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SECTION: INTERNATIONAL BUSINESS AND EUROPEAN INTEGRATION

SUB-SECTION: INTERNATIONAL BUSINESSES

THE ANALYSE OF THE REGULATIONS AT THE EUROPEAN LEVEL REGARDING CARTELS. CASE SUDY: CARTEL BETWEEN THE COMPANIES CHIQUITA AND PACIFIC

Berinde Mihai, Fora Andreea - Florina

The present paper tries to make an analyse of the policy in the field of competition, at the level of the European Union, more exactly the policy applied on cartels. It is important to know the regulations regarding cartels, especially the way in which procedures are done in the case of a cartel. Cartels have a negative impact on competition and consumers, and that's why it is extremely important that they are discovered on time and after that, by using correction measures to try to recuperate the created damage.

The used research method is the analyze of the legislation in force regarding cartels and the study of the existing literature in this field, and in order to give an example of the procedures in the case of a cartel, we analyzed the cartel between two companies Chiquita and Pacific. It is extremely important for these regulations to be known, and in order to discourage such practices, the European Committee has thought of a series of advantages for the companies that give information and evidence regarding the existence of a cartel. Among these advantages we could mention immunity to fine, that permits the company to be absolved of all its fines.

The paper presents schematically the legislation that forbids anti-competitive practices, at the level of the European Union, and after that the applied procedure when a law violation is discovered. The modality in which the procedures are applied, in the case of suspecting a cartel, have been presented step by step, and after that, the case study does not exist only to give an example of procedures, but also to present the applied methods, in the case of success in proving the existence of a cartel.

The importance of competition policy at a European level cannot be denied because of the fact that only by implementing of a proper policy in this field, an economy can develop further.

Keywords: cartels, competition policy, European legislation, fine, immunity from fines

JEL Classification codes: F51, K21, L13, L66

ROMANIA'S EU ACCESSION. GAINS AND LOSSES (I)

Caba Stefan

EU accession has brought, as expected, many changes in economic, social and cultural domains. An important chapter is the trade dynamics and how this dynamic has been modified over time by changes in the legal status of Romania's relations with certain trading partners. In this paper we present data on trade with countries with which Romania has concluded trade agreements before accession. Data presentation and analysis continues in "Romania's EU accession. Gains and losses (II)".

Keywords: bilateral agreement, comparative advantage, international trade, EU accession, EU integration

JEL Classification codes: F13, F14, F15

ROMANIA'S EU ACCESSION. GAINS AND LOSSES (II)

Caba Stefan

This paper is a continuation of “Romania’s EU accession. Gains and losses (I)” where we have been presented statistics on Romania’s trade with major trading partners to whom, before, or after EU accession, the legal status has changed. In this paper we try to identify the benefits and costs of accession to the EU in terms of trade. In the first part we analyze the dynamics of trade with new partners, resulting from the accession. The last part is devoted to conclusions. The main idea that emerges from this work is that, unfortunately, Romania governors, did not know to take advantage of the opening to the biggest economic market although the financial and institutional support offered by the EU.

Keywords: bilateral agreement, comparative advantage, international trade, EU accession, EU integration

JEL Classification codes: F13, F14, F15

A STUDY ON FINANCIAL DERIVATIVE WORLDWIDE TRANSACTIONS – FUTURES CONTRACTS

Ciobanu Gheorghe, Sechel Ioana-Cristina

Financial products and financial derivatives transactions are on front page in the profile publications, because they have generated huge gains for a small part of market participants, and losses as well, sometimes followed by collapse even on the international financial institutions. Very common we can find in specialized media the hypothesis that the global instability was caused by derivative contracts and by the magnitude of these transactions, from the years preceding the crisis. Since they appeared in order to protect investors against various risks, we believe that the approach must have via derivative products is the ethical one. It is true that derivatives trades have grown very rapidly and have expanded from the commercial field (commodity derivatives) to the capital market, but this was because the demand for such products was very high. Basically, the demand for financial derivatives products has validated their existence in the market.

Derivative financial products are used by traders of financial intermediation companies, dealers, brokers, individual investors and corporations or governments. Precisely because of this large spectrum of users of financial derivatives, we can ask whether they should be used only by specialists in derivatives trading. Taken literally, the term derivative refers to a new product resulting from the modification of an existing product, but has different properties from the original product and from which it was derived (Business Dictionary 2012). But financially speaking, a derivative is a financial contract between two or more parts that comes from the future value of a reference asset (Reuters 2001, 17). Of course, in literature there are many definitions of the concept of financial derivative. If we were to build our own simple definition, we define financial derivatives as financial contracts based on an underlying asset whose price on the spot market determines its price. This is a very simple statement, but true.

Regarding the main categories of derivatives market, the literature (Popa 1994, 62) (Bako 2006, 65) refers to four such categories: forward markets, futures markets, options market and swap markets. We chose as a subject for this article the futures market, worldwide. The latest data available at this time refer to 2010 statistics; in this area the data for 2011 are not available yet.

Keywords: futures, commodity futures contracts, currency futures contracts, interest rate futures contracts, stock index futures

JEL Classification codes: G12 - Trading volume

LITERATURE REVIEW OF THE EVOLUTION OF COMPETITIVENESS CONCEPT

Hategan D.B. Anca

The concept of competitiveness can be reported – considering the level of discussion – to a product, firm, industry or sector, region, nation, commercial block or to a global aspect and there is a close connection or relationship between all these levels of competitiveness. Firstly, the quality of a certain product or service determines a firm's possibilities to survive the competition. On the other hand, a firm's economic performance is connected to the performance of a certain sector, region or nation in an international scale. Competitiveness is a concept that can be used in a comparative sense or analysis. Due to the globalization and liberalization process, the boundaries between the domestic and international markets faded, leading to the disappearance of the distinction between national and international competitiveness.

Despite the complexity and notoriety surrounding the concept of competitiveness, this article is trying to gather as much information as possible regarding this notion, presenting it from different perspectives, at micro and macro level, reviewing the theoretical literature background: the classical, neoclassical, Keynesian theories, the development economics theory, the new growth theory, the new trade theory and all their implications on the evolution and development of the concept of competitiveness, but also the empirical literature such as IMD's World Competitiveness Index, WEF's Global Competitiveness Report, OCDE's New Economy Report and UK Government's Productivity and Competitiveness Indicators.

Keywords: international competitiveness, national competitiveness, regional competitiveness, firm competitiveness, evolution of competitiveness

JEL Classification codes: F23

POSSIBLE TRADE EFFECTS OF THE NEXT EUROPEAN UNION ENLARGEMENT

Nedelescu-Ionescu Daniela, Rujan Ovidiu

The European Union next enlargement will constitute a significant qualitative change in the structure of the current Union, as the accession of the Western Balkan countries and of Turkey in particular will bring a brand new set of economic problems. It is expected that this enlargement will have a considerable effect for the new entrants, as well as for the European Union as a whole.

Considering some of the aspects raised by a new extension, this article aims to observe the trade impact of a new enlargement with the membership of the Western Balkan countries and Turkey, as this new growth is expected to have a considerable effect for the new entrants and for the European Union as a whole. This study is based on the comparison of the potential trade creation effects with the trade diversion effects resulting from the removal of trade restrictions for Western Balkan countries and Turkey and the European Union, by using the revealed comparative advantage index. The analysis objective was to estimate the degree of trade creation and trade diversion outcome on the EU countries when Western Balkan countries and Turkey are included into the Union market.

