutical industry, so the characteristics research and development of human medicine is transferring and over the veterinary drugs. The pharmaceutical industry is “ a industry based on science, where the innovation, imitating and improving of existent drugs are competitive advantages [2]. Although the costs of obtaining a new drug of the order of hundreds of millions of dollars, the investments of the private firms of pharmaceutical products in research-development continues to grow. The situation of investments from 1980 until 2006, on the American market of the pharmaceutical products, shows a accelerated evolution, at the half of 90's presented in the figure 3, followed, in present , by a slower growth.

On the European market, according to the European Venture Capital Association data (2002), the investments in research and pharmaceutical development are described by a similar growth curve (in 1990 were spending under 100 millions of euro), accelerated in the second half of the decade, with a maximum In 2000 (over 1000 billions of euro), followed by a slight decline. For subsequent years, the European Union has proposed to become a center of excellence in pharmaceutical research, in the conditions in which the U.S. occupied the leader position in the domain of investments in creating new drugs.

implementation and control. At the beginning of the 21st century, the companies are showing great interest for quality. Thus, all the economic system of the enterprise is built or adopted to the requirements of the total management system of quality, known in the specialty literature as Total Quality Management (TQM). The basic principles of TQM are oriented towards the customer, internalization of the customer – supplier relationship, quality on the first plan “ zero defects “ and continuous improvement, systematic vision and argumentation with data [4].

CONCLUSIONS

We may find that by its nature, the pharmaceutical industry has anticipated this focalization towards quality. Thus, the production process strictly follows the rules of Good Manufacturing Practice (GMP).

At Community level, the principles and rules for GMP were introduced trough the Directive 91/412/EEC from 23 July 1991. The GMP covers all the production process stages, from supplying of raw materials, materials and equipments, to the personnel hygiene.

The written procedures for each stage are found in EudraLex, Volume 4 of the EU for the production of drugs of human usage and veterinary.

Starting from the fundamental idea that customer satisfaction is a decisive factor in the course veterinary medical practice, this depending of the quality of the service provided, Vest Federation of Europe (FVE) has developed a Code of Good Veterinary Practices, which devotes a chapter to all the important aspects from carrying out the activity

of vet doctor. Are analyzed the vet doctor as a supplier of veterinary services and exercising the veterinary practices.

The economic environment determines the demand and the offer determined, as well as the behavior of the potential consumers.

The enterprise from the sanitary-veterinary sector seeks in the economic analysis of a national economy indicator of type: the number of agricultural exploitations by the type of property and size class, average agricultural area that comes back to the exploitation; the distribution of the effective animals according to the agricultural surface used by a exploitation; the consumption models; EU policies concerning the agriculture, the sanitary-veterinary sector, public health and consumer protection.

For an easier transition and for as the enterprises and the farmers to adapt to the new requirements and EU standards, Romania, has negotiated so-called "transitional period" which was obtained by the time needed for modernization, etc.

The main periods of transitions are:

- a) 2 years up to 31.12.2009, for modernization and re technology of cutting units and the alignment to the European unit of meat [processing (26 units);
- b) 3 years, until 31.12.2009 , for modernization and re technology of processing the poultry meat (2 units);
- c) 3 years , up to 31.12.2009, for modernization and re technology of processing milk (28 units), as well as for organization of collecting center and of the milk standardization;
- d) 3 years up to 31.12.2009, for compliance to the community of farms animals for milk and at the quality of the raw milk quality achieved

Romania has requested and obtained exemption from the sanitary-veterinary norms, for producing trough traditional means for 58 types of cheese and dairy products from cow, sheep, goats and buffaloes, produced by traditional technologies.

Under these conditions, the medications sanitary-veterinary must be placed on the thin line between negligence and excess, in the sense that ignoring the obligatory elements of treatment lead at obtaining of ecologic products, but risky for the consumers health, and treating the animals with nutritional supplements alters the taste and the products proprieties, making them less recommendable for human consumption.

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DIRECT MARKETING SYSTEMS, 'ADDING VALUE' TO AGRICULTURE BEFORE PRODUCTS LEAVE THE FARM

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Keywords: direct marketing, stands, markets, roadside, product

Abstract

Roadside stands or markets are a type of direct marketing system where a grower establishes a selling place (stand) near a roadway and sells products directly to consumers. Often a stand is located on a farm or orchard. Products sold in a roadside stand may be grown exclusively on the farm or may be purchased from outside sources. A roadside stand may be open only during harvest periods or throughout the year, depending on produce supply sources. A roadside stand may be operated from a year-round permanent structure or a truck, trailer, or tent during the harvest period. Generally, a permanent, year-round roadside products business is referred to as a roadside market. Market products are supplied by the grower/operator and/or by purchases from off-farm sources (often other area growers).

INTRODUCTION

Roadside stands or markets are a type of direct marketing system where a grower establishes a selling place (stand) near a roadway and sells products directly to consumers. Often a stand is located on a farm or orchard. Products sold in a roadside stand may be grown exclusively on the farm or may be purchased from outside sources. A roadside stand may be open only during harvest periods or throughout the year, depending on produce supply sources. A roadside stand may be operated from a year-round permanent structure or a truck, trailer, or tent during the harvest period [1]. Generally, a permanent, year-round roadside products business is referred to as a roadside market. Market products are supplied by the grower/operator and/or by purchases from off-farm sources (often other area growers).

MATERIAL AND METHOD

The purpose of this fact sheet is to discuss the important establishment factors for a roadside stand. Some of the areas to be considered are producers and consumers use of the market, location needs, display characteristics, and legal considerations.

Producers use roadside stands for several reasons: to help supplement their incomes, to provide employment for family members, and to dispose of extra produce. Large volume stands require producers to possess more management skills and to select locations that can accommodate larger businesses. Producers should remember it may take several years for a roadside stand to show a profit. Besides possible financial benefits from establishing an outlet for produce, producers may also enjoy the customer exchange process, receive a sense of personal pride and independence from the operation, and gain satisfaction from growing and selling quality crops.

Consumers shop at roadside stands in order to purchase fresh, flavorful, high quality produce in a convenient, friendly atmosphere at a reasonable price. Besides quality and price levels, other factors that draw people to roadside stands are convenience, advertising, and recreation. Some problems consumers experience shopping at roadside markets are the distance to the market, heavy traffic, variable quality, and

inconvenience caused by out-of-stock produce. If producers can solve or minimize these problems then repeat customers may be established for a market.

RESULTS AND DISCUSSIONS

Sales potential. When producers consider the sales potential for their stand, they should consider: the number of potential customers, the competing businesses in the area, and the traffic flow. Some population factors growers should consider are age, income levels, family size, ethnic or racial mix, and information on travelers (i.e., Is traffic local residents or tourists? Where are drivers going? What time of day is the heaviest traffic?, etc.). Some common roadside stand patron characteristics are as follows:

- distance travelled is usually less than 15 miles;
- shopping frequency is at least twice a month;
- average shopper is middle aged, from a two person, middle income household; and
- shoppers usually learn about a stand from driving by or from satisfied customers.

Producers should consider the number of similar businesses in the area and how they compare to their operations. Producers should consider the level of customer interest and whether it is great enough to support several stands. Often several markets can benefit from the competition and operate profitably in the same approximate area.

In order for several stands to operate in close proximity, there must be a traffic flow to generate sufficient income for the various stands. As long as traffic moves slowly, sales may increase as the number of cars that pass the stand increase. However, there is an inverse relationship between sales and the speed of the passing traffic.

Hours of operation. The business hours that a roadside stand keeps greatly depend on the operator and the amount of produce that is available for direct sale. Some roadside stands operate seven days per week for 8 to 10 hours per day, year round. However, some stands are only open Friday, Saturday, and Sunday for 5 to 8 hours from June to late October. The highest customer traffic occurs on weekends, particularly on Saturdays.

Location. The location of a roadside stand can greatly influence its profitability. Some variables to consider when evaluating sites are the traffic count on the road, number of people in the area, per capita income, distance from customers, distance from competitors, and produce offered. The more successful stand sites are located near customers and are easily visible from the road. If a stand is close to a city, then the average weekly sales may be higher than if the stand was in a more rural area, especially if the road is a busy, main thoroughfare to and from the city or town. However, in higher population areas, consumers will travel a shorter distance to a stand (approximately a 15 minute boundary for travel time to the market). Roadside stands are generally more successful if the average highway speed is 47 miles per hour or less, and if they are located on a straight road where the stand may be seen from the road.

Off-road parking is essential for the safety of customers and users of the highway. A frontage road is not necessary but the stand should have a safe, easy entrance that is visible from the road. The stand should also have adjacent parking spaces. The parking lot should be a well drained grassy or graveled area. If the stand is generating a large amount of traffic, then traffic flow directions may be needed to assist in orderly parking.

Facilities, buildings, and equipment. The facilities used to house a roadside stand do not need to be elaborate but should serve operational needs. Besides the sales area for the produce, the facilities should provide protection for produce, employees, and customers. Essential facilities for the market are a sales area, parking spaces, and roadway access. Some optional facilities are a cool storage area, restrooms, playground, and a picnic area [2].

Buildings used for a market may be new or converted buildings. Buildings that can be converted to a roadside market are barns, one-room schoolhouses, or sheds. The main purpose of the building is to protect the produce and customers from the weather. When building a structure, producers should consider the expected sales levels, the length of the season, and types of produce to be sold.

From these factors, growers can determine the size of the building, the appropriate building design, and needed construction materials.

After evaluation of their market expectations, growers may find that in some cases no permanent roadside stand structure is needed. If the grower only has one or two items to sell, a temporary stand or a simple pole shed type facility might be quite adequate. A temporary roadside stand could simply be a canopy covering a hay rack or truck. Irrespective of the structure used, it is important to keep the rural image with a colorful creative stand.

The amount of equipment can vary with the type of stand. The only necessary pieces of equipment for a roadside stand are a money box or a cash register and a produce display. Other equipment that might also be included are scales, an ice machine, and accent lighting fixtures. Depending on the market type and services, some specialized equipment might be needed which includes a pallet jack, forklift, shopping carts, oven, meat slicer, cider press, juice machine, and other equipment for the market's special products.

Source of Produce. The source of produce depends on the grower's choice of market type. Growers may specialize in one product or sell a variety of goods. The produce may be entirely grown by the market operator, purchased from other

area growers, or purchased from wholesalers. Some markets sell one, superior quality product during the harvest season. However, some growers, who specialize in a single product, do sell small volumes of other products.

Multiple product stands expose consumers to more produce which can result in increased sales. Depending on the stand, the length of the growing season, and off-farm produce purchase; multiproduct roadside stands generally offer 6 to 7 products. In either type of stand, consistent, high quality produce is necessary to establish repeat sales. At roadside stands, high demand crops usually are sweet corn, tomatoes, green beans, cucumbers, onions, peppers, pumpkins (especially in October) and, in certain areas of the country, apples, peaches, pecans, potatoes, blueberries, and strawberries.

Displays and Produce Handling. Producers should handle and display their fruits and vegetables to generate impulse purchases and to maintain produce quality. Stands design and lay out can greatly influence display methods. Location of produce can influence the sales level of all products, since many sales are impulsive. High demand, popular produce should be placed so customers walk past other produce. Some general practices to help maintain produce quality and create attractive displays are to avoid direct sunlight and excess air movement, to keep leafy vegetables moist by spraying or displaying on a bed of ice, to keep displays full, and to display produce at an easy to reach level.

The type of display can also have an influence on the quality of the produce. Produce may be displayed in bulk or in prepackaged form. Bulk displays allow customers to choose their own items and encourage large volume sales. The problem with bulk displays is produce may become damaged with continuous customer handling, which may create mixed produce quality. Inconsistent quality or bruised produce can decrease sales volume and price. Produce may be prepackaged to maintain freshness and reduce shrink; to allow advance preparation; to efficiently handle small fruits and vegetables; to enhance appearance; to allow for quicker shopping; and to maintain neater displays. However, prepackaged produce may impair the farm image of the roadside stand and deprive customers of their selection process.

Pricing. Produce at roadside stands like at other direct markets (pickyour- own and farmers' markets) may be priced by weight, count, or volume with competitors' prices used as guidelines. If produce is sold by weight, then state inspected and approved scales are needed to verify the weight of produce sold. Selling by weight assures consumers and producers that they receive full dollar value for the produce. For some types of produce, such as sweet corn, the count price system is more practical and easier to control. The volume system works well for crops that lend themselves to packaging such as small fruits or items sold in large volumes (i.e., bushels).

Producers should use signs with the prices listed in units so customers are charged the same amount for their produce. It is a good idea to price produce with 5 and 10 cent intervals to maintain the farm image and ease of calculation.

Advertising and promotion. Advertisements should make customers aware of what produce is available, hours of business operation, and the location of the stand. The best

form of advertising for roadside markets is word-of-mouth advertising from satisfied customers. Some other forms of advertising that can be used until the stand has a large number of satisfied customers are signs, container labels, newspapers, flyers, and radio. The stand may provide information on canning, freezing, fresh storage, processing, recipes and cooking ideas. Much of this information may be obtained through the county Cooperative Extension Service home economist.

Signs are the most common form of advertising used by roadside stand operators. Signs should be placed far enough from the stand that drivers have time to make the turn into the market. Usually, signs are placed at the market site and also at least one-quarter mile from the stand in either direction. The signs should be simple and easy to read with only a few words in bright colors. The farm name, distance to the market, and perhaps a picture of the produce may be the only information needed on signs. For reading ease, letters used on signs should be 1/5 as wide as they are high.

Newspaper advertising may only be necessary when sales levels are low and more customers are needed to move produce, when the stand opens, or when new produce comes in-season. Ads can be run in the classified section or in a display format. The classified ads are generally less expensive and reach consumers who use produce for canning or freezing. Display advertisements are often used to catch customers attention and announce special events at the stand.

Promotion techniques for roadside stands can be individually or community based planned activities. Producers can use forms of goodwill such as friendly, courteous service, volume price discounts, or superior quality produce.

Some planned community activities that can help promote a stand are tours, bulletins and leaflets, giveaways, produce or monetary donations or discount coupons passed out at community service organization activities (i.e., barbecues, ice cream socials), exhibits at craft shows and fairs, and sponsorship of community events or teams.

Labor and personnel management. Principal labor sources for most roadside stands are growers and their families. The type of additional labor needed to operate a stand is generally seasonal, sales positions. The off-farm individuals usually hired for this work are homemakers, students, teachers, friends, relatives and retirees.

Hired individuals do not need to be professionally trained sales people, but they should be friendly, helpful, alert, and courteous. The manager of a stand should be able to plan, organize, direct, coordinate, and control the entire operation and its employees. Managers should have some type of merchandising and customer relations skills in order to have a successful roadside stand. A friendly, helpful atmosphere is one of the most important characteristics that a roadside stand must possess to gain repeat customers. Workers should be courteous and helpful to the customers when they first arrive at the stand. Workers should be able to distinguish the differences between the stand's various fruits and vegetables, intelligently discuss produce varieties, and be honest about produce quality.

Legal considerations. There are many legal regulations and restrictions with which a roadside stand operator may

need to comply. At the state level, health permits, licenses, sales taxes, weight and measure requirements, sanitary requirements, and zoning and right-of-way regulations need to be checked for each individual operation. These same legal considerations should be checked at the local level. Another area that should be considered is insurance requirements that will be necessary for the stand to cover accident liability and product liability.

Records. Market managers need to keep daily records to explain operation practices, for financial information needed for taxes, for analyzing sales performance, and to provide a guide for changing operational practices. Some areas for which records should be kept include sales volumes, gross margins, labor and other input costs, and cash flow.

CONCLUSIONS

To help make a roadside stand successful, growers should try to follow some of these suggestions for market improvement:

1. Roadside signs should be placed far enough from the market to attract customers and to provide enough time for them to stop safely at the stand;
2. Overripe produce should not be offered for sale unless it is marked and displayed as such;
3. If possible, place the stand on or near the farm or orchard to create a farm atmosphere;
4. Post prices clearly so all customers are treated fairly and equally;
5. Home grown produce generally increases sales and the percentage of repeat customers; and
6. A pleasant personality with a strong emphasis on courtesy, honesty, and integrity are helpful in dealing with the public.

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REVALUATION AND TERRITORIAL DISTRIBUTION OF TRADITIONAL AGRIFOOD PRODUCTS

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Key words: *traditional agrifood products, diversification, traditional products*

Abstract

Romania holds immense potential for traditional agrifood products. The demand for such products is strongly correlated with the demand for the other common agricultural products, within a competition/substitution relationship. Therefore, demand/supply depends on the territory, the producer and the consumer. At a national level, by tradition, economic-social capital consists in: raw material resources, demo-social traditions of long periods of time, economic components and the special microeconomic strategies of actual revaluation (factors/opportunities), which may influence economic modernization and especially a development through the diversification of traditional products.

INTRODUCTION

The existing demand for traditional products is tightly connected to the demand for the other current agrifood products, in a competition/substitution relationship. That is why demand/supply differs with the territory, these sides of the market depending both on the producer and the consumer. Regarding the producer and product zone of origin, there are factors which might alter market balance, either in favour or in disfavour of the traditional product. Thus, the legal status of the farmers obtaining traditional products is still questioned within the Romanian territory.

MATERIAL AND METHOD

Referring to capitalization during the current stage in Romania, criteria must be known for the segmentation of traditional product markets, as they are absolutely necessary in knowing the product capitalization system. Table 1 shows these criteria.

RESULTS AND DISCUSSIONS

Within this context, the specialization forms and diversifications require an efficient capitalization and good knowledge of product distribution. But in this distribution, the correlation between the product and the producing organisation plays an important part. Farmers' division by product type leads to the following conclusions:

- commercial companies (CC) obtain 1131 products, which means 56.977% of total traditional products. Out of the 1131 products, cereal products account for 90.201% processed vegetables and fruits 76.923%, followed by dairy products with 42.468%. For the rest of the products, the number is much lower;

- authorized natural persons (ANP) hold 427 products, accounting for 21.511% of the total. These ANPs produce mainly dairy products (25.028%) and traditional alcoholic drinks (56.779%);

- family associations (FA) obtain only 325 products, meaning 16.372% of the total. The highest weight is held by

dairy products (23.216%) and drinks (19.491%);

- professional associations (PA), including 102 productive units, hold just 5.138% of the total 1985 products. Dairy products (9.286%) and drinks (7.627%) hold the weight for this producer type.

The capitalization system has different issues, according to product source and unit type. For instance :

- commercial companies produce mostly a certain range of products (for example, bread products), even if other current products are also obtained in these units.

- authorised natural persons, family and professional associations observe a certain traditional technology, situated within ANPTE norms along with a permanent production stipulated in the technical documents.

The following possible effects can be discussed :

- the risk of pauperizing the Romanian peasant, by the disappearance of ancient production techniques, following the small producer's lack of access to the market;

- “brand” taking over by industrial giants, which turn it from a hand made good in a large consumption one, with no traditions and significance.

For all these units, traditional products can be revaluated by entering them into a channel, where they face the issues of quantity, seasonal character of production and product demand.

CONCLUSIONS

Regarding the structure of the units obtaining traditional products in different development regions, the following conclusions can be drawn:

1. Most producing units are located in Central, South-Muntenia and North-East regions, accounting for 72.945% of the national total;

2. The most numerous commercial companies (CC) obtaining traditional products are situated in Central (446 units), North-East (209 units) and North-East development regions (192 units). Out of the 1131 of such commercial companies, these numbers account for 39.434%, 18.479% and 16.796% respectively;

3. As for authorized natural persons (ANP), 206 are located in South Muntenia Development Region, and 169 in North-

Table 1 Criteria of offer division within the traditional agrifood product market

VARIABLE	SEGMENTS
<i>1. Geographical</i>	
Region	Bucharest, South-East, North-West, North-East etc.
County	Alba, Arad, Argeş, Bacău, Bihor etc.
Environment	Urban, Rural
<i>2. Economic-demographic</i>	
Farm/enterprise size	Number of workers
Turnover and/or income (million lei)	Expressed through a value structure
Sector represented by product groups/lines	Cereal derivatives, dairy products, meat, vegetables, fruits, drinks, etc.
Structure of private/social capital	Farm/organization capital, foreign capital, mixed capital
<i>3. Organizational</i>	
Commercial company Authorized natural person Family association Professional association	Given by product structure
Supply frequency	Weekly, monthly, quarterly, semestrial, annual
Capitalization forms	Members of delivery/sale team
<i>4. Relational</i>	
Duration of the commercial relation	New clients, last year's clients, 1-5 year clients, clients for more than 5 years
Sought advantages	Quality, price, service, skill etc.
Mutual relationship	Yes/No
<i>5. Individual</i>	
Fidelity towards organization, zone, traditional product etc.	Very strong, strong, medium, weak, very weak.
Personality of the main decision maker	Impulsive, sociable, authoritative
Inclination towards risk	Risk orientated, careful

Source : author's calculations

East Development Region, accounting for 48.243 % of the total and 39.578% respectively;

The number of units is much lower for the other regions;

- the number of family associations (FA) is significant for South Muntenia Region, which holds 60.932% of the total;
- professional associations are present mostly in Ilfov-Bucuresti Region (with 50% of the total), followed by the other regions. The fact that South-East and South-West regions do not have such units should be noted;

At county level, there are different distribution structures. The following issues should be noted:

- Arges county has the best position within the administrative-territorial area with 443 product lines, accounting for 21.317% of the total, followed by Maramures and Sibiu counties with 11.788% and 10.025% respectively;

- regarding commercial companies (CC), Sibiu holds the weight (16.091%), followed by Covasna (8.311%) and Suceava (7.957%). In 6 counties no commercial companies are registered for obtaining traditional products;

- authorised natural persons (ANP) obtaining traditional products are registered only in 13 counties, mainly concentrated in Arges county (44.028%) and Satu-Mare county (36.299%);

- family associations (FA) obtaining traditional products are present in only 16 counties, with 325 products. Arges county holds the weight again with 189 products, accounting for 58.153% of the total.

- professional associations (PA) – the 102 units are distributed in only 8 counties, mainly in Sibiu county (51 units, accounting for 50% of the total).

As for the presentation of traditional products offer, it depends on the producer type (CC, ANP, FA, PA) and it can be expressed quantitatively/qualitatively, in time/space.

For offer launching and efficient capitalization of products, specific objectives should be taken into account :

- creation of the infrastructure necessary for the economic

reevaluation of traditional products (transport network, especially roads);

- dissemination of information on economic significance and capitalization of traditional agrifood products and transmitting the knowledge useful for the development of new business with traditional agrifood products;

- support for the promotion of traditional agrifood products, specific to each administrative-territorial areal, as a regional identity and economic advantage element, competitive at national and EU level;

- the rich product offer makes them different from other products, which is why small producers/dealers permanently seek methods to fight competition;

- the possibility that the offer is presented in a traditional shop, where there is a special buyer/producer/seller relationship. Although, small traditional product farmers prefer promotion thematic fairs, where they meet the customers directly and have the opportunity to present them the goods. Thus, traditional product offer is a solution both for the dealer and the producer.

To obtain offer derogation, traditional product units must comply the following requirements:

- to hold a proper working space, so that product preparation is made under hygienic conditions;

- to hold a proper space for storing end products;

- to have separate spaces for detergents, disinfectants, hygienic materials, protection equipment;

- to have drinking water source and conditions for washing and disinfecting hands with warm and cold running water;

- to have facilities for cleaning the containers used for the transport of raw material, equipment and utensils used in production process, as well as proper means for insect and rodent control;

- proper lighting and ventilation;

- to have special containers for residues and systems for waste water drainage and evacuation;

-personnel in contact with raw material and food products must observe high personal hygienic requirements.

Sheepholds certified for obtaining dairy products with traditional features which request derogation from European hygiene requirements must fulfil the same conditions and to have a space for dairy product maturation. Waste water drainage and evacuation systems are not compulsory though.

AKNOWLEDGMENTS

This research work was financed from PNDII Project (2007 – 2010) – Promotion of traditional brands of Romanian agrifood products and identification of market niches in the context of implementing traceability in product channel.

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MANAGEMENT OF THE ECONOMIC REPRODUCTION IN ALL ZOOTECHNIC, OPEN-CIRCUIT UNITS

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Key words :management, open - circuit, efficiency, valorification, optimum corelation

Abstract

Management in open circuit units includes, no matter what species, the necessity to follow the accomplishment of maximum economic efficiency in relation with the medium production level, the costs and prices of actual worth, the items and products obtained. The economic fundamentation of an effective structure, has to take into consideration the optimum link between age and weight, as well as the maximum use of production capacity, rhythmicity of the works. The direction for the specialisation of production represents, a major factor in the establishment of the effective structure of animals. In the strict specialised zootechnic units, which raise only one specimen of animal, they do not take into consideration the aspect of effective structures of animals on categories of age.

INTRODUCTION

Breeding animals in an open circuit requires a sufficient reproduction and meat animal number, ensured by purchase from specialized units. In cattle breeding for instance, the farm buys young reproduction females (heifers and/or 12-18 month maiden heifers) from the farms specialized in breeding them. Therefore, such a farm will include only the following categories: milk cows, heifers and calves up to weaning.

In swine breeding, open circuit farms can be of two types: farms holding the sows and piglets until weaning and farms specialized in fattening the piglets bought from the first farms.

A similar organization is found in open circuit farms specialized in sheep breeding. As for poultry breeding, open circuit farms can have the following structure: farms with incubators, farms for broilers, farms for breeding and exploiting hens for table eggs.

MATERIAL AND METHOD

The management of economic reproduction in open circuit farms must meet the following requirements:

1. Clear technology, according to the specific character of the farm;
2. To establish the number of animals to be bought and the numbers that can be obtained in the supplying farms;
3. To specify the exact economic area where animals are purchased and the farms to supply them;
4. Contracts concluded between units for the correlation of technologies, for the safety of both the supplying farms and the purchasing farms.

Structure of animal numbers

This structure is the distribution of animals belonging to a species by age, gender, destination and weight in the total animal number of the farm.

Animal number structure is the result of biological reproduction, actions for the management of economic reproduction, specialization.

Production specialization is an important factor in establishing animal number structure. There is no issue about structuring animal number by age categories in the zootechnic farms strictly specialized in breeding a single animal category.

In closed circuit breeding and exploiting farms, the category where production is obtained must hold the highest weight. For example, in a farm specialized in pork production, pork stocks hold 50% of the total number, and in a sheep farm specialized in wool production, the weight of ewes is 65-70%.

In cattle farms, a weight of 20-25% heifers in 100 cows must be obtained regardless adult cows' condition, which ensures replacement possibility after 5-6 litters.

In sheep farms, young ewes should account for 25-30% of the total ewes.

In closed circuit swine breeding and fattening farms, the structure by animal category is determined by prolificacy, fertility, suckling period, number of litters/sow/year, fattening period according to average daily weight gain and limit age at which sows are used.

Generally, the highest weight is held by pork stocks (50-55%). Multiparous sows account for 9-11%, piglets up to weaning 11-13% and porkers 20-23%.

Animal number planning

Animal number evolution shows the changes in the numbers of different species and animal categories during a certain period of time: quarter, month, and year. Animal number increase (by own reproduction, purchase, passing from one category into another) and decrease (by sale, passing to another category, losses) are caused by biological production characteristics and economic reproduction requirements.

After having established annual development, monthly development of animal number is detailed. Based on the centralized data of monthly development, quarterly development of animal numbers is obtained.

Days- forage fed animals and average forage fed animal numbers are calculated starting from this development.

Forage base management in zootechnic farms

Forage base consists in all the resources that can be economically capitalized for animal food: cultivated forage, pasture and natural hayfield forage, as well as different industrial subproducts.

Forage base is characterized by forage volume, structure and quality. For a large animal production, the main condition is to ensure a good organization of the forage base, for a good health condition, reproduction capacity and higher profitability. Forage base also has a special role in reducing animal production costs, as forage expenses hold the weight in total expenses (about 50-55% for cattle, 45-50% for sheep, over 70% for pork stocks and broilers and over 55% in hens).

Technical-economic substantiation of the forage system

The forage system is a system of information and decisions of the zootechnic farm which aims at establishing a balance between forage resources and the food needs of the animals.

Any forage system is based on technical and economic elements.

Technically, the objectives are:

- to chose a forage system ensuring the nutritive elements required for maintenance, growth and production (UN, PD, SU and minerals);

- to ensure forage quality by observing the best harvesting period;

- to increase the digestibility of coarse forage and secondary crop products by different processing and treating methods;

- constant and continuous forage supply all year long.

RESULTS AND DISCUSSIONS

Economically, the purpose is to obtain costs as low as possible for forage production, storage and use in animal food, taking into account the following aspects:

- to choose the crops by their economic evaluation;

- best economic forage ratios;

- to choose cheap production technologies;

- to supply with forage at harvesting time and to store it properly, thus reducing the expenses;

- to ensure necessary stocks of volume forage;

- to make a programme by months and decades for the feeding period;

- to purchase forage processing and treatment installations;

- to apply the best technologies for forage siloing.

Table 1. Normal specific consumption

Item	Milk cows		Beef cattle	Beef calves	Fat pigs	Broilers
	for 100 kg weight	for 1 litre of milk				
Specific consumption	1.0-1.1 UN	0.45-0.50 UN/litre	7-9 UN/kg weight gain	4-5,5 UN/kg weight gain	2.5-3.5 kg/kg weight gain	1.03-2.16 kg/kg

Forage economic evaluation

The following methods can be used to establish crop economic efficiency:

- classical method using the following indicators: yield of UN and PD used in animal food, production costs by UN and by kilogram of PD, costs/forage ton and cost/ha;

- method of ponderated nutritive units (PNU) which takes into account the yield expressed in UN and PD;

- Peterson method consists in the relative assessment of each forage starting from its nutritive value and depending on the cost of two forages, one rich in PD, the other in UN;

- energetic value method is based on the forage production used as animal food, obtained on one hectare and expressed in kcal.

Forage need assessment

Food type and most economic ratios allow the assessment of forage need for the animals in the farm and of the possibilities of their fulfilment.

The following methods are used to establish the forage need: the method based on average numbers, the method based on days fed animals, the method based on complex female number (supply animal number), and the method using large cattle unit (LCU).

The method based on average numbers – calculations are made separately for each forage type of the ratio, each animal category, by months, quaters and annually.

The method based on the number of days-fed animals represents the days of animal feeding, taking into account the changes in animal number during that period.

Calculation method based on the number of complex females. The complex female is a supply animal with the entire animal number from the other categories. First the number of animals in each category corresponding to a supply animal is assessed, followed by the average animal number of a category to the supply animal number.

Total forage need is established by multiplying forage quantity/complex female with the number of complex females.

The method based on UVM consists in transforming annual average animal numbers into UVM, using the coefficients by species and animal categories. Starting from the need of nutritive units for a UVM of different forage categories and the number of UVM, UN total need by animal species is calculated.

Using one of these methods, forage need is calculated for each animal category by months, quarters and year.

Forage balance

Forage balance is a technical-economic work which compares forage need with the possibilities of the zootechnic farms and which is used, on one hand, to establish forage deficit or excess, and on the other hand, to find the best solutions to balance forage consumption and, in general, to

improve the forage base.

There are two types of forage balances in the activity of a zootechnic farm; *balance of January 1st of plan year; of harvest of plan year; balance for the agricultural year.*

According to the period it is calculated for, forage balance can be:

1. **Retrospective balance** – drawn up for a past feeding period;

2. **Operative balance** – checks the current situation;

3. Perspective balance – which is calculated for a future period.

Economic efficiency of forage use

The productive and economic analysis and evaluation of forage use in animal food is based on the following system of indicators:

1. **forage consumption/product unit or forage specific consumption** – for animal fattening farms it is expressed in kg/forage/kg weight gain (pig, poultry), or in UN/kg weight gain in cattle and sheep, while for cows it is expressed in UN/litre of milk.

2. **average productions/animal** - depend mostly on forage quality and quantity and on the administration, for the same breed and under similar maintenance conditions. Reserves for feeding improvement are identified by the average production level: litres of milk/head, growth or weight gain (grams/day), kilograms of wool/day, egg number/hen etc

3. **forage cost/product unit** expresses both quantitative consumption and the expenses with forage production (or purchase), processing and administration.

Management of product and service quality

Quality management consists in all the activities regarding the policy of quality, objectives, responsibilities implemented within the quality system, by planning, controlling, ensuring and improving the quality.

Quality is the capacity of a product or service of fulfilling the use it had been made for.

Product quality is appreciated by consumers if the products meet the quality requirements:

- product nutritive capacity (proteins, sugar, vitamins etc);
- organoleptic quality (smell, colour, consistence etc);
- hygienic-sanitary conditions;
- conditions appreciated depending on food preservation or preparation easiness;
- ecologic requirements;
- production conditions;
- recognized symbolic value of the products (for instance Dobrudja pressed cheese).

CONCLUSIONS

Organizing actions performed for the economic reproduction of animal numbers are the following: specification of the structure of animal number within the same species, planning the mating, the litters and the evolution of animal numbers by months, quarters and calendar year.

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ANALYZE OF THE PRINCIPAL INDICATORS USED IN THE APPRECIATION OF ECONOMIC PERFORMANCES IN LOGISTIC ACTIVITY

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Key words: *logistic, indicators, financial performances*

Abstract

The strategic objective of the companies that have as object of activity logistics is the maximization of the shareholders' value, the specific of the activity developed determines the individualization of the appreciation indicators for realized performance.