The obtained results suggest that the export structures differ significantly among Western Balkan countries and Turkey and the European Union. Based on the revealed comparative advantage indexes, the authors would expect an intra-regional trade creation effect, but also we expect a risk for the Eastern European countries' trade with the European Union, especially as a result of Turkey's accession into the European markets without any trade barriers.

As far as trade creation and trade diversion effects are concerned, they observed that Western Balkan countries and Turkey, probably, do not change the European Union position significantly because of their lower trade volume compared with the one of the EU-27.

Keywords: EU enlargement, trade creation (TC), trade diversion (TD), revealed comparative advantage (RCA), economic integration

JEL Classification codes: F10, F15, F17

ROMANIA'S SPECIALIZATION IN TRADE TOWARDS EU-27 - A REVEALED COMPARATIVE ADVANTAGE APPROACH

Popa Angela Cristina

"International competitiveness" is a complex topic which raised over time many questions and theories on key factors that underpin it and is still subject to wide debate. Such analysis proves to be necessary under the new requirements raised by the participation of Romanian organizations in the European and global competitive environment in which competing for new markets can be a platform of economic recovery.

As companies compete for markets and resources, national economies compete with each other to achieve performance in a specific activity: for example, we can say that Romania has become less competitive in clothing production, and competitive in cars production. But it makes sense to say that "Romania has become more or less competitive as the economy?".

The answer is no. "Competitiveness" is a meaningless word when referring to national economies. Denying Romanian competitiveness in a particular industry does not mean that Romania's economy is less competitive. The decline in these industries may be a manifestation of their change in production factors endowment or necessary reallocation these factors from old activities with comparative advantage to new ones.

This paper aims to examine the structural competitiveness of Romania vis-a-vis EU-27. Empirical analysis is based on Revealed Comparative Advantage (RCA), an indicator often used in international trade analysis. Section II reviews the empirical literature on the comparative advantage and the competitiveness of Romania, highlighting various theories and approaches, alternative measures of RCA indices are presented in the section III, section IV reports empirical results and the final section draws some conclusions based on the findings.

In 2009, in terms of orientation of the foreign investors towards the economic sectors, according to NACE Rev. 2 Classification, the direct foreign investments were directed mainly to Manufactured goods (31,1% of total), within its best represented branches: oil, chemicals, rubber and plastic processing (6,3% of total), metallurgy (5,2%), transport industry (4,7%), food, beverage and tobacco industry (4,1%) and cement, glass, ceramic (3,3%), some of the sections having low weight to the potential, such as textiles, clothing and leather (1.4%), decreasing their attractiveness due to the convergence of non-tradable goods prices towards Eurozone prices, according to the Balassa-Samuelson effect. Development of sections referring to intensive technology products should be a priority in the economic transformation of the countries converging to Euro Zone, especially Romania. These sections are: XVI: „Machinery and mechanical appliances; electrical equipment; sound and image recorders and reproducers” and XVIII „Optical, photographic, cinematographic, medical or surgical instruments and apparatus and similar; clocks and watches; musical instruments; parts and accessories thereof”. An increase in exports of these products may have beneficial effects on trade balance, balancing it by reducing the imports of these goods.

Keywords: Revealed Comparative Advantage, structural competitiveness, specialization, European Union

JEL Classification codes: F10, F14, F15

ATTRACTIVENESS OF PUBLIC POLICIES FOR FDI IN CENTRAL AND EASTERN EUROPEAN COUNTRIES

Popovici Oana Cristina, Calin Adrian Cantemir

The paper builds on the burning issue of the attractiveness of the location for foreign direct investments (FDI), assuming its positive and substantial economic impact on the development of the host country. The location decision for FDI in Central and Eastern European (CEE) countries is investigated based on the attractiveness framework designed by policy makers: infrastructure endowment, institutions' quality, labour market conditions and level of taxation. The analysis assesses the FDI inflows in a country in three years: 2004, 2007 and 2010. Thus the FDI evolution relative to public policies attractiveness is seized starting with the European Union (EU) integration and after the crisis started. The paper follows the literature on the determinants of the

FDI related to the L (location) factor described in the eclectic paradigm of Dunning (the OLI model), but focuses on the role of public policies in attracting FDI and captures two of the recent major turning points faced by the CEE countries, scarcely tackled in the literature: the EU integration and the recent economic crisis.

We compute a public policy index, constructed as a composite measure, based on the four pillars mentioned above, in order to test the public policies attractiveness in the CEE countries. Moreover, we develop an attractiveness matrix starting from the public policy index, and we rank the most attractive countries for FDI in the three years. We analyze the matrix based on the FDI inflows per capita.

We found a positive relation between the increase in the public policies attractiveness and the inward FDI. The increase of the FDI per capita since the EU accession year is, at least partially, due to the increasing attractiveness of the public policies. The crises worsened the CEE countries' attractiveness. Still, the winners in the race for FDI remained those countries that improved the infrastructure, the institutions' quality and the labor market conditions. Therefore, short and medium term policy directions can be emphasized. Infrastructure and institutions' quality can be improved for further attracting FDI during rough budgetary constraints. The literature is enriched with the empirical analysis of the FDI determinants in the recent years. Our paper takes into account the major events faced by the CEE countries in the last years and checks for potential methods of attracting FDI even during difficult economic conditions.

Keywords: foreign direct investments, public policy, Central and Eastern Europe countries, attractiveness matrix

JEL Classification codes: C43, F21, H11, O52

RESEARCH ON THE IMPACT OF ICTS ON THE LOCATION AND SPATIAL DEVELOPMENT OF FIRMS

Schwartz Andrei Iosef

This article resulted out of primary data produced on the basis of PhD level research of the use of information and communication technologies (ICTs) in, primarily, professional services firms located in Romania and the broader European spectrum. We have aimed at seeing whether ICTs produce a spatial effect on firms (such as their launching of new offices or hiring of remote workers, in places where the firm does not have branches. Among the chief conclusions of this paper, we have highlighted the idea of how companies should be encouraged to conceptualize the ease with which they can locate their branches wherever so as to capitalize on two aspects: a broader market for their services and products as well as tapping into reservoirs of talent in lower cost countries .

Keywords: ICTs, location, research, Internet, SMEs

JEL Classification codes: R1, L8

GLOBAL ECONOMIC GOVERNANCE AND STATES: STILL IMPORTANT AS LEADERS?

Sterian Maria Gabriela

The importance of countries as actors in international economy is the basis of global economic governance. Though the world has increasingly become more integrated in terms of economics, it continues to be politically fragmented in independent states, which follow their own interests. In general, the countries choose the organizations which serve best their interests. But they seek also to achieve their goals through building coalitions with other states, seeking to solve problems of mutual interest directly and in a pragmatic way. Global economic governance requires the development of agreements and coalitions of states or groups of states and, also, the creation of ad-hoc multilateralism, which has to deal, in particular, with peace and security problems.

Keywords: state strategies, international organizations, global economic governance

JEL Classification codes: F13, F15, F53, O24, O43

THE EFFECTS OF FOREIGN DIRECT INVESTMENTS ON EMPLOYMENT IN CENTRAL AND EASTERN EUROPE. FOCUS ON ROMANIA AND POLAND

Vintila Denisia, Popescu Raluca Georgiana

Central and Eastern Europe has become a player on the international market of foreign direct investment (FDI) with the fall of communism in 1990. Liberalization of markets has brought both advantages and disadvantages to new states in transition. Despite modest values of FDI received, the share of the region in total global FDI is increasing. Any type of investment, foreign or domestic one, is considered crucial as it generates employment and contributes to the economic growth. This paper tries to provide an analysis of the effects of FDI on the labor force of this region, and specifically in Romania and Poland. We analyzed the quantitative effect on the labor force, more precisely the effect on the employment. Foreign subsidiaries hold an important part of the occupied population, although the number of foreign firms is lower than the domestic ones. Despite the destruction of jobs in the early transition in the process of restructuring, foreign subsidiaries, both directly and indirectly create jobs and usually at a higher rate than the domestic companies manage to do. During the recent financial crisis, foreign subsidiaries proved to be more resilient and the cut off jobs was lower than in domestic firms.

Keywords: : foreign direct investments, employment, Central and Eastern Europe, Romania, Poland

JEL Classification codes: F21, F23

SUB-SECTION: EU SUSTAINABLE ECONOMIC DEVELOPMENT AND COMPETITIVENESS

TOGETHER OR APART? STRUCTURAL FUNDS AND REAL CONVERGENCE IN THE NEW MEMBER STATES

Alexe Ileana, Tatomir Cristina Flavia

The objective of this study is to analyze the relationship between the structural funds provided by the European Union (EU) and the real convergence of the New Member States that joined the EU in 2004. We also assess the effect of the crisis on this. According to the empirical studies in this area, the impact can be both negative and positive. Furthermore, in the latter case, the correlation is not very strong and depends on several factors. To meet the research objective, we have structured this paper into five parts. In the first part, we make a short presentation of the Cohesion policy and its evolution in time. In the second part, we explore the importance of the subject in the economic literature. In the third one, we explain the methodology used in this paper. We contribute to the literature by creating a Real Convergence Index (RCI) and by assessing the evolution of this index and of the structural funds payments from 2004 until 2010 in five New Member States (Hungary, the Czech Republic, Poland, Slovakia and Slovenia). The fourth part describes the results obtained. The structural funds payments reached a maximum level in 2007 in all the countries, with the exception of Slovenia. After this point, they recorded decreasing levels, mainly because of the economic and financial crisis. Within this group of countries, Poland and Slovakia recorded an increase in RCI during 2009 and 2010, even though the amounts of payments started decreasing. The highest level of structural funds payments and the maximum level of RCI are not synchronized, with the exception of the Czech Republic. This could come as a result of the lagging effects of structural funds on the economic convergence. The fifth part of the paper summarizes the conclusions of our research. The analysis confirms the previous work in this field. Specifically, it does not provide us with a clear result regarding the relationship between the absorption of structural funds and the real convergence. The implications for Romania are not very encouraging. This means that the efforts for increasing the absorption rate of EU funds will not necessarily lead to a faster real convergence process. Consequently, the effectiveness of the Cohesion policy remains under question.

Keywords: Structural Funds, Cohesion policy, Real Convergence Index, New Members States, European Union

JEL Classification codes: F15, F43, O47

INVESTMENTS IN THE REAL ESTATE SECTOR. A CASE STUDY ON CENTRAL EASTERN EUROPE

Arjoca Diana, Belu Mihaela Gabriela

This paper presents the evolution of real estate market in European Union. Romania's real estate sector passed through significant milestones during the last years – due to economic boom, integration in the European Union and affordable financing. But after the 2007 subprime crisis and the 2010 European sovereign debt crisis new ways of approaching the market have to be designed and implemented. The M&A transactions seem to be an investment driver in Romanian real estate as proven by Immofinanz /Adama Case Study

Keywords: real estate market, investment decisions

JEL Classification codes: R31, G01

THE IMPLICATIONS OF STATE AID TO R&D ON ECONOMIC DEVELOPMENT IN THE EUROPEAN UNION

Bacila Nicolae

In economic terms, the importance of state aid policy refers to the maintaining of an undistorted competition and the correction of inherent “market failures” • which may occur in the economy, aiming at increasing economic efficiency, based on the traditional assumption that an effective competition will have a positive impact on economic development.

The main objective of the present paper is to establish a possible correlation between state aid to research and development (R&D) and GDP level in the EU. Our research hypothesis relates to considering state aid as a significant contribution to the economic development, measured by GDP level, which will be estimated as a function of state aid. Consequently, the main variables of this study are state aid to R&D and GDP level, considered in both relative and absolute terms.

The relationship between technological change and economic development has been at the centre of the interest in both theoretical and empirical literature. The role of institutions and government policies in stimulating technological change has been provided mainly by the evolutionary theory, which considers economic development as a technological change driven process featured by a complex pattern which includes both uniformity and idiosyncrasy across time and countries.

The relationship between these variables was estimated through a panel model which used seemingly unrelated regression (SUR) and ordinary least squares estimation (OLS). Taking into account that the economic value is likely to be realized after the innovation process took place we have interpreted this economic aspect in an econometric sense by using time lags. In analysing the relative importance of state aid to R&D, we have proposed an index which evaluates the relation between state aid and the relative size of the Member State’s economy.

The relationship between state aid and GDP level was found to be positive and statistically significant, suggesting that state aid is positively correlated with economic development and showing that state aid programs tend to have an incentive effect for the economic activity after they have been granted, due to the spillover effect of R&D activities assumed by the government funding incorporated in the state aid projects.

On the other hand, the analysis of state aid relative to GDP has demonstrated that significant levels of volatility indicate a persistence of disparities between Member States in the period considered (2004-2009), suggesting that national particularities remain an important determinant of government support through state aid, which implies the necessity of a better coordination in the economic policies targeting innovation in the Member States.

Keywords: state aid policy, economic development, GDP level, technological change, market failure.

JEL Classification codes: C22, F36, H23.

THE GEOPOLITICS OF OIL AND CLIMATE CHANGE

Benea Ciprian-Beniamin, Baciu Adrian

This paper aims to present the role of oil in today’s world, society, and economy. It is important because anything nowadays is about oil, from economy, and society, to international politics. Since the development of air and road transportation, but especially after World War II, the transfer of wealth from some countries (the consuming countries) to another countries (the producing countries) is unique in human history; and the influence of the second group of countries in world politics is very high due to this situation.

Furthermore, past and present pattern of oil consumption have negative impacts upon environment and humans wellbeing. Oil used in energy generation, and especially its use in transportation makes it a resource with a strategic character.

In the literature of international affairs, and international economy, oil is found in almost in every article, and book; but of course, there are books and articles focused especially upon this resource, and upon its role in world politics. In last decades, there appeared another element which fight to capture world public opinion, and political agenda: this is climate change. The best reference in

this context is the First report for the Club of Rome (Limits to Growth, 1972), which signaled the unsustainable way of how society works.

Taking account of this alarming signal, we intended to show (using research methods based upon numbers) that there are very negative effects of using oil in the future in the same way as in the past. There is needed another type of economy, and society, based on other types of resources than oil.

But in the same time this situation creates hardships for oil importing countries, many of western societies being vitally dependent in their mobility by oil. In the same time, transportation is responsible for some one third of oil consumption, generating huge quantities of CO2 emissions in the atmosphere, bringing what can be called climate change. Put shortly, the paper presents the negative impact of oil using from geopolitical and climate points of view, and which could be the solutions for escaping this situation.

The added value of our endeavors is connected to present the negative implications from geopolitical and climate changes points of view, and which are the actions which could put in practice.