INTRODUCTION

For the analyze of the indicators used in the appreciation of economics performances in the logistic activity the classification of clients for whom the specific activities are being performed – deposit (D), manipulation (M), labeling, packing, consolidation (E), distribution (DI) is imposed. The main parting criteria used for the hierarchy of clients is the one of constant deposit surface covered by each client (for example minimum 1,000 square meters).

MATERIAL AND METHOD

The less important clients are presented as a group, within the category “other clients”, a common quantification of the obtained operational and financial results being performed.

The financial performances obtained on each important client (turnover, operational profit, etc) are centralized on monthly and respectively annual basis. The effective values are compared to the budgeted ones as well as to the values obtained in the precedent financial exercises.

For the effective calculation of the performance indicators on the level of each deposit locations are built the following data sections:

- **data with economic** – financial character: turnover, level of direct and indirect expenses;
- **the volume of deposited and manipulated** merchandise expressed in number of entering and respectively exited pallets;
- **details about the consumed production:** salary costs with permanent and temporary workers, administrative personnel as well as their centralized values, the volume of norm hours as well as the volume of performed additional hours, absence hours, etc;
- **qualitative data:** the number of orders performed with delay, the number of pallets with damages or partial lacks.

Based on precedent inputs is determined the set of appreciation indicators for clients' performance:

- a) *hourly productivity* obtained by reporting the turnover to the number of paid hours;
- b) *labor's physical productivity* expressed as a report between the total of productive hours and the number of handled pallets, the indicator being expressed in minutes, thing which implies the multiplication with 60 of the precedent report;
- c) *the tariff salary cost* determined by reporting the expenses with salaries to the number of paid hours;
- d) *the total share of administrative activities* obtained by

reporting the number of hours worked by the administrative personnel to the total of paid hours, report expressed in percents;

e) *the share of additional hours in total worked hours* expressed as a percentage report between the number of performed additional hours and the total of productive hours;

f) *the degree of using the depositing capacity* obtained as a percentage report between the effective space occupied by merchandise expressed in square meters and the total space of depositing existing;

g) *the complaints percentage*, quality indicator determined as a percentage report between the number of order with complaints received from clients and the total orders.

The appreciation of performances based on the results account implies the use of statistic character data. For example, the indicator “operational gross margin in total turnover” varies significantly depending on the forms of transport used:

- for the maritime transport the optimal values of the indicator are situated in the interval 7% - 15%;
- for the air transport the optimal values are included between 15% - 25%;
- for the railroad transport the optimal interval is 1% - 3%;
- in the case of road transport the optimal value is comprised between 7% - 12%;
- for the distribution activities the reference level is 15% - 25%;
- for the manipulation and depositing activities the value of the indicator frequently exceeds 80%.

CONCLUSIONS

The increase of efficiency of specific logistics activities implies the adoption of specific measures of the operations types. Thus, on the level of merchandise transports we can mention:

- choosing and using the adequate transport forms as well as the most efficient routs from the costs point of view, as well as the transit time;
- the conclusion of calculation regarding the transport and expenses for transport accessories;
- the insurance of merchandise during the transport;
- the integrant monitoring of transport evolution;
- the accessibility by satellite for fast communication and independence.

On the level of depositing operation the main aspects regard:

- the optimal dimensioning based on feasibility studies of the depositing space in order to avoid its under dimensioning as well as its over dimensioning towards the real depositing necessities;
- the identification of merchandise with the help of RFID system (the identification by radio of the merchandise in the depositing, customs and transport process).

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ASPECTS LINKED TO THE PRESENTATION OF ACCOUNTING INFORMATION IN FINANCIAL REPORTS IN ACCORDANCE WITH THE EUROPEAN DIRECTIVES

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Key words: *accounting, IFRS, european directives*

Abstract

Romania's integration into the European Union raised the necessity of adapting Romania's accounting settlements to the European Directives and the to the International Financial Reporting Standards, in order to achieve the standardization of working accounting methods, for the integrated data processing and for obtaining high quality accounting information.

INTRODUCTION

The accounting information constitutes a sort of raw material and the finite product for every commercial enterprise not only for exercising functions but also for performance management. The present preoccupations are concentrated on the standardization of accounting working methods in order to achieve the integrated data processing of new technologies. Romania is facing some irreversible processes of great interest regarding the application of new accounting in order to obtain high quality accounting information, in accordance with nowadays requirements.

These settlements are adapted to the requirements of integration of the informational economic systems to the exigency of the European Union, especially as far as economic-financial reports with new informational elements are concerned.

MATERIAL AND METHOD

Beginning with the financial exercise in 2006, commercial enterprises have been drawing up financial reports on the basis of some accounting settlements in accordance with the European Directives.

The accounting Law no 82/1991, republished (published in Romania's Official Monitor Part I, no 48/14.01.2005) stipulates the application of accounting settlements in accordance with the European directives and the application of International Financial Reporting Standards (IFRS).

For economic agents, the 4th and the 7th Directives have been transposed into national legislation, by accounting settlements in accordance with the European Directives, approved by the Order of the Minister of Public Finances no 1752/17.11.2005 (published in Romania's Official Monitor Part I, no 1080/30.11.2005).

The 4th Directive of the European Economic Communities settles the elaboration of financial reports depending on size criteria, while the 7th Directive of the European Economic Communities settles the elaboration of annual consolidated financial reports.

EU member states apply national accounting settlements in accordance with the European directives, in drawing up individual financial reports and the International Financial Reporting Standards are used in drawing up consolidated financial reports.

EU member states apply national accounting settlements in accordance with the European directives, in drawing up individual financial reports and the International Financial Reporting Standards are used in drawing up consolidated financial reports. The application of International Financial Reporting Standards supposes the existence of supplementary costs and resources for establishing the procedures and the accounting policies.

Annual Financial Reports include: balance, loss and profit account, the report on the modifications of the proper capital, the report on treasury flows and explanatory notes. The annual simplified financial reports comprise: a short balance, a loss and profit account and explanatory notes. According to accounting law, the annual financial reports will be accompanied by a written declaration of the administrator, of the credit chief accountant or of another person who has the obligation to administer the unity.

The accounting policies represent the principles, the bases, the conventions the rules and the specific practices applied by an entity in the elaboration and presentation of annual financial reports.

General accounting principles must be observed in the elaboration of accounting policies.

The elements presented in annual financial reports must offer a fair and accurate image of the assets, of the debts, of the financial position, of the profit and loss of the entity.

The deviations from general accounting principles can be accepted under exceptional circumstances. Any deviation or exception must be presented in explanatory notes, as well as the reasons which determined them, together with an evaluation of the effect of those deviations on the assets, on the debts, on the financial position and on the profit and loss.

The annual consolidated financial reports comprise: the consolidated balance, the consolidated profit and loss account and the explanatory notes to annual consolidated financial reports. These documents constitute an ensemble.

The consolidated balance comprises the assets and the debts of entities included in consolidation, by summing up the similar elements.

The consolidated profit and loss account comprises the revenues and expenses of entities included in consolidation, and the sum of any profit or loss that can be attributed to branches included in consolidation, owned by persons other than entities included in consolidation are presented separately in the consolidated profit and loss account.

CONCLUSIONS

For the proper application of fiscal legislation, under the conditions of IFRS as an accounting basis, the accounting treatment and the fiscal treatment of operations and the passage from the accounting treatment to the fiscal treatment should be identified and compared. This is a laborious operation taking into account the fact that, irrespective of the applied accounting settlements, the taxation of commercial societies must be equitable, and that fiscal legislation changes depending on the state's fiscal policies.

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ANALYSE OF THE EVOLUTION OF MERCHANDISE TRANSPORTS IN THE ROMANIA AND EUROPEAN UNION IN 2004-2008

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Key words: *merchandise trsnpots, logistic activity*

Abstract

The merchandise's physical transport holds the importante share within logistics' total cost. The logistics designates an ensemble of activities that insure the product's access from the producer to the consumer or the final user. The insurance of competitiveness on the level of the logistic activity is influenced, as a result, mainly by the competitiveness of the merchandise's transport operations.

INTRODUCTION

Romania has confirmed its positioning as an important market for the large distribution chains, a fact proven by the investments in the past years but also by the projects in course and by the intentions that have been declared for the following period.

The promoter of the development of retail networks has been the consumer behaviour, within the challenging framework of the relation between marketing's impact on consumer and consumer' impact on marketing strategies.

MATERIAL AND METHOD

At the moment, numerous well known distribution chains are actively participating on the Romanian market: Metro, Praktiker, Carrefour, Auchan, Louis Delhaize (Cora, Mega Image, Profi), Rewe (Selgros/cash & carry, Billa, XXL Mega Discount), Intermarche, BricoStore, Kaufland each having a network of shops developed in accordance with the target market and the specific features of the group. Their entering this market was determined by the continuously increasing potential and the possibilities offered.

The large retailers have given special attention to Bucharest in what concerns the opening of supermarkets and hypermarkets fact that can be explained by referring to both the population of the city (1,9 millions inhabitants) and its importance as an economic, social and political centre.

The orientation towards province is growing very rapidly, a higher interest for creators consisting of not only the large cities – like Constanta, Timisoara, Cluj, Sibiu, Iasi, Pitesti, etc.

The year 2008 emphasized the impact on the extension of stores chains by the lack of available land/spaces, as well as finding new ways of differentiating in order to attract and retain clients: non-stop program (Metro cash & carry in Bucharest) or longer hours, through opening earlier (Real, in the country); cafés (Real in Timisoara; Billa in Baia Mare); franchise (Spar, in perspective); improved merchandising regarding different axis of innovation, the mix between distribution and merchandising.

The particularity of distribution, considering the local impact of each of its manifestations, is to materialise access to demand through a multiplication of the points of sale. One

of the tendencies of distribution, from this point of view, is the research of the synergies and cooperation that can lead different types, forms and size distribution enterprises to put into practise certain common commercial policies. From the moment in which, through the cumulative effect of these agreements, the competition's access to the market is hindered, the interdiction regulations provided by the legislation in the field of competition are applicable (other than the exceptions by category or individual ones). The same thing does not take place when these obstacles entail restraints between the same partners. This is the consequence of the general character of the interdiction of competition restraint, even inside the network. A competition restriction is not legitimate due to the fact that it can have the effect of strengthening the competitive position of the network. Competition between producers is, generally, more visible than that between distributors of the same brand.

The producer-retailer negotiation process depends on the economic power of the stores' chain. OECD's unclassified document "underlined that: large multi-product retailers ("retailers") are increasingly becoming serious competitors of the served upstream suppliers and could enjoy substantial buyer power; where a sufficient number of consumers display "one-stop shopping" behaviour, the result will be significant buyer power for retailers; protecting competitors is not equivalent to protect competition and it remains difficult to prove that an affected supplier actually lacks an equivalent alternative to dealing with an accused retailer.

CONCLUSIONS

We can therefore state that in the actual context there is a certain need to: build a conversation ecosystem, based on interpersonal communication, resulting in a shared experience, building trust and strengthening the relationships between participants.

The common goal of a mutually responsible partnership producer-distributor-consumer is the solution to the real problem of affecting both the Romanian consumer and the Romanian producer, in order to benefit from the advantages of the competitive market.

Within the current confrontation with the failures of the market, a long-term rational policy, well-informed and well implemented, must also take into account the evaluation of

the relationship between the Romanian producers and the large distribution chains and its impact on the social welfare.

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ANALYSE OF THE MAIN DISTRIBUTION CHAINS IN ROMANIA

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Key words: logistic, distribution, chains

Abstract

On the Romanian market participating numerous well known distribution chains each having a network of shops developed in accordance with the target market and the specific features of the group. Their entering this market was determined by the continuously increasing potential and the possibilities offered. This evolution resulted in attracting new investments coming from existing companies on the market as well as other international companies.

INTRODUCTION

The logistics designates an ensemble of activities that insure the product's access from the producer to the consumer or the final user.

The main components included in the generic term of logistics are: the transport of the merchandise, stocking, storage/manipulation and sorting as well as the delivery and reception of goods.

MATERIAL AND METHOD

The merchandise's physical transport holds the quasi-majority share within logistics' total cost, approximately two thirds. This is why we consider necessary the presentation of the sector of merchandise transport on global level as well as on European level and respectively in Romania.

The main objective of the European Union in the field of merchandise transports vises the creation of an unique, trans-European network, by interconnecting the 27 national networks.

The community policy in the field, elaborated until 2015 foresees the favoring of railroad transports development as well as the maritime and fluvial transports development, parallel to the limitation of the negative impact generated by the increase in the transport activities over the environment. The concrete means of transport for reaching the above mentioned objectives are:

- the integration of ecological and social costs in the tariffs for infrastructure access;
- the possibility of cross financing between the railroad and road means;
- the harmonization of taxes applied to fuels, and others.

The expeditions and maritime and fluvial transports of merchandise are situated on the first place, approximately 50% of the traffic on world scale being performed on seas, oceans and rivers. The main advantages of these forms of transport for merchandise lie in the fact that by using one mean of transport one can transport a considerable quantity of merchandise, the cost of the performance being lower compared to the other categories of transport.

The global market for merchandise maritime and fluvial transport had known a volume increase of 11.2% in 2006, 11.1% in 2007 and respectively 9.1% in 2008, from 89 million Teu in 2005 to 99 million Teu in 2006 and respectively about 120 million Teu in 2008.

The merchandise air transports insure the deployment of about 2% of the total merchandise expeditions.

The increase of the global merchandise transports market has been of 4.1% in 2007 and respectively 4.6% in 2008.

Railroad merchandise transports hold an important share within the continents (about 15% - 20% of the world traffic).

The road merchandise transports have known, especially in the European Union, an appreciable ascending dynamics, their share reaching 30% within total merchandise transports.

As a modern form of merchandise transports we must mention the container form that may be transported single modal (by one mean of transport), or multi-modal (with several means of transport).

The volume of transported merchandise in Romania knew a growth of about 20% in 2008, compared to 2002, and their way practically doubled in the same time interval.

Concerning the merchandise transports structure on forms in Romania, in 2008 it presented thus: By sea - 0,3%, By road - 71,3%, Through pipes - 2,5%, By railroad - 19,7% and Internal fluvial network - 6,2%.

CONCLUSIONS

The available data on the level of the European Union indicate the prevalence of the road transport and the maritime transport as main forms of transports used in the countries of the European Union

In Romania we notice the quasi-majority share held by the road transports within the total merchandise transports.

NOTE

Teu – conventional measurement unit equal to a standard container of 20”

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STUDY ON ESTABLISHMENT OF A NEW COMMERCIAL BANK BY USING GIS

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Keywords: GIS, bank establishment, spatial and tabular data, digitizing and overlaying maps

Abstract

GIS is experiencing a period of rapid growth in applications, not only useful for multiple resource inventories and monitoring of natural resources but also for business development. The objective of the study was to establish a new commercial bank by using Geographical Information System (GIS).

A financial institution has a program to establish a new commercial bank. The problem, in essence, is where the best location for a new commercial bank should be established? The solution can be done by using GIS software, namely ArcGIS 9.2. with some operations of spatial data, tabular data and their integrations as follows: (1) organizing tabular data: sub district area, class of population density and their incomes, (2) digitizing thematic map: demographic aspect, position of existing banks, topographic and slope classes, transportation network, watershed area and finally (3) overlaying all spatial data and link-up with all tabular data. The final result of the study was a digital map which contains suitability classes of bank location (very suitable, suitable, unsuitable and very unsuitable for a new bank establishment).

INTRODUCTION

GIS is experiencing a period of rapid growth in applications, not only useful for multiple resource inventories and monitoring of natural resources but also for business development. These for GIS were not only about helping to solve geographical problems but also to solve business problems. Let's us think about the information held by that business-how much of that data has a spatial dimension? Some sources claim that as much as 90% of business data is geographic data (Moloney *et al*, 1993), for example: (1) all manufacturing business has a distribution chain which requires products to be taken to markets by the cheapest route in the least time, (2) every business has customer who live somewhere and (3) all service business choose their location, at least in part, by optimizing the spending power in the defined catchment area, etc.

According to Grimshaw (1996) GIS present an opportunity to solve business problems by providing a capability to process the high proportion of business data that is geographic data. The comprehension of this opportunity represents a step in the thought process from perceiving GIS as a specialist geographical system to understanding GIS as a business information system supporting an organization's needs. The most important capabilities of GIS from a business user's point of view can be grouped into three areas: (1) presentation of data in map form is the most obvious and immediately attractive capability, (2) an ability to query data and (3) the capability to perform spatial analysis. These three areas are illustrated in Figure 1.

The capabilities of GIS can be considered under the following categories, which have been ordered so that those with the greatest mapping functions are considered first and gradually the list move towards an emphasis on spatial analysis capabilities.

One of GIS application in business is establishment of a new commercial bank. A financial institution has a program to establish a new commercial bank. The problem, in essence, is where the best location for a new commercial bank should

be established? The objective of the study was to establish a new commercial bank by using GIS.

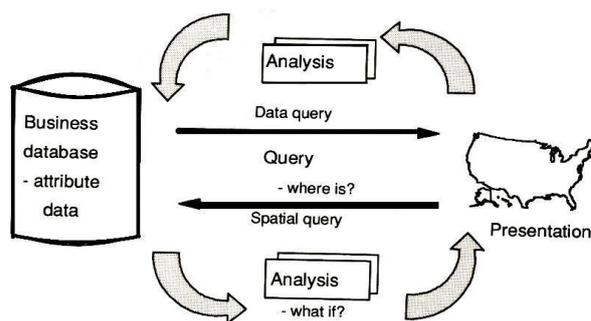


Figure1. GIS capability model (Source: Grimshaw, 1996)

MATERIAL AND METHOD

The study area is one of district in the West Java Province which contains 13 sub districts and 96 villages. There is four existing bank at the study area.

The research was done in tree steps as follows:

- (1) Organizing tabular data, the information regarding: area, number of population, population density at every sub district and village was collected from statistical table of Annual Statistic of West Java Province-year 2007,
- (2) Digitizing thematic map. Spatial data such as: road or network of transportation, river and watershed area, contour and slope classes was collected from the West Java Province Map. All of this thematic data was digitized by using Calcomp digitizer. Location of every existing bank (the old banks) was measured directly in the field by using Magellan GPS and to be continued by plotting bank location map by using Calcomp digitizer.
- (3) Overlaying and buffering all spatial data above and link-up with all tabular data by using ArcGis 9.2.

Spatial analysis was done at the Centre of GIS Laboratory of PIKTI-SISKOM in Bandung City. Analysis structure of the spatial map for suitability classes of commercial bank location is illustrated in Figure 2.

RESULTS AND DISCUSSIONS

Some considerations to build a new commercial bank are depends on the criteria from respective top manager. In this study, the criteria was selected as follows: the best location of a commercial bank lies at high population density (and if possible at high income of population); the bank lies along a road with buffer 100 m in distance, it's far from river with buffer 400 m in distance to avoid flooding; and also lies on the plains (or at smallest contour class) to avoid landslide or natural disaster; it's far from existing bank to avoid high competition among banks, etc.

such as: all thematic maps must have same scale and same geo-references.

Number of classes scoring is optional, it can be 3, 4 or 5 and it is depend on research objective. Buffering area for road map with 100 m in distance and for river map with 400 m in distance is optional and it is also depend on research objective. In other word, GIS can be used to decision making in selection of bank location and also can be used as decision support in marketing, etc.

The final result was a digital map which contains suitability classes of bank location (very suitable, suitable, unsuitable and very unsuitable for a new bank establishment). This research can be done successfully by using analysis spatial from ArcGis 9.2. This study is simple and it is better if in the future will be expanding with another spatial data which contain analysis more complex and accurate.

CONCLUSIONS

1. The range of capabilities of GIS is wide. GIS is not only useful for multiple resource inventories and monitoring of natural resources but also for business development.
2. ArcGis 9.2 has capabilities to handle spatial analysis in business development to decision making in establishment of a new commercial bank.

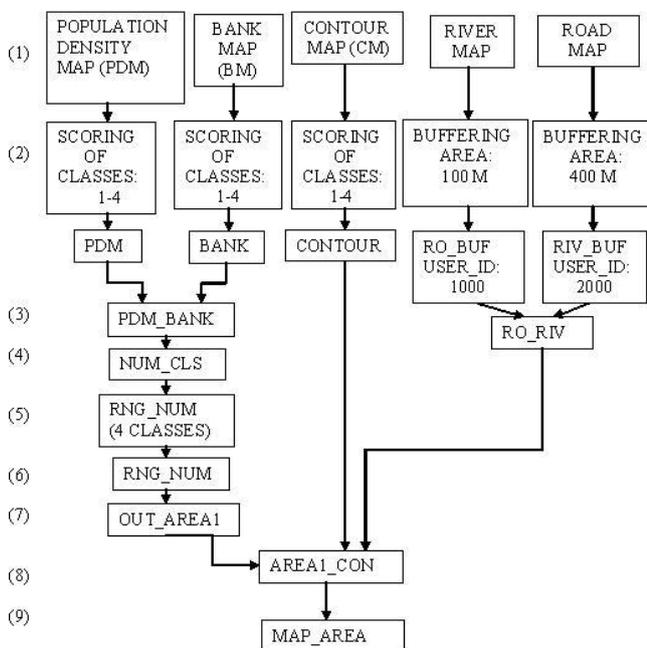
ACKNOWLEDGEMENT

The authors would like to thank Mr. Adang Saputra, the Director of the GIS Laboratory of PIKTI-SISKOM in Bandung City for his support and assistance during preparation of this paper.

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 *** www.esri.com. ArcGis 9.2: Compile, Author, Analyze, Map, and Publish Geographic Information and knowledge.

Figure 2. Analysis Structure of the Spatial Map for Suitability Classes of a commercial bank location



Note:
 (1) Digital maps, (2) Processing of Classes Scoring, (3) The First Overlay Process, (4) To Summed Up Classes, (5) Range of Classes Number, (6) Data Base Input, (7) Result of the First Overlay, (8) The Second Overlay Process, To Summed Up Classes and Range of Classes Number, (9) Result Map of The Second Overlay (Final Result: The Map Suitability Classes of a New Commercial Bank Location).

ArcGis 9.2 has capability to handle overlay processing among thematic maps (population density map, bank map and contour map) and also buffering process from an edge (river and road). In overlay technique, various geographic data comprised of multiple layers are overlaid with logical operations including logical addition or logical multiplication. In buffering technique, buffering is to find an area within a certain distance from a given point or a line (Anonymous, 1993).

Processing of classes scoring for population density, bank and contour map with score from 1 to 4 and overlay processing among them and also buffering area for road and river map can be done easily and very fast. Although it's can be done easily but these maps requires considerable attention

CHARACTERISTICS OF INVOLVING DIRECT FOREIGN INVESTMENTS IN THE AGRARIAN SECTOR OF THE REPUBLIC OF MOLDOVA

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Key words: foreign investments, agriculture development, strategy, investment policy

Abstract

State's economic policy in the field of foreign capital investments, country's participation in the international conventions system, state's intervention degree and methods in economy, efficiency of the state's apparatus activity, consistency in economic policy promotion have an essential influence on the country's investment climate. State influence on the investment climate is done by the agency of development policy and strategy of the agrarian sector: cooperation stimulation between foreign and local investors, export activity stimulation of the enterprises with foreign participation etc.

INTRODUCTION

Investment activity in the Republic of Moldova is the most important factor that determines social and economic development of the country. Direct foreign investments in agriculture remains a topical issue, where efficiency of solution determine the process, rhythm and results of carried out reforms. Under conditions of transition to one management system to another, it is necessary to have an enormous amount of foreign investments in order to insure such transition. However, direct foreign investments in agriculture still do not meet the actual needs of Moldova. As well as in other countries, in the Republic of Moldova, direct foreign investments are considered an accelerating factor for economic and technical progress; for renovation and modernization of production capacities; for learning advanced methods of production organization; for training of personnel in accordance with needs of the market economy. The Republic of Moldova does not have sufficient financial resources and for this reason it is forced to apply for foreign help, seek new loans, one after another. But international experience shows that such policy is inefficient due to obligation to pay interest rate and lack of efficient mechanisms of utilization of borrowed money flow. Under such conditions the economy of the Republic of Moldova can be funded efficiently from abroad only through direct foreign investments.

Broadly speaking, Moldova needs direct foreign investments for the following reasons:

1. Low own investment potential of Moldova, that is insufficiency of internal resources of the private sector;
2. The need to integrate the Republic of Moldova into the world economy under advantageous conditions;
3. Creation of a competitive environment with participation of foreign investors, increased competitiveness of domestic products;
4. High debts before the state budget of significant number of public enterprises and sell them to foreign investments to pay for debts.

MATERIAL AND METHOD

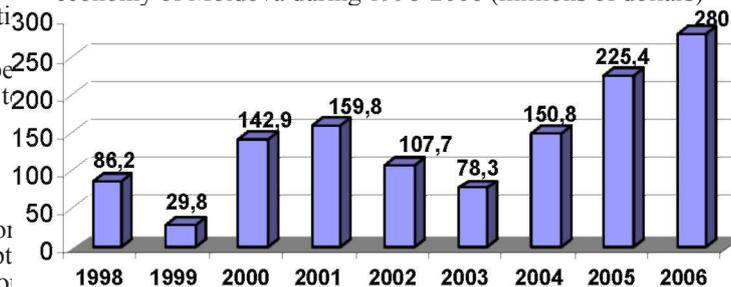
Methodological and theoretical and scientific support of the articles rests with a totality of theories and concept on investment activity under conditions of globalization and systemic transformations elaborated in fundamental papers by world-known authors, as well as results of own research. The research has also employed scientific

methods, such as: scientific abstraction method; unity of quantitative and qualitative analysis; observation method; investigation method; case studies; compared economic analysis, other methods. The informational basis of the paper represents normative and regulatory acts of the Republic of Moldova and from other countries in transition, and results of researches placed in periodicals and monographies by foreign and national authors. Summary and analysis of information on DFI at the international level, has used statistical data from reports of the UN Conference on trade and development (UNCTAD), World Bank and European Bank for Reconstruction and Development. The information sources also include data from the National Statistical Office of the Republic of Moldova, statements of joint ventures, formed with direct participation of the author, as well as electronic information resources.

RESULTS AND DEBATE

Direct foreign investments have started to come into the Moldovan economy in 1992, when Parliament of the country has approved a law on foreign investments, a law that provided for certain facilities for foreign investors. However, in 1991-97, Government of the Republic of Moldova has shifted emphasis to loans from abroad, which resulted in smaller flow of DFI in the economy during that period. For this reason in 1998-99, Government of Moldova restored emphasis from new loans to direct foreign investments.

Figure 1. Dynamics of direct foreign investments in the economy of Moldova during 1998-2006 (millions of dollars)



Source: National Bank of Moldova (annual report for the

respective years, without Transdneistria)

Analysis of dynamics of DFI (net) for 1999-2006 shows an essential 9-fold growth in volume (from 29.8 mln. dollars to 280 mln. dollars) but, without a stable tendency. Therefore, DFI flow has been gradually increasing until 1995, then it dropped from 86.2 mln. dollars in 1998 up to 30 mln. dollars in 1999. Reduction in foreign investments in 1999 took place as a consequence of negative effective of the financial crisis in 1998 in Russia. In 2000 and 2001, the DFI flow has spiked, but fell back in the following years. An increase in investments in 2004, to a large extent, has resulted in higher volume in reinvested income. In 2006, the amount of DFI was 280 mln. dollars.

Such instability in DFI dynamics during 1996-2006 can be explained by a changing conditions of investment climate in Moldova, in particular due to unpredictability and uncertainty of economic and political situation in the country.

According to data by the National Bank of Moldova, stock of direct investments accumulated in the national by the end of 2006 has been estimated at 1284.3 mln. USD, of which: subscribed capital and reinvested income - 951.0 mln. USD, other capital - 333.3 mln. USD. So, direct foreign investments per capita constituted 359.0 USD. In the first half of year 2007, the economy of the Republic of Moldova has received DFI in the amount of circa 180 million dollars. According to some estimates, during this year, the DFI flow could increase up to 400 million dollars, which would be a record for our country. On 30th of June 2007, stock of direct foreign investments accumulated in the Republic of Moldova has achieved the amount of 1505 million dollars, of which subscribed capital and invested income constituted 1095 million USD, other capital - 410 mln. USD. In the same time, it should be mentioned that in 2006 amount of outgoing capital was high. It shows that some investors have withdrawn from business from the Republic of Moldova and place their investments in other countries.

Table 1. Dynamics and structure of direct foreign investments in Moldova during 1998 – 2006, in mln. Dollars

Indicators	1998	1999	2000	2001	2002	2003	2004	2005	2006
Direct foreign investments (net) including	86.2	29.8	142.9	159.8	107.7	78.3	145.7	198.8	223.0
Authorized Capital	61.0	33.5	83.6	119.7	60.4	39.7	114.1	79.6	117.9
Reinvested income	4.2	4.94	11.7	9.5	10.7	21.2	38.7	32.1	43.3
Other capital	20.36	-7.83	47.7	30.5	37.0	17.4	-3.25.	86.9	61.1

Source: National Bank of Moldova, annual reports

Structure of net annual direct foreign investments made in Moldova is shown in table 1.

As compared to most of East-European, South-East European countries and Baltic countries who are actively involved in European integration, the amount of foreign investments in the Republic of Moldova is very low.

The amount of direct foreign investment per capita in the Moldovan economy is much lower than in East European, South-Eastern European countries, and Baltic countries who are actively involved in European integration process.

As stated in the 'Investment strategy and promotion of exports in 2006-2015', "regardless of some positive

trends in the field of investments in Moldova, its amount is comparatively lower than amount of investments in most of South-European Countries and Baltic countries. According to data from the National Bank of Moldova, in 2005, total amount of DFI per capita constituted in Poland - 1502 US dollars; Hungary - 3693 dollars; Czech Republic - 4080 dollars; Slovakia - 2128 dollars; Romania - 747 dollars; Estonia - 2995 dollars; Latvia - 1686 dollars; Lithuania - 1217 dollars, Republic of Moldova - 330 dollars, etc".

However, as compared with some CIS countries, such as Russia, Ukraine and Belorussia the amount of DFI per capita in Moldova is higher.

CONCLUSIONS

On the basis of investigation carried out on direct foreign investments, and its role in modernization of economy in transition, for purpose of assuring economic growth and transition to superior type of international specialization, we can draw the following conclusions:

1. Direct foreign investments are an important element of economy development in any country and operation of such on the basis of principles of market economy. They play an important role for consolidation of the economy of countries in transition and integration of this category of countries into the world economy. DFI allow for modernization the national economy, in particular in transition, by implementing advanced technologies, know-how, advanced equipment, new quality standards, by switching to a better type of economic growth and international specialization.

2. Direct foreign investments should not be treated as a life buoy that will automatically lead to positive macroeconomic and microeconomic effects. Efficiency of direct foreign investments depends on its quality, as well as industries where they are involved.

3. Direct foreign investments are only one of the factors of economic growth of a country. Direct foreign investments

in agriculture of the Republic of Moldova is the basis of economic growth. After an analysis of correlation: direct foreign investment – economic growth, the conclusion was that direct foreign investments have a positive impact on economic growth only if the state insistently promotes its own investment policy, taking into consideration national interests and priorities in development of the country.

4. Direct foreign investments are already an integral part of Moldovan economy. But except for a relatively positive dynamics of the foreign investments flow, presently they do not affect development of the country. Foreign capital does not stimulate yet the increase in agricultural production and does not contribute to carrying out some deep structural

changes in the economy of the country, improvement of situation in the labor market, increased export potential of the country.

6. Creation of a favorable investment climate in Moldova must occur in three direction: improvement of the regulatory and normative basis; development of foreign investment infrastructure; activation of integration into investment processes at the national level.

7. In order to bring foreign investments in Moldova, experience of developed countries and new EU member states must be adapted to conditions of Moldova, namely: existence of a specialized center for foreign investment support, introduction of a developed system of bank service and insurance, advisory services, insurance transport and communications; corporate strategies; analysis of competitive environment; policy carried out in the field of legislation adopted by the main competing countries.

ACCOUNTING OF FINANCIAL AID RECEIVED FOR AGRICULTURAL COMPANIES

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Key words : *Accounting, financial aid, agricultural companies*

Abstract

Government subsidies are compulsory in order to support agricultural producers to achieve high economic performances. The aer presents the differnet accounting treatments compared to the ones required by IAS 20, in case of Government subsidies related to biological assets evaluated at the right value minus related costs at the sale point or in case of subsidies do not involve specific agricultural activities. The treatments for the following aspects have been presented : Accounting of Government subsidies, Accounting of Value Bills received in agriculture, Accounting of Value Bills for fuel, Accounting of Financial Aid received for seeds . As a conclusion , if Government subsidy is conditioned , the agricultural company will register costs and further obligations related to the fulfillment of conditions required by Government. Also, it is possible as the benefit not to meet the amount allotted as Government subsidy . In this case , if the conditions are accomplished , subsidy could be considered an income.

INTRODUCTION

Taking into account the disastrous situation of agricultural producers , the only solution is to support them based on efficiency criteria. The main measures supporting agricultural producers in order to promote high performances are the following ones :

1. cancellation of income tax at least for 5-10 years;
 2. setting up a subsidy system for agricultural producers , based on transparency and economic efficiency.
- More concrete , the following measures are required:
- subsidized purchase price for certified seeds;
 - agricultural producers loaning in order to finance costs of agricultural works in vegetal and animal production;
 - fuel bills ;
 - support for agricultural equipment purchase by loaning with subsidized interest;
 - subsidized loaning for buying reproduction animals, setting up Vine plantations and fruit trees plantations as well as for various buildings (animal sheds etc) , needed by agricultural holding;
 - premium allowance for purchasing various agricultural products (for instance : wheat for bread manufacturing) allotted directly to agricultural producers;
 - support for actions of national interest concerning plant protection and soil fertilization (fertilizers, pesticides etc);
 - incentives for agrofood products sale by means of food standards alignment to the ones of the EU ;
 - agricultural extension services for agricultural producers in order to apply new technologies and quality standards.

MATERIAL AND METHOD

The paper is based on the recent information required by the legislation in force concerning the financial aids provided by the Romanian Government for agricultural producers , IAS 20 provisions and also the corresponding accounting

treatments specific to financial aids offered by Romanian Government in order to support the development of agricultural farms at the Eu standards .

RESULTS AND DISCUSSIONS

Government subsidies related to biological assests affect the incomes of agricultural company depending on the moment when they are recognized , subsidy tyoe and the model used for the assessment of biological assets .

If the evaluation of biological assests is achieved at the real value minus estimated costs at the sale point , the Government subsidy liked to that asset is considered an unconditioned one , being recognized as an income in the moment when subsidy becomes „Account Receivable”. If subsidy is a conditioned one , it will be recognized as an income at the moment when the conditions related to subsidy are accomplished.

According to IAS 41, if the assessment of a biological asset is achieved at its cost minus any cummulated depreciation and loss coming from cumulated depreciation, Government subsidy is recognized as an income , according to the treatment provided by IAS 20, „Government subsidies are recognized , on a systematic basus , as income for the period related to the subsidy costs which will be compensated later”.

The IAS 20 allows the application of two methods for accounting treatment of Government subsidies related to assets:

- setting up Government subsidy as an income achieved in advance or
- deduction of Government subsidy of the assets accounting value. This method is suitable to the model based on correct value , where an asset is evaluated and presentde at the real value.

Accounting of Government subsidies

Usually, subsidies are received based on some specific conditions which must be fulfilled and determine the way of their bookkeeping:

a) subsidy reception as liquid assets is not a convincing proof that the reception conditions have been or will be accomplished;

b) subsidy reception way (liquid assets or debt payment of the company to the state budget) do not guarantee the fulfilling of the conditions required as subsidies to be provided;

c) loaning coming from Government and cancelled by it is considered subsidy only in the case when it is sure that the company will fulfill the condition of its reimbursement;

Accounting of Value Bills received in agriculture

Value Bills represent a type of operating subsidy, a reason to use the corresponding accounts such as 445 „Subsidies” and 741 „Incomes from operating subsidies”, with their development by analytical accounts. Incomes from the account 741 are registered as operating incomes and represent subsidies for covering price differences or operating losses.

Considering that in the month of August 2008, value bills received as subsidies for Winter wheat crop have to be registered as follows:

- In the month of August 2008, value bills are received as incomes related to the future periods

445 „Subsidies” = 472 „Incomes registered in advance”

- In September the year I N, the value bills are received

512 „Bank accounts” = 445 „Subsidies”

- Purchase of materials for agricultural works (seeds, fuel, fungicides, mechanical works):

301 „Raw materials” = 401 „Suppliers”

- Payment to suppliers:

401 „Suppliers” = 512 „Bank accounts”

- In October 2008 the Autumn agricultural works are carried out

601 „Raw material costs” = 301 „Raw materials”

- At the end of October 2008, agricultural works in process are registered at production costs

331 „Work in process” = 711 „Inventory variation”

- In July 2009, crop harvesting is registered.

345 „Finished Goods” = 331 „Work in Process”

- In August 2009 the obtained agricultural products are sold, based on the invoices.

411 „Accounts receivable” = 701 „Incomes from finished goods sale”

- Subtraction of Finished Goods from Inventory variation:

711 „Inventory variation” = 345 „Finished Goods”

- Subsidy is registered as income, when the value bills have been provided for materials, with the amount previously recorded as postponed incomes:

472 „Incomes in advance” = 741 „Incomes from operating subsidies for raw materials and materials”

- In case the value bills are provided for covering the price differences, subsidy is registered as an operating

income.

472 „Incomes in advance” = 741 „Incomes from operating subsidies related to sales”

Accounting of Value Bills for fuel

- Reception of Value Bills:

5328 „Other values” / Analytic account = 741 „Incomes from operating subsidies”

- Primirea motorinei pe baza facturilor:

%

301 „Consumables”

4426 „VAT” = 401 „Suppliers” / Analytic account

- Fuel consumption:

601 „Raw materials costs” = 301 „Raw materials”

- Achitarea furnizorilor pentru motorina achizitionata:

401 „Suppliers” / Analytic account = %

5328 „Other values” / Analytic account

512 „Bank accounts”

Accounting of Financial Aid received for seeds

Economic agents, registered for producing seeds, receiving financial aids for seed production, according to the law in force, as well as for processing, control and quality certification, seed and seeding material supply or registration of plant varieties will register the financial aids as follows:

- Registration of the right to receive financial aid:

445 „Subsidies” = 741 „Incomes from operating subsidies”

- Reception of financial aids:

512 „Bank accounts” = 445 „Subsidies”

- Registration of reimbursement of financial aids as well as of penalties calculated in case when beneficiaries did not respect the conditions:

a. registration of obligation to reimburse subsidy:

6588 „Other operating costs” = 446 „Other taxes”

b. registration of calculated penalties:

6581 „Reimbursement, fines, penalties” = 4481 „Other debts to public budget”

c. reimbursement of subsidies and penalties payment:

%

446 „Other taxes”

4481 „Other debts to public budget” = 512 „Bank accounts”

According to IAS 41, the supply of a Government subsidy to an agricultural unit imposes to cultivate land in a specific area at least five years and to give back subsidy if land cultivation lasts less than five years. It is a conditioned subsidy. In this case, the Government subsidy is not recognized as an income only at the deadline of the five years.

445 „Subsidies” = 741 „Incomes from operating subsidies”

If, for some reasons, at a specific moment, during the financing period, the company does not fulfill the conditions attached to that subsidy, it has to reimburse the part of subsidy related to the remaining years:

445 „Subsidies” = 512 „Bank accounts”

CONCLUSIONS

1. Agriculture applies a different treatment compared to the ones required by IAS 20, in case of Government subsidies related to biological assets evaluated at the right value minus related costs at the sale point or in case of subsidies do not involve specific agricultural activities.

2. If Government subsidy is conditioned, the agricultural company will register costs and further obligations related to the fulfillment of conditions required by Government.

3. Also, it is possible as the benefit not to meet the amount allotted as Government subsidy. In this case, if the conditions are accomplished, subsidy could be considered an income.

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THE EVALUATION OF BIOLOGICAL ASSETS AND AGRICULTURAL PRODUCTS

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Key words : *biological asset , evaluation, fair value , economic benefit*

Abstract

An asset or a biological product will be recognized in the balance “when a probable future economic benefit of the undertaking and assets has a cost or value that can be evaluated credibly”. Under the practical aspect, the control of a biological asset or agricultural product is expressed by holding property or exercising a similar right control property, which arise from past events. Future economic benefits are usually estimated by measuring significant physical attributes. IAS 41 introduces the accounting model agricultural assessment based on fair value. Arguments in favor of assessing the fair value refers to increase relevance, credibility and comparability information based on this model to those who would get on the historical cost basis. Using the fair value like based assessment, enables the correlation of biological value of the assets to the size expected in the future with economic benefits of undertaking from these assets.

INTRODUCTION

Agricultural activity comprises a wide range of activities, being distinct from other activities in point of its management.

Agricultural activity presupposes an enterprise managing the transformation of biological assets into agricultural products intended for sale or into supplementary biological assets.

Biological assets consist of similar animals or plants grouped according to certain criteria, such as:

- the period of use and manufacturing – long-term biological assets and current biological assets;
- maturity – mature biological assets and non-mature biological assets; .
- the possibility to obtain multiple agricultural products and/or supplementary biological assets – usable biological assets and carrier-biological assets.

As a result of biological processes, there occur quantitative and qualitative changes of biological assets, part of which leading to the separation of production from biological assets or the termination of their life.

An entity shall acknowledge a biological assets or an agricultural product if and only if: the entity controls the asset as a result of previous occurrences; it is likely that the future economic profit attached to the asset will benefit the entity; the just value or the cost of the asset can be assessed in a plausible manner.

The International Accounting Standard 41 *Agriculture* introduces to agricultural accounting the evaluation model based on the just value, from which the estimated costs of the sale point are subtracted. This method first and foremost influences those agricultural activities in which the biological assets generating future benefits have an economic life duration exceeding the period of the financial exercise, and influences, to a smaller extent, the information on biological assets whose economic life duration does not exceed one calendar year.

Using the evaluation based on the just value generates an increased relevance, credibility, comparability, and intelligibility of the information founded on this model, as compared to the information obtained from cost history.

Evaluation in an active market

If there is an active market for a biological asset or an agricultural product, then the price quoted on that market represents the suitable basis for the determination of the just value of that asset. An active market is characterised by the following elements: the items traded are homogeneous; at any moment, the market brings together available sellers and buyers, and the prices are accessible to the public.

For an enterprise that has access to various active markets, the price on the most relevant market constitutes a reasonable basis for the assessment of the just value. The relevant character of a market is provided by the possibility that the enterprise may use that market.

According to IAS 41, “a biological asset shall be evaluated, for initial acknowledgement and at each balance date, at the just value minus the estimated costs at the sale point”, except for the case when the just value cannot be assessed in a plausible manner. Also, agricultural products shall be evaluated at the just value minus the costs estimated at the sale point at the harvesting moment.

Sale point costs include the commissions of brokers and dealers, the amounts due to the regulating authorities and commodity exchanges, as well as transfer fees and taxes. These costs do not comprise transportation costs and other costs incurred in order to put the assets on a market. Transportation and various other costs are deducted at the moment when the just value is determined (thus, the just value represents the market price minus transportation and other costs incurred in the process of putting the assets on the market).

According to IAS 41, when a biological asset or agricultural production is initially acknowledged at the just value minus the estimated costs at the sale point, gains or losses may occur, as the estimated sale point costs are deducted when their just value minus the estimated sale costs is determined.

For example, 100 pigs are purchased in order to populate a newly set up farm, for a unit price of 20 lei. Transportation is provided and paid for by the supplier. If the farm sold the animals in the present condition, it would take over the transportation amounting to 50 lei and other estimated sale point costs of 1% of the market price of the biological assets.

The just value minus the estimated costs at the sale point is 1930 lei, and it was determined as follows:

- market price:	100 units x 20 lei /unit =	2.000 lei
- cost of transportation attached to sale		50 lei
- just value		1.950 lei
- estimated costs at the sale point:	(1% x 2000 lei) =	20 lei
- the just value minus the estimated costs at the sale point		1.930 lei
- loss from the initial acknowledgement of biological assets	(2000 lei – 1930 lei) =	70 lei

The accounting amounts to the following:

	% = Suppliers	2.000
Biological asset loss	Pigs	1.930
		70

The initial acknowledgement of a biological asset may contain a gain (such as the birth of a lamb). The accounting records of the event presuppose:

Lamb = Gains from biological assets

For agricultural products the harvesting moment represents the critical point marking the passage from the implementation of IAS 41 to the implementation of IAS 2 or another applicable standard, as at the moment of harvesting, the agricultural activity ceases and the processing activities of the products obtained begin. So, the just value minus the estimated costs at the sale point, established at the harvesting moment, according to the provisions of IAS 41, and for the harvested products it becomes a cost at the moment of the implementation of IAS 2 or any other applicable standard.

If the agricultural products are harvested within a long period, so that the market price may register considerable swings between the initial moment and the final moment of the harvesting activity (the products spoken about are those agricultural products which have high prices at the beginning of the harvesting period, when the quantity available on the market is reduced, and the decrease of the market prices when the supply goes up), the evaluation of the harvested products at the moment of the initial acknowledgement is performed according to the rules in IAS 41, irrespective of the market price at the date of the harvesting operation, and the evaluation of the agricultural product output (stocks) falls under the incidence of the rules in IAS 2 *Stocks*, being evaluated at the smaller value from the cost and the net attainable value.

Example: An entity slaughters the pigs that have reached maturity, thus obtaining 28.050 kilos of meat, at a price of 12 lei/kilo. The pigs slaughter represents the harvesting moment for agricultural products (the termination of the life of biological assets) and brings about the following accounting effects:

- the agricultural product "pork" is acknowledged as stock at the just value level – the estimated costs at the sale point (the market price) – 336.600 lei (28.050 kg x 12 lei/kg);
- biological assets are removed at the level of the accounting value related to the financial situations of the previous exercise 18.700 lei (187 units x 100 lei /unit);
- a gain is acknowledged from the just value minus the estimated costs at the sale point related to the harvested agricultural products, amounting to 317.900 lei (336.600 lei – 18.700 lei).

Evaluation in the absence of an active market

If there is an active market for a biological asset or an agricultural product, the quotation on that market represents a suitable basis for the determination of the just value of the asset in question. But if an entity has access to several active markets, then it will take as an asset evaluation basis the most relevant market, on the market expected to be used.

But there are situations in which for certain biological assets, and also for agricultural products, entities do not have an active market available to establishing the just value. In this event, entities have the following alternatives to decide

on the estimation of the just value:

a. the price of the most recent market transaction, unless a significant change occurred in the economic circumstances between the date of that transaction and the balance date;

b. the market price of similar assets adjusted to reflect the differences;

c. sector landmarks; the reference price is a price estimated by the competent authorities and lies at the basis of negotiating the sale-purchase price for products or product categories between the parties, seller and buyer;

d. the estimation of the just value on the basis of the net cash flow. The objective of calculating the current value of the estimated treasury flows means determining the just value of a biological asset in the current state and location, without taking into account any increases in value resulting from supplementary biological transformations or future activities of the entity, such as those referring to the improvement of future biological transformation, or harvest-related and sale-related alterations.

e. the approximation of the just value on the basis of cost. It is used especially when:

- there have been minor biological transformations since the moment of paying the initial cost;
- the biological transformation does not impact considerably on the price;
- f. the just value and the price of term sale contracts;
- g. the evaluation of biological assets when there is a forward sale contract;
- h. there is an active market for mixed assets.

The existence of biological assets (annual and perennial harvests, perennial plantations, massive forestry plantations, forestry protection strips, etc.) is impossible without agricultural lands. There may not be a separate active market for such non-mature biological assets, but it may exist for:

- mixed assets (biological assets and the lands they are situated on);
- unprocessed lands and biological assets cultivated on these lands.

In this case the just value of biological assets is determined as the difference between the total just value of the land and the biological assets cultivated on this land, and the just value of the unprocessed land. Similarly, the just value is determined for the supplied biological assets (orchards, vineyards), i.e. distinct from the value of the land they grow on. At the same time, these supplied biological assets are registered as fixed assets, whereas the land belongs to the category of land. Once the given biological assets start bearing fruit, the ageing is calculated according to IAS 16.

CONCLUSIONS

1. Agriculture has traditionally been part of the Romanian economy, being supported by the share of the population involved (approximately 37%), as well as by the contribution brought to the GDP (approximately 16%). Developing the agricultural sector, increasing the number of entities listed on the stock exchange, and increasing the number of investors in this field require drawing and presenting the financial records on the basis of solid, universally accepted accounting principles.

2. As a result, any entity owning biological assets will evaluate them all along their development, genetic transformations, production, procreation, and for the initial evaluation at the harvesting moment, the just value minus the estimated costs at the sale point, in a different manner from the procedure applied when the just value cannot be plausibly evaluated at the date of the initial acknowledgement.

3. It is not impossible for an enterprise with more than one variant of assessing the just value to opt for the alternative that is the less difficult or the most relevant in order to

express its situation and performance.

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ONLINE PROMOTION IN AGRICULTURE AND RURAL DEVELOPMENT: WHIM OR A NECESSITY?

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Keywords - focus increased, response measurable, fast feedback, high efficiency, flexibility

Abstract

Online advertising is a form of promotion that uses the Internet and World Wide Web for the expressed purpose of delivering marketing messages to attract customers. Examples of online advertising include contextual ads on search engine results pages, banner ads, Rich Media Ads, Social network advertising, online classified advertising, advertising networks and e-mail marketing, including e-mail spam. One major benefit of online advertising is the immediate publishing of information and content that is not limited by geography or time. To that end, the emerging area of interactive advertising presents fresh challenges for advertisers who have hitherto adopted an interruptive strategy.

INTRODUCTION

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One major benefit of online advertising is the immediate publishing of information and content that is not limited by geography or time. To that end, the emerging area of interactive advertising presents fresh challenges for advertisers who have hitherto adopted an interruptive strategy.

MATERIAL AND METHOD

The Internet is a global system of interconnected computer networks that interchange data by packet switching using the standardized Internet Protocol Suite (TCP/IP). It is a "network of networks" that consists of millions of private and public, academic, business, and government networks of local to global scope that are linked by copper wires, fiber-optic cables, wireless connections, and other technologies. The Internet carries various information resources and services, such as electronic mail, online chat, file transfer and file sharing, online gaming, and the inter-linked hypertext documents and other resources of the World Wide Web (WWW).

Electronic mail, often abbreviated to e-mail or email, is any method of creating, transmitting, or storing primarily text-based human communications with digital communications systems. Historically, a variety of electronic mail system designs evolved that were often incompatible or not interoperable. With the proliferation of the Internet since the early 1980s, however, the standardization efforts of Internet architects succeeded in promulgating a single standard based on the Simple Mail Transfer Protocol (SMTP), first published as Internet Standard 10 (RFC 821) in 1982.

Modern e-mail systems are based on a store-and-forward model in which e-mail computer server systems, accept, forward, or store messages on behalf of users, who only connect to the e-mail infrastructure with their personal

computer or other network-enabled device for the duration of message transmission or retrieval to or from their designated server. Rarely is e-mail transmitted directly from one user's device to another's. While, originally, e-mail consisted only of text messages composed in the ASCII character set, virtually any media format can be sent today, including attachments of audio and video clips.

Online chat can refer to any kind of communication over the Internet, but is primarily meant to refer to direct one-on-one chat or text-based group chat (formally also known as synchronous conferencing), using tools such as instant messengers, Internet Relay Chat, talkers and possibly MUDs.

Internet Relay Chat (IRC) is a form of real-time Internet chat or synchronous conferencing. It is mainly designed for group communication in discussion forums called channels, but also allows one-to-one communication via private message, as well as chat and data transfers via Direct Client-to-Client.

IRC was created by Jarkko Oikarinen in late August 1988 to replace a program called MUT (Multi User talk) on a BBS called OuluBox in Finland. Oikarinen found inspiration in a chat system known as Bitnet Relay, which operated on the BITNET. IRC was used to report on the Soviet coup attempt of 1991 throughout a media blackout. It was previously used in a similar way during the Iraqi invasion.

RESULTS AND DISCUSSIONS

Promoting the Internet has a greater focus. You can only promote such young people between 15 and 18 years who are interested in sports and have mobile phone. You can also promote and mass. You can go as deep in terms of degree of focus in a demographic group, while in others to keep a more general focus. It is your choice.

You know exactly how many users have seen the ad, how they click on it, how many turned into customers and who have recommended other people. On the Internet there is a lot of tools that measure the results of campaigns that can help you see clearly what your campaigns have an impact. The most important thing though is that you can measure how much income will bring the campaign reported at cost (ROI). If you pay 5 euro cents per click, so the visitor of the site, and 2% of visitors will become customers, means that pay 2.5 Euro / client.

High degree of measurable campaign will not only help in calculating the cost of a client. You can play with campaign messages, with the target audience, with offers, so campaigns have discovered that the best results, and especially to know why. So you will find the recipe that works best on the market for you and your audience. And you can use again and again, with good results.

One of the most important attributes of online promotion is the fast feedback. When you send a campaign e-mails or a newsletter, you can learn in a few minutes who open e-mails and gave it clicks. If a campaign banners, you can find daily number of people who have seen the banner, even how they see and how many have even bought.

This allows incredible opportunities. In case you are not happy with the campaign results, you can still take precautions during the exhibition. You can modify the message, target audience, offers, everything in real time. Online you have control.

The costs of online campaigns are low. The above example, with a cost of 2.5 euro for a client is a classic example of a campaign for pay-per-click. Also, if a particular campaign is well done and good focus, you have an exceptional response for the money rather few. But that does not mean that all campaigns cost less. You can give hundreds of thousands of euros on an online campaign. Key word here is efficiency. With the same money used in offline media, it may not have an answer so big. Therefore, online promotion is one of the most effective methods promotions.

CONCLUSIONS

Promoting the online and offline are more similar than different. But the online promotion has some attributes which are special.

Focus increased, The answer measurable, The feedback is quickly, High efficiency, Flexibility- all

these are factors that plead for online promotion. And if you have small budgets for promotion, online option becomes clear if you want to have any notable results.

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THE EFFECTS OF LABOUR FORCE MIGRATION TO ITALY AND SPAIN IN 2004-2008 ON ROMANIA'S REGIONAL DEVELOPMENT

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Key words: migration, labour force, effects, regional development, economic growth

Abstract

The phenomenon of external migration of Romanian labour force, especially to Italy and Spain produced, through its dimension, but also through its structural characteristics, a series of effects at the level of the Romanian labour force market, and also at the level of regional development. We can easily identify at least two major effects of the excessive migration: the decrease of labour force supply in certain regions, but also the remittances of capital and, implicitly, a high dynamic of the regional development. By using recent statistical data and also data obtained from surveys carried out among the Romanian people from Italy and Spain, we have tried to provide a multidimensional analysis of the dynamism of regional development in Romania. We emphasise the importance of the factor "external migration" but we don't leave out the analysis of other significant determinants, such as economic growth, decentralisation process and access to European Funds. We add this scientific research to other analyses aiming to describe and explain the implications of this far-reaching phenomenon: the migration of Romanian people to Europe.

INTRODUCTION

Regional development depends on a dynamic labour force market. The complexity of labour force migration in the European space in 2004-2008 has been analysed through the perspective of the positive and negative influences this phenomenon has had on the development regions [8]. The list of positive influences includes: remittance of capital, increased standards of life, and the emergence of a new labour culture. The negative influences are reflected in the decreased supply of labour force in Romania, and the loss of important segments of the active population, whether overqualified, or simply qualified, or under-qualified. It can be concluded that the years of maximum economic growth in Romania have coincided with the maximum flow of Romanian labour force to some Western European countries.

MATERIAL AND METHOD

The present study relies on official statistical data provided by the National Labour Office in 2005-2007, on data published by the National Institute for Statistics in 2004-2007, and on the findings of studies published by the Agency for Governmental Strategies about the Romanian communities in Italy and Spain, studies carried out by the Metro Media Transilvania Research Institute, Cluj-Napoca, in 2007-2008. The research methods we have employed included statistical processing of data collected by means of surveys carried out among Romanians who have migrated for work to Spain and Italy. The period of data collection was November-December 2007 for Italy, and March-April 2008 for Spain. The sample included 1066 subjects in Italy and 1207 subjects in Spain.

RESULTS AND DISCUSSIONS

The analysis of the labour force's external migration and of its effect on regional development in Romania starts from the official data provided by the National Labour Office [3]. In 2007, the number of workers who applied for a job abroad

was 37 639. As compared to 2006, when there were 53 029 such workers, the number dropped by 29.02%. Naturally, these figures illustrate the mediated component of external migration, more precisely that segment for which the Romanian state mediated finding a job abroad (fig. 1).

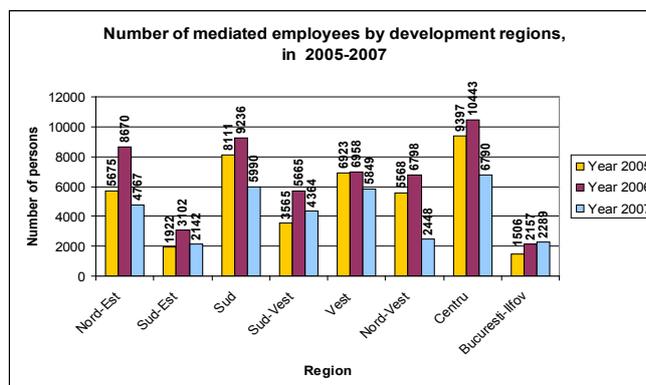


Fig. 1: Number of mediated employees by development regions
 Source: Statistical Bulletins on labour and social protection, www.mmuncii.ro

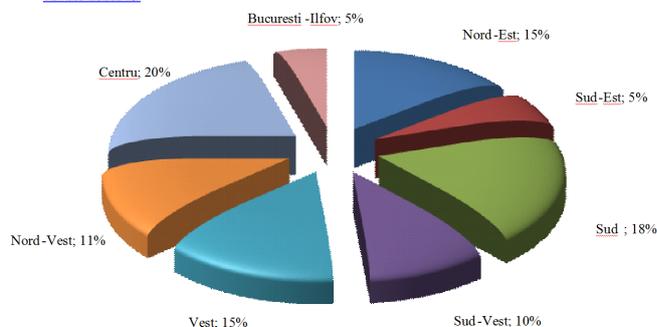


Fig. 2: The share of each region in total requirements for obtaining a work contract abroad, 2005-2007
 Source: authors' processing

As concerns the percentage of each region out of the total applications for a work contract, in 2005-2007, the Central Region came first, with 20% of the total applications, followed by the North-Eastern and the Western regions, each with 15% of the total. The fewest applications came from the

South-Eastern, South Muntenia and Bucharest-Ilfov regions have been less affected by this phenomenon.

Starting from the data provided by L'Istituto nazionale di statistica of Italy as of 31 December 2007 (625 278 recorded Romanians) and by the Instituto Nacional de Estadística

Table 1: The percentage of active population that emigrated to Italy and Spain of the total active population of each development region in Romania

Development region	Structure of active population			Romania ⁴	Percentage of active population of Romania who have emigrated to Italy and Spain
	Romanians in Italy ¹	Romanians in Spain ²	Estimate of Romanians in Italy and Spain ³		
North-East	25.3%	10.1%	18.3%	17.0%	8.1%
West	9.0%	14.8%	11.2%	9.1%	9.6%
North-West	10.0%	22.2%	15.5%	12.6%	9.3%
Centre	13.9%	16.4%	15.1%	11.9%	9.5%
South-East	13.2%	10.4%	11.9%	3.4%	2.7%
South Muntenia	10.1%	14.5%	11.9%	4.9%	6.1%
Bucharest-Ilfov	6.0%	4.5%	5.3%	10.9%	3.7%
South-West Oltenia	12.6%	7.5%	10.2%	10.2%	4.6%
TOTAL	100%	100%	100%	100%	7.5%

regions of South-Eastern Romania and Bucharest-Ilfov, each with approximately 5% of the total (fig. 2).

Although the statistical data indicate that the total amount of mobility for work decreased in 2007 as compared to the previous years, it is possible that these data do not reflect the real dimension of the phenomenon mainly for the reason mentioned above. It is very clear at present that a significant part of those who leave the country in search of work choose informal channels of obtaining a job, using their connections, relatives or dealing directly with the employers.

For a more accurate analysis of the effect of labour force migration abroad we used the data obtained recently in the sociological studies carried out among the Romanian communities living in Italy and Spain [4], [5].

The motivation for making the decision to migrate has some clearly outlined dimensions. Money (or the lack of it), the aspiration to higher standards of living, the wish to be rewarded according to the amount of work done, the manifest or latent pressures in the family, the economic situation in Romania are the major reasons that caused the exodus to Western European countries. When we dig deeper into the motivational issues, we can identify two causes that modelled the decision to migrate: absolute or relative pauperisation, and the individuals' wish to better use their expertise, competences and skills.

The first question that leads our investigation into the manner in which external migration has influenced regional development pertains to the professional structure of the labour force that has chosen to emigrate. As concerns the structure of active migrants (18-64 years), the distribution by development regions indicates a series of patterns:

- A higher percentage of labour force migrants head for Italy from the North-Eastern, Central, and South-Western Oltenia regions.

Table 2: The percentage of qualified labour force that emigrated to Italy and Spain

Development region	Percentage of qualified labour		
	Romanians in Italy ¹	Romanians in Spain ²	Estimate of Romanians in Italy and Spain ³
North-East	68.4%	82.5%	74.8%
West	66.1%	70.9%	68.3%
North-West	70.8%	75.5%	72.9%
Centre	71.9%	74.1%	72.9%
South-East	57.0%	72.1%	63.9%
South Muntenia	54.5%	80.2%	66.3%
Bucharest-Ilfov	79.4%	74.1%	77.0%
South-West Oltenia	64.1%	69.3%	66.5%
TOTAL	68.4%	82.5%	74.8%

- A higher percentage of labour force migrants head for Spain from the Western, North-Western, Central and South Muntenia regions.

We can conclude that the development regions that are most affected by external migration are: the Central, North-Western, Western and North-Eastern regions, while the

of Spain as of 31 December 2007 (527 009 recorded Romanians), figures that are under the estimations of various institutions, but as of now the only official ones, we estimated the structure of active population in Italy and Spain, a structure that does not differ a lot of that of Romania in 2007. Also, relating to these figures, we were able to calculate the percentage of active population that emigrated to Italy and Spain of the total active population of each development region in Romania (table 1)

¹ data from the survey carried out by Metro Media Transilvania, commissioned by the Agency for Governmental Strategies, among Romanian immigrants in Italy, November-December 2007.

² data from the survey carried out by Metro Media Transilvania, commissioned by the Agency for Governmental Strategies, among Romanian immigrants in Spain, March-April 2008.

³ data provided by the above-mentioned surveys and L'Istituto nazionale di statistica of Italy and Instituto Nacional de Estadística of Spain as of 31 December 2007.

⁴ data provided by the National Institute for Statistics of Romania for 2007.

Beyond the volume of labour force that left for Italy and Spain, and the amount of external migration, the qualitative evaluation of the phenomenon through the analysis of labour force quality and the manner of qualification are another issue to investigate in order to identify the effects of external migration on regional development.

From data provided by the survey we conclude that:

- The Romanians in Spain are a better qualified labour force than the Romanians in Italy.
- The development regions which export the best qualified labour force are Bucharest-Ilfov, the North-East, Centre, and the North-West (table 2).

^{1,2,3} data provided by the above-mentioned surveys and L'Istituto nazionale di statistica of Italy and Instituto Nacional de Estadística of Spain as of 31 December 2007.

If we widen the analysis to the fields of qualification, we obtain the following:

Table 3: The percentage of qualifications of labour force that emigrated to Italy and Spain

Development region	Estimate of Romanians in Italy and Spain ¹				
	Commerce	Construction work	Industry	Services	Higher education
North-East	9.2%	22.8%	47.9%	13.8%	6.3%
West	13.9%	24.1%	34.3%	20.3%	7.4%
North-West	14.9%	18.3%	40.1%	13.7%	13.0%
Centre	9.7%	17.6%	46.3%	13.7%	12.7%
South-East	13.7%	20.4%	43.2%	12.7%	10.1%
South Muntenia	12.9%	20.4%	46.5%	10.1%	10.2%
Bucharest-Ilfov	11.5%	21.8%	46.7%	6.0%	14.0%
South-West Oltenia	10.1%	22.9%	36.9%	16.4%	13.7%
TOTAL	11.6%	20.4%	43.7%	13.8%	10.5%

¹ data provided by the above-mentioned surveys and L'Istituto nazionale di statistica of Italy and Instituto Nacional de Estadística of Spain as of 31 December 2007.

In conclusion, almost half of the qualified Romanians employed in Italy and Spain are in industry, a fifth in construction work, and relatively similar percentages in commerce and services. Those who have higher education make up approximately 11%.

Those who are qualified industrial workers tend to come from the North-East, Bucharest-Ilfov, South Muntenia, and the Central regions. Those who have qualifications in constructions tend to come from the North-East, West, and South-West Oltenia (table 3).

It seems that as concerns human resources, the most affected development regions have been the Central, North-Western, Western and North-Eastern regions. As mentioned above, external migration has produced a series of effects that compensate for the loss of labour force, one of these being the transfer of money to Romania.

Another investigation that may result from the manner in which the Romanians' emigration for work to Western Europe has influenced regional development concerns the amount of money transferred to Romania and the manner in which this amount is divided among the development regions.

The total net monthly income of individual respondents was on the average 1 030 Euros in Italy in October 2007, and 1 230 Euros in Spain in February 2008. As concerns the net monthly income of the household, this was around 1 650 Euros in Italy, and 2 010 Euros in Spain. The frequency of money transfer to Romania differs by countries. Thus, in Italy, 15% of the respondents send money to their family on a monthly basis or more often, while in Spain the respondents who do this make up 23%. In Italy, 32% of the Romanians state that they don't send money to family members back in Romania at all, while in Spain such individuals make up only 24%. As concerns the average amount sent in the last transfer to Romania, in Italy the average is around 570 Euros, and in Spain the amount is similar, 530 Euros.

A processing of the amounts of money transferred to Romania, based on the data above, indicates that the biggest percentage of the amounts sent were destined to families in the North-Eastern, North-Western and Central regions (table 4).