Keywords: oil, geopolitics, energy, climate change, oil transportation routes

JEL Classification codes: F1; F5

GOVERNANCE MEASURES PROPOSAL FOR ROMANIA TO ACCOMPLISH THE EUROPE 2020 TARGETS AT NATIONAL LEVEL

Berinde Mihai, Chirila Lavinia Florentina

Europe 2020 is a very ambitious strategy adopted by the European Commission for the coming decade. Its main target is to make Europe's economy become smart, sustainable and inclusive. The Lisbon Strategy was first adopted in 2000, but during the 2005 mid-term review, the Lisbon Strategy was revised and new targets for economic growth and employment were established. This change integrated the Cohesion Policy into Lisbon Strategy's implementation. In 2010, the European Commission published a new strategy, known as Europe 2020, a strategy that includes priorities meant to help the European Union and the Member States to defeat the weaknesses that they have experienced in the last period. Although the targets set are impressive and might seem very attractive, the results acquired so far, both at EU and Romania's levels are not very encouraging. Even though some progress has been made, it is too unassertive to be considered the expected result. The article presents the results obtained up to this stage by Romania in achieving the national targets set through Europe 2020, using the time-distance method to calculate the time advance or delay in implementing the Europe 2020 targets in Romania. It formulates governance proposals that must be taken into account by the Romanian authorities in order to reach the targets set at national level.

Keywords: time distance, Europe 2020, EU headline targets, Cohesion policy, governance measures

JEL Classification codes: F15, O38

SOCIAL ECONOMY – POSSIBLE SOLUTION TO ECONOMIC CRISIS

Capmare Irina Cosmina

This paper is about the concept of social economy and tries to explain why it is so important that European Union shows so much interest in its development.

The aim of the paper is to reveal the social economy impact on society and its ability to respond proactively to the challenges of modern day society. The methodology was based on self documentation which involved a wide range of materials: reports, case studies, paper works, articles, specific sites, European Union guides. This paper underlines the influence of third sector and the way it constitutes insurance for the economic growth.

This paper plays a key role in the understanding of the evolution of this concept and mostly the fact that social economy found a new place in society. Its role was redefined, social economy starts to be in the center of attention at European level since is the key to the economic growth.

Social economy doesn't rely on a specific definition but through its characteristic and principles it refers to a third sector in economies between the private sector and business or, the public sector and government.

Even though social economy states with its benefits and importance for the community and economic growth it is not a concept well implemented in all countries and among other things it is characterized by a lack of legislations and specific literature compared to other concepts. The concept is present in the European Union development strategies, policies and they get to decide how social economy will extend in each country.

In the attempt to provide a more comprehensive concept of social economy terms such as third sector, active inclusion or employment should be mentioned because until now, there is no universally accepted definition of social economy, since is one of the few terms which enjoys multiple definitions, but focuses on the same principles or features.

The paper provides an overview on how the concept of social economy entered the daily life of European communities and has settled itself as a phenomenon, essential for economic progress of the countries and in Romania where it is still disputed the way it will develop.

What is to be notable is that Romania gives a big important to this new concept of social economy and different practices shows that our community is ready to promote the third sector organizations. We cannot base on much documentation but informatics society showed again to be useful so that internet can offer a wide range of papers and studies, some more documented than others.

The results of the study demonstrated that social economy will define a new order in the economic market and will play a significant role in the overcoming of economic crisis.

The added value of this paper consists in the fact that it brings more approaches to the related literature and personal reflections about its function in Romania, based on the way it is financed and promoted at national level.

Keywords: social economy, sustainable development, third sector, economic growth, social inclusion

JEL codes: Z13

ECONOMIC BENEFITS OF DEVELOPING INTERMODAL TRANSPORT IN THE EUROPEAN UNION

Dărăbanț Simina, Ștefănescu Patrick, Crișan Radu

Transport plays a crucial role in economic and social development and its contribution goes beyond what is normally captured in traditional cost-benefit analyses. Transportation investments can have large long-term economic, social and environmental impacts.

The European Commission when developing transport policy, focuses on the intermodal transport, which is seen as a sustainable mobility solution, environmentally friendly and efficient in terms of resources, especially in terms of freight. European transport policies promote co-modality - combining different modes for a single supply chain - as a solution to the adverse effects of transport: pollution, traffic congestion, energy consumption.

Intermodal transport is found to be consistently cheaper than all-road solutions, and its external costs significantly lower, thereby confirming the high potential of intermodal transport in increasing the sustainability of the transport sector. So, freight intermodality is increasingly considered as major potential contributor to solving the sustainability problems of the European transport sector.

This paper addresses the pricing issues specifically related to intermodal transport. The focus is on the main economical advantages of developing intermodal transport, but also on the usage limits brought by particularities of transport modes. Special attention is given to intermodal transfer terminals with solutions for activity efficiency increase, with major implications on the quality and cost of transportation.

The theme discussed in this paper is of great importance, many authors and specialists developed it in their studies. Some names are needed to be mentioned: Todd Litman, Dr. Yuri V. Yevdokimov,

John J. Coyle, Kenneth D. Boyer and few more. But, a special attention for this subject is paid by the European Commission and its subordinated institutions, that are interested in developing sustainable strategies and promoting concrete solutions for economic efficiency in the transportation field.

The methodology used for this subject is based on the statistics data from the official documents and on the research made by the authors of the paper regarding the advantages from the economical point of view derived from the development of intermodal transport.

The results we have reached show that the intermodal transportation is rapidly gaining acceptance as an integral component of the systems approach of conducting business in an increasingly competitive and interdependent global economy.

The information on this paper have implications on other related fields: social, environmental and even political and the authors brought significant contribution raising the problem of the total costs of investments in the intermodal transport infrastructure and the long-term economical benefits if it.

Keywords: intermodal transport, economic advantage, investments, costs, infrastructure

JEL Classification codes: L91, R41

THE COSTS OF THE ELECTRICAL ENERGY IN THE ALUMINIUM INDUSTRY

Dobra Iulian, Cilianu Marian, Belu Mihaela Gabriela

The economic crisis has given the opportunity to reconsider the use of resources, so the subject of competitive advantage has become actual. In the aluminium industry the cost of electrical energy is critical not only for competitive reasons but for the mere existence and performance of numerous production facilities . Several ways of resisting the pressure of high energy costs have been experimented the most promising being those based on different forms of public-private partnership/co-operation. In many countries the big industrial producers benefit from a special treatment concerning the energy acquisition and are supported by the government in order to remain competitive.

Keywords: energy, energy market, aluminium price

JEL Classification codes: Q40, Q48, L10

CONSIDERATIONS REGARDING THE COMPETITIVENESS INDEXES COMPATIBILITY WITH THE SUSTAINABLE DEVELOPMENT INDEXES AND STRATEGIES IN THE EU

Felea Adrian Ioan

This paper is structured in three parts. The first part refers to the topicality of the concepts and of the concerns related to sustainable development and competitiveness. The second part of the article presents the results of the compatibility analysis and the impact study of EU's sustainable development strategies on the competitiveness indexes. The analysis is based on the indicators and values used and developed by the World Economic Forum, published in the Global Competitiveness Report and used to depict a nation's competitiveness and also based on the objectives published in the European Union's Sustainable Development Strategy and on the indexes used by Eurostat. In the last part of the article we presented the relevant conclusions of the analysis conducted.