Table 4: Estimate of the annual amount of money sent by Romanians from Italy and Spain

Development region	Estimate of the annual amount of money sent to Romania by Romanians from Italy and Spain (million Euros) ¹
North-East	545
West	255
North-West	431
Centre	300
South-East	242
South Muntenia	294
Bucharest-Ilfov	141
South-West Oltenia	214
TOTAL	2 421

¹ data provided by the above-mentioned surveys and L'Istituto nazionale di statistica of Italy and Instituto Nacional de Estadística of Spain as of 31 December 2007.

Of course, this estimate has its limitations (the reduced size of the samples, the real number of Romanians in Italy and Spain). However, beyond these limitations, they provide an important piece of information about the manner in which the money that is sent to Romania from Italy and Spain is distributed in the country.

The plans made by Romanians in Italy and Spain for the next two years include returning to Romania, starting a business, building a house, buying land in the home country. One can notice from the findings of studies carried out that the Romanians' real estate investments target Romania rather than Italy or Spain.

A study carried out by the UN's International Fund for Agricultural Development, titled "Sending money home: worldwide remittance flows to developing countries", reveals the fact that the amounts earned by emigrants and sent to their families in their country of origin have often been hidden, or counted out, or even ignored. Once the external migration phenomenon has amplified, this situation has changed, having grabbed researchers' attention [1].

At present, the impact of amounts of money sent home by emigrants is well known in all the developed countries of the world, representing a source of growth of currency reserves in the migrants' home countries, as well as a source of increased income for approximately 10% of the population. The importance of the phenomenon for the decrease of poverty is obvious, and its multiplying effect on economic growth is also significant. Calculating the amount of money resulting from Romanian migrants is a difficult process, due to the existence of both formal and informal channels for money transfer. For this reason, the figures may be underestimated.

According to this study, in 2006, the money sent to the country by Romanian citizens working abroad amounted to 4.7 billion dollars, a value not far from our estimation (~ 2.5 billion euro only from Italy and Spain), Romania coming third in the hierarchy of countries who have recorded significant amounts resulting from migrants who work abroad (table 5).

Table 5: Remittances from migrants who work abroad in 2006

Country	Amount (bill. \$)
Russian Federation	13 794
Ukraine	8 471
Romania	4 795
Poland	4 760
Serbia and Montenegro	3 642
TOTAL	35 462

Source: authors' processing

According to the same study, the annual transfers in Europe amount to 1 600 \$/emigrant and represent 4% of the GNP and 11% of the exports. A particular case is that of the Republic of Moldova, where these amounts make up over 30% of the

country's national income. These amounts are destined to a lesser extent to the rural areas in Europe, except for Albania, the Republic of Moldova, and Romania, where over 50% of the income is directed to the rural areas. The money transfer channels are formal, done mainly through banks.

CONCLUSIONS

1. The present analysis aimed to identify the causal relations between migration and the development regions of Romania, in the period 2004-2008.

2. The effects of external migration on the development of the region of origin can be viewed as both positive, and negative. From among the positive effects we should name the following: external migration is an engine of socio-economic development through financial, know-how and competence transfers, through access to modern technologies, and not lastly through the change of mindsets for the better.

3. As a result of statistical data analysis, one can notice that Romania is a country that receives important amounts of money, over half of it directed to the rural areas. This leads to the emergence of economic activity in the regions, to the increase of consumption, and implicitly to an increased standard of living of the population. Thus, a direct consequence of the flow of labour force abroad is economic growth.

4. As a negative effect, we should point out that the money that comes from emigrants is divided unequally among the regions, emphasising the discrepancies among them. For this reason, the financial resources resulting in this way cannot replace the regional development strategies, meant to lead to the economic development of the regions.

5. The solution to this problem could be to create in the regions structures to control the phenomenon of external migration and to channel the correct investment of financial resources originating from Romanian emigrants.

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CONSIDERATIONS UPON NET WORKING CAPITAL MANAGEMENT

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Key words: *Net Working Capital, financial management*

Abstract

The paper aimed to present some considerations upon Net Working Capital and its specific ratios , based on the data collected from Balance Sheet and Profit and Loss Account belonging to an agricultural company dealing with cereal production in the Southern Romania. The reference period was 2005-2007 . The Working Capital Statement was at a critical point in the year 2005 but the corresponding managerial decisions taken in time have lead to the improvement of financial performances in the coming years . Therefore , in the years 2006 and 2007 , the company was enough strong to face short-term debt and upcoming operational expenses . The Working Capital had a positive value and its specific ratios registered corresponding levels in the years 2006 and 2007 . Current Assets exceeded Current Liabilities and also between Net Sales , Tangible Net Worth and Long-term Liabilities and Net Working Capital a corresponding ratio was established showing the business capability to improve its financial statement in time . This positive aspect was available not only for the company managers but also for creditors who were conscious that the company will be able to pay off its debts and potential losses could be avoided.

INTRODUCTION

Working capital is a concept mainly used in Financial Analysis . It serves to measure the conditions of financial balance resulting from the ratio between the liquidity of short-term assets and the exigibility of short-term liabilities [9] . As a financial indicator it represents Operating Liquidity to a business . The higher the net working capital, the lower the short-term debts for financing working capital. Along with fixed assets such as buildings and equipment, working capital is considered a part of operating capital [2,3,4] . It is calculated as Current Assets minus Current Liabilities. If current assets are less than current liabilities, the company has a working capital deficiency, also called a working capital deficit [7,8].

A company can be endowed with assets and profitability but short of liquidity if its assets cannot readily be converted into cash. Positive working capital is required to ensure that a firm is able to continue its operations and that it has sufficient funds to satisfy both maturing short-term debts and upcoming operational expenses. The management of working capital involves managing inventories, accounts receivable and payable, and cash [5,6] . In this context, the paper presents some considerations upon Net Working Capital Management in an agricultural company where current assets (stocks of raw materials, work in progress , finished goods , trade debtors and cash balances) are normally very high and current liabilities (trade creditors, accruals, short-term loans) as well.

MATERIAL AND METHOD

The paper was carried out within an agricultural company dealing with cereal production in the Southern Romania . The data were collected from its Balance and Profit and Loss Account ended at December 2005, 2006 and 2007. The following specific indicators were calculated as follows : **(a) Net Working Capital** = Current Assets – Current Liabilities, **(b)Current Ratio** = Current Assets /Current Liabilities;

(c) Working Capital Turnover Ratio = Net Sales / Net Working Capital ;**(d) Current Debt to Net Worth Ratio** = Current Liabilities /Tangible Net Worth ; **(e) Funded Debt to Net Working Capital Ratio** = Long-term Debt /Net Working Capital ; **(f) Working Capital to Total Assets** = Net Working Capital/ Total Assets .

RESULTS AND DISCUSSIONS

Net working Capital . Net Working capital was determined by Current Assets which included : stocks of raw materials, work in progress , finished goods, trade debtors, prepayments and cash and equivalents and other current assets and Current Liabilities which included : trade creditors and short-term borrowings. The Net Working Capital has a negative value , Euro -3,002 in the year 2005 showing that the company is unable to meet its short-term liabilities with its current assets (cash, accounts receivable and inventory). In the year 2006, Net Working Capital registered Euro 41,265 , because of the increased Current Assets which exceeded Current Liabilities. This shows that the company was able to pay off its short-term liabilities in that year. Also, in the year 2007, the firm was able to pay off its short term debt because Net Working Capital was Euro 71,981. Therefore, from a year to another , the Working Capital Statement was better and better. The evolution of Net Working Capital and its specific ratios is presented in Table 1.

Current Ratio registered an increasing trend from the year 2005 to the year 2007. So, in the year 2005, it recorded 0.96 , because Current Liabilities exceeded Current Assets. In the next year, 2006, the ratio was 1.61 and then in the year 2007 it was 1.83 , showing the continuous increase of Current Assets against to Current Liabilities, a positive aspect. As a result, in the year 2007, Current Ratio was 1.9 times higher than in the year 2005. This ratio reveals the business ability to meet the company current obligations (suppliers of credit etc) . As a test of solvency , it has balanced the current assets against current liabilities.

Table 1 . Evolution of Net Working Capital and its specific Ratios during the period 2005-2007

Specification	2005	2006	2007	2007/2005 %
BASIC DATA				
Current Assets	71,300	108,758	158,215	221.90
Current Liabilities	74,302	67,493	86,234	116.05
Net Sales	205,333	259,747	167,634	81.64
Tangible Net Worth	220,753	260,098	303,894	137.66
Long-term Liabilities	6,106	4,843	3,653	59.82
Total Assets	294,338	325,112	393,553	133.70
NET WORKING CAPITAL AND ITS RATIOS				
Net working Capital	- 3,002	+41,265	+71,981	-2397.76
Current Ratio	0.96	1.61	1.83	190.62
Net Sales / Net Working Capital Ratio	- 68.39	6.29	2.32	-3.39
Current Debt to Net Worth Ratio	0.34	0.25	0.29	85.29
Long-term Liabilities/ Net Working Capital	- 2.03	0.11	0.05	-0.02
Net Working Capital/Total Assets	-0.01	0.13	0.18	- 18.00

Working Capital Turnover Ratio registered various values from a year to another. In the year 2005, it recorded a negative value, - 68.39 , because Net Sales were below Working Capital . In the coming years, the ratio value has become a positive one, 6.29 in the year 2006 and , respectively 2.32 in the year 2007. This ratio indicates that there are no signals of overtrading and the business does not require additional funds to support its financial structure.

Current Debt to Net Worth Ratio registered satisfactory values : 0.34 in the year 2005, 0.25 in the year 2006 and 0.29 in the year 2007. This ratio shows that the business had no debt that exceeded the invested capital. It showed that a small proportion of funds are provided by current creditors to the business operations . The ratio value did not exceeded 60 % which is considered a critical threshold for a small company .

Funded Debt to Net Working Capital Ratio recorded a negative value in the year 2005 : -2.03 , but in the coming years the situation was better : 0.11 in the year 2006 and 0.05 in the year 2007. This indicates that long-term liabilities did not exceed Working Capital which is a positive aspect.

Working Capital to Total Assets was -0.01 in the year 2005, 0.13 in the year 2006 and 0.18 in the year 2007 . As a liquidity ratio it reflects the proportion of net liquid assets relative to total capitalization . It is the most valuable indicator of a looming business disaster . In the year 2005, the negative value , resulting from a negative Working Capital reflected that the company was facing serious problems . It is a very important indicator, because many business owners wish to be warned earlier about their company's downward spiral. Therefore, it helps the business man to predict bankruptcy before it is too late to take corrective actions and the creditors to reduce potential losses.

This study case showed that every business, including the agriculture field , needs adequate liquid resources in order to maintain day-to-day cash flow. A business man needs enough cash to pay wages and salaries they fall due and to pay creditors if it is to keep its labor force and assure its supplies. Maintaining adequate Working Capital is not just important in the short-term. Sufficient liquidity must be maintained in the coming years for the business survival in the long-term as well. Even a profitable business may fail if it does not have adequate cash flow to meet its liabilities as they fall due.

In agriculture , new technologies are required to improve production performances , but this means a new technical endowment. When businesses make investment decisions in agriculture , they have also to take into account the additional current assets which are usually involved with any expansion of activity. The increase of agricultural production

imposes to hold additional stocks of raw materials and work in progress . Increased sales usually mean that the level of debtors will increase too. A general grow up in the firm 's scale of operations tends to imply a need for greater levels of cash.

CONCLUSIONS

[1] Decision making in agricultural companies has to take into account not only the increase of vegetal or animal production , but also the additional costs related to higher stocks, work in progress , in a word , additional current assets .

[2]Net Working Capital is a useful indicator in financial management because it reflects how much cash has the business to meet its obligation . Positive working capital is required to ensure that a firm is able to continue its operations and that it has sufficient funds to satisfy both maturing short-term debts and upcoming operational expenses. The management of working capital involves managing inventories, accounts receivable and payable, and cash

[3] In case of this agricultural company producing cereals , the Working Capital Statement was at a critical point in the year 2005 . But the corresponding managerial decisions taken in time have lead to the improvement of financial performances in the coming years . Therefore , in the years 2006 and 2007 , the company was enough strong to face short-term debt and upcoming operational expenses .

[4]The Working Capital had a positive value and its specific ratios registered corresponding levels in the years 2006 and 2007 . Current Assets exceeded Current Liabilities and also between Net Sales , Tangible Net Worth and Long-term Liabilities and Net Working Capital a corresponding ratio was established showing the business capability to improve its financial statement in time .

[5]This positive aspect is available not only for the company managers but also for creditors who are conscious that the company will be able to pay off its debts and potential losses could be avoided.

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ECONOMIC PROFITABILITY AND INTEREST RATE – FUNDAMENTALS OF FIRM FINANCING DECISIONS

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Key words: *Economic Profitability , Interest Rate , Financing*

Abstract

The paper aimed to present two simulation models concerning the ratio between economic profitability and interest rate in order to identify the right moment when Macora Company, dealing with animal farming in the proximity of the capital, has to decide to apply for additional capital from borrowing. at Macora Company . Starting from Euro 10,000 , owner's equity and Euro 1,200 profit , two variants for economic profitability and interest rates were taken into account :(V1) economic profitability 12 % < interest rate 18 % and (V2) economic profitability 12 % > interest rate 9 % . The simulation models have shown that the variant V2 could be put into practice in the coming future if Macora Company decides to extend its business. Only in this case , Macora company could get Euro 240 additional profit if it borrows Euro 8,000, Euro 450 additional profit if it decides to borrow Euro 15,000 and Euro 600 supplementary profit if it decides to borrow Euro 20,000 . This aspect is important not only for the company managers but also for creditors , because they are interested to operate in secure conditions and at a minimum risk . They do not offer loans to firms which are not able to pay off their debt . That's why the ratio between economic profitability and interest rate is also studied by bankers .

INTRODUCTION

The financial policy of a company has to be based on a rational decision concerning the capital/debt ratio . Borrowings have a deep influence on the profitability, which, at the first sight , is negatively affected, because the interest related to borrowings leads to increased costs and lower profit. In fact , if the economic profitability is higher than the interest rate , borrowings could have a positive impact upon profitability and commercial worth . As long as a company could get higher returns based on its invested capital against the debt cost , borrowings are profitable[8] . In financial management , the firm financial structure has to be established according to the global leverage coefficient , which means that Debt/Liability Ratio to be less than 2/3 and Debt /Shareholders' Equity Ratio to be less than 2 [1, 2 , 3, 8] . The financial structure of a company is mainly influenced by the following factors : financial management decisions concerning the external financial resources called to supplement the owner's equity, the shareholders , bankers by their crediting policy (interest rate, guarantee system, penalties , assumed risk etc) , tax system , financial market , exchange rate and other factors . The profitability of the company financial structure is conditioned by the ratio between internal and external financial resources. There two possible situations : (a) a low profitability, when the internal financial resources are higher than the external ones and (b) a higher profitability, when the external financial resources are higher than the internal ones. A company facing with a lower profitability must not draw the decision to extend its equity by borrowings , because a higher debt could decrease the company solvency and liquidity. For this reason, profitability is one of the most important criteria used for establishing the company financial structure .

In this context, the paper presents simulation model concerning the economic profitability for various interest rates in order to demonstrate when decision making for borrowing is justified by the increase of economic profitability .

MATERIAL AND METHOD

The paper aimed to present a simulation model concerning the economic profitability for various interest rates at Macora Company , dealing with animal farming in the proximity of the capital . Starting from Euro 10,000 , owner's equity and Euro 1,200 profit , two variants for economic profitability and interest rates were taken into account :(a) economic profitability 12 % < interest rate 18 % and (b) economic profitability 12 % > interest rate 9 % . For each variant , the following borrowings were considered : A = Euro 8,000 , B = Euro 15,000 and C = Euro 20,000 . For each variant the return to invested capital (profit) and interest paid have been calculated . The following formulas were used: **Economic Profitability(EP0) before borrowing** = Profit / Owner's Equity , **Invested Capital(IC)** = Owners' Equity + Borrowings , **Profit to Invested Capital (PIC)** = Invested Capital (IC) x Economic Profitability EP, **Interest Paid** = Borrowing (B) x Interest Rate (i), **Economic Profitability(EP1) after borrowing** =(Profit to Invested Capital – Interest)/ Owner's Equity, **Profit/Loss due to Leverage Effect** = Profit to Invested Capital - Profit to Owner's Equity .

RESULTS AND DISCUSSIONS

Invested Capital was Euro 18,000 , Euro 25,000 and respectively Euro 30,000 both for the V1 variant and V2 .

Profit to Invested Capital was Euro 2,160 in case of Euro 8,000 borrowings , Euro 3,000 in case of Euro 15,000 borrowings and Euro 3,600 in case of Euro 20,000 borrowings for the both variants .

Interest Paid was different from a variant to another , because of the different interest rate . In case of V1 , interest paid was double compared to the level recorded by V2.

Profit to Invested Capital – Interest Paid registered by V1 was : Euro 720 for A borrowing level , Euro 300 for B borrowing level and 0 for C borrowing level . In case of V2 , this indicator recorded Euro 1,440 for A borrowing level, Euro 1,650 for B borrowing level and Euro 1,800 for C borrowing level . Therefore , these differences have been caused by interest rate whose level varied from a variant to another.

Table 1. Variant V1 - Economic Profitability 12% < Interest Rate 18%

Specification	Borrowings level (Euro)		
	A = 8,000	B = 15,000	C = 20,000
Owner's Equity (Euro)	10,000	10,000	10,000
Profit (Euro)	1,200	1,200	1,200
Economic Profitability (%) Before borrowing	12	12	12
Interest Rate (%)	18	18	18
Invested Capital (Euro)	18,000	25,000	30,000
Profit to Invested Capital	2,160	3,000	3,600
Interest Paid (Euro)	1,440	2,700	3,600
Profit to Invested Capital - Interest Paid (Euro)	720	300	0
Economic Profitability (%) after borrowing	7.20	0.30	0 %
Profit/Loss due to Leverage Effect (Euro)	- 480	- 900	- 1, 200

Economic Profitability after borrowing has recorded a decreasing trend in case of V1 . The higher the borrowings , the lower the economic profitability . In case of Euro 20,000 borrowings , meaning a double debt compared to the owner's equity , the economic profitability is zero. In case of Euro 15,000 borrowings , the economic profitability was very low, 0.30 at its inferior limit . In case of Euro 8,000 borrowings , even though the company registered an economic profitability of 7,20 % , its level is less than 12 % , economic profitability before borrowing . In case of V2 , economic profitability has registered an increasing trend after borrowing : 14.40 % for A borrowing level, 16.50 % for B borrowing level and , respectively 18.00 % for C borrowing level. Therefore, the higher the borrowings, the higher the economic profitability .

Table 2. Variant V2 - Economic Profitability 12% > Interest Rate 9%

Specification	Borrowings level (Euro)		
	A = 8,000	B = 15,000	C = 20,000
Owner's Equity (Euro)	10,000	10,000	10,000
Profit (Euro)	1,200	1,200	1,200
Economic Profitability (%) Before borrowing	12	12	12
Interest Rate (%)	9	9	9
Invested Capital (Euro)	18,000	25,000	30,000
Profit to Invested Capital	2,160	3,000	3,600
Interest Paid (Euro)	720	1,350	1,800
Profit to Invested Capital - Interest Paid (Euro)	1,440	1,650	1,800
Economic Profitability (%) after borrowing	14.40	16.50	18.00
Profit/Loss due to Leverage Effect (Euro)	+ 240	+ 450	+ 600

Profit/Loss due to Leverage Effect has registered a negative value in case of V1 and a positive one in case of V2 . A decreasing trend from - Euro 420 to - Euro 1,200 was noticed in case of V1 , in other words , the company was facing with losses . The higher the borrowings , the higher the financial losses . An increasing profit trend from + Euro 240 to + Euro 600 was recorded in case of V2 , meaning the higher the borrowings , the higher the additional profit .

These simulation models have shown how important is the ratio between economic profitability and interest rate . It is very important for a financial manager to determine exactly the real situation if the company is able to pay off the borrowings . Taking loans from banks involves different costs and they have to be covered by the additional profit . If the economic profitability is lower than the interest rate , there is no chance for the company to get profit, on the contrary , the higher the borrowings , the higher the losses. The only situation a company is able to apply for borrowings is the one when the economic profitability is higher than the

interest rate. At this moment , the financial structure of the company is a corresponding one for assuring a successful extend of the business. If the interest rate is higher than the economic profitability, it is wiser for a businessmen to decide to use as a financial resource only its own equity . But, the models presented above have shown the utility of borrowings. Business development is not possible without additional capital . If the interest rate is lower than the economic profitability of the company , the higher the debt , the higher the economic profitability after borrowing.

CONCLUSIONS

[1] Decision making concerning the business development based on additional capital from borrowings has to be based on the analysis between economic profitability and interest rate . No chance for a company to have a successful business extent in the future if the interest rate is higher than the economic profitability.

[2] The financial structure includes the capital structure of the company. This means the report existing between the short-term financing and the long-term and medium-term financing of the company.

[3] The simulation models have shown that the variant V2 could be put into practice in the coming future if Macora Company decides to extend its business with animal farming.

[4] Starting with an equity of Euro 10,000 , at an economic profitability of 12 % before borrowing at an interest rate of 9 % , the Macora company could get Euro 240 additional profit if it borrows Euro 8,000, Euro 450 additional profit if it decides to borrow Euro 15,000 and Euro 600 supplementary profit if it decides to borrow Euro 20,000 .

[5] This aspect is important not only for the company managers but also for creditors , because they are interested to operate in secure conditions and at a minimum risk . They do not offer loans to firms which are not able to pay off their debt . That's why the ratio between economic profitability and interest rate is also studied by bankers . They decide loaning only after making similar calculations as the ones presented above.

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THE GENERAL SITUATION OF HUMAN RESOURCES MANAGEMENT IN THE EUROPEAN UNION

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Key words: *human resources management, labour, work, European career, manager*

Abstract:

The purpose of this paper is to present one of the main objectives of human resources management in the European Union, namely the provision of working conditions, with direct effects on the efficiency and effectiveness of the employees. The materials and methods underlying this scientific endeavour support the idea that the enlargement of the European Union is the premise for the increase in requirements regarding the working and living conditions on the entire continent. After the Lisbon Conference, the European Union established as main objective the improvement in the quality of work and working conditions. The corollary of this objective is represented by the elaboration of a set of indicators for work quality which measure the progress made in this direction, known as harmonised European indicators. The development of a European career is another very important challenge for the European human resources management. The conclusion is that by means of Euro-careers, any company can acquire European competences.

INTRODUCTION

One of the main objectives of human resources management is represented by the provision of working conditions, with direct effects on the efficiency and effectiveness of the employees. The enlargement of the European Union is the premise for increasing the requirements related to the working and living conditions across the continent. The highly diversified norms regarding the working and living conditions in place in the European Union are serious challenges for the managers who want to be successful internationally.

After the Lisbon Conference on Labour Mobility in March 2007, the European Union set as main objective to improve the quality of work and working conditions. The corollary of this objective is to elaborate a set of work quality indicators which measure the progress made in this direction, known as harmonised European indicators.

MATERIAL AND METHOD

The concept of work and working conditions quality covers a vast area: the employees' health, standard of living, work protection, professional itineraries, competence development, and, last but not least, the balance between a person's professional and extraprofessional life [1].

This means that the system of harmonised European indicators covers a wider range of human resources management, from job descriptions to the actual work organisation (the content and way in which tasks are completed), analysing the working time (length and usage), rewards management (remuneration levels), employee counselling (on professional and extraprofessional matters), communication within an organisation (the system of relationships between employees, the way the employees are informed and consulted and the way they find solutions) and the employees' safety, health and welfare in the field of work.

Yet, at European Union level, there are few instruments capable of providing an inventory of work quality. The workforce surveys coordinated by EUROSTAT provide harmonised annual data of the labour market situation, but they do not contain or, in certain cases, contain too little information related to working conditions.

RESULTS AND DISCUSSIONS

Work organisation must be understood from the point of view of the nature of work and distribution of tasks (repetitive, monotonous work), of the responsibilities given to employees, of the autonomy and control they have in their activity [1]. The way the activity is organised at work provides a series of information about: the employees' capacity to complete their tasks, interruptions, the work rhythm, the support given to other employees in performing their work, especially in larger teams, and more importantly the competences necessary in the professional training they benefit from in the organisation or company.

From the point of view of the time to complete the tasks, 15% of the EU's active population in 2007 [6] performed tasks that required less than five seconds, for 18% the tasks required less than 30 seconds, and 23% of the employees completed tasks that required less than a minute.

The number of the employees performing monotonous activities is quite high at EU level [6], about 40%, and the differences between countries are very important, from 55% in Estonia, 52% in Bulgaria, 54% in Romania and 48% in the Czech Rep. to 32% in Hungary and 24% in Malta. The professional which imply the performance of an activity with a low degree of monotony are the intellectual and scientific ones, with a percentage of 33, whereas 53% of unskilled workers perform monotonous activities.

The assessment of the responsibilities of the work performed, from the point of view of the harmonised European indicators related to working conditions, is made in three directions [4]:

1. **the quality norms**, namely the degree of observing the products' quality standards. 71% of the EU's active population must observe certain quality norms in their activity. The sectors with the highest degree of standardisation are: constructions (83%) and industry (81%), whereas in the public administration services sector the percentage is only 52 [6];

2. **unforeseen problems**, from the point of view of the fact that the employees must be able to solve spontaneous or fuzzy situations at any moment in their daily activity. At EU level, 83% of the employees are faced with such problems, being rewarded according to this criterion as well. Such a situation is most often found in the public administration services sector (86%) and in real estate activities (85%) [6];

3. **self-assessment**, namely the possibility given to all employees to assess the quality and results of their work, which is a characteristic of financial activities (76%) and real estate ones (71%). The self-assessment of the work performed is specific to intellectual and scientific professions (78%) [6].

35% of the EU employees do not have autonomy at work, which indicates that the number of those who can choose or change the order of the tasks is very high. The least autonomous are unskilled workers, amounting to 59%, unlike the more autonomous intellectual and scientific professions whose percentage is 77 [6].

Regarding the quality of the working conditions at EU level, from the point of view of work organisation, we can say that we deal with a less hierarchical organisation, within which external influences dominate, as compared to internal ones, and in which the employees benefit from a quite high autonomy in performing their activities.

The development of a European career is another very important challenge for the European human resources management [3]. The concept of European career can be considered a direct consequence of the Europeanization, Euro-managers being the main promoters of the trend to develop a career at European level. The size of the career Europeanization process is influenced by the action of two factors: the increase in human resources mobility at European level and their availability to work in companies that operate outside national borders and the expansion of the multinational companies' activity in Europe.

According to the EUROSTAT labour survey in 2007, 8.2% of the employees in the EU changed their job after a year. Employee mobility from one job to another amounts to 13% in Great Britain, and to 5% in Sweden and Greece [6]. About 38% of the EU's active population worked for the same employer for over 10 years. Approximately 1.5% of the EU citizens live and work in a different member state than their native one, 15% of them stating that the change in job was the main cause.

The European career management is influenced by the international dimension of human resources management. In this context, an important part in the development of a European career is played by the organisations' choice to expand their activity at international (European) level. Expanding one's career at European level is specific to the following categories of employees:

- the employees of organisations that operate in at least one of the European Union countries;
- the expatriate employees, who work for one of European branches of a company in their own country;
- the employees who work in their own country, but for a company from another European country;
- the employees who, along their own career, worked for several companies from various European countries;
- the employees who, for various reasons, emigrate to a European country and work for a company in the country they settled in or the branch of a company from another European state in that country.

According to Tung R. L [5], managers are generally more prone to take the risks of developing a career at international level, to the detriment of a career in an organisation in their country. It so happens because the internal career is perceived as a promotion in the hierarchy at organisational level, whereas the international career has a much more important significance to individuals, being understood by them as the best opportunity to develop professionally.

The concept of international career is also significant psychologically, being considered by employees and managers alike from the point of view of the freedom to move, of the possibilities to develop professionally within several

organisations. Also, in the case of expatriate employees, the psychological contact between them and the organisation acquires, first of all, a transactional character, being used as a negotiation tool, and secondly a relational character, as an expression of the mutual respect and confidence between the two parties, the organisation and the employee.

The development of a career at international level expresses the employees' capacity to use their development potential. In the expatriate managers' opinion, the international career management has advantages such as: the improvement in managerial skills, the creation of a global mentality, the development at international level of an international relationships network and the creation on the labour market of a favourable individual image, etc.

The managers who want to develop a career at international level have the following in mind: the substantial material revenues they obtain outside the national borders, professional development, personality (the willingness to take risks), etc. In Sweden, for example, the main reasons for which expatriate managers accept to work within branches in other European countries are the desire to develop professionally, the financial revenues they receive and the promotion opportunities they benefit from.

By developing their experience and improving their skills, the expatriate managers can become members of the management staff of the branches in the host country. From the organisational perspective, the development of an international career for employees has a series of advantages related to the transfer of know-how and the improvement in the process of communication between the mother company and its branches.

The international career also has a series of disadvantages, such as: the respective employees and their families may have difficulties in adapting to the cultural values in the host country, problems related to the repatriation procedure, the reduced promotion opportunities they generally benefit from, at the level of the mother company in the period following their repatriation, etc.

CONCLUSIONS

1. The elaboration of the harmonised European indicators in the field of labour is a step forward in the studying various aspects of work in the European Union.

2. By means of Euro-careers, any organisation can acquire European competences. [2].

3. The enlargement of the European Union and the development of a common policy in the field of labour make companies change their human resources practices.

4. The trend at European level is to attract European competences by means of employees who have the relevant experience and the willingness to develop internationally.

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THE HUMAN RESOURCES IN THE CALARASI COUNTY IN THE INTERVAL 1995-2007

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Key words: workforce, employment, unemployment, evolution, management

Abstract:

The labour market in Romania underwent major changes in the context of the economic reorganisation process, seen in the decrease in the active and employed population, in maintaining relatively constant unemployment values (except for the economic recession periods), but also in the increase in long-term unemployment and in the inactive population– which is an aspect with highly negative connotations. As far as the civil employed population in the Calarasi County is concerned, it decreased in most fields of economic activity in 2007 as compared to 1995 by 17.8% in the entire economy.

INTRODUCTION

The labour market in Romania has gone through major transformations in the context of the economic reorganisation process that resulted in the decrease in the active and employed population, in maintaining unemployment at relatively low values (except for the economic recession periods), but also in the increase in long-term unemployment and in the inactive population, which has strongly negative connotations [1]. The impact of demographic phenomena on the evolution of workforce resources (the decrease in the birth rate, a high level of mortality, the increase in external migration) was accompanied by economic effects such as economic reorganisation and reorganisation which emphasised the urban-rural migration and employment in subsistence agriculture, the development of the informal labour market or the creation of an important segment of inactive population.

MATERIAL AND METHOD

Using the national statistical yearbooks and county statistical bulletins, we studied the evolution of the workforce in the Calarasi County for an interval of 12 years. The starting point of this scientific endeavour is the presentation of the overall population of the county, in its evolution in the past eighty years, with an emphasis on the final stage investigated in 2002. Regarding the density of the population in the Calarasi County, as presented in Table 1, according to the censuses performed in the past century, it had a low level between the two world wars (44.8%), constantly increasing after 1948 and levelling off at about 66% for more than three decades, the current trend being again a decreasing one (63.8%) at the last census in 2002 [2].

Table 1 – The population and its density at the censuses in the Calarasi County

Calarasi County	Number of inhabitants	Inhabitants / km ²
29 December 1930	228165	44.8
25 January 1948	287722	56.5
21 February 1956	318573	62.6
15 March 1966	337261	66.3
5 January 1977	338807	66.6
7 January 1992	338804	66.6
18 March 2002	324617	63.8

Source: The National Institute of Statistics, The Population and

Household Census, 2002

RESULTS AND DISCUSSIONS

Regarding the civil employed population of the county, according to Table 2, it decreased in most domains of economic activity on 2007 as compared to 1995 by 17.8% in the entire economy, the decreases varying between 41.2% in the case of electric power, gas and water or of the financial brokerage (44.4%) and 8.1% in the field of constructions [3]. The mining industry, which does not have a significant percentage in the economic activity of the county, dropped by 50% in 2007 as compared to 1995, employment in the field of fishing and fish farming remained unchanged during the entire analysed interval. While the field of hotels and restaurants, although it had its ups and downs along the interval, employed the same number of persons in 2007 as in 1995. Trade and real estate transactions increased by 37.9%, respectively 21.2% as compared to 1995, while the budgetary domains developed either spectacularly, such as public administration and the defence (35.7%), or very poorly, such as the health domain (11.1%) and education (2.0%). The other economic activities increased on average by 30.7% in 2007 compared to 1995.

The statistical situation presented in Table 3 shows that the unemployment rate has been decreasing since 1995, the reduction in 2007 averaging 50% for the total number of employees, with insignificant differences between men and women [3].

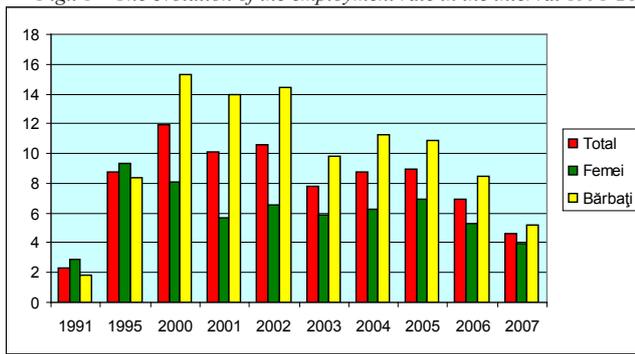
Table 3 – The registered unemployed persons and the unemployment rate in the Calarasi County

Years	The unemployed persons registered by the Employment Agencies (number of persons)			Unemployment rate (%)		
	Total	Women	Men	Total	Women	Men
1991	3552	1933	1619	2.3	2.9	1.8
1995	11876	5475	6401	8.8	9.3	8.4
2000	15304	4902	10402	11.9	8.1	15.3
2001	12275	3294	8981	10.1	5.7	14.0
2002	12025	3546	8479	10.6	6.5	14.4
2003	8630	3245	5385	7.8	5.9	9.8
2004	9658	3448	6210	8.8	6.3	11.3
2005	9992	3786	6206	9.0	6.9	10.9
2006	7517	2884	4633	6.9	5.3	8.5
2007	4965	2115	2850	4.6	3.9	5.2

Source: The National Employment Agency

An important role in decreasing the number of unemployed persons, without ignoring the general tendency for the

Fig.1 – The evolution of the employment rate in the interval 1991-2007



Source: The National Employment Agency

population to decrease at county and national level, is played by the active measures for the vocational conversion and reintegration of the unemployed persons promoted in partnership with the European Union. Thus, in 2007 - Table 4 - a number of 4315 persons were employed, as compared to 3805 persons forecast to be employed according to the employment programme, 2156 of whom filled positions through the job mediation services and 894 through the active measures financed from unemployment security budget [4].

In 2007, 560 persons were included in the active measures programmes organised by the County Employment Agency (CEA), 3315 of whom were employed through the implementation of the active measures for the unemployed. According to types of active measures included in the employment programme, the situation is as follows:

CONCLUSIONS

1. Regarding the labour market in the county, the social, economic and political transformation, as components typical of the transition period and of the progress to the market economy led to a series of changes in the structure thereof, with major consequences both in the social and in the economic field [3].

2. The fact that the labour market is a controversial problem, the images and the surface situation hiding the problems which the economy and social environment will have to deal with in the future, requires a careful analysis and the identification of most of the problems in this domain.

3. The creation of employment opportunities in the county is a major direction for economic development. This is an advantage only if the county is capable of correlating the employers' demand for trained and flexible workforce to meet their needs [3].

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Years	2007	2006	2005	2004	2003	2002	2001	1995
Total economy	101.3	101.6	100.4	101.4	101.0	109.3	113.3	123.2
Agriculture, hunting, and forestry	49.0	52.3	51.6	56.8	59.3	69.9	72.4	71.2
Fishing and fish farming	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Industry	18.5	17.2	18.9	17.1	16.4	15.0	14.6	21.7
Mining industry	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.2
Processing Industry	17.4	16.0	17.7	15.7	15.0	13.5	13.0	19.8
Electric and thermal power, gases and water	1.0	1.1	1.1	1.2	1.3	1.4	1.5	1.7
Constructions	3.4	3.0	2.6	2.7	2.2	2.0	2.8	3.7
Trade	8.7	8.4	7.8	7.2	6.2	5.8	6.0	5.4
Hotels and restaurants	0.9	0.8	0.8	0.4	0.6	0.6	0.7	0.9
Transport, warehousing and communications	3.7	3.3	2.9	2.9	3.4	3.2	3.2	5.3
Financial brokerage	0.5	0.6	0.6	0.5	0.5	0.5	0.6	0.9
Real estate transactions and other services	3.3	3.1	3.1	2.6	2.2	2.2	2.1	2.6
Public administration and defence	2.8	2.6	2.4	2.1	1.8	1.8	1.7	1.8
Education	4.8	4.7	4.5	4.5	4.3	4.4	4.9	4.7
Health and social assistance	4.5	4.3	4.1	3.8	3.5	3.3	3.3	4.0
The other activities of the national economy	1.3	1.2	1.0	0.7	0.6	0.5	0.9	0.9

Table 2 – The civil employed population, according to activities of the national economy (at the end of the year), in the Calarasi County – thousand persons

Source: The workforce balance – at the end of 2007

Table 3 – The registered unemployed persons and the unemployment rate in the Calarasi County

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2006	7517	2884	4633	6.9	5.3	8.5
2007	4965	2115	2850	4.6	3.9	5.2

Source: The National Employment Agency

Table 4 – Actions performed in the field of unemployment

Name of the action	Planned 2006	Achieved 2006	Planned 2007	Achieved 2007
Total general, din care :	5068	7399	3805	4315
Number of persons employed as a result of providing job mediation services.	2385	4479	1978	2156
Number of persons employed as a result of providing vocational information and counselling services.	-	-	150	265
Employment through the organisation of vocational training courses.	559	225	450	287
Employment through the provision of unemployment salaries for the unemployed who fill a position before the end of their unemployment period.	1050	1534	250	217
Employment of the unemployed aged 45 and over or single family providers, by subsidising the job.	145	265	125	131
Employment of the unemployed who have less than 3 years before retirement by subsidising the job.	-	-	5	2
Employment by stimulating the workforce mobility.	110	58	30	65
Employment of the educational institutions graduates, by subsidising the job.	130	227	150	168
Employment by granting credits.	416	38	230	89
Number of persons employed by providing counselling and assistance services for setting up an independent activity of a business / Number of persons who set up an independent business or freelancers.	22	3	5	2
Employment through the temporary employment of the workforce in public activities of community interest.	192	536	420	916
Number of persons employed by means of signing solidarity contracts, according to Law 116/2002.	10	16	10	14
Employing disabled persons, by subsidising the job.	8	7	2	3
Other active measures.	0	2	0	0

Source: CEA Calarasi

COMPETITIVENESS OF ROMANIAN FOOD INDUSTRY: THE MARKETING POINT OF VIEW

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Key words: Food industry, competitiveness, export markets, Romania.

Abstract

Paper deals with issue of the competitiveness of Romanian food industry, analyzed on the basis of the research project, initiated by Romanian ministry of Agriculture in 2005. Theoretical framework of the analysis is taken from the marketing point of view to the competitiveness, basing the competitive advantage on the price, quality, brand and other market factors from the consumers perspective. Analysis shows that domestic food producers are used to compete by price and quality, however other factors – brand, image, relationships, promotion and logistics are equally important. For higher competitiveness, Romanian producers lack financial and capital investments, and better relationship building. They consider that high competition on foreign markets is the major barrier. Majority of Romanian companies consider conditions on the foreign markets as very different from domestic ones, and harder. Basic recommendation upon the increase of the competitiveness focus around the foreign direct investment as well as better representation in the international professional organizations.

INTRODUCTION: THEORETICAL FRAMEWORK

Issue of competitiveness is always on the scheduler. Countries, industries and companies worldwide directing significant resources, and paying desirable attention while monitoring state of competitiveness, and seeking for a new means, attitudes, and theories of advance (Trail, Pitts, Langevik, 1998).

Along with the well developed agriculture, Romanian, as part of the food chain, has technologically progressive food industry. Romanian food producers export more than half of their production, mainly – to the countries of the European Union and USA, as well the trade balance of last years is positive.

In 2005 Romanian ministry of agriculture has initiated project aiming to look at the competitiveness from marketing point of view. This paper presents findings of this project.

Aim of the paper – to analyze the situation of Romanian food producers regarding their competitiveness on the export markets and to set up the measures of higher competitiveness.

Theoretically, research was based on two main theories of competitiveness – M. Porters framework of the forces of competitiveness, and on the marketing framework of competitiveness. M. Porters framework of competitiveness is the theory of worldwide importance, application of which is often done along with other theories of competitiveness (Porter, 1990; Langevik, 1998). However, this paper examines the marketing view.

Competitiveness from marketing point of view is complementary, and explains factors of competitiveness, acting on the consumer's level, including quality of products, price and brand (Kotler, 2001; Peter, 2001). These are important ones, because finally, company is to be considered as competitive, if products are bought, thus, it has resources for further production. It is considered, that consumers on the market can be affected by three general factors: price, quality, and brand, – by one of them, which is of particular importance to the consumers of the defined market, and can be considered as competitive advantage of the company.

Many companies even in nowadays markets basing strategies of the competitiveness on the price. There are always markets, and the consumers, which are sensitive to the price. Finally, even in well developed markets, consumers of the middle class are used to the concept of the “good value for money”, and this pricing strategy used by many companies worldwide. Factor of the quality is well developed in all markets, and is understood as the factor of being on the markets. Performance of the companies is regulated by various standards and regulations of quality which should be fulfilled in order products to be placed.

However, from marketing point of view, quality means not only the technological specifications, but also the other issues, namely – packaging, design, and image of the company, advertising, and recommendations of others. Branding is the most complex factor of the competitiveness from marketing point of view. Building of the brand requires significant investment, marketing efforts and time. Strong brand guarantees loyalty of the consumers, repeated purchases, and, thus – higher competitiveness. This is the theory, which confirms itself on the markets. However, it might be different reaction of the consumers, depending on the maturity of the market, local traditions, and culture. Research shows, there are other factors, acting along with the branding even on the mature markets, and branding is not an absolutely positive factor.

RESULTS AND DISCUSSIONS

Information on the marketing factors of the competitiveness, applicable to the Romanian food producers, was collected by primary research – survey of the companies, domestic and foreign participants of the Agrofood exhibition, taken place in May 2005 in Bucharest. Totally, 44 companies from various branches were surveyed.

Majority of surveyed companies export their production to the countries of the European Union as well as to the

Baltic States (Latvia, Estonia) and Russia. This reflects the export trends of the general population of the domestic food producers. Analysis shows, that Romanian food producers are used to diversify the direction of the export.

Food products are the commodity of primarily importance for human survival, thus, there are many companies-producers as well as many companies-exporters. In order, to maximize the export profits, enterprises should focus on a few markets.

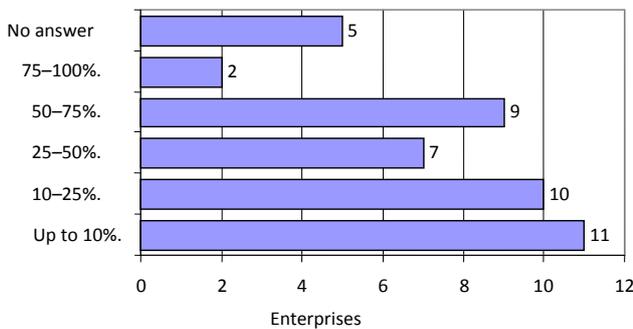


Fig. 1. Concentration of the export shares (Strategies..., 2005)

Within the project, companies were asked to estimate marketing factors of the competitiveness. Estimation was made for several markets, to grasp the differences of competition factors. Romanian food producers are used to compete using multiply factors. However, almost in all markets price and quality are perceived as the basic ones. Romanian food producers have weak brands, these are mostly known on the local market, and thus, it is not possible yet to base the competitive advantage on this. On the other hand, costs of production is still lower in Romania than in old EU member states, mainly due to lower labor costs, and this allows to base the competitive advantage on the price as well as on the quality. As were mentioned, even developed markets react to the stimulus of the price, especially in consumer products.

Table 1. Barriers of higher competitiveness (Strategies..., 2005)

	High competition		Instable prices		Lack of finances for promotion		Lack of experience		Dishonest competition		Dishonest partners	
	frequency	%	frequency	%	frequency	%	frequency	%	frequency	%	frequency	%
Very important	22	50.0	14	31.8	1	2.3	1	2.27	4	9.09	5	11.36
Important	10	22.7	7	15.9	19	43.2	15	34.09	5	11.36	4	9.09
Neither-Neither	-	-	6	13.6	9	20.4	9	20.45	7	15.91	13	29.55
Non-important	-	-	5	11.4	6	13.6	9	20.45	13	29.55	7	15.91
Very non-important	-	-	-	-	-	-	-	-	5	11.36	5	11.36
No estimate	12	27.3	12	27.3	9	20.4	10	22.73	10	22.73	10	22.73
Totally	44	100	44	100	44	100	44	100	44	100	44	100

Country and company image plays the role, however mainly if this is negative one. Relationship building and promotion were recognized as important factors, especially in Baltic States. Romanian food producers are not used to the necessity of day-to-day relationship building and lobbying both – with partners and on the market.

The major obstacles are high competition, instable prices, and lack of resources for promotion. Such factors, as lack of experience, dishonest competition, and dishonest partners, enterprises did not estimate as being the decisive barriers. High competition is the major obstacle. Nowadays

markets are overfilled, and there are many companies with identical commodities. Romanian food producers learning to compete. They can hire the specialists, graduating business administration in Romanian or foreign universities. However, again, often the negative role is played by level of technologies and innovations, indicators of which are low in Romanian.

Strategies of the competition, depends on the traditions in the defined markets. Mainly, depending from the market company-leader, and mainly from the persons standing for the competition in that company, depends the morale of the competition: honesty and transparency. In some markets, strategies of the competition are still based on the battle between companies. In this case, sooner or later companies are loosing the sense of the market and the consumers, and getting bankrupt. Always there are companies ready to fulfill the higher requirements. Competitiveness means the permanent readiness, monitoring of the situation, orientation, and acting according to the current situation. This is ability of changes and minimal anchoring to the previous strategies or ideologies.

CONCLUSIONS

Romanian food industry has strong historical traditions in the country, and is considered as one of the most competitive, exporting around half of the production. However, markets are changing as well as means of the competition; thus, state of the competitiveness is under permanent observation. In 2005, following the launched project, competitiveness of Romanian food industry was researched taking into consideration marketing factors – price, quality, brand, as well as image, relationships, logistics and promotion. Results show, that Romanian food producers are used to compete in the export markets while emphasizing the price as well as the quality. Brand is important on the American markets, and promotion – on Baltic. Scandinavian as well as Russian markets require strong knowledge and skills of relationship building. Logistics and image are the important factors also.

In this way, competitive advantage can be achieved by using the set of means. Romanian food producers would need better support of the State for higher competitiveness. The weak points of competitiveness are insufficient financial and capital investment as well as poor capacities of relationship building. In this way, the basic recommendations for increase of the competitiveness would focus around foreign direct investment and representation. Foreign direct investment would increase the capital formation, and along with the knowledge transfer would allow for the higher innovations, which are problem of the entire domestic economy.

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E-COMMERCE RISK OR OPPORTUNITY

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Key words : e-commerce , risk, opportunity

Abstract

The paper aimed to identify the benefits and disadvantages that new economy brings into SNF's business development and to present the types of e-commerce identified for each partner group system involved.

INTRODUCTION

In the past 10 years, the internet had become a formidable tool in all life bearings. At every six month new important changes appear that is impossible to forecast where the internet will be. We all participate in present at a commerce and telecommunication revolution. The biggest company of our century will have the provenances in this period.

Computer internet interconnectivity extraordinary developed in all society segments guide to company clear trend to use those networks in a new commerce kind, internet e-commerce that call in besides old and new services.

MATERIAL AND METHOD

The material published in this study was elaborated though an Romanian e-commerce market research as well as domain specialized institute research references. The studied literature is one of the components of this research.

RESULTS AND DISCUSSIONS

No doubt the internet has an extraordinary major impact for business world. This because internet have many clear advantages that is presented to merchandiser and customers, to

commercial activities traditional ways.

With all of this the internet has own disadvantage that is different from side to side.

Merchandiser advantages

➤ Small companies possibility to compete with large companies

Through discounted prices that opening of virtual shop involved, small company have less one problem as new market entry on large company dominant market.

➤ Public relation 24 hours a day, 7 days a week

In contradistinction to ordinary employed that have subjectivity variable productivity and need to be pay, need working program and holiday too, a web site offer information about company and his products or taking on and processing orders 24 hours a day, 7 days a week with minimal cost.

Those have one more advantage in external market extending, when there is time difference and could make

weight contacts between companies. Besides amend communications with client, that's not liable for working program, and could obtain information and start a auction any way they want.

➤ International market entering facility

One company could sell through web site his products in any country without being necessary contacts establishing with local companies or making expensive investition.

Mondale network in not guaranteed is anyone possession and the access and advertising costs are extremely low. Client communication on the other side of planet is as simple as communication with other room person is.

➤ Lower price function

Those costs could be drastic reduced through automatization of the ordering process. Besides there is the possibility of entire informatics management process through accounting system absorption that guide to increasing productivity process.

➤ Direct marketing new practice possibilities

In contradiction to human being computer could memory many important information about a client as it is (personal data, client preference) being capable to optimizes offer and product presentation of product after client profile. Internet customer study could be made without informing clients being available information as: (localization, browser, operation system). From this cause many of customers take it as a privacy violation)

Dealer disadvantages

➤ Cyber Fraud

As in other domain, internet technology has been created new ways to cheating. In directly contact missing a client could cheat the dealer about his identity or the payment possibilities. Most of all occident e-shop have abstentions from supplying East Europe customer because high cheating cases with fake credit card made by East-Europeans.

➤ Starting and Integration Costs

Although comparing with ordinary shop initiation, e-shop had small initiation costs, but most of times those could not be evaluate.

Client Advantages

➤ 24 hours a day, 7 days a week availability

That independent availability of nonstop program is a major client advantages that can make shopping even is night when they are out of urgent problem(services, ménage)

➤ Convenience

Because of e-commerce is not necessary displacement to commercial center, neither to corner shop. Everybody could have shops from home, standing in front of computer, comparing and analyzing in quiet different products.

➤ Full access to information and differently products

Before to buy a product future buyer had free and cheap access to commercial company offers.

Customer's disadvantages

➤ Security

The most important reason that some person hesitate in using internet for shopping as well as most of sounding is the fear to provide on line information about credit card. But, same person provide by phone the credit card number to other unknown person, when they had shopping from catalogs or television.

➤ Privacy

Other distinguished problem is representing by personal privacy. Potential customer are afraid that some person could obtain personal detailed information by internet, without they could realize.

➤ Human contract missing

Is the most evident conflict that appears in e-commerce. On the other hand lower starting and maintenance e-shop costs is derived from process automating advantages, without being necessary new personal employing. On the other hand seller missing, human person that customer could ask for help, represent an obstacle in front of the expansion of this new commerce type. In that direction some of company develops software that allows real time verbal or visual access between client and a company employer.

➤ Technology access

Detailed, technology access mean internet penetration percent as well as computer and specialty knowledge dispersion. As much time as an e-commerce web site could not be used by an class of customer, those one will prefer the corner market.

E-commerce transaction is most of times classified after number of involved partners (customers, providers, governments)

With three types of partners there are possible seven combination types for e-commerce: B2B (business to business), B2C (business to consumer), C2B (consumer-to-business), C2C (consumer-to-consumer), B2G (business-to-government), G2B (government-to-business), G2C (government-to-consumer).

From those B2B (business to business) and B2C (business to consumer) had a larger importance.

B2B (business to business)

B2B (Business-to-Business) e-commerce type contain commercial transaction and multitude relation that is settled between companies and other organization that having information and communication technology as support, main internet technology. [1]

The largest section of e-commerce activity in our days belongs to B2B (business to business) category. In fact some of sources estimate that Business to Business is 100 times larger than Business to Customer market.

In virtual business environment one profitable investment is business to business model.

Those one could be more efficient then classic one, business to consumer, because it have a communication faster method

between corresponding entities and whole world company is connected through online platforms.

Any operation of sealing and buying between brokers, different merchandiser as far as most diversified business community could be simply and faster made on internet without being necessary any direct contact.

Any company could use the internet to identify the products and services potential interested client; business to business changes could be made when an interested company that paid for chosen products and those one will be directly delivered.

The system admits and organizes business to business bids where any company could publicize details about the products that will be sold in a online bid.

Those products will not be directly offered to applicant, those one had the possibility to bid for a limited period then products will be delivered to those who had the great bid at the finish of time period that was establish for auction.

Essential Business to Business facilitates the connection between companies with a higher efficiency to any business that directly address to consumer market.

Is one of the main advantages of business to business facilitated of new technology that admit establishing of frequent, faster and accuracy communication.

B2C (business to consumer)

B2C(business to client) e-commerce offer good opportunities and risks to SMF's. Opportunities because the internet give SMF's the possibility to have an 24 hour a day promoting and trading at lower price.

Risk because no one could guarantee that an web site investment will be more paying and long term. [2]

C2B (consumer-to-business)

Those e-commerce model means at natural person (consumers) that use the internet to seal their products and services to companies, and e-shop search to bid for services and products they have need.

C2C (consumer-to-consumer)

This is for consumers that seal directly to other consumers. One success example is eBay system.

B2G (business-to-government)

Government use e-commerce channel for efficiency increasing and offer services improvement to clients. One priority for Governments in this business domain is to increase the VAN (virtual area network) for information dissemination opportunities, quotations from sealers/providers of goods and services.

Between 1980 and 1990 a few innovation government start to use Business to Government, using dial up in transmission of bulletin board services (BBS), that assure on line access to frequent information request opportunities and consulting.

G2B (government-to-business)

E-commerce model where an government institution are selling or buying goods and services from legal entity.

E-Government" refers to the use by government agencies of information technologies (such as Wide Area Networks, the Internet, and mobile computing) that have the ability to transform relations with citizens, businesses, and other arms of government. These technologies can serve a variety of different ends: better delivery of government services to citizens, improved interactions with business and industry,

citizen empowerment through access to information, or more efficient government management. The resulting benefits can be less corruption, increased transparency, greater convenience, revenue growth, and/or cost reductions

In the European Union's internal market, people are able to move freely – either for work or for private reasons – and consequently they have to be able to deal with public services outside their home country more and more. If eGovernment services are to provide significant added value to citizens and business, then it is crucial that different government bodies, both within a country and in different EU Member States, are able to share information easily and co-operate in serving citizens.

G2C (government-to-consumer)

Covering government – citizen relationship from public services and information level

(Example: online duty pay)

E-commerce describes next business next business operations:

- Clients contact establishing;
- Information changing;
- Pre and post sealing assistance, e-pay sealing;
- Virtual enterprise logistics and distribution;
- Shared commercial activities between companies.

CONCLUSIONS AND RECOMMENDATIONS

E-commerce stops to be a future dream. He operates with great and clear success number. He is everywhere in the world, e-commerce as concept and realization is Global. He is faster way business developing the internet systems and World Wide Web.

The e-commerce largest companies and societies impact will be differed as well as expansion and intensity.

The company impact: e-commerce offer unique occasion to business reorganization, market reestablishing or new markets creating.

E-commerce initiative could produce declining of charges, incoming increased and operation efficiency for company that wish to establish advantage in competitive economic environment of our days.

1. Internet business impact gives agriculture companies extraordinary chance. Using the commercial platforms will be one opportunity for e-commerce;

2. E-commerce means to business environment activities process, in a fully computerized system for information changing with electronic means (computer networks).

3. E-commerce transactions is classify most of times after business partnership (sealers, consumers, government);

4. Research, processing distribution, saving and finding information cost reducing is paper based through attractive web site design with an e-shop role;

5. Products and services creation possibility after clients requirements and procedures simplification represent a few of advantages that e-commerce bring to agriculture society.

6. State administration involvement in e-commerce has a catalytic effect on any country business environment local plan. Government, even in great market economy private sector is the most important goods and services buyers.

7. Online customer critical mass building in helping for new e-commerce business community arising require an active government side involvement, not only in legislative side of view, as well as e-commerce ideal source training and technical assists partner for new e-commerce company.

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E-COMMERCE SMF's DEVELOPMENT VIEW

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Keywords : e-commerce, SMF 's development

Abstract

The paper aimed to identify a new business component for Romanian agribusiness and to present the E-Commerce importance as SMF's business development view. Finally a Romanian e-business market analyze is done.

INTRODUCTION

E – Commerce means the approach of sealing or buying by distance data sending that's specific to marketing expensive politics of commercial companies. A relation of merchandise change and services between supplier and potential customer is developed through internet.

The dispersion and large usage of internet make essential changes of economic activities and guided to new products and services, new markets releases, new relations establishing between market players.

The new activities that had been made by electronics mean - e-commerce - is developing as an IT&C infrastructure results. E- Commerce is characterized by new market players, process and business relationship, as well as new consume guide and structure.

From a simple PC that we manage, planning resources, analyzing the objectives optimizations and many others, till the computers networks between technical department, financial – accounting or management, is not more than a step.

MATERIAL AND METHOD

The material that is present in this study was made through an e-commerce market research, as well as literature study.

RESULTS AND DISCUSSIONS

No doubt, that the internet is the biggest invention realized till present. Over one milliard and half of people through whole world have access to the World Wide Web (source: www.internetworldstats.com)

E-business refer at transaction organize, information and communication, as well as business planning and control by using of all information technologies potential.

E-business term was used from the first time by IBM to define the internet technologies usage for amending and transforming the key process to a business.

As IBM said e-business is a way of flexible integrated secure access, for different business processing by system and process combination that fulfills base business process with internet information finding.

E-commerce is a new business method either is about internet extending of an existing business or beginning of a new one in virtual medium.

In this kind of business many market players are drawing,

many of them are realizing that is the future commerce.

Many of on line business could not be successfully. Why? The main cause is superficially on line business management. They thought that a few banner applied to a few web sites and a long waiting period are assuring them profits.

Reality is showing that a on line business must have been handled with all seriousness as any other business. As in traditional business, a realistic business plan must been made and should make allowance for e-commerce characteristic.

The usage of electronic technology to participate at e-commerce activity is called electronic transaction.

In addition with e-commerce could be other electronically activity, for example customer helping, merchandise supplying (if is about electronic devices), business partner collaboration and organizations electronically management.

In classic commerce next stages is distinguished:

- commercial information about transaction, marketing research;
- general commercial contracts;
- product or services commanding/sealing;
- payment.

In E-Commerce there are goods and digital services that could be trade affair, and that place where the transaction is made is called digital marketplace, virtual context where buyers and sellers are found one with other and make electronic business.

Romanian present situation domain

As InternetWorldStats show the Romanian internet user was increased in 2008 with 22,5% from 2007 to 12 million person threshold at the end of march 2008, that is an 53,9% penetration rate.

Local market increase up to 10 place in Europe Union (sources: www.InternetWorldStats.com)

At the Europe Union level 60% of total people, (about 490 millions of residents) is using the internet, while overall the penetration rate is about 21,9 %.

A Gartner study "Internet Economy Process Revolution" it's the first that had made a fully evaluation of internet economy in Middle Orient and Europe. This Study shows the speed that Internet Economy grown up and has the purpose to justify the making and deployment of agriculture and informatics business.

In Romania as National Institute for Statistic (INS) shows there are two third agriculture sustenance farms of overall SMF's, that represent three times more than other countryside's.

Although number of SMF's that use less than 2 hectares agriculture area decreased then 2002 approximate 11,2%(344.000), however the INS institute show that those are overwhelming percentage, about 66% of overall SMF's.

Statistics show that less than one third (29,3%) of overall farms rich threshold of one European economic unit dimension that represent 1.200 euro.

ESU is the generic name of European economic dimension of agriculture farms and it represent the economical potential of it.

E-commerce brings new opportunities in partner's transactions. However all that take advantage of those new e-business offer opportunities for new market players that try to have business of those new branch and possibilities of internet business, as they called the new economy.

E-commerce offer risk and opportunities for SMF's:

- Opportunities because internet offer the chance of promoting and sealing nonstop services and products for all those that are interested in so called new economy;
- Risk because nobody could assure that the web investment will bring long term substantial incoming.

Table 1- Europe E-Commerce commercial transaction values 1999 – 2004 (milliards of dollars)

Country	2000	2004
German	12,61	317,07
Great Brittan	11,78	235,56
Netherland	5,69	91,59
France	2,71	121,75
Switzerland	2,23	48,67
Sweden	2,17	48,70
Italy	0,72 (720 millions USD)	78,23
Spain	0,61 (610 millions USD)	36,39
Denmark	0,52 (520 millions USD)	18,04
Finland	0,43 (430 millions USD)	17,59
Norway	0,41 (410 millions USD)	16,67
Austria	0,40 (400 millions USD)	16,09
Central and East Europe	0,26 (260 millions USD)	14,65
Belgium	0,25 (250 millions USD)	20,81
Rest of Occidental Europe	0,18 (180 millions USD)	6,77
Europe Overall	40,97	1,088 trilioane

CONCLUSIONS AND RECOMMENDATIONS

Romania is the second large farms producer of Central and East Europe, after Poland and middle level to European Union. Romania have about 10 million rural population with 3,3 millions of farmers which give us the second place in Europe as rural population.

In those conditions we have advantage because:

1. Agriculture e-commerce bring new opportunities in partners transactions;
2. The largest weight of those that will take advantages of this business is the new agricultural producer;
3. The number of online shops that will trade produces will increase with 50% on year between 2009 -2010 and rich 3000 functional online shops that will have e-business. Those increasing could be sustain by increasing of internet connections number, broadband access, lows knowing for e-commerce, increasing the internet user trust in e-commerce;
4. In Romania there are 4 million of farms, but only 18623 are legal person;
5. The main problems in e-commerce development is still the e-commerce services quality, electronically transactions security and the user trust in products and services provider;

6. Through largest extending and flexibility the e-commerce becomes an more and more important sales channel for company of today.

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APPRAISAL OF FUTURE INVESTMENTS IN AGRICULTURE ON THE AREA OF PANČEVO MUNICIPALITY

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Keywords: investments, agriculture, municipality of Pančevo

Abstract

Developmental strategy of agriculture and agro-industry on the area of Pančevo municipality (Republic of Serbia) is a document whose basic goal is to determine status and possible developmental directions. They are preconditions for defining of objectives and measures for its implementation. In that sense, in order to plan certain measures as well as to enounce aspects of future support to development of agriculture and rural areas (by financial indicators) it appears necessity of experts' evaluation. The experts' evaluation is needed regarding possible future trends in agriculture concerning land, plant production and livestock production, as well as investments in fixed assets. Having in mind importance of agriculture for entire economic development of municipality of Pančevo, projections of future investments in agriculture have been made. In this paper planned future investments in agriculture till 2013 on the area of municipality of Pančevo have been analyzed in detail.

INTRODUCTION

Having in mind process of EU expansion and perspectives which arise for Serbia from that process, it is obvious that investment activity will play crucial role in future development of Serbian agricultural enterprises and family farms. Investments have decisive role in realization of goals and priorities of agrarian and rural development. They are primarily an incentive instrument of quantitative and qualitative agricultural growth and increase of total agricultural production factors. Investments should provide creation of better situation for life at villages, as well. In this phase, investments growth in agriculture is precondition for its technical and technological modernization as well as one of conditions for stability of entire national economy. Without adequate volume and projection of investments structure it is impossible to provide increase of fixed and working assets, to expand employment, to raise equipment performance, to promote labor productivity, to diverse production etc., on any regional, agrarian or rural level, even on national level.¹

Regarding its geographic position and relief (that is mostly plain area) available natural resources and economy potentials, Pančevo municipality presents interesting area for business activities of domestic and foreign investors. On the area of Pančevo municipality it is traditionally developed a crop production. There are good conditions for cereals breeding (wheat, corn, barley etc.), industrial crops (sugar beet, sunflower, soybean etc.), as well as for fodder production (clover, alfalfa, corn for fodder etc.). In recent years it is especially noticed increased interest in vegetable growing (in glasshouses and greenhouses). Producers are willing to renew tradition of livestock breeding and to improve fruit and grape production, as well.

Pančevo municipality possesses significant land potential – approximately 63,322 ha of agricultural land, which makes 83.90% of total municipality territory. Within agricultural land there are 60,187 ha of cultivable area (within cultivable area there are 58.981 ha of arable land and gardens). Uncultivable area comprises of 3,135 ha. Structure of arable land consists of cereals (64.96%), industrial crops (20.65%), vegetables (9.53%) and fodder crops (3.73%). Territory of Pančevo municipality has at its disposal significant capacities for livestock production: 6,562 heads of cattle (11 heads of cattle per 100 ha of cultivable area), 53,533 swine (91 swine per 100 ha of arable land), 2,524 sheep (4 sheep per 100 ha of agricultural land), i.e. 199,350 pieces of poultry.²

Participation of realized investments in agriculture on the area of Pančevo municipality (in period 1995-2005) in total realized investments in agriculture of Republic of Serbia was from 0.26% to 3.09%. The biggest decrease of this indicator has been noticed in 2005 comparing to 2004 (from 2.55% to 0.76%, i.e. decrease of 1.79% in relation to 2004). The most significant increase has been noticed in 2002 in relation to 2001 - from 1.78% to 3.04%, i.e. by 1.26% (Table 1).³ In case of South-Banat County there were present oscillations, as well. The oscillations were even more expressed than in Pančevo municipality and had interval from 3.09% to 6.95%. The biggest decrease in participation of investments realized in agriculture of South - Banat County in total realized investments in agriculture of Republic of Serbia was in 2000 in relation to 1999 (from 5.50% to 3.34%, i.e. by 2,16%). The most significant increase was recorded in 1999 in relation to 1998 (from 3.09% to 5.50%, i.e. by 2.41%).