Keywords: sustainable development index, competitiveness index, sustainable development strategy

JEL Classification codes: F23

SOCIAL PERFORMANCE ENHANCES FINANCIAL PERFORMANCE. BENEFITS FROM CSR

Gazzola Patrizia

The research aims to show how Corporate Social Responsibility (CSR) should not be considered a cost to bear as an economic social actor but an investment that will contribute to the competitiveness and growth of the firm.

In the first part we consider capitalistic firm as systems for the creation of economic and financial value for their shareholders. We measure their performance by a system of monetary values.

In the second part we do not limit our view to simply the shareholders, but we consider, instead a vast group of stakeholders because it is important not only to make profits, but also how companies make them .

In these years characterized by the financial crisis, where many big companies went bankrupt, more and more companies are speaking about ethics and CSR. For a firm, acting socially responsible, means for example having fair compensations, promoting transparency and the respect of employees, neutralizing conflicts of interest, as well as taking care of the environment.

CSR is today a topic for discussion not only for business people but also for politicians, media, researchers, NGOs and consumers. Growing awareness of CSR is evident in the growth of voluntary codes of corporate conduct, in the growth of companies that are using self-reporting on social and environmental practices, and in increasingly social and ethical investment funds.

The public and governments of the world have been steadily increasing pressure on corporations to increase their CSR. Recently the European Commission has put forward a new, simpler definition of corporate social responsibility as “the responsibility of enterprises for their impacts on society” (European Commission 25/10/2011).

Companies have realized that to increase their market share or keep their market share, they must adopt CSR, but the synergy between social performance and financial performance is not automatic; rather it is the result of efforts that combine managerial professionalism and business creativity for the purpose of business growth that also takes into account the social groups.

Our research considers the conditions for the effectiveness of CSR actions in creating a positive feedback that can produce ever greater economic and social-environmental results. Thus a firm must set a system of objectives for itself which is centered on its sustainable growth, and must therefore tend toward a multi-dimensional growth that encompasses the economic, social and environmental dimensions. In the last part we explain how socially responsible business practices can enhance a company's value.

Keywords: CSR, creation of value, performance, intangible assets, stakeholders

JEL Classification codes: M14, M41

THE TAX EFFECTS ON THE FDI INFLOWS TO ROMANIA AFTER EU ACCESSION **Giurgiu Adriana**

FDI is seen as a key factor for economic growth, international competitiveness and increased productivity for most economies and it is a highly discussed topic in the field of economics and finance. It is also considered a vital part of the rapidly evolving process of international economic integration. According to OECD Factbook (2010) FDI creates direct, stable and long-lasting links between economies and encourages the transfer of technology and know-how between countries. Moreover, FDI is an additional source of funding for investment and, under the right policy environment it can be an important vehicle for enterprise development (OECD Factbook 2010).

Because of its increased importance within any economy, among the specialty literature, there are reasonable discussions on the effect of the host country taxation system and corporate taxation on the inflows of foreign direct investment (FDI). Therefore, this paper attempts to analyze this effect in Romania over the period after 2007 – the year of Romania's EU accession. The main objective of the paper is to statistically prove whether there is significant and negative relationship between the inflows of FDI and corporate taxation in the selected economy during the specified time span. This relationship is investigated with OLS regression analysis with pooled panel data to find to

what extent the selected explanatory variable effective tax rate (ETR) along with trade openness, long term interest rate, share of internet users and labor cost have an impact on the dependent variable (e.g.: FDI relative to GDP). The research pursued in this paper is based on relevant literature and the statistical analysis is pursued in respect to the models described by the consulted scientific articles referred to in the paper.

Finally, the research proves that the elasticity between corporate taxation and FDI is positive at a level below the average effective tax rate and negative above the average level of effective tax rate. In addition, all other important variables included in the regression model are found to be significant determinants of FDI.

The paper presents preliminary results of the post-doctoral research project: “The costs and the benefits of the Romania’s EU integration process from the external trade and foreign direct investments perspective”, carried out by the author within the project titled: “Economic scientific research, reliance of human welfare and development in the European context”, financed by the European Social Fund and the Romanian Government through the Sectorial Operational Programme Human Resources Development 2007-2013 (SOP HRD), contract number SOP HRD/89/1.5/S/62988; beneficiary: Institutul Național de Cercetări Economice “Costin C. Kirișescu” (INCE), Bucharest, Romanian Academy; December 2010 – 30 November 2012; website: www.cerbun.ro.

Keywords: FDI inflows, Romania’s economy, tax effects, EU membership, effective tax rate

JEL Classification codes: F14, F15, F21, F36, G30, O16

THE EFFECTS OF THE EUROPEAN INTEGRATION ON THE ROMANIA’S EXTERNAL TRADE DURATION

Giurgiu Adriana

Trade relationships seem to be dynamic although most trade theories argue that trade patterns change slowly. Researchers have made great efforts along decades in explaining why countries trade or stop trading. A trade relationship is considered to start when imports are positive. On the opposite, a trade relationship is considered to stop when the import flows are equal to zero. The specialty literature defines trade duration as the length of the period from when the trade flows start to when the trade flows end. A better understanding of trade duration could facilitate the economic growth.

Besedeš and Prusa (2006a) analyze the average duration of trade flows, by investigating the period of time in which a trade flow of a particular product equals to zero. The previous literature in this field is not extensive since it is a new perspective of analyzing trade dynamics. However, there is a consensus that trade durations are short in general, the length of trade durations positioning between one and four years for different so far analyzed products and relationships.

Due to the fact that many previous studies focused on the factors affecting the trade duration, mainly on finding explanatory variables of the short durations, this paper focuses on the effects of economic integration and takes Romania’s external trade as a case study.

The aim of this paper is to empirically investigate if there is a correlation between the trade duration and the EU economic integration in the case of Romania, in order to determine the effects of the economic integration process.

In order to observe the effects that the economic integration may have on the Romania’s external trade, our empirical strategy focuses on how economic integration affects sunk costs of exporting. This paper argues that sunk costs are positively correlated with the length of the import duration. The explanation is found to be that a higher level of economic integration has a tendency to lower sunk costs. Furthermore, by using the Kaplan-Meier estimator, the conclusion that Romania experiences longer import durations is reached.

The conclusion is of the paper is that economic integration affects the duration of trade by affecting sunk costs.

The paper presents preliminary results of the post-doctoral research project: “The costs and the benefits of the Romania’s EU integration process from the external trade and foreign direct

investments perspective”, carried out by the author within the project titled: “Economic scientific research, reliance of human welfare and development in the European context”, financed by the European Social Fund and the Romanian Government through the Sectorial Operational Programme Human Resources Development 2007-2013 (POS DRU / SOPHRD), contract number POSDRU/89/1.5/S/62988; beneficiary: Institutul Național de Cercetări Economice “Costin C. Kirilășescu” (INCE), Bucharest, Romanian Academy; December 2010 – 30 November 2012; website: www.cerbun.ro.

Keywords: trade duration, economic integration, sunk costs, European Union, Romania

JEL Classification codes: F10, F13, F14, F15, F43, F47, G38, H60

INVESTMENTS VALUES AND EU FOUNDED PROJECTS

Ilies Liviu, Muresan Ioana Natalia, Salanta Irina Iulia

Being value based is one of the principles project management has to respect in order to be sustainable. Values are guidelines for human behavior that are shared by a large group of individuals. As projects can be differentiated from investments, also projects’ values can be differentiated from investments’ values. Connecting projects with investments’ values contributes to projects’ success, to a sustainable project management process and to a sustainable investment. The article explains the differences between investments and projects and presents how the investment’s values can be related to the project. The topic is applicable when dealing with projects in general and can have benefic effects on investments initialized through projects financed by the European Union.