2 RS RZS, Belgrade (2007): Municipalities in Serbia 2006.

3 VASILJEVIĆ, Z., SUBIĆ, J., MIHAILOVIĆ, B. (2008): Investicije i razvoj (u Strategija razvoja poljoprivrede i agroindustrije na području opštine Pančevo). Institut za ekonomiku poljoprivrede. Beograd.

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Table 1 Area distribution of realized investments* in agriculture and fishery** (000 RSD)

Year	Unit	Territory			
		Republic of Serbia***	Province of Vojvodina	South-Banat County	Pančevo
1995	Dinar	200,019.00	99,748.00	7,971.00	1,161.00
	%	100.00	49.87	3.99	0.58
1996	Dinar	330,407.00	172,712.00	12,476.00	851.00
	%	100.00	52.27	3.78	0.26
1997	Dinar	459,784.00	227,429.00	23,077.00	6,894.00
	%	100.00	49.46	5.02	1.50
1998	Dinar	620,534.00	376,979.00	19,172.00	4,308.00
	%	100.00	60.75	3.09	0.69
1999	Dinar	738,513.00	415,377.00	40,616.00	2,282.00
	%	100.00	56.25	5.50	0.31
2000	Dinar	1,896,896.00	1,101,763.00	63,299.00	21,593.00
	%	100.00	58.08	3.34	1.14
2001	Dinar	3,146,845.00	2,148,162.00	150,195.00	56,140.00
	%	100.00	68.26	4.77	1.78
2002	Dinar	4,947,895.00	3,265,274.00	343,938.00	150,189.00
	%	100.00	65.99	6.95	3.04
2003	Dinar	3,260,612.00	2,040,895.00	183,529.00	100,817.00
	%	100.00	62.59	5.63	3.09
2004	Dinar	3,721,166.00	2,018,812.00	247,598.00	94,906.00
	%	100.00	54.25	6.65	2.55
2005	Dinar	5,028,799.00	2,150,020.00	185,945.00	38,331.00
	%	100.00	42.75	3.70	0.76

* Investments in fixed capital of public sector (which involves cooperative, mixed and public property, as well) in current prices.

** Agriculture, fishery, hunting, forestry and water management (newer statistical review).

*** Without Kosovo and Metohija.

Source: RS RZS, Belgrade (1997-2007): *Investments of Republic of Serbia, 1995-2005*.

In some years of observed period participation of investments realized in agriculture of Province of Vojvodina in total investments realized in agriculture of Republic of Serbia was over 60%. Nevertheless, changes of this indicator were noticeable (from 42.75% to 68.26%). The biggest participation descent of investments realized in agriculture of Province of Vojvodina in total agricultural investments in Republic of Serbia was recorded in 2005 in relation to 2004 (from 54.25% to 42.75%, i.e., by 11.50%), whereas the biggest increase was recorded in 2001 in relation to 2000 (from 58.08% to 68.26%, i.e. by 10.18%).

MATERIAL AND METHOD

To predict investments in agriculture in Pančevo municipality in the paper have been used scenario analysis method. On the basis of statistical data covering period from 1995 to 2005, appraisals of investments in agriculture within period 2006–2013 have been done. The goal of the analysis is to predict what could happen in near future concerning investments level, on the basis of statistical data available, as well as on the basis of expectations of managers and local officials whose activity is closely connected to agricultural production in Pančevo municipality.

To predict optimistic, pessimistic and the most probable scenarios various trend functions have been used. Three types of trend functions were taken into account for prediction of future investments – the linear, exponential and logarithmic function. The functions could provide good insight into the

further agricultural development of Pančevo municipality, because level of investment activity determines directions and height of agricultural production.

Above mentioned types of functions are widely used in theory and practice. They will enable and facilitate appraisal of expected minimal, medium, and maximal investment level. In scenario analysis it is necessary to use not only mathematical methods and models, but also subjective appraisal and opinion of analyst. Very often results of mathematical models are not logical, so it is necessary to discard trends that offer unreal solutions.

It is also necessary to have in mind that future investment level will mostly depend on situation in entire economy. Arising global economic crisis might disable agricultural investments and development, primarily because of lack of capital and increase of interest rates. Such expectations could be represented by pessimistic scenario. In other words, predictions are made on the basis of historical data, but future situation depends on many factors that can not be represented by available statistical data. The most important impact on investments in agriculture on the area of Pančevo municipality will have economic policy of Serbian government.

RESULTS AND DISCUSSIONS

Agricultural Investments on the area of Pančevo municipality are driving force not only for agricultural development but also for development of entire local economy. Investments could increase disposable production factors and production level, so that they play crucial role in achievement of developmental goals and priorities on the area on Pančevo municipality.

Therefore, future investments in agriculture are analyzed in detail using following features:

- Realized investments in agriculture on the area of Pančevo municipality (in following text – *realized investments in fixed assets*);

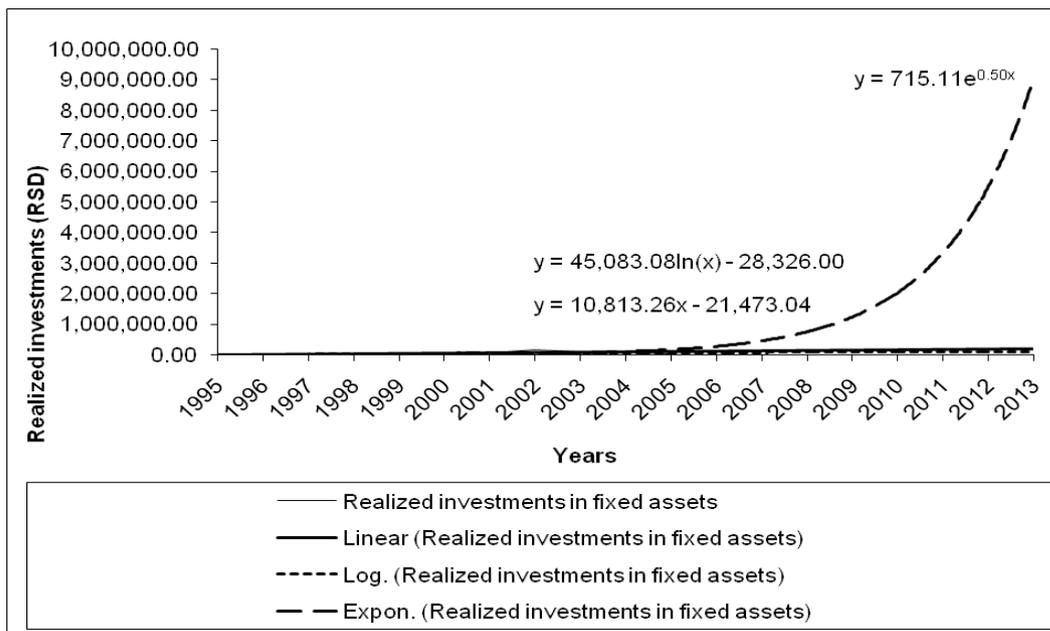


Figure 1 Realized investments* in fixed assets in thousand dinars
 Source: RS RZS, Belgrade (1997-2007): Investments of Republic of Serbia, 1995-2005.

• Participation of investments realized in agriculture on the territory of Pančevo municipality in total investments realized in agriculture in Republic of Serbia (in following text – *participation of realized investments in fixed assets*).

Concerning projected level of realized investments in fixed assets, there have appeared significant variations of results, depending on used trend type. Expected amount of realized investments in fixed assets in 2013 on the basis of logarithmic function is only 104,418.38 thousands dinars. The result which is obtained using linear function is almost double

involves cooperative, mixed and public property, as well) in current prices.

Regarding participation of realized investments in fixed assets favorable trends are expected, no matter on function used for forecasting (Figure 2). Projected participation of realized investments in fixed assets in 2013 on the basis of logarithmic function is the lowest (2.54%). Bigger participation of realized investments is assumed by usage of linear function (3.89%) while exponential trend function provides significantly higher result (8.52%).

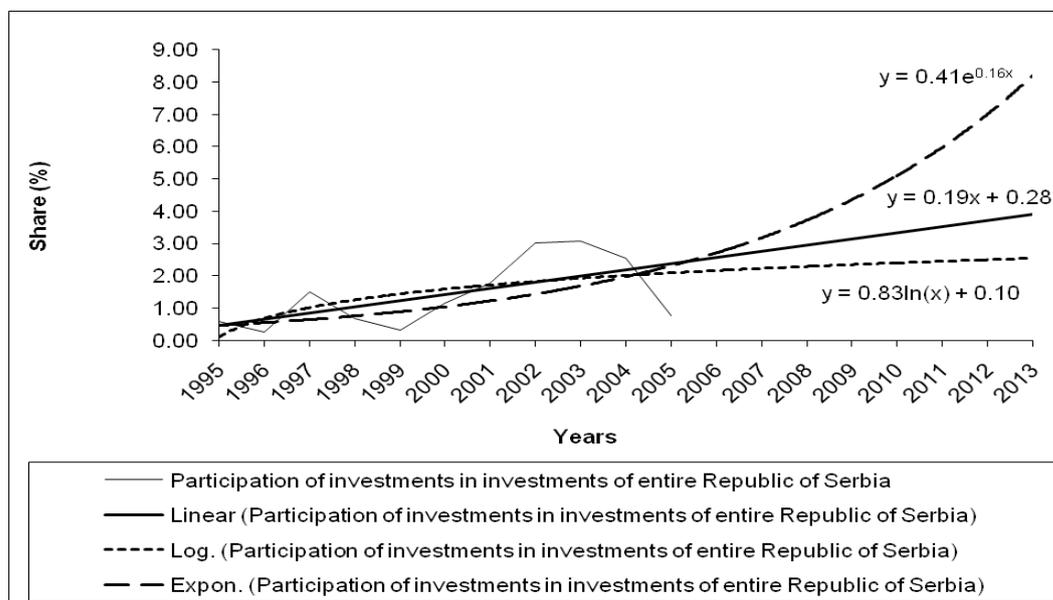


Figure 2 participation of realized investments* in fixed assets in (%)
 Source: RS RZS, Belgrade (1997-2007): Investments of Republic of Serbia, 1995-2005.

comparing to logarithmic function (183,978.90 thousand dinars) while the result of exponential function usage is insubstantial (9,378,770.14 thousand dinars) (Figure 1). This is why the exponential trend is not logical and possible in practice, so that it should be discarded.

* Investments in fixed capital of public sector (which

In order to increase competitiveness of agricultural sector, to develop competitive food processing sector, to preserve and protect natural resources as well as revitalize contaminated environment, it is possible to emphasize following priority measures of future agrarian policy: □

- Support of investments directed towards increase of number of small and medium enterprises with market propulsive and export orientated production programs (production of organic products, production on the basis of medical and aromatic plants, products based on honey, products with protected geographic origin etc.);

- Stimulation of investments that will incentive not only organic production but also other projects which have intention to decline pollution that comes from agriculture and to preserve biodiversity;

- Provision of favorable financial support for agricultural development.

* Investments in fixed capital of public sector (which involves cooperative, mixed and public property, as well) in current prices.

CONCLUSIONS

The results of the research conducted on the area of Pančevo municipality which are showed in this paper indicate the following facts:

1. In period 1995 - 2005 participation of realized investments in agriculture on the area of Pančevo municipality in total realized investments in Republic of Serbia illustrate the biggest decrease in 2005 in relation to 2004 (from 2.55% to 0.76% i.e. by 1.79%), while the most significant increase of this indicator has been noticed in 2002 in relation to 2001 (from 1.78% to 3.04% i.e. by 1.26%);

2. Projected amount of realized investments in fixed assets in 2013 is not uniformed. It is proved by unreal height of investment amount which is obtained using exponential function (9,378,770.14 thousand dinars) in relation to amounts obtained using logarithmic function (104,418.38 thousand dinars) and linear function (183,978.90 thousand dinars);

3. Expected participation of realized investments in fixed assets in 2013 is characterized by smaller variation, although the differences are significantly bigger concerning results obtained by usage of linear function (3.89%) and logarithmic function (2.54%) comparing to result of exponential function (8.52%).

4. In future period adequate measures of agrarian policy should contribute to creation of new possibilities and needs for investments in all areas which are not subject of significant interest at the moment. Taking into account investment activity, these areas could become important not only for agricultural growth, but also for improvement of entire economy in Pančevo municipality.

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RESEARCH REGARDING THE SOURCES OF FINANCE FOR THE AGROFOOD COMPANIES

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Key words: *financing sources, agro-food companies, rentability, competitiveness*

Abstract

With the purpose of obtaining superior levels of market, achieving the planned financial objectives as well as to cope with a developing competition in domain, which impose as imperiously necessary a good coordination of activities at the agro-food unit's level, the renewment of the technology of the production capacity as well as setting an efficient system of management. At the same time, the rational usage of resources of any kind, the efficient unfolding of production represent major objectives and at the same time, essential premises of developing agro-food units. In conclusion, the identification of financial resources which must contribute to the growth of economical rentability and competitiveness of units represent an imperious necessary condition.

INTRODUCTION

The rational usage of resources of any kind, the efficient unfolding of production represent major objectives and at the same time, essential premises of developing agro-food units [3].

The investor's category includes the individual investors the institutional ones, investment funds and other economic organisms that finance the investments [1]. Investors are drawn by a business, first of all because of the profit they hope to achieve and second because of the predicted growth of the bussines. They represent that category of investors that need to find out that the business will record a growth and future consistent profits [2].

MATERIAL AND METHOD

The potential sources of financing from at the level of an agro-food unit are: creditors, investors at the same time other potential finances (creditors or investors) [2].

In figure number 1 the main financing sources which can exist at the level of an agro-food unit are shown.

RESULTS AND DISCUSSIONS

Creditors – the most frequent source of financing

In this category the commercial banks, the financial corporations and, generally, all those which gives credits for the business finance are included. From the bank's point of view an ideal debtor possess some essential features:

- For an available business - a cash flow insurable for reimbursing the loan;
- For a new business – an owner which possesses a successful experience in the same sort of activity;
- An owner with financial results and enough guarantees for being able to cope with unexpected problems that could affect the business.

At the time when an agro-food unite requires a credit for the business's upholding, the bankers are following carefully

4 essential aspects:

1. The applicant's character –the bank's trust and security that the debtor will not vanish when the business will face difficulties is the main concern. The creditor will notice the applicant's specific feature, as well as the frankness, the managerial abilities, the inspired trust for taking a decision about the business's financing.

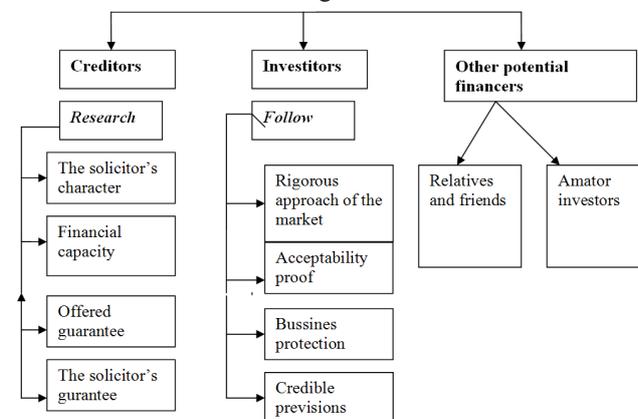


Fig. 1. Financing sources in an agrofood unit

2. The finance capacity refers to the business possibility to pay on time its obligations to the bank.

3. The offered guarantee. This involves the assurance of recovering the amount paid in advance and the cohered interest through the handsel right or mortgage on the real estate or the equipments. The equipments, the buildings, the lands and the vehicles are used as guarantees, because of the considerable value and the abilities to maintain this value for a longer period of time.

4. The applicant's contribution. The banks desire that the enterprisers to have a sufficient degree of financial involvement in the business for which they desire the obtaining of the credit. This is to make sure that they are strongly tied of the company's success and thus of the financing's success, while the exposure to the risk is shared between creditors and enterprisers.

Investors – main financing source for developing businesses

The investor’s category includes the individual investors the institutional ones, investment funds and other economic organisms that finance the investments. Investors are drawn by a business, first of all because of the profit they hope to achieve and second because of the predicted growth of the bussines. They represent that category of investors that need to find out that the business will record a growth and future consistent profits.

The potential investors concentrate their attention on the following aspects:

The compelling approach of the market makes sure that the enterpriser has identified the demands of the potential clients.

The proof of the product’s/service’s acceptability- the enterprisers have to prove that they know to whom and how they will be selling the products and that they have the necessary instruments to realize this product.

The protection offered by the property rights. The investment risk may be reduced if the enterpriser owns the property rights under the form of licenses, patents, registered trademarks.

Credibility previsions are a weapon of carefulness and sincerity in the contact that the solicitor will be having with the potential investor.

Investment Funds

A special category of investors is represented by the risk investors. The risk investors mainly follow two aspects:

- Efficiency of 25-45% or higher
- Investments to become liquid in a relatively short period of time;

The financier’s benefit

CONCLUSIONS

For the financing’s approval, investors put a considerable accent on the next four factors:

1. The enterpriser’s quality-experience and the competence of the person that is starting the business
2. a well balanced and performance managerial team
3. special character - the continuous search of businesses that don’t have any competition and cannot be easily imitated
4. exit- a clear road in that which concerns the possibility of abandoning the business stimulates the investment decision

In conclusion, for each potential source of financing an individual approach strategy must be found, adapted to the source’s characteristics and also to the available informations. No one can have the guarantee to find the right financing sources, but the enterpriser, through its qualities, must find the right way to the best source at one certain moment.

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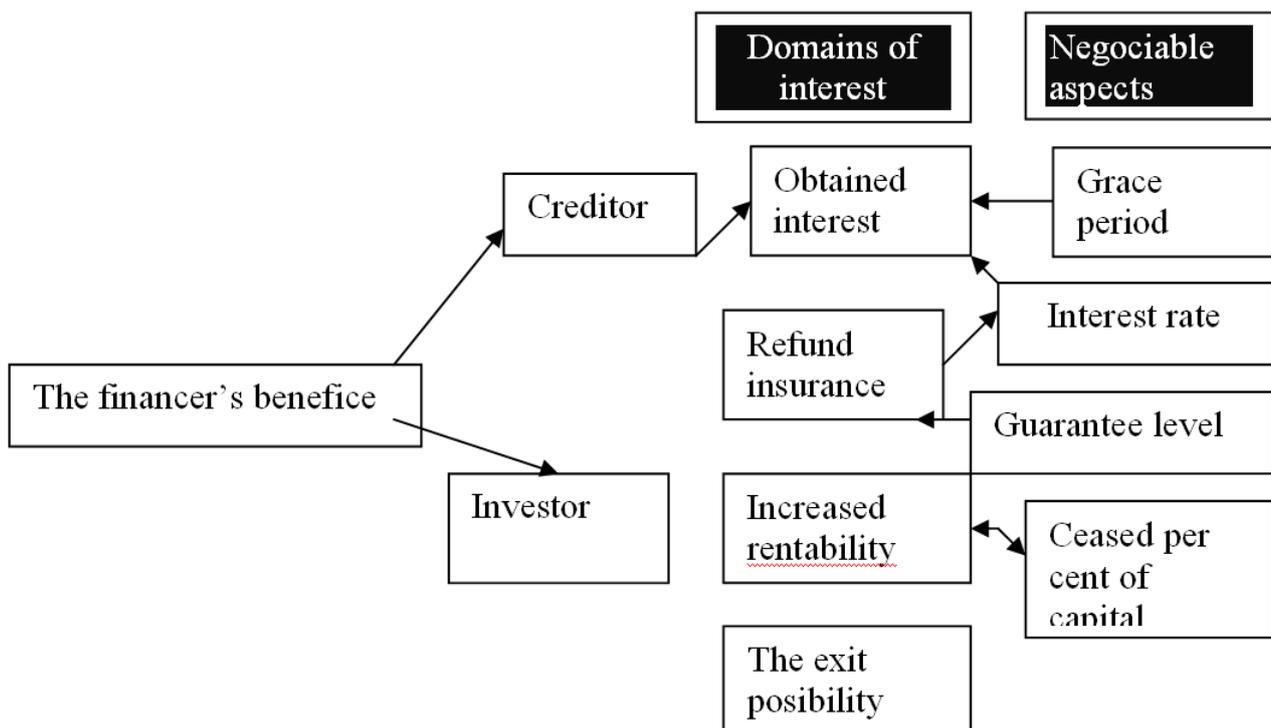


Fig.2. Interest domains of the financier and the negotiable aspects of financing

INNOVATION ON THE MEDICINAL PRODUCTS MARKET FOR ANIMAL TREATMENT

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Keywords: development, innovation, product, market, marketing

Abstract

The innovation includes the development and the launching of new products on the market, and is a key element of the activities within the product policy. When we talk about innovation we refer to the process of discovery and testing of new products. In order to define the newness degree of a product, we have to take into consideration some aspects, such as: the subject (for who this is a new product ? for the producer ? for the buyer ?), the intensity (technological newness or newness for the market ?), the time (since when is the new product on the market ?), the place (on which market the product is new ?). All these questions define the newness/ novelty, because from the marketing point of view, a new product on a market can be already old on another market. Also, the company can assume the role of pioneer by introducing an absolute new product, or can get informed upon the tendencies and could anticipate the demand on another market. No matter what is the economic sector and the complexity, the development process of a new product contains more stages, that, depending upon the category from which they belong (industrial good, long- term use good etc.), lasts much or less , this implying investments and different marketing costs.

INTRODUCTION

The innovation includes the development and introduction of new products on the market and it is a central element of activities within the product policy. When we are talking about innovation we are referring to the process of discovery, and testing of some innovations or new products. To define the degree of novelty we must have regard to several aspects, namely:

- subject: for who is the new product? For the producer? for the buyer?
- the intensity: technological innovations or novelty on the market?
- the time: since when is the new product on the market
- place: on what market is the new product?

All these questions are defining novelty, because, in terms of marketing, a new product on a market may already be old to another. Also, the enterprise can take on the role of a pioneer by introducing a completely new product, or can try to inform about the trends and to anticipate the demand on another market.

MATERIAL AND METHOD

Regardless of the economic sector of complexity, the developing process of a new product includes several steps, which, depending on the category of which is making part lasts more or less, involving investments and various marketing costs, as seen in Fig. 1.

On the market of veterinary products these stages presents some peculiarities, given by: regulations, costs and duration of high research and development. Because of the technologic environmental, the productions of veterinary medicinal products is characterized by long periods of research. To all intents and purposes in the figure below, obtaining a drug is a long process and hard. Finding an testing of an active substance takes several years. It is estimated that at present, the research and development of a drug costs on average over 800 million €. Therefore, many components of the production have been outsourced to other companies. The early research corresponds in some measure with the stage of generating of the product idea specific to consumer goods. The sources for new ideas of products can be internal, especially the results of the department of research and development, the customer complains, of the veterinarians, economic and financial

analysis of the enterprise, or external,; observing the competition, the behavior of the actual and potential customers, other research institutes, the state institutes involved in the field etc. A large part of the process of identifying of the new products that deserves developed is triggered and by the evolution of animal disease. The latest reports[7] are shows the multiplication of infection cases at pigs and cattle, respiratory infections, salmonella at birds. Another major influence

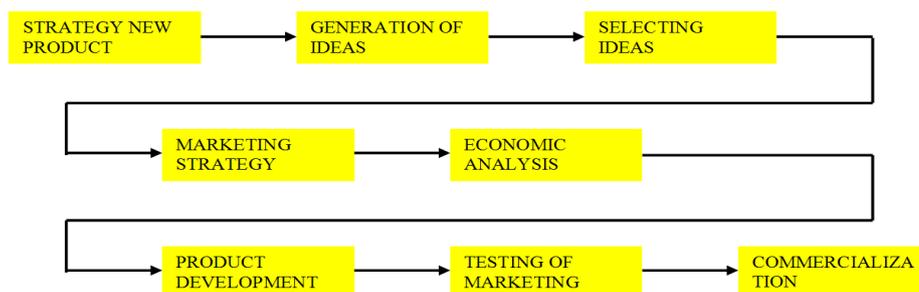


Figure 1 the stages of development of a new product
Source: Kotler, Ph., Armstrong, G, Saunders, J., Wong V., (2002): op. , p 501

is having the climate. Increasing of the temperatures, mild winters and very warm summers is facilitating the apparition of a numerous population of worms and fluke on the animal's field, so it will increase, in consequence, the demand for anti-parasitic and for treatments of preventing the infections.

Follows, then, the research and development of active substance from which it will be achieved a drug. This process can take between 5 and 30 years. After obtaining the drug, is passing to patent registration, which provides a protection to the producer and removes the copies, just to be able to recover the investments. The next step is licensing and registration of the drug for commercialization, which takes place after strict rules, and after testing, which can last at least a year. During the commercialization, the quality must be maintained constant and maintained at original parameters. Any deviation leads to the drug withdrawal from the market. To reduce the costs of research, the development and commercialization of this kind, it was appealed and in this industry at the project management which, by linking the resources, time and money, ensures a better coordination of the process.

The route traveled by the veterinary medicine from the concept phase, launched as a result of a process of innovation and of research-development, by the phase of available product on the profile market, is illustrated in Figure 2, which represents, both the factors that marks out this route, and the activities that compose it.



Fig. 2 The medicine road- from the idea of commercialization

The above steps are not completed automatically with obtaining a new drug. Novartis Company looks in the activity report for the 2003 that the road from the lab on the market takes averagely, 10-15 years. Thus, from 10000 of substances, just 250 are reaching in preclinical tests, 5 in clinical studies and from these is produced just a drug. In parallel, it has increased the research and development costs.

RESULTS AND DISCUSSIONS

If in 1975 the average drug costs were 1348 million USD in 1987 it have been recorded average expenditures of 318 mil USD, that for 2000 to reach at 802 million USD[6].

Another feature of the innovation process in the pharmaceutical industry is the process of adoption, which doesn't evolve in classic way. According to the theory of adoption process, the first clients that adopts and buys the product are the innovators, peoples who assumes the risk for novelty, have the means to purchase an expensive product. On the way, the situation changes, the sales begin to rise, the production price falls, the customer numbers increases. In the case of medicinal product for human and veterinary the adoption process moves more quickly through the

innovatory stages, early adopted, majority untimely, late majority, because the producer is acting under the protection of the patent. He introduces a product on the market, which is the key to a disease and the patient is willing to pay for healthiness. The price of the product won't decrease to quickly, it will remain constantly until the emergence of generics and transforming the product in one of OTC type, which doesn't need the doctor prescription. The generic products are usually, a threat to the original producer because are appearing after expiring of a patent, are adopted by pharmacies and doctors, and the original medicines may lost just in few months the market share is in their favor, At this time, the generic product are having a market share of 5% in Spain and 27% in Germany, the trend being growing[8].

CONCLUSIONS

1. Any change or intervention on an existing product on the market means modification. The enterprise may choose to modify the existing product, for the purpose of developing a product with an inferior quality at a low price, and thereby to cover a market segment neglected or to respond to the competition, or to develop a product of high quality at a high price, whether is seeking to enter on a market segment that brings prestige to the enterprise. Whatever of the chosen direction, the company expects to benefit of the advantage that is having and to obtain profit.

2. The product variation involves intentional change of the basic components of the product, without distorting its functionality but over time the initial product will be replaced or removed from production. For example, the product receives physical characteristics or additional services. In the case of veterinary products use, we mention the different packages, from 20 to 10 tablets, replacing the foil with a plastic container, etc. The distinction between innovation and variation can be very difficult to define because, many times a variation can be accentuated and the new product can radically differ from the old one. In this case, some experts consider that it is about an innovation. An example would be an aliment for animals, which under the same name to be presented in a completely new form and with a total changed prescription.

3. The product differentiation is also a modification of the product, but in a such way that the new product addresses to a new market segment. The product retains its basic features, but trough introducing of small differences can be satisfy and the needs of other clients. The integrated approach of innovation, variation and differentiation may lead to the creation of tree structures, trough which the enterprise broadens the range of its offer, giving to the clients the possibility to pursue diverse product lines, and to be placed on the segment which is convenient.

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MODELS, METHODS AND DECISIONAL TECHNIQUES

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Keywords: decision-making table, making situations, mathematical models, group decisions, interactive methods

Abstract

Due to the complexity of the decision problems, the models are essential in analyzing the issues, characterized by a large number of choices and decision-making criteria. The decision theory uses analytical techniques for various levels of formalization and supports managers to select a set of several alternatives; steps to be taken when making a decision are the following: highlighting the viable alternatives and the events that cannot be controlled by the decision maker, building the decision-making table on the basis of performance indicators correspondending to alternative combinations decision. In low-risk situations, simplified methods of foundation decision may be used, such as models of linear programming and dynamic programming models. In situations of risk, following methods may be used: hope mathematical method, decision tree, Markov analysis, simulation. In uncertain situations, there are recommended the ELECTRE method and the game theory.

INTRODUCTION

In current mode, both in personal life and as employee, we are putting in practice the knowledge, experience and skills acquired to make decisions and to solve the occurring problems. In some cases we resort to intuition, but in other situations is imposing explicitly the respective process. Approaching the decisional process dresses a large field of action between those two extremes, which are on the one hand, generalizing of the intuition/flair of decision-makers who have obtained with success in contexts type and, on the other hand, generalizing the mathematical modeling.

MATERIAL AND METHOD

The decisional problematic at company level is imposing, in fact, identifying the problem in cause at real level and transposing of these at conceptual level. Thus, the life cycle of any decision exists both at real level, and as conceptual level:

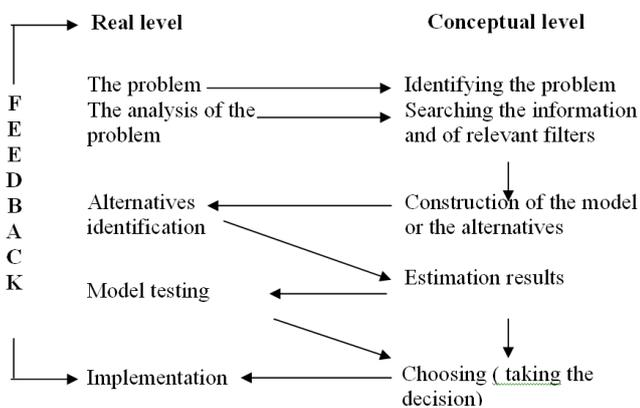


Fig.1. The stages of taking the decision at real level and conceptual level

The elements of a model, as representation of reality in systematic conception, are highlighted in the figure 2; this economic model is a general approach on the company regarded as a system.

The system analysis represents a complex of procedures for improving the general activity of the company trough studying the informational processes and of those decisional which are taking place in the respective enterprises. Practical using of the systematic analysis imposes using of the economic-mathematical models and using of numeric corresponding methods. The models from the decision theory are based on consideration of the analysis criteria, of risk factors and uncertainties.

The system of decision assisting gives the solution to visualize the results, so to know if the model and/or the method may provide a satisfactory solution (interactivity). Due to the complexity of decisional problems, the models of analysis are becoming indispensable in the problems characterized by a large number of decisional variants and evaluation criteria; obviously in such cases is less advisable to use the intuition to fundament the decision; however, even when we solve the complex decisional problems, the final choice between the variants doesn't exclude intuition/experience.

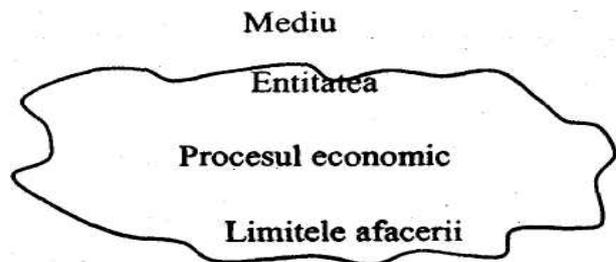


Fig. 2. Economic model (of business)

This analysis of all possible options in a decisional situation is a characteristic of the Japanese management style; although is taking into account all the options, this management style leaves to intuition a field much larger in the decision, in opposition with the classic western-European.

Decisional table

The theory of decision utilizes analytic techniques for diverse levels of formalization and supports the managers in selecting from a set of several alternatives, taking into account their possible consequences into a simplified version of those six/seven stages that shares the decisional process, the steps in taking the decision are the following:

- highlighting viable alternatives to be considered in the decisional process;
- highlighting the states of nature, as ensemble of events that can't be controlled by the decision-maker;
- building the decisional table, expressed on the basis of the performance indicators, corresponding to the combinations alternative decisional – state of the nature (table 1)

The decisional table elements, in the most general variant of expression, are:

- the alternatives/paths of action/strategies/options (decisional variables) $A_i, i=1,2,\dots,m$
- states of nature (uncontrollable variables) $S_j, j=1,\dots,n$;
- the probabilities of occurrence of the nature states (uncontrollable variables) $P_j, j=1,\dots,n$;
- the results/outputs (expected results or dependent variables) $C_{ij}, i=1,\dots,m; j=1,\dots,n$;

Table 1 The decision table elements in the most general formulation

Alternative	Nature states			
	S1	S2	...	Sn
A1	C11	C12		C1n
A2	C21	C22		C2n
.	.	.		.
.	.	.		.
Am	Cm1	Cm2		Cmn

Decisions in conditions of certainty

Although in the real world doesn't exist decisional processes under the conditions of certainty, in the low-risk situations can be used methods simplified of underlying of the decision as: models of linear programming and dynamic programming models.

The linear programming models are having the widest spread due to their simplicity and are allowing the assessment of the action variants and indentifying the optimal solution on the base of maximization or minimization of an objective function whose variables are subject to a set of implicit conditions called restrictions and of some explicit conditions concerning the possible values of those.

Mathematical the problem is defined as:

$$\begin{cases} A \cdot x = b \\ x \geq 0 \\ \min/\max[Z(x)] = c' \cdot x \end{cases}$$

where:

- A – the matrix of technological coefficients $a_{ij}, i=1,\dots,m, j=1,\dots,n$;
- x – the vector of activities x_1, x_2, \dots, x_n ;
- b – the resources vector b_1, b_2, \dots, b_m ;
- c' – the costs vector c_1, c_2, \dots, c_n .

Solving the linear models can be done using graphic method or the algorithm; the complexity of the linear programming models required realizing and using of software packages (eg QM software package; MATLAB, MATHCAD software), destined to transfer the result of those to the assisting system of decision.

The dynamic programming models are based on the theorem of optimality Bellman, according to which “any extracted policy from an optimal policy is itself optimal” or “an optimal strategy is formed from optimal sub-strategies”. Applying this principle, which bears the name of sequential optimization, is realized differently depending on the parameters changes during the process. A multi-phase process is characterized by a number of variables that are describing the state of the system, called state variables. Sequential optimizing is situated in the optimization techniques by searching the optimal “step by step”. The simplest example can be the enumerative method which analysis all the possible variants, with restraining finally of the optimal variant. Solving the problem of sequential optimization consists in determining the values of the decision variables, so that to be checked the restrictions and optimal conditions.

For the sequential decision processes, in the optimization frame can be used two types of solutions, progressive and regressive. A progressive solution respects the temporal order of the process, the first phase of the dynamic program giving the first decision that must be taken. In a regressive solution, the first stage of the dynamic process gives the last decision to be taken in time.

Decisions under risk conditions

The risk means a situation in which the evolution of a phenomenon is described by the associated probabilities of the various states of the nature. The uncertainty describes the situation, in which it isn't possible association of probabilities of nature states, so that can be described the evolution of a phenomenon. The risk refers to the situation in which exists:

- a. a possible result of a decision
- b. the probability of a particular result is known or can be estimated
- c. the probability of a particular result isn't known and can't be estimated

The risk appears in the process of taking the decision when occur the following factors: lack of control from the decision maker, the lack of information and lack of time. The risk involves a certain degree of uncertainty and an impossibility of having the absolute control over the results or consequences of these actions.

The methods most frequently used in adopting decisions under conditions of risk are: the method of mathematical hope, decision tree, the Markov chains and simulation techniques.

The hope mathematical method

This method involves weighting the consequences trough applying the probabilities of occurrence over the matrix results:

$$S_j = \sum_{i=1}^n c_j \cdot p_i,$$

- Where: S_j – mathematical hope, $j=1,\dots,m$;
- p_i – the probability of occurrence of the nature states, $i=1,\dots,n$
- c_{ij} – the matrix results

The calculation of the expected value of the results involves estimating of the probabilities of apparition of nature states. There are two approaches for estimating the probabilities of occurrence, namely: deductive approach (the decision-maker determines the probability of apparition of a result trough the analysis of cause-effect type) and the empirical approach (based on statistical analysis of empirical data).

The decision tree

The managerial decisions which involve the risk are often taken in phases, with sequential decisions and events that depend on the decisions result and previous events. The order of managerial decisions and of the forecasted results for each state of the nature can be graphically represented trough decision trees. The analysis on the base of the decision tree can be used when the management if confronting with a selection between several alternatives of future action, which appears in the form of a chart, which represents the information in a clear and useful way, that enables highlighting the probable consequences. The tree root corresponds to the time reference, and each branch from a decisional node corresponds to a decisional alternative and includes the performance related to the decision. Each branch which results form a node-chance is associated with states of the nature, multiplying the probabilities along each path; it can determine the associated result to each action.

A decision tree is built like this:

1. Is drawing the decision tree trough representing the decisional nodes and of the nature state
2. it is highlighted all the possible routes in the drawn decision tree
3. it is calculating the final values on each rout separately

in the The advantages of the method are: structures and orders sequential the decisional process' it requires to the decision factor to exam all the possible results; communicate the process of taking the decisions in a succinct manner, illustrating every assumption about the future; allows to a group to discuss the alternatives focusing the attention on every value, probability and basic assumption; is suited at utilization based on software, in which can be simulated various types of hypotheses. The analysis based I decision trees, like in the case of all methods of taking the decisions, it should be used together with the experience and intuition.

Simulation techniques decisional processes

The simulation techniques involves estimating or specifying of the probability associate of the variables

model and introducing the variables randomly selected in an iterative algorithm. The decisional simulation suppose creating of a decisional model, taking into account the variable that defines the decisional problem, with which can be designed several possible decisional variants, from which is chosen the on that corresponds to the preset criteria. A proper utilization of the techniques of simulation requires the distribution of probability for a number of variables and involves using of specific software.

Monte Carlo simulation is a statistical technique trough which a value is calculated repeatedly, using randomly selected scenarios like “ but if?”. Although the process of simulation if complex in its interior, the software performs calculations as a single operation, presenting the results in the form of simple graphs and tables. These results are approximating the full range of the possible results, as well as the probability of each one of them.

A simplified alternative is the sensitivity analysis, which represents a procedure to determine the sensitivity of a result, of an alternative at modifying its parameters (which defines and/or determines that alternative).

Decisions under conditions of uncertainty

In the taken decisions under the conditions of uncertainty, usually aren't known the probabilities of occurrence of the states of nature, and the managers decision is based on their experience and their intuition. Such behavior may be optimistic, pessimistic, or may be having in view just minimizing the regrets. The estimation of the possibilities are based on individual experience or on the group of experts, and the adopting procedure depends on the degree of perceived uncertainty. In the case of taking a decision in conditions of uncertainty is used, primarily, two methods of work:

- a) the decision-maker itself can identify and associate subjective probabilities to the states of the nature and can predict the consequences of each strategy in hand, and finally, the procedures will be those encountered in risk conditions;
- b) the decision-maker prefers not to make assumptions on the probabilities of occurrence of the nature states.

CONCLUSIONS

1. The identification actions of the management problems and of specifying the paths or alternatives of solution are making part of the creativity sphere. The most important methods are: the Brainstorming, the Philips method and Delphi method.

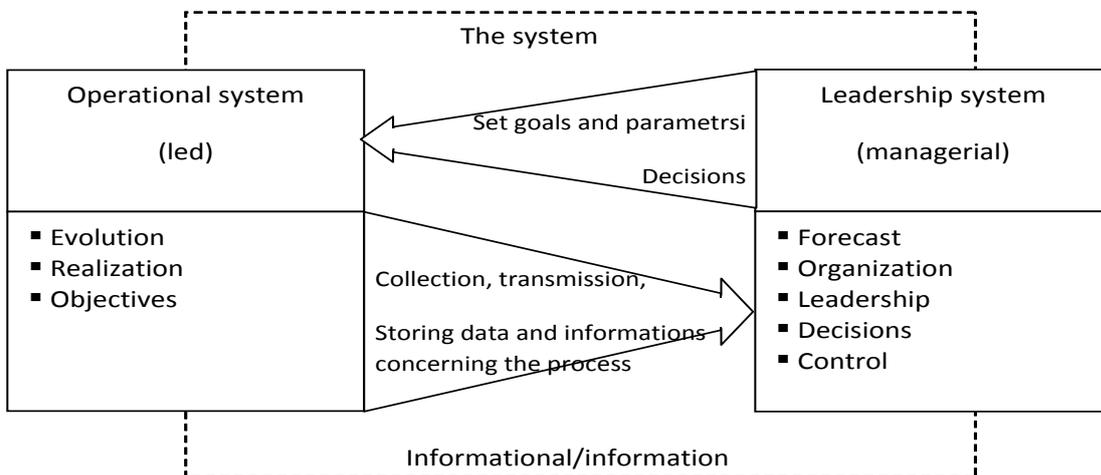


Fig. 3. The location of the informational and information system in the management process

2. The Brainstorming method works with groups of 6-12 people each, the discussion taking place in about 60 minutes. The suggestions made orally by the group components aren't obeyed to criticism. They are recorded, analyzed and subsequently finalized by the moderators/special analysts.

3. The Philipps-66 method is a derivative of brainstorming which involves the specifics of working with six people in group on a period of six minutes. The discussions regime and processing results doesn't differ of brainstorming.

4. The Delphi method is a method that involves solving problems collectively, but without meeting in the same time and space of the group. Is having at base the principle of creative thinking. Are used questionnaires with questions to which the experts group, as many would be, are asked to tell their opinion in writing.

5. The informational system is a component of the management system characterized by the ensemble of fluxes and informational circuits organized in a unitary conception, which uses human and material resources, methods and procedures for collecting, selecting, recording, processing, storage and transmission of data and information and provides the interconnections between the leadership system, managerial and the system led (operational).

6. If the methods, procedures and methods used for collecting, recording, processing, storage and transmission of data are automated, is born the information system, component of the informational system (figure 3)

7. The informational system is designed and implemented as an integrated system to provide to the managers, from all levels and functions, the information came from intern sources and outside the organization, for their use and adoption of efficient decisions in the forecasting activities, organization, management and control.

8. The managers need of rapid information in the decisional process, for comparing the decisional variants and to control and evaluate with the help of computer decisions taken previously.

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RESEARCH REGARDING THE BUSINESS OF THE PRODUCERS SPECIALIZED IN THE TRADITIONAL AGRIFOOD PRODUCTS MARKETED AT THE ROMANIAN PEASANT FAIR

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Key words: traditional products, consumption model, product market, consumer

Abstract

The study aims at describing the business of the producers specialized in the traditional agrifood products marketed at the Romanian Peasant Fair. This research became necessary due to the changes on agrifood product market, where the consumption model is shifting from the conventional food to the traditional and/or ecologic food, for certain categories of consumers. Following these changes, the producers specialized in traditional agrifood products are offered new opportunities to re-launch production. The study describes the business of such producers, present at the Romanian Peasant Fair, in an attempt to find the premises for establishing the future market tendencies of these products.

INTRODUCTION

The marketing research regarding the business of the farmers present in the Romanian Peasant Fair with traditional products has the following objectives:

- To group the traditional food producers by zones of origin, product type and legal status;
- Identification of farmers' belonging or intention of belonging to associations of producers;
- Identification of farmers' experience in obtaining traditional products;
- Identification of Romanian traditional products obtained and commercialized by the farmers of different zones;
- Identification of the frequency of participation in the traditional product fair;
- Identification of average quantity of traditional products, by product type, sold in one round (2 fair days);
- Identification of ingredients and recipes used to obtain traditional products;
- Price list for the traditional products, by product type;
- Identification of price/cost ratio for traditional products;
- Identification of farmers' reaction to traditional products commercialization place within the Romanian Peasant Fair;
- Identification of farmers' opinion regarding the utility of

the Romanian Peasant Fair;

- Identification of farmers' interest in participating in more events connected to traditional products;
- Identification of trends in obtaining and commercializing traditional products;
- Identification of opportunities for the development of traditional product business by their launching on the market.

Research relevance results from the changes in agrifood product market. The results of the study make possible a zone distribution of Romanian traditional products, identification of zones with potential and vocation for traditional brands that can be launched on the market and efficient capitalization of local resources, by taking into account the existing demand on the domestic market.

MATERIAL AND METHOD

A marketing research was performed, using qualitative methods for describing the business of the farmers present at the Romanian Peasant Fair with traditional products. Some authors (Sayer, 1992) consider that the purpose of qualitative research is to understand the way the participants perceive situations and events. Semi-structured interview technique

Table 1 Products commercialized at the Romanian Peasant Fair, by zone of origin

Zone of origin	Products commercialized at the fair
Fundata – Bran	sausages, smoke-dried salt meat, smoked pot cheese, cottage cheese, soft cow cheese
Fundata – Bran	smoke-dried salt mutton, sheep cottage cheese, smoked pot chese
Făgăraș	Salami and sausages
Bucovina	Pound cakes, hors d'oeuvre, jam
Bucovina	Homemade butter, trout in kobsa, smoked pressed cheese, „poale-n brâu”
Bucovina - Moldovița	Fir syrup, hors d'oeuvre, jam
Botoșani	Meat products
Bucovina	Meat products
Maramureș	Traditional meat products
Târnava – Mare	Jam, dried fruits, pickles, bread
Sighișoara	Jam, bread, tea
Criș – Brașov	Goat cheeses
Criș – Brașov	Jam, bread, hors d'oeuvre
Argeș	Plum brandy
Comuna Tulca – Bihor	Palinca from natural fruits

and a discussion guide were used to collect the data (Annex 2). Subjects were selected from the participants in the fair. Interviewed subjects are traditional product farmers from Muntenia, Moldova and Transylvania, with ages between 23-50, both genders, married, with 2-8 family members.

Data collection and analysis include the following stages: establishing the sample, drawing up the questions in the discussion guide, interviews, registering and centralization of the answers, data processing, results validation and elaboration of conclusions.

Critical thinking methods were used to analyze the data: argument analysis, explanation, evaluation and inference. Research results were validated by using the method

Table 2 Quantities of products obtained, number and species of animals exploited by producers, by zone of origin and type of product commercialized in the Romanian Peasant Fair

Zone of origin	Commercialized products	Quantities of products obtained	Animal number
Fundata – Bran	Sausages, smoke-dried salt meat, smoked pot cheese, cottage cheese, soft cow cheese	-	500 sheep, 50 cows
Fundata – Bran	Smoke-dried salt mutton, sheep cottage cheese, smoked pot cheese	-	400 sheep
Făgăraș	Salami and sausages	-	10 pigs a week and 3 calves
Bucovina	Pound cakes, hors d'oeuvres, jam	Hors d'oeuvre-500 jars, pound cakes-1000 kg, jam 1000 jars	Does not exploit animals
Bucovina	Homemade butter, trout in kobsa, smoked pressed cheese, poale-n brau	1000 kobsas, 2000 pieces of butter, 300 pieces	5 cows
Bucovina - Moldovița	Fir syrups, hors d'oeuvres, jam	-	-
Botoșani	Meat products	-	5 cows, 8 pigs, 7 calves per weekend
Bucovina	Meat products	-	15 cows, 18 calves, 2 pigs per weekend
Maramureș	Traditional meat products	-	3 cows, 6 calves, 5 pigs per weekend
Târnava – Mare	Jam, dried fruits, pickles, bread	-	-
Sighișoara	Jam, bread, tea	-	-
Criș – Brașov	Goat cheeses	-	100 goats
Criș – Brașov	Jam, bread, hors d'oeuvres	-	-
Argeș	Plum plum brandy	-	-
Comuna Tulca – Bihor	Palinca from natural fruits	300 litres	Does not exploit animals

of negative case analysis (Miles and Huberman, 1994). Counter-evidence is present in data analysis and elaboration of conclusions (Bardi, 2003).

RESULTS AND DISCUSSIONS

The producers interviewed come from different zones and counties of Romania (Fundata – Bran, Făgăraș, Criș, Bucovina, Moldovița, Botoșani, Maramureș, Argeș, Bihor; Tulca commune, Târnava Mare, Sighișoara) and they are organized as individual producers, authorized natural persons, foundations and commercial companies.

The products commercialized in the fair differ according to their zone of origin (Table 1). Sausages, smoke-dried salt meat, cheeses and salami and sausages are produced in Fundata, Bran and Făgăraș, fruit and vegetable specialties, red meat products, fish products and pastry products come from Bucovina and Botosani. Traditional meat products are obtained in Maramures. Jam, bread and tea varieties are produced in Sighisoara, while plum brandy and palinca are produced in Arges and Bihor.

Interviewed farmers exploit areas of 15 to 60 ha. The largest area is exploited by the producer in Arges, who makes plum brandy and uses a 60 ha area. Producers in Fundata, Bucovina, Sighisoara, Crit-Brasov and Arges declared they exploit the land for obtaining traditional products like sausages, smoke-dried salt meat, smoked pot cheese, cottage cheese, soft cow cheese, homemade butter, trout in kobsa, smoked pressed cheese, poale-n brau, jam, bread, tea, goat

dairy products and plum brandy.

Therefore, there is no direct connection between land exploitation and the type of traditional product, since for the same products, other farmers do not exploit agricultural land. For instance, producers of pound cake, hors d'oeuvre, jam, meat products and bread from Bucovina, Botoșani, Criș – Brașov do not exploit land. The producer of palinca from fruit in Tulca, Bihor county, buys the raw material from specialized farms.

Table 2 presents the centralized answers to the question “How many animals do you use for obtaining traditional products?” The producer of sausages, smoke-dried salt meat, smoked pot cheese, cottage cheese, soft cow cheese

in Fundata – Bran exploits 500 sheep and 50 cows. The producer of smoke-dried salt mutton, cottage cheese and smoked pot cheese in Fundata-Bran breeds 400 sheep. The producer of salami and sausages from Fagarasi slaughters 10 pigs and 3 calves a week.

The producer of butter and smoked pressed cheese in Bucovina breeds 5 cows to produce 2000 pieces of butter and 300 pieces of pressed cheese, out of which half are commercialized. Meat producers in Bucovina slaughter 5 and 15 cows respectively, 8 and 2 pigs respectively, 7 and 18 calves respectively to obtain the production they commercialize at the Romanian Peasant Fair. The producer of goat cheeses exploits 100 head.

To the question “What is the animal breeding system?”, all producers responded that the system is extensive, on the pasture. This premise leads to the conclusion that the products obtained can be considered natural and can candidate for organic product certification.

As for farmers' experience in producing and commercializing traditional products, it ranges between 1 and 10 years, although there are producers stating that they make these products for 100 years, within a family tradition: “I've grown up with them and now I'm continuing family tradition”. The farmers taking part in the Romanian Peasant Fair have a 4.5 year average experience in traditional products.

Table 3 centralizes the data regarding the quantities commercialized by the farmers in one participation in the fair. A directly proportional relationship can be noticed

between the quantity of commercialized products and the producer type (individual producer, family association, commercial company) and the size of the business (number of members or employees). Thus, individual producers in Fundata, Făgăraș, Bucovina, Criș-Brașov commercialize a lower quantity of traditional products: 8-20 kg cheeses, 15-50 kg meat products, compared to the producers organized as commercial companies in Botoșani, Bucovina, Maramureș, who commercialize 300-800 kg meat products.

To the question “Is price/cost ratio favourable?”, the producers find effects/efforts ratio to be favourable, save for the situations when they don’t commercialize the entire quantity of products: “It is favourable, but we don’t always sell all our goods”.

The farmers taking part in the fair with traditional products consider that the fair is good for small producers (as it helped with the promotion of their products and with making known

Table 3 Quantities of commercialized products and frequency of participation in the fair, by zone of origin and type of product commercialized at the Romanian Peasant Fair

Zone of origin	Commercialized products	Quantities of products commercialized in one round of participation	Frequency of participation in the fair	Farmer’s legal status and family/ association/company size
Fundata – Bran	Sausages, smoke-dried salt meat, smoked pot cheese, cottage cheese, soft cow cheese	Cottage cheese – 20 kg; Soft cow cheese - 10 kg; Smoked pot cheese – 8 kg; Smoke-dried salt meat – 15 kg; Sausages– 30 kg	Weekly	Individual producer, 4 members
Fundata – Bran	Smoke-dried salt mutton, smoked pot cheese	-	Weekly	Individual producer, 5 members
Făgăraș	Salami and sausages	50 kg salami and sausages	Twice a month	PFA
Bucovina	Pound cakes, hors d’oeuvre, jam	-	Weekly	Individual producer, 2 members
Bucovina	Homemade butter, trout in kobsa, smoked pressed cheese, poale-n brau	15 kobsas; 20 butter pieces, 25 pressed cheese pieces	Weekly	Individual producer, 2 members
Bucovina Moldovița	Fir syrups, hors d’oeuvre, jam	100 jars of hors d’oeuvre; 150 jars of jam; 30 bottles of syrup	Twice a month	Individual producer, 2 members
Botoșani	Meat products	500 kg of products	Twice a month	Commercial company, 5 employees
Bucovina	Meat products	800 kg	Weekly	Commercial company, 9 employees
Maramureș	Traditional meat products	300 kg	Once a month	Commercial company, 7 employees
Târnava – Mare	Jam, dried fruits, pickles, bread	100 kg out of which: 30 kg –jam; 20 kg –bread; 15 kg –dried fruits; 35 kg – pickles.	Once a month	Adept Transylvania Foundation
Sighișoara	Jam, bread, tea	200 kg	Twice a month	Culture and Ecology Foundation
Criș – Brașov	Goat cheeses	50 kg cheeses	Weekly	Individual producer, 3 members
Criș – Brașov	Jam, bread, hors d’oeuvre	30 kg	Weekly	Individual producer, 3 members
Argeș	Plum brandy	20 litres – plum brandy	Weekly	Individual producer, 2 members
Comuna Tulca – Bihor	Palinca from natural fruits	30 litres – palinca	Once a month	PFA, member of the Association of Natural Fruit Palinca Producers in Bihor

To the question “What ingredients and recipes do you use for obtaining traditional products?” all producers answered they use traditional recipes and natural ingredients: “Natural ingredients and old recipes from our parents”, “traditional recipes from our parents and natural ingredients”, “Natural ingredients without additives or preservatives”, “Romanian traditional recipes”, “Recipes transmitted from father to son” etc. Out of the ingredients we mention: milk, salt, homemade rennet, mutton, beef, basil, pepper, garlic.

their area to the tourists), it is well organized, civilized, the environment is relaxed and friendly: “It’s a good idea, welcome for us, the small producers used to sit days on end in Brasov markets without selling anything”, “Very well organized and very useful for small producers”, “A friendly place and a relaxed environment” etc.

Regarding the sale prices for these products, information has been collected only for kobsas – 65 lei, hors d’oeuvre – 15 lei/jar, jam – 10 lei/jar, syrup – 10 lei/jar, palinca – 50 lei/litre. The same products, obtained in an industrial system, have lower prices: hors d’oeuvre – 4 lei/jar (380 g), jam – 4.88 – 5.25 lei/jar (375 g), syrup – 10 lei/litre, palinca 25-42 lei/litre. Therefore, the prices of traditional products are higher than those of nontraditional ones, a difference justified by the higher quality of the traditional products, their natural ingredients and special taste.

The farmers find the Romanian Peasant Fair to be useful, as participation in the fair is a chance to preserve and promote Romanian culinary tradition in the producers’ area, to sell their products, promoting the consumption of natural food and the taste of Romanian products: “promotes both our products and the local colour of the areas we come from”, “it is useful because this is our only income and it helps us promote our region”, “without the fair, dies our last chance to preserve culinary tradition and to make it known to foreigners”. Farmers obtaining traditional products who had taken part in more fairs, markets and stock markets consider that unlike the latter, the Romanian Peasant Fair promotes the area of origin, local customs, specific recipes: “that makes us each unique through our products”

Some producers had also taken part in other events connected to traditional products: in Italy, in an event organized through the Romanian Peasant Fair project and in fairs at the Village Museum.

To the question “What measures do you consider to be necessary for the development of traditional product business?”, the producers answered that a more significant contribution is needed from the government, organizations, associations, foundations: “Involvement of all competent institutions for the preservation of Romanian traditions and the taste of our products”, “Higher involvement from everybody to preserve and promote our traditions”. Producers also consider necessary the organization of more fairs of this type: “as stable and well organized as this one”.

CONCLUSIONS

Farmers participating in the fair with traditional products believe the fair is welcome for the small producers, because it helped them promote their products and make their zone known to the tourists, it is well organized, civilized, with a relaxed and friendly environment.

Farmers participating in the Romanian Peasant Fair are organized as individual producers (from Fundata, Bucovina, Crit and Arges), authorized natural persons (from Fagaras and Tulca), foundations (from Tarnava Mare and Sighisoara) and commercial companies (from Botosani, Bucovina and Maramures). Individual producers work with 2-4 family members, while commercial companies use 5-9 employees.

Products made and commercialized at the fair differ according to the zone of origin: sausages, smoke-dried salt meat, cheses, salami and sausages are produced in Fundata, Bran, Fagaras, fruit and vegetable specialities, meat products, fish products and pastry products are made in Bucovina and Botosani zones. Traditional meat products are made in Maramures. Jam, bread and tea are made in Sighisoara. Plum brandy and palinca are produced in Arges and Bihor.

Farmers take part weekly in the Romanian Peasant Fair (producers from Fundata, Bucovina, Criş – Braşov and Arges), or once or twice a month.

Farmers' experience in producing and commercializing traditional products is around 4.5 years, ranging from 1 to 10 years, as a family tradition. Producers use traditional recipes and natural ingredients to obtain traditional products: milk, salt, homemade rennet, mutton, beef, basil, pepper, garlic etc.

The quantities of traditional products sold in the Romanian Peasant Fair vary according to producers' organization form. There is a directly proportional relationship between the quantity of products commercialized, the producer type and business size. Individual producers in Fundata, Făgăraş, Bucovina, Criş-Braşov sell a lower quantity of traditional products: 8-20 kg cheeses, 15-50 kg meat products, compared to the producers organized in commercial companies in Botoşani, Bucovina, Maramureş, who sell 300-800 kg meat products.

Prices of traditional products are higher than those of nontraditional ones, the difference being justified by the high quality, natural ingredients and special taste of the traditional ones. Producers find the effects/efforts ratio to be favourable, save for the situations when they don't sell the entire quantity of products.

As a conclusion, the farmers taking part in the Romanian Peasant Fair find it useful because it is a chance for the participants to preserve and promote Romanian culinary

tradition in their zones of origin, an opportunity to sell their products, promoting the consumption of natural food and the taste of Romanian products. Farmers who had also taken part in other fairs, markets and stock markets with their traditional products consider that unlike the latter, the Romanian Peasant Fair promotes the zone the product comes from, local customs, specific recipes.

ACKNOWLEDGMENTS

This research work was financed from PNDII Project (2007 – 2010) – *Promotion of traditional brands of Romanian agrifood products and identification of market niches in the context of implementing traceability in product channel.*

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STUDY REGARDING CONSUMERS' REACTION TO TRADITIONAL PRODUCTS

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Key words: *qualitative research, traditional products*

Abstract

The marketing research explores the reaction of traditional food consumers and producers taking part in the Romanian Peasant Fair to the quality and the price of traditional products, to the location and utility of the fair: Consumption preferences of the buyers, producers' business, types and quantities of traditional products marketed, land area and animal numbers used to obtain traditional products, recipes and ingredients used, product prices etc have been analysed.

INTRODUCTION

This research is necessary because changes have taken place on agrifood market, where consumption model is shifting from conventional food to traditional and/or ecological food, for certain categories of consumers.

This study is focused on consumers' reactions to the production and commercialization of traditional products, trying to foresee the future development of their market. The consumers of traditional food were identified among the visitors of the Romanian Peasant Fair.

MATERIAL AND METHOD

Regarding the consumption trends and consumers' reaction to the traditional products commercialized at the Romanian Peasant Fair, the following questions were asked:

1. What traditional products do consumers buy at the Romanian Peasant Fair?
2. What is the purchase frequency and the average quantity of traditional products bought?
3. Where do the traditional products preferred by the consumers originate from?
4. Why do the consumers buy traditional food?
5. Is the Romanian Peasant Fair a good opportunity for the development of traditional product business?
6. What is the consumption trend on the traditional product market?
7. Are there any opportunities for the development of traditional product business?

In order to identify the reaction of consumers to the traditional products commercialized at the Romanian Peasant Fair, a marketing research has been performed using qualitative methods, as these allow the understanding of reasons, attitude and beliefs of the consumers. Some authors (Sayer, 1992) consider that the purpose of qualitative analysis is to comprehend the way the subjects perceive situations and events. Semi-structured interview was used to collect the data, with a discussion guide. Critical thinking methods were used to process the data: argument analysis, explanation, evaluation and inference. Research results were validated with the method of negative case analysis (Miles and Huberman, 1994). Counter-evidence is present in data processing and conclusion drawing up (Bardi, 2003).

RESULTS AND DISCUSSIONS

Data analysis was performed for each question in the discussion guide.

For the question „**How often do you visit the Romanian Peasant Fair?**”, the answers concentrate in the area of high frequency. Two categories of subjects can be noticed: subjects visiting the fair weekly and subjects visiting the fair twice a month to buy traditional products.

For the question „**What traditional products do you buy?**”, the answers vary largely: salami and sausages, cheese, jam, hors d'oeuvre, meat products, palinca, sausages, smoke-dried salt meat, bread and tea. Weekly visitors of the fair buy what they need for the whole week or try something new: „All I need during the week of my visit to the fair and whatever else is new”. Monthly visitors buy what they like or need: “What I like and what I need”

Regarding **the average quantities purchased in one shopping round** at the traditional product fair, they vary by product, as follows:

- salami and sausages – 3-5 kg;
- meat products – 3 kg;
- sausages: 4 kg/month;
- cheese – 4-6 kg;
- jam – 2-3 jars;
- hors d'oeuvre – 2-3 jars;
- pickles – 5 jars;
- palinca – 0.5-2 l.

Some subjects buy 1 kg or 1.5 kg of each product. Therefore, there are products bought in larger quantities: meat products and cheese, as well as products purchased in lower quantities: jam, hors d'oeuvre, pickles, palinca etc.

Analysis to the question “**Do you consume traditional products coming from a certain area? Do you have a favourite area?**” revealed two visitor categories: consumers preferring products from certain areas: cheese from Fundata, salami and sausages from Bucovina, Botosani, sausages from Harghita, palinca from Arges and Tulcea, hors d'oeuvre from Moldovita, jam from Suceava etc. Another category of consumers do not have a favourite area and they buy the products they like, regardless the area of origin.

Consumers choose traditional products using the following criteria: quality, colour, smell, taste, geographic area and

trust granted to farmers.

Fair visitors buy traditional food because they are healthier, natural, have good taste and remind them of their childhood. Subjects do not define or buy traditional products by comparison with conventional ones, unless this idea is suggested to them. But to the question "Do you think there are differences between traditional and non-traditional products? What are they?" subjects admit the differences between the two product types, saying that "traditional products are tastier and healthier", "don't contain preservatives", there are differences "in quality (non-traditional ones have low quality)", taste – "they have an unmistakable taste", "moreover, you can meet and talk the person who prepared them".

Traditional food consumers believe that non-traditional products "are not as good and contain many chemicals, despite their lower prices".

Analysis of the answers reveals that traditional products not only meet food needs - as they are tastier and healthier than non-traditional ones - but also psycho-emotional needs, because consumers enjoy feeling "close" to the area and the culinary and cultural traditions of the area where they may have been born.

To the question "**How do you appreciate the price of traditional products? What about the quality/price ratio?**", all subjects considered the price convenient, good, "attractive, considering the extraordinary quality".

Fair visitors find the fair location to be well organized, interesting, civilized, nicely arranged, with a "tint of ancient tradition".

Fair utility resides in the possibility to buy good and healthy products, of exceptional quality etc.

Data analysis reveals that there are at least two categories of reasons justifying the utility of the fair. The first one refers to the possibility of finding products of good quality, healthy and tasty: "we can buy good healthy products practically brought to our home", "this fair changed my food type and my eating habits". The second category refers to the fact that the fair offers to Bucharest population products from different areas of the country, which remind them of their childhood: "it brings to Bucharest what's best in every area of the country", "it can offer to Bucharest residents good products coming from afar", "brings taste and colour to Bucharest", "I could buy the hors d'oeuvre mother used to cook during my childhood" etc. We can consider that the fair is the connection between Bucharest and different areas of the country, where traditional products are produced and consumed. They are brought close to the consumers through very short (direct) and deep channels. It is interesting that some visitors saw the utility of the fair from the farmer's point of view too: "it gives us the chance to buy healthy products and helps the farmers sell them"

The answers to the question "**Are you going to take part in other fairs and events connected to traditional products?**" shows consumers' fidelity to the farmers present in the fair, the products and the fair organizers: "No, I am staying faithful to this one", "No, I will only come here", "Only if they are organized with these farmers", "No, I prefer this because I trust the farmers"

The visitors find that the measures required for the development of production and trade with traditional

products refer to a deeper involvement of the ministry and other competent bodies, to a more intense promotion of the fair and a stronger support granted to the farmers for its organization.

The subjects interviewed include women and men, married, age ranging between 25 and 67, graduates from college, with the following occupations: lawyer, economist, accountant, engineer, with incomes between 1000 and 1800 lei/individual/month. The conclusion is that age and gender do not divide the market of traditional products in consumers and non-consumers, since subjects cover all ages and both genders. The absence of persons with medium education, of jobs requiring medium education, of persons with low incomes suggests that studies, profession and income splits the traditional product market in consumers and non-consumers.

CONCLUSIONS

The visitors of the Romanian Peasant Fair come weekly and buy different products, in different quantities, depending on the product type. Some consumers developed preference for products from a certain area of the country. They consume traditional products because they are healthier and tastier than non-traditional ones.

Consumers buy various traditional products at the Romanian Peasant Fair, in different quantities: salami and sausages, cheese, jam, hors d'oeuvre, meat products, palinca, sausages, smoke-dried salt meat, bread and tea. Average quantities purchased in a shopping round (once a week) in the traditional product fair varies with the product: salami and sausages – 3–5 kg, meat products – 3 kg, sausages – 4 kg/month, cheese – 4–6 kg, jam – 2–3 jars, hors d'oeuvre – 2–3 jars, pickles – 5 jars, palinca – 0.5–2 l.