Keywords: project, investment, value, project management

JEL Classification codes: M10

SOME REFLECTIONS ON FLEXICURITY-THE EUROPEAN APPROACH TO LABOUR MARKET POLICY

Ionete Anca

The notion of “flexicurity” promises to overcome the tensions between the labour market flexibility on the one hand and social security on the other hand, by offering “the best of both worlds”. In this review the development of the concept will be set against the background of changed economic circumstances in the last two decades. Flexicurity is seen as a way to preserve the European Social Model while maintaining and improving the competitiveness of the European Union. It is argued that, in the context of globalisation and technological change which place greater demands on business to adapt continuously, high levels of employment security will not depend only on protection of workers’ specific job, but mainly on the means for workers to stay on the job market, manage smooth transitions between jobs and make progress in their careers. At the end of the day, the aim of flexicurity policies should be to ensure the welfare and well-being of our societies and all their members, now and in the future. It can therefore be argued that flexicurity is ultimately about security and sustainability. At the same time, the European ideas and principles on flexicurity first and foremost need to be seen as a framework which may offer inspiration and guidance to Member States to review and improve their labour markets in terms of establishing a sound balance between flexibility and security. Member States can and should come up with their tailor-made policies and regulations that are geared towards their specific history, starting-position and political, institutional and cultural context. As quasi prototypes of flexicurity, policies pursued particularly in Denmark and the Netherlands have been portrayed as having successfully achieved new combinations between (greater) labour market flexibility without compromising social protection. At this point in time, it remains to be seen whether flexicurity will be more than a buzzword which has outlived its temporary political purpose or an enduring component of particularly European approach of combining employment and social policies. The current paper is realized in the doctoral programme entitled “PhD in economics at the standards of European knowledge-DoEsEc”, scientific coordinator Prof. PhD. Gabriela Drăgan, institution the Academy

of Economic Studies Bucharest, Faculty of International Business and Economics, period of research 2009-2012.

Keywords: flexicurity, labour market policy, unemployment benefits, employment protection, European Union.

JEL Classification codes: J08.

THE WORLDS OF FLEXICURITY-LABOUR MARKET POLICIES IN EUROPE

Ionete Anca

In the past, European integration has concentrated first of all on profound economic integration, creating the Single Market with common rules and regulations throughout the European Union. European integration has been more limited in the labour market and social field, where the national state remains the dominant level of regulation. Although linguistically somewhat strange, “flexicurity”, the combination of labour market flexibility and security for employees, has become recently a much praised cornerstone of European labour market policies. Obviously, in an environment with rapid technical progress and frequently changing market conditions, employers need to manage their labour force flexibly. In order to achieve this flexibility without creating an unbearable situation for employees, security is the second pillar of the concept. As such, the concept looks like an innovative European way of consolidating economic and social interests, although some argue that much flexibility is gained while the security aspect is being neglected. Flexicurity forms a part of efforts to experiment with new forms of governance in the social and employment law of the European Union. It is compatible with attempts to introduce policies at supranational level that can influence self-transformation processes at the level of Member States in order to reach overarching economic goals defined by the Lisbon agenda. It is central in the debate over the reform of labour law systems since it is a key, if not the key concept in the 2006 Green Paper on modernising labour law in the European Union. The concept has been successfully adopted in some European countries, notably Denmark and the Netherlands. The experience in these two countries will thus be described in some detail, followed by a review of flexicurity-type policies in other European countries. The current paper is realized in the doctoral programme entitled “PhD in economics at the standards of European knowledge-DoEsEc”, scientific coordinator Prof. PhD. Gabriela Drăgan, institution the Academy of Economic Studies Bucharest, Faculty of International Business and Economics, period of research 2009-2012.

Keywords: flexicurity, European Social Model, labour market reform, Denmark, the Netherlands.

JEL Classification codes: J08.

THE GROWTH SUSTAINABILITY CONCEPT IN THE EUROPEAN UNION

Jubénot Marie-Noëlle

Definitions or approaches to sustainable growth are numerous, varied and often controversial. Despite, the three priorities (smart, sustainable and social growth) of Europe 2020’s strategy, there are fears that the Lisbon Agenda could place sustainable development beneath an over-arching aim of increasing economic growth. In addition, this ambitious and new strategy is strangely built with old theoretical foundations. The general goals are divided into several sub-targets supposed to apply to all countries of the European Union. This necessarily requires adequate institutions to manage, and the creation of easily measurable indicators. However, the problem lies in the shared governance between the EU institutions and national governments.

Keywords: sustainable growth, Brundtland announcement, Europe 2020's goals, the ‘win-win-win’ scenario.

JEL Classification codes: O, E

ROMANIA ON THE PATH TO SUSTAINABLE DEVELOPMENT. COMPARATIVE ANALYSIS WITHIN THE EUROPEAN UNION

Kardos Mihaela

Nowadays, the issues of sustainable development are of great interest and importance, as countries, organisations, institutions worldwide are still searching for the right solutions leading to human well-being and life quality in a society socially acceptable, economically viable and environmentally sustainable, in an integrated vision between states and generations. Due to the difficulties of measuring such a complex, multi-dimensional concept, one of the main questions refers to necessity and the possibility of determining countries' progress towards sustainable development. In this respect, there are a very large number of initiatives and efforts to develop the appropriate indicators; yet, there is no one agreed method.

In this generous context of analysis, the paper aims to offer some answers regarding Romania's progress towards sustainable development, based on a comparative analysis within the European Union, using data provided by three of the most widely used indicators for measuring sustainable development: Human Development Index, Environmental Performance Index and Ecological Footprint. The research methodology uses the comparative analysis and synthesis of data, followed by a dissemination of the results in order to express a personal opinion on the topic.

The research results are far from being optimistic, highlighting a serious gap between Romania and the other member states in terms of progress towards sustainable development. Therefore, they call for immediate action and increased efforts, so that European Union's objectives of real cohesion and of becoming one of the global leaders in supporting sustainable development can be reached. The merit of this study is its contribution with an original research to the efforts of assessing Romania's progress on the path to sustainable development, which may be particularly important for both researchers and policy makers. Due to some limitations induced by the methodology, the research opens the way for future studies, using complementary data and methodology.

Keywords: sustainable development, sustainability indicators, human development, environmental performance, comparative analysis

JEL Classification codes: Q01, R11

DOES THE MAASTRICHT CONVERGENCE CRITERIA WORK?

Karsai Zoltán-Krisztián

During its 13 year history, the euro area experienced the most severe economic downturn in the late 2000s as a result of the 2007 financial-economic crisis stemming from the US banking sector. The crisis in the monetary union, besides posing a significant economic and social cost, revealed several weaknesses not just of the currency block as a whole, but also of its constituting members, which were masked by the prosperous economic environment characteristic for the 2000s. These conditions have put to the test the solidarity among the euro zone members, or in other words the existence of the currency block. One important problem of the currency block is the lack of harmony between the fiscal and economic policies of the member states, creating several and occasionally very divergent parts of the currency block. The aim of this research is to enhance the Maastricht convergence criteria's and the Stability and Growth Pact's role as a monitoring mechanism, allowing them to become more informative tools for the policy makers.