As for the consumers preference for a certain area of origin of traditional products, there are two categories: consumers preferring traditional products from a certain area (cheese from Fundata, salami and sausages from Bucovina, Botosani, sausages from Harghita, palinca from Arges and Tulcea, hors d'oeuvres from Moldovita, jam from Suceava etc) and the consumers without preference for a certain area, who buy whatever product they like, regardless the area of origin.

Fair visitors buy traditional food because they are healthier, natural, very tasty and because they remind them of childhood. They recognize the differences between traditional and non-traditional products, appreciating the traditional ones for being tastier, healthier, for not having preservatives, having an unmistakable taste, while non-traditional ones are not as tasty and contain more chemicals, even if they are cheaper.

An analysis of the answers shows that traditional products meet both culinary needs (as they are tastier and healthier than non-traditional ones) and psycho-emotional needs (as consumers like to feel "close" to the area where they may have spent their childhood, to its culinary and cultural traditions).

Visitors consider that organizing this fair is a very good idea and they are loyal to the organizers and producers. They believe that the ministry and other competent bodies should get more involved and that this fair should be promoted better.

The analysis of empiric data reveals the existence of

opportunities for the development of traditional product business, since the consumers are willing to buy such products and the fair organized for the commercialization of traditional products has proved its utility. The Romanian Peasant Fair is the culinary and emotional connection between Bucharest and other areas of the country, where traditional products are prepared and consumed.

ACKNOWLEDGMENTS

This research work was financed from PNDII Project (2007 – 2010) – *Promotion of traditional brands of Romanian agrifood products and identification of market niches in the context of implementing traceability in product channel.*

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SPECIFIC ISSUES REGARDING THE LAUNCHING OF TRADITIONAL AGRIFOOD PRODUCTS

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Key words: investments, informing, food security

Abstract:

Despite their abundance in Romania, traditional products are difficult to acknowledge and promote. For instance, over 40-45% of the cheese market is held by the small producers. Compliance to EU standards required important investments, which triggered higher product prices. Even if they get on the shelves of shops in some countries, traditional products are not actually known to be specifically Romanian. EU-Romanian Government cofinancing is needed for the launching and promotion of traditional products, which should include informing and promotion programmes, in addition to the actions developed in Member States (also valid for the Romanian traditional products): product images, quality, nutritive value and food security, production methods.

INTRODUCTION

Launching and promoting traditional products requires cofinancing from the Community and the Government. These materialize in informing and promotion programmes to complete the actions developed by Member States (also valid for Romanian traditional products): product image, quality, nutritive value and food security, production methods. But all these require more information on traditional products, as well as their commercial flows.

Organizations involved are situated on different levels:

- Community level – European Commission;
- national level – MADR, APIA, National Office for Romanian Traditional and Organic Products;
- organizations proposing professional/interprofessional programmes;
- application bodies: media & advertising, communication agencies, public relations agencies.

MATERIAL AND METHOD

Messages for the promotion of traditional products can be launched on EU internal market, as well as in third countries.

a) Messages on internal market should refer at the effects of consuming these products, based on scientific data generally known, as well as those connected to the vocation of the zone:

- PON (Protected Origin Name) covers the terms used when describing agrifood products which are obtained, processed and prepared in a recognized geographical zone, through a known technology;
- PGI (Protected Geographical Indication), geographical

connections must cover at least one of the stages of production, processing and preparation. Moreover, the product may benefit from a good reputation;

- GTS (Guaranteed Traditional Specificity), reference to product origin is not compulsory, but reference should be made especially to the traditional character, namely product composition.

Eligible actions on internal market should refer to the following (Figure 1).

- specific actions (PON, PGI, GTS) for promotion and publicity, public relations, destined to make evident the intrinsic features and advantages of traditional products, namely the quality, security of these products, the specific production methods according to zone vocation, nutritive value and sanitary aspects, labeling, animal welfare and environment protection;

- campaign for informing on PON/PGI/GTS Community systems and on agricultural and processing techniques for traditional agrifood products, quality and labeling standards, as well as those regarding the graphic symbols required by applicable Community legislation;

- informing actions regarding wine Community system which includes wines benefiting by: protected origin or protected geographical indications, benefiting by indications regarding wine grape varieties used, other alcoholic drinks profiting by protected geographical indications;

- studies for evaluating the results of informing and promotion actions;

- informing on models of responsible behavior towards alcoholic drinks consumption and sickness resulting from excessive alcohol consumption;



Figure 1: Specific elements for promotion and publicity

- participation in events, fairs, and exhibitions of national or European importance, especially through the stands destined to the image of Community products.

b) For third countries eligible actions stress on informing and promoting traditional products under the following forms :

- informing regarding table wine Community system;
- participation in events, fairs and exhibitions of international importance, especially through the stands destined to Community products capitalization;
- studies of the new markets, necessary for extending sale markets;
- high level commercial missions.

RESULTS AND DISCUSSIONS

When launching traditional products, objectives should be known, expressed by indicators as:

- grand awareness, meaning the degree of brand knowledge (brands of traditional products known by the consumers);
- ad awareness (traditional product ads recently seen);
- merchandising aspect (product presence and arrangement on the shelf).

The actions for launching eligible agrifood products must be accompanied by a suitable offer in Romanian rural environment. Farmer's capacity to obtain incomes adds to this, as an issue of major importance. Thus, financing should be obtained through structural projects, for the development and restructuring of the farms with potential for traditional products.

Development Strategies also include directions stipulating higher capacity for the processing units mainly in rural area, especially the units offering local and traditional products. Agritourism mustn't be the only preoccupation of county and local authorities, development of traditional culinary tourism must also be taken into account.

Regarding this issue, domestic and EU market requires a structure suitable for the development stages and especially for integration in EU agricultural policy. During its negotiations with EU, Romania requested and obtained protection only for plum brandy, horincă, țurț, vinars și palincă.

For this reason, EU ensures the protection of traditional products for each Member State. To accomplish that, Member States must observe certain criteria imposed by Community legislation, norms which could be implemented by MADR only beginning with March 2007.

But with Romania a Member State, traditional producers can request EU protection for the traditional products sold on Community market. Despite that, by the end of 2006, MADR hadn't integrated European requirements into the national legislation, so that the conditions farmers must observe for benefiting by EU protection still aren't known entirely.

The decision of granting a grace period to Romania and Bulgaria when implementing the system for traditional product protection was stipulated in an EC directive issued in November 2006. MADR specified that Romania could not apply the mentioned procedures before EU integration, as it wasn't a Member State yet.

Food product protection on EU market is possible only for large and homogeneous quantities of products, only for farmer groups and commercial companies. Certification requires information on annual productions, estimated quantities for the next five years, number of current and

potential customers, as well as the final destination of the product, completed with an estimative level for five years.

The group documentation must include a colored map of suitable size, allowing the exact localization of the production zone or the established bounds.

If the request for registering geographical indications or origin names of the agricultural or food products in order to obtain EU protection is approved, it will be transmitted to the European Commission within 30 days from the date national protection is obtained.

All these are necessary because EU protection is meant to ensure loyal competition among farmers, to offer protection against abusive use of registered names. Authentic producers will be able to ask significant damages from the newly licensed companies if the recipes of the specialties are not observed.

CONCLUSIONS

1. Romanian traditional products have not reached European market yet, or even if they are present on the shelves in certain countries, they are not known as being specific to Romania. Last year two dairy product companies sold traditional products in Europe. Napolact exported Nasal cheese in Belgium and Holland, and Dorna sold traditional cottage cheese in Greece. But these products were sold together with other products and they were not presented as having been prepared according to a recipe specific to our country. Anyway, quantities were very small, around a few hundreds of tons.

2. This and the fact that customs duties had to be paid until integration made it difficult for the Romanian companies to sell traditional products in Europe, but better chances were expected after January 1st 2007. "Although theoretically we can export easier, we face the general issues of Romanian food industry". Even if most products registered as traditional are the dairy products, these will not enter EU market unless they are produced from milk which complies with Community requirements.

3. Since only 15% of the milk produced in Romania complies to EU norms, it is hardly probable it had been used exactly for obtaining the traditional products. "We can't enter the market with our salami and sausages either, because authorities decided to reintroduce vaccination against *pesta porcina* which excluded us from the market".

4. All these facts suggest that traditional product promotion must be intensified, as there are difficulties, especially of financial nature. Therefore, in order to enter EU market, product recognition and promotion are the main issues. Experts show that "authorities woke up late.

5. Traditional products should have been promoted long before they became known on European market. All the food and drinks included on the list sent to EU in the beginning of the year need at least six months to be recognized on the market". For this reason, Romanian companies must invest very much in advertising the traditional products they want to sell on EU market.

6. In the present stage, promotion is very expensive and few producers will manage to make themselves known abroad. Therefore, only large producers will have chances to reach EU market.

7. Out of the 162 traditional products included in the list sent by Romania to EU, the most important are several types of milk (Dorna, Rarau, Cedra de Apuseni), and yoghurt

(Cedra, Napoca), butter milk from Harghita, pot cheese from Oas and Alba, cheese from Moeciu, Nasal, Manastur, Dorna, pressed cheese from Rucar, Dobrogea and Rarau, but also Sibiu salami, Plescoi sausages, Transylvanian bread with potatoes, bread with beaten crust, Buzau and Brasov cracknels, Dobrudja pie, jam from Raureni and Topoloveni, plum brandy from Zetea, Medieșu Auriu, Buzău, Zalău), horinca from Maramureș and Seini, pălınca from Bihor, Rîeni, Românească “Tricolor”, “Crai Nou”, from Brad).

ACKNOWLEDGEMENTS

This research work was financed from PNDII Project (2007 – 2010) – Promotion of traditional brands of Romanian agrifood products and identification of market niches in the context of implementing traceability in product channel.

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THE MARKETING ON THE MARKET OF PRODUCTS OF VETERINARY USAGE

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Key words: *strategies, marketing, trends, strategical planning, analysis.*

Abstract

The main objective of the company is the success - commensurable in profit-, the sales increase, the development, the customer's satisfaction, the social corporative responsibility or the capital contribution brought to the company. The companies do not act by themselves or alone on the market. They establish exchange relations, of selling - purchasing, with the help of which they supply, search for working people and financing sources, produce and are in a permanent search of outlets and of clients. At the same time, the shares of a company are being directly influenced by the market partners: contractors/suppliers, intermediary agents, tradesmen, producers, credit institutions, clients and the state through its organical structures and organizations. The development of a strategy begins with the analysis stage, this being wholly understood as a process through which a series of factors and variables are evaluated.

INTRODUCTION

The success of an enterprise is provided by the knowledge of the market mechanism and in the same measure, by the possibilities and the ability of these to fructify and to prevent and combat the risks. The problem at the level of any enterprise is financial orientation versus marketing orientation. When we think at a product financially are expected sales and turnovers as high as with lower costs. Instead, the marketing has a strategy of product (launching, price, distribution and communication), and the consumer expects performance, design, discounts, information, image or security.

MATERIAL AND METHOD

In the framework of researching were used the data supplied from a the markets of products of veterinary usage and of the Romanian agriculture with impact on the sanitary-veterinary sector as information from the specialty literature of Romanian and foreign authors. As methods of research and work were used the SWOT analysis, comparative analysis between the profile markets, the segmentation of the strategic field of business.

RESULTS AND DISCUSSIONS

The enterprises have at disposal several types of strategies methods and tools trough which to determine the route, the direction from a given situation to the desired. In general, the management has as basic functions forecasting, planning, coordination, training, evaluation and the control of the necessary resources for achieving the objectives. Basically, planning means the control of all factors which are influencing the obtained results from an economic decision. The implementation of the marketing orientation is achieved trough the strategic marketing planning.

In general, strategic planning is based on two concepts: the marketing environment of the enterprise and how the company manages to organize its resources to build a effective relationship and efficient with the market in which it operates. Thus, it can be said that the strategic planning of marketing shows how the enterprise understood the environment in which is acting and how it wishes to adapt the structure, decisions, the evaluation to the environmental changes.

The SWOT analysis examines how the company puts in relationship the internal strengths and weaknesses with the opportunities and the risks of the market. it is basically a summary and a logical presentation of the collected information about the internal environment and external, and represents an analytical process. By comparing of these internal and external elements are obtained numerous strategic options. The SWOT analysis can be applied both to an enterprise, and to an economic sector. The strengths and weaknesses relate to the paste and present situation of the enterprise or of the economic sector and contain, principally, internal information, about the mix of marketing components and the marketing policy. The chances and risks are focused on the present and future, and are having a strategic approach on the development and on the alternatives of action. The SWOT analysis is sorting the information, is classifying, and with the help of creativity, these aspects are combined to answer the question "How do we get there?" The strong and weak point shows "where are we now", and the chances and the risks "where we want to get". The SWOT Analysis helps the marketers to fill the gaps and to formalize the concept of a strategy and a marketing plan with objectives, strategic decisions and marketing tools.

A possible SWOT analysis of the Romanian agriculture with impact on the sanitary-veterinary sector provides information about the current situation and the trends of development for the next years.

A pharmaceutical producer is investing heavily in research-development, is collaborating with other research institutes, is interested in obtaining of a very good product and even unique on the market, supplying involves partnerships with the suppliers from all the world for very good raw materials, the costs with production are very high, but everything being automated, are searching external locations with cheap labor, the distribution is usually done through third parties. On the markets of products of veterinary usage, the increased attention for the health and welfare of the animals has contributed to the emergence of a market devoted to alimentary and nutritional supplements. The nutraceutical market, is in full expansion, as a result of the constant interest for promoting a healthy lifestyle, in preference to exclusive focus on treating the diseases already manifested. From a sanitary-veterinary viewpoint, the nutraceuticals are defined as “non-pharmaceutical substances, products obtained in a pure form and administered orally to animals, for maintaining or health restoring and of the good physical condition and mentality of it. In the sanitary-veterinary sector, the nutraceuticals sector is the consequence of a mentality change produced at both the level of veterinary surgeons, and at the one of pets owners and of farm. Rather than relying only on drugs for prevention and the treatment, they began to search alternatives based on introducing of certain nutrients in the diet. Accordingly, “the disease management” has lost ground in the management of health, and the field of animal nutrition has become, over time, an integral part of animal welfare.

Because here there are not just drugs, not food only, but are having priority of both, the legal regime of the nutraceuticals isn't very well regulated, every country interpreting differently their definition. Basically, if in the administration case at human subjects is quite clear of what characteristics must satisfy these products and how they act on the organism, at the sanitary-veterinary level from European Union there isn't a directive or a law to regulate and control their safety and effectiveness. The nutraceuticals commercialized currently are including the substance that are found, whether we speak of human medicine or veterinary medicine, traditionally under this label, such as vitamins, minerals and amino acids, but and a number significantly of essential fatty acids, antioxidants, probiotics, enzymes and herbs. However, the most successful products, in strictly economic terms, are those that is ensuring the articulations health. The chondroprotectors agents, in this case glucosamina and sulphate chondroitin have enjoyed a successful considerably market in the products for dogs, cats and horses.

The market development of alimentary supplements has influenced and the firms activity which are producing food for pets, which managed to identify and to add new substances in the existent products, improving their quality and increasing thus the sales.

Currently, it is estimated that the global market of food supplements for animals is more than one billion dollars. Over half from this market is represented by U.S. and one third of Europe. The products for dog are the most searched (60% of sales) followed by those for cats (approx. 25% of sales).

Three types of enterprises are involved in the production and disposal of food supplements for animals: the producers of supplements from herbs, and the producers of drugs. It is noted that in this market here are multiple owners of interests, and in the new context of the orientation towards health, not to disease, is a swinging plate in the field, a new possibility

of business, which must be pursued with all the earnest by the ones that studies the market. The global strategy is defined as a major objectives ensemble of the company on long term, together with the modalities of realization of the allocated resources in this sense, in concordance with its mission for the respective period. The global strategy is composed of several partial strategies are integrated at the enterprise level, and visualize objectives at the level of each domain and sector of activity. The marketing strategy is the principal direction in which an enterprise is mobilizing the human potential, material and financial, so as to fulfill its objectives in the marketing policy.

The characteristics of global strategies can be resumed as follows:

- the strategy influences directly the direction of development of the enterprise;
- the strategy has long shelf line, so that during in the periods characterized by changes of the environment to provide the enterprise stability;
- the strategy is having as objective the success insurance of the enterprise on long term, by creating of competitive advantages;
- the strategy creates action space and the possibility that the enterprise to generate and to use of advantages;
- the strategy has implications in several areas, departments, therefore it is established, implemented and controlled with the opinion of the superior management.

There isn't a unique way of strategic marketing planning, but most of the model contains four elements, namely: the purpose of the enterprise objectives, the internal and external environment analysis, in-depth considerations about competition (direct, indirect, substitute) and the modality of implementation and execution of the strategy. David Aaker and Damien McLoughlin is proposing in the paper “Strategic Market Management” a model simply composed from the strategic analysis (the environment), followed by an analysis of results (opportunities, threats, trends, problems, constraints, uncertainties) as a basis for identification of business alternatives, the selection of strategy type, implementation and control. Other authors are claiming that the starting point for strategic planning of marketing must be the relevant market identification for the enterprise, of the attractiveness of its own forces in the competitive fight. Developing a strategy begins with the stage of analysis, broadly understood as a process by which a number of factors and variables are evaluated. In terms of strategic marketing planning, the phase of analysis is having as functions the identifying of trends, future events, chances and risks, strategic uncertainty. A multinational company as Bayer is active in very different domains (health – producer of human drugs and veterinary, medicine, agriculture – producer of insecticides, fungicides and herbicides, plants protection, chemical industry- chemicals for the automotive industry, construction, electronics, and clothing industry – sports items, packaging, industry, the IT industry – IT services and of telecommunications). Under these conditions, Bayer faces in every activity field with natural conditions, technological, economic different, so it will need of specific strategies. We can say that these fields are segments of the environment, domains of stand-alone from the general area of activity of the enterprise (with real chances of income, risks, and opportunities), for which it formulates and implements specific strategies.

The enterprise seeks answers to questions like: Where to

activate?, What domain is attractive?, What field is likely in the future?, How are we positioning?

For segment delimitation of the environment is applying six criteria of differentiation which prevent the strategic fields of business between them and the reducing the negative effects:

1) the products – what products and services are constituting the offer of strategic field of business? how the customers will perceive them?

2) the market segments – after what criteria we will segment the client groups?

3) customer benefits – what benefits are expecting the clients?

4) the technologies – what importance has the technology in this field?

5) geography – it is possible a local segmentation, regional, nationally, continental or global?

6) the costs structure – there are cost differences from products to services?

The segmentation itself of the strategic field of business can be done in two different directions. Müller-Stewens and Lechner (2005) are proposing a segmentation of the inside out, through which it starts from the present supply of the enterprise and the market segments targeted. Is elaborated a simple matrix with two dimensions: product groups and segments. By combining them is identified the strategic fields of business which they cover in present the enterprise, but also those that could be processed in the future.

CONCLUSIONS

This segmentation method has the advantage that provides a full picture on the current state of the market. The enterprise sees what parts of the market covers, what possible combinations exist, but has the disadvantage that doesn't provide information about the market trends, and detailed circumstance and direct about the consumer needs, they being already framed in segments.

The realist forming of the strategic fields of business has as conditions: the existence of a well-defined purpose, competition differentiation, achieving a better position in the market, an internal homogeneity and external heterogeneity to other units within the group of the enterprise. This model is a way to predict what activities the enterprise can develop in the future. The three dimensions are dynamic and always changing, the enterprise is permanently researching the market and its components of a rapid development of the technologies.

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KNOWLEDGE MANAGEMENT IN THE INFORMATIONAL-DECISIONAL FLUX OF RESEARCH PROJECTS

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Key words: knowledge management, workflow system, informational-decisional flux, agricultural research

Abstract

The main goal of this paper is to generate an overview of the workflow system and the informational - decisional flux generated from projects management of a public agricultural research organization. The purpose is to establish the real value that the actual organization systems give to knowledge in the research process and which are knowledge management systems and processes that can be implemented by a research organization to ensure that people actually employ knowledge management tools effectively.

INTRODUCTION

This paper is concerned with the purpose and functioning of information-decision-action systems in research organizations. The development of information technology, such as collaborative platforms, brought to the inclusion of information as a necessity in organization management, besides human resources, machines, financial resources and materials. Management of information flows is a basic tool to control projects' activities. Operations belonging to an activity (each activity is composed of several operations) can generate, during their execution, flows of information which affect or modify the execution of other operations belonging to other activities. The information flows among operations link project activities. The aim of this paper is to present the decision support model in order to coordinate information flows inside a research company, enhance efficiency and minimize errors and unplanned evolution of the research activities.

MATERIAL AND METHOD

Our paper has as background the research activities developed within the framework of a PNCDI project [1] which purpose is to create a collaborative platform inside and between research institutes. Our method to identify the informational-decisional flux generated from projects' management started from some hypotheses that stayed at the base of projection of this kind of platform for a public body research institute. These hypotheses take in consideration the different situations met in the Romanian agricultural research system.

RESULTS AND DISCUSSIONS

I. General hypotheses and observation inside a research collaborative platform

The Romanian research field is vast and varied with many domain and sub domain that correlate one with another. This inter correlation impress a big complexity grade in the platform model projection. The work field situations are multiples and some problems may appear in time, like: low security of database, disclaimer of copyright, etc.

The collaborative platform concept is a new concept for Romanian agricultural research. The development of this

idea have to be orientated trough the positive and negative experiences met in the implementation of this kind of portal at research organizations especially from other countries but also to take in consideration the specific of Romanian research activities. In our country the assessment of knowledge is very difficult form different motives: agricultural research is not sustained by state and is in a continuum restructure, inexistence of an evaluation system of competences of knowledge, etc.

To adapt at all we previous mentioned we established a series of hypotheses from which we have to start at platform projection:

1. Hypotheses **for rules and procedures**
 - Internal rules and procedures are adaptable and uniform
 - Scientific results are valuable
2. Hypotheses **for system access**
 - All members have on-line access
3. Hypotheses **for document's classification**
 - Documents can be classified as access level
 - Documents can be protected against copyright
4. Hypotheses **for workflows**
 - Workflows can be uniform indifferent from the institute typology or organized types
5. Hypotheses **for performance indicators**
 - Performance indicators can be generalized and equalized on institute level

II. Hypotheses regarding the projections of the informational - decisional flux in

Ipoteze privind proiectarea circuitelor informațional-decizionale în institutele de cercetare

Identificarea circuitelor informațional-decizionale în procesul de derulare a unui institut de cercetare poate porni de la caracterizarea specificității următoarelor elemente ca ipoteze de lucru:

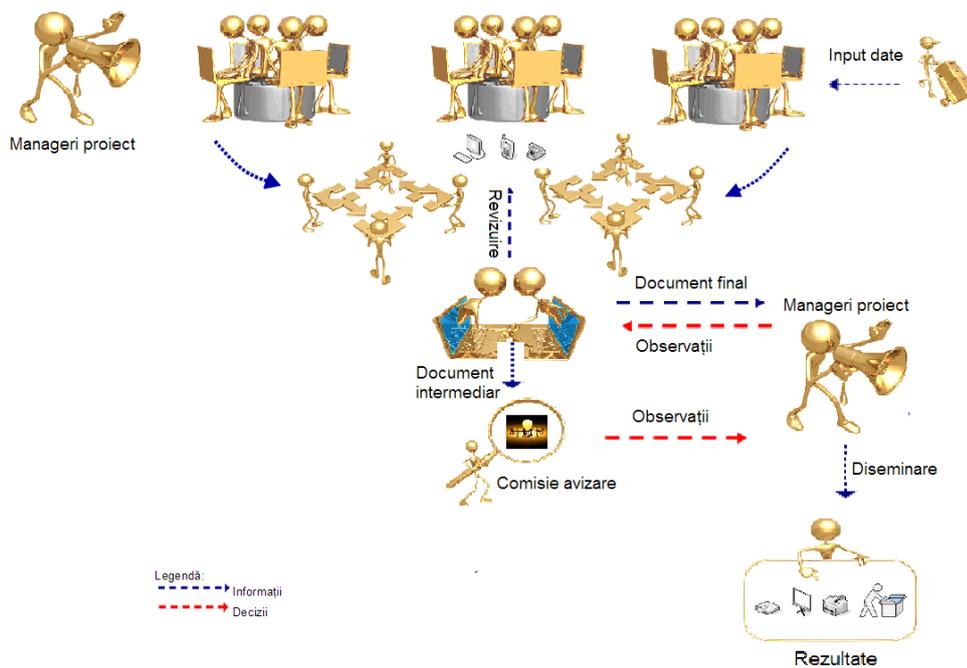
1. "Tipul de organizație":
 - a. Finanțare integral bugetară (activitățile sunt structurate pe tematici impuse)
 - b. Finanțare parțial bugetară (activitățile sunt structurate pe tematici impuse și în funcție de tematica

proiectelor)

- c. Finanțare extrabugetară (activitățile sunt structurate în funcție de tematica proiectelor)
2. “Comunitățile de salariați”:
 - a. Echipe de proiect
 - b. Subdiviziuni organizatorice (departament, laborator)
 - c. Comisii/consilii interne de specialitate (comisie de avizare, consiliu științific, consiliu de administrație)
 3. “Resursele interne”:
 - a. Resurse umane
 - b. Resurse economice
 - c. Resurse instituționale
 4. “Resursele externe”:
 - a. Baze de date (gratuite, contracost)
 - b. Studii de caz/teren (cercetări operaționale)
 - c. Lucrări de specialitate

Elementele menționate anterior influențează tipologia circuitelor informațional-decizionale ce se creează în domeniul cercetării agroalimentare ducând la identificarea a trei tipuri majore:

- A. **Circuite informațional-decizionale în cadrul proiectelor de cercetare**
- B. **Circuite informațional-decizionale în cadrul institutelor de cercetare**
- C. **Circuite informațional-decizionale între institutele de cercetare**



A. Circuite informațional-decizionale în cadrul proiectelor de cercetare

Aceste circuite de informații și decizii sunt influențate de modul de organizare al echipelor de cercetători, specializarea resurselor umane, resursele economice și instituționale puse la dispoziție, precum și de disponibilitatea surselor externe de informare.

Sintetic, circuitul informațional-decizional presupune următoarele etape:

- coordonarea echipelor de cercetători
- prelucrarea input-urilor de date
- asamblarea documentelor în scopul atingerii obiectivelor prestabilite
- crearea documentelor intermediare supuse avizării
- avizarea documentației de comisiile de specialitate și trimiterea observațiilor către managerii de proiect
- revizuirea documentației proiectului de către responsabilii de proiect pentru a răspunde observațiilor comisiilor de specialitate și instrucțiunilor managerilor de proiect
- crearea documentației finale
- diseminarea rezultatelor obținute și transmiterea documentației finale către contractor

B. Circuite informațional-decizionale în cadrul institutelor de cercetare

Aceste circuite de informații și decizii sunt influențate de tipul de organizație, tipul comunităților de salariați, resursele interne și externe disponibile. Altfel spus, circuitele sunt multiple și depind de modul de abordare a managementul organizațional.

Privind însă din punct de vedere al managementului cunoștințelor științifice, fluxul informațional-decizional se evidențiază mult mai bine dacă indiferent de elementele menționate anterior considerăm ca element central „cercetătorul” și managementul cunoștințelor și competențelor acestuia.

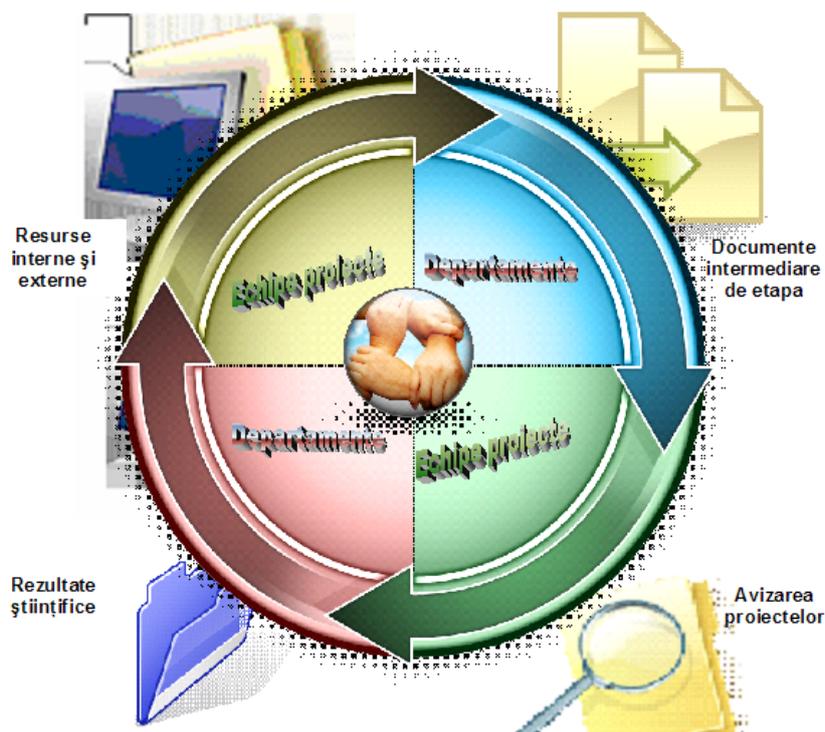
Astfel, sintetic, circuitul informațional-decizional în acest caz presupune următoarele etape:

- munca de echipă pentru depunerea și câștigarea proiecte:
 - o input: cunoștințe, experiență, imaginație, etc.
 - o rezultate: propuneri de proiect
- munca de echipă pentru derularea proiectelor:
 - o input: obiective proiect, resurse externe, resurse interne, etc.
 - o proces: cercetare
 - o rezultate: produse științifice intermediare
 - evaluare științifică:
 - o input: produse științifice

intermediare

- o proces: avizare științifică, etică, economică
- o rezultate: produse științifice finale în conformitate cu cerințele contractuale

- diseminare și valorificare rezultate științifice:
 - o input: produse științifice finale
 - o proces: promovare, prezentare, publicare
 - o rezultate: transfer produse științifice la beneficiari

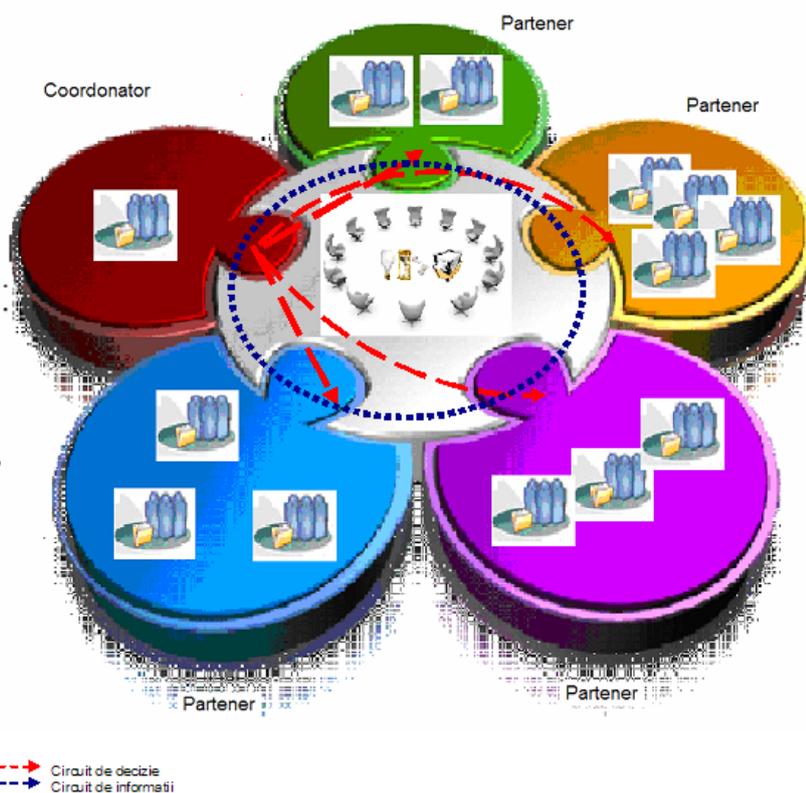


C. Circuite informațional-decisionale între institutele de cercetare

Fluxurile de lucru informațional-decisional între parteneri este un proces bazat pe cooperare și feedback ce urmează următoarele proceduri de lucru:

- contractare
- ședințe periodice de stabilire a:
 - o activităților necesare atingerii obiectivelor de lucru

- o stabilirea metodelor de lucru
- o distribuirea responsabilităților
- o atingerea rezultatelor planificate
- o stabilirea termenelor de predare a documentațiilor
 - transmiterea documentațiilor științifice și financiare
 - feedback din partea coordonatorilor privind posibilele modificări
 - transmitere documentații finale



CONCLUSIONS

Platforma colaborativă creată în scopul asigurării unui management eficient al cunoștințelor din domeniul cercetării agroalimentare trebuie să plece de la următoarele ipoteze:

- tipologia organizațională este vastă și depinde de forma juridică, forma de finanțare, activitatea științifică desfășurată
- fluxul de informații intern și extern al instituțiilor depinde de tipologia cercetărilor desfășurate
- competențele personalului de cercetare depinde de mai mulți factori: profesie, experiență, experiența acumulată din activitatea de cercetare

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