For this, based on the relevant literature, we propose new potential explanatory variables which could enhance the role of the Maastricht convergence criteria and the Stability and Growth Pact. Some of the studied variables, like indebtedness of the private sector, capital flow compared to the size of the economy, government revenue compared to total public debt and current account balance help in enforcing the nominal convergence, while others (real labour productivity) contribute to the real convergence. The explanatory power of the proposed variables are investigated in the case of France, Germany, Greece, Ireland, Italy, Portugal and Spain for the period comprised between 2000Q1-2011Q4.

Results of the research show that with the exception of government revenue compared to total public debt, all proposed variables have significant explanatory power regarding the evolution of the state of the economy in all seven countries analyzed. France and Germany, characterized by healthy fiscal and economic policies is also exposed to risks stemming from the evolution of the private debt. In case of Greece, Ireland and Spain the high current account deficit represented a significant explanatory variable, while the outstanding loans to the private sector proved to be significant in the case of Ireland, Italy and Portugal. The significance of real labour productivity for Greece and Italy proves that real convergence should also be obtained beside nominal convergence by economies in the currency block. All significant variables had explanatory power through their lagged value, hence counterbalancing policies can be elaborated in a timely manner in order to stabilize the economy if signs indicate a potentially unsustainable economic path.

Keywords: Maastricht convergence criteria, real convergence, macroeconomic processes, private sector

JEL Classification codes: E61, E63, H12, H3, C51

NEW PUBLIC MANAGEMENT ELEMENTS IN ROMANIA'S PUBLIC SERVICES IN THE EUROPEAN CONTEXT

Moraru Marilena Ortansa

New Public Management (NPM) is considered as a global paradigm emerging in response to economic, institutional, political, and ideological changes. Many attempts to define the New Public Management have been made and there are several definitions of this notion, referring to the implementation of management ideas from business and private sector into the public services. Over the past few years, Romania has been facing a great challenge as it has to enhance its public management for achieving the European standards and values of transparency, predictability, accountability, adaptability and efficiency. The necessity of a modern administration at European standards exists both at the level of the citizen, and at the level of institutions delivering public services. According to the provisions of its last stand-by arrangement with IMF, Romania placed emphasis on restoring medium- and long-term sustainability and paved the way for future growth. Structural reforms were a large component of the program, including tax administration, pensions, public wages and employment, and social benefits, improving public sector efficiency, as well as enhancing the business environment

Since 2009 a public financial management structure was introduced for multi-year budgeting while limiting intra-year budget revisions. Fiscal rules were introduced on spending, public debt and primary deficit, and a framework for managing guarantees and other contingent liabilities was approved. Local public finance law was amended to bolster fiscal discipline and limit risks from local governments. Thus, presently, the legal framework envisages the use of new instruments and structures to support local administration authorities to increase their administrative capacity in order to perform in accordance with their new authority and thereby increases the quality of the already decentralized public services. The Common Assessment Framework (CAF) – the total quality management tool was introduced in Romania, public institutions acknowledging the need for change and improvement, the importance of people's involvement within the organization's self-assessment process, the importance of measuring the results, objectives prioritization, the need to assume responsibility for the identified improvement actions, as well as the need to share knowledge and experience. Most of the Romanian public institutions apply the diagnosis obtained through CAF implementation as a solid ground to develop and implement their Multi-annual Modernizing Strategies, thus assuring the sustainability of the results accomplished so far. Concluding, we consider that the changes incurred and the significant transformation of Romanian public services include important elements of NPM.

Keywords: European integration, New Public Management, Decentralization, Reform, Common Assessment Framework

JEL Classification codes: F02, F29, H83

IMPACT ANALYSIS OF LEGISLATIVE AND INSTITUTIONAL FRAMEWORK ON THE POLICY FOR REGIONAL DEVELOPMENT IN THE LIGHT OF THE REGIONAL OPERATIONAL PROGRAMME

Munteanu Nicolae - Eugen

The analysis of the administrative capacity of institutions in the regional development starts from the analysis of the existing framework for the implementation of regional politics in Romania and studies the extent to what the structures and competencies were regionally enlarged as to contribute in the regional development.

The basic hypothesis considered for such analysis had in view the fact that the differences recorded with respect to the implementation capacity of the regional development policy are caused by the various levels of the administrative capacity of the national, regional and local institutions existent in Romania.

Although the regional development activity is, both centrally and regionally, dominated by the Regional Operational Programme 2007-2013 (ROP) implementation, significant activity also exists outside the ROP, but only regionally.

The regional strategies incorporate to a great extent the strategic objectives established nationally, being coordinated with the national financing instruments for economic, social and territorial development. The undertaking degree of responsibilities regarding the objectives fulfillment of the regional development policy is relatively low both regionally and locally, and the main indicator which contributes in sustaining this conclusion is the absence of an adequate level regarding the property holding on certain strategies and also the methodological lack of strategies. Nationally, the current activity of Ministry of Regional Development and Tourism in the field of regional development totally overlaps the management activity of ROP.

The management of structural funds 2007-2013 granted through ROP deals with various situations in which, due to the fact that the Law of regional development remained behind the legislation for the structural instruments implementation in Romania, additional resources are necessary to be granted in order to be found solutions through other types of regulations.

The Romanian legal and institutional setting allowed a centralized top-down approach for the regional development process and brought forward the approach of the type ‘‘local development which falls among certain priorities of regional development established nationally’’. Definitely, the local development is important for the regional development, but it is not self-sufficient in this respect. Therefore, the centralized approach should be completed by a decentralized approach, as a natural next phase.

Keywords: regional development, institutional and legal framework, region, management of structural funds

JEL Classification codes: O18, R58, P48

THE DEVELOPMENT OF BIHOR – HAJDU-BIHAR COUNTIES BASED ON THEIR NATURAL RESOURCES

Negrea Adrian

Situated on the border line between Romania and Hungary, Bihor – Hajdu-Bihar counties are blessed with all natural types of terrain. There are mountains in the West, thermal water almost everywhere, caves and underground rivers that can be exploited for economic use.

In this paper, the main subject focuses on developing the counties into an international tourist attraction, based on their natural resources. Being able to extract thermal water that is rich in numerous minerals that the human body can absorb, it can offer these counties an important competitive advantage.

With age, comes a great deal of expenses in order to keep your body young. Having this natural resource, Bihor – Hajdu-Bihar counties can project its goals on the development of future spas, which can attract tourists as well as investors.

The methodology focuses first on identifying those areas that are rich in these thermal waters. Then, there will be presented a sketch of the ideal tourist profile for this type of activity. Then,

based on the ideal tourist profile, there will be a selection of countries where these potential tourists live.

If the county desires to adopt this plan, there will be extensive structural modifications on all economical and educational sectors in order to obtain maximum performances.

The selection of future potential investors will be crucial for the future activities of the county. If the main objective will be the construction of spas, there will be an increase demand for qualified medical staff. This knowledge can be attained only in medical universities. The courses of a medical university can be followed only by those persons that have a bio-chemistry high school profile. If the investments will be made in this sector, the number of students of the medical university and of local high schools will have to increase exponentially.

The tourists that will come will have to benefit from a treatment based on different products. The strategy should include attracting those investors that produce goods designed for body enrichment, and not to import these products from abroad.

All these strategies that include investors, the education system, city halls, politicians and fiscal stimulus, can and will lead to a success story.

Keywords: development, cooperation, thermal water, foreign direct investments, socio-economical impact

JEL Classification codes: F18, F43, R11

WHY DOES ROMANIA NEED A PROGRESSIVE TAX ON REVENUES

Negrea Adrian

Based on current events, when there is a strong social movement across the globe, the policy regarding taxation has been at the center of almost all economic reforms. All the countries across the globe are trying to attract more money in order to reduce the gap between government spending and its incomes.

The current paper tries to assess some difficult changes regarding the future taxation policy. Based on statistical data from the national institute of statistics, the paper will measure the impact of a flat tax since its introduction in 2004. The main focus will be fixated on trade, which sectors were the main leaders regarding increased numbers, and what happened to the current account.

What was the impact on the Romanian industry after the introduction of the flat tax, and how did it influence its competitiveness on the international market.

After assessing the data, there will be some projections based on the introduction of a progressive tax. The paper will try to analyze the impact on the demand side, whether it is domestic or foreign, government incomes and future spending.

The results should point out that with a higher tax: government incomes should rise; regarding the demand side there should be a steep decline but only for foreign goods and less for the domestic ones; the competitiveness of the Romanian industry should increase based on a higher demand regarding its goods and services to the public/private sectors.

In conclusion, some changes will have to be made. This policy should have a strong impact on all the Romanian economy and on Romania's development itself. All governmental agencies will have to be involved in maintaining a higher control on all income declarations, because based on the Greek example, if all economic agents don't pay their taxes, the state will end up broke, or highly indebted.

Keywords: progressive tax, economic reform, impact, economic competitiveness, trade

JEL Classification codes: G18, H21, H61, O23

COMMON AGRICULTURAL POLICY POST-2013 IN THE VIEW OF ROMANIA AND FRANCE

Niculescu Oana-Marilena

The paper belongs to the field of research “International Business and European Integration”. Entitled “Common Agricultural Policy Post-2013 in the View of Romania and France”, the paper aims to analyze the positions of both countries in the context of the Common Agricultural Policy (CAP) reform. The objectives of this paper are to emphasize the need for a strong CAP, based on two pillars, the position of different countries or groups of states regarding CAP reform and the allocation of European funds on four axis within Rural Development policy. The paper is related to the research aiming to analyze some issues of the most debated, controversial and reformed European policy. In the same time, it continues my previous research consisting in different papers concerning CAP reforms, food security, agricultural market stability, Romanian agriculture with a view to the future reform and follows the theme of the doctoral thesis entitled “CAP Reform and its Implications for the Romanian Agriculture” (coordinator prof. dr. Gheorghe Hurduzeu, Bucharest Academy of Economic Studies, Faculty of International Business, doctoral studies within 2009-2012). The research method consists in collecting and analyzing data from internal and international publications, the use of statistical data in order to realize a comparative analysis between Romania and France regarding the agricultural output volume variation within a period of ten years and the distribution of the European Agricultural Fund for Rural Development (EAFRD) on four axis in the period 2007-2013. This paper tries to reflect the similarities and differences between one of the oldest Member States of the European Union (EU) - France which has a modern agriculture and belongs to the conservative group and a New Member State - Romania, whose agriculture has a deep dual character and where the medium size farm is not developed enough. The results of the research consist in the fact that Romania should consider French agriculture a model and should adopt a strategy focused on setting up of producers ‘organizations and of agricultural chambers, the encouraging of young farmers to settle down in the countryside, agro tourism with a view to increase the value of the Romanian village.

Keywords: Common Agricultural Policy, reform, Rural Development, Romania, France
JEL Classification codes: Q18

SUSTAINABLE URBAN DEVELOPMENT ELEMENTS

Popa Florina

Sustainable development, the concept of our times, is an perspective objective, which should ensure economic progress, social and environmental impact of society for a long term. Approaches for regeneration and urban development require consideration of key issues related to natural regeneration in relation to social, economic, environmental and cultural aspects of urban life, as well as a public sector collaboration with private, local affected communities involvement in collaboration actions.

In this paper, there are pursued some important elements of sustainable urban development related to: outlook vision of city development in urban-regional context, providing financing and investing resources in the selected areas, the importance of creating local and regional partnerships, highlighting the role of public-private cooperation as an important instrument of urban governance.

In areas of a country, policies must be formulated according to the stage of urbanization, to allow the rural-urban and inter-urban ties for each stage; the aim must be improvement of options for development.

Keywords: sustainable urban development, urbanization, partnership.
JEL Classification codes: R-R0-R00;R1-R10-R11-R19.

SUSTAINABLE DEVELOPMENT ASPECTS IN ROMANIA-REPUBLIC OF SERBIA IPA CROSS-BORDER COOPERATION PROGRAMME

Popescu (Stîngaciu) Ana-Maria, Munteanu Nicolae-Eugen

This research paper is based on the analysis of the sustainability aspects in cross-border cooperation programmes. The importance of this research topic consists in presenting if the implementation of the activities of the projects submitted under cross-border cooperation programmes is based on the sustainability aspects. In this matter, the article will present theoretical aspects of sustainable development, territorial cohesion and cross-border development and focuses on practical questions related to sustainability aspects in the case of the Romania – Republic of Serbia IPA Cross-border Cooperation Programme. One of the main challenges of the cross-border area is also environmental challenges. Sustainable development is represents the fundamental objective of the European Union and refers to the economic, social and environmental dimensions of development. Countries cannot develop without existing cooperation between them, therefore EU policy is based on economic, social and territorial cohesion. Methodologically, the research is based on identifying of appropriate theoretical concepts corresponding to the chosen theme, collecting and processing data. The paper concludes with answers to key questions related to the integration of sustainable development aspects in cross-border cooperation programmes and projects. The results of the research have implications that could contribute to the current problem of absorption rate of EU funds, offering information about IPA cross-border cooperation programmes and increasing the capacity of potential applicants to elaborate and implement projects for obtaining and using financial EU funds. The added value of the paper results from the fact that EU financing is a topical issue of great interest to European and national level. To the best of our knowledge, this topic has not yet been researched within the national literature. The author contributed by performing methodology of qualitative research, a study case regarding the Romania-Republic of Serbia IPA CBC Programme, which can be very useful for a better understanding of the European Union financial allocations through cross-border cooperation programmes.

Keywords: sustainable development, cross-border cooperation, IPA, territorial cohesion, environmental impact

JEL Classification codes: F 15, H 77, O 38, R 58

ECONOMIC POTENTIAL RECOVERY – A EUROPEAN CHALLENGE IN THE MEDIUM TERM

Rădulescu Andrei

The waves of the worst global financial and economic crisis since World War II have seriously affected the economy of the Euro Area. The first wave of the global crisis determined the worst recession in decades for the member states of the region. At present, the Monetary Union is confronted with the second wave of the crisis – the public debt problem. Despite the efforts adopted and implemented by the European policymakers over the past quarters, the sovereign debt crisis is far from over. Spain has recently become the “favourite target” of the financial markets.

Among the consequences of the waves of the crisis for the Euro Area one can mention the potential output decline and the economic divergence (asymmetric evolution of member countries). In this context, the potential output recovery and the relaunch of the real economic convergence process represent the main challenges for the policymakers in the medium run.

This paper analyses the evolution of potential GDP of the member countries of European Monetary Union (12). I employ the Hodrick- Prescott methodology on data from the World Bank Database.

According to the results, the economic potential of the member states of the Euro Area (12) decreased to the lowest level of the past decades. At the same time, the analysis presents the differences exiting across the member states in terms of potential output. Some countries suffered an important potential output loss over the past quarters (it seems that Greece and Portugal have become asymmetric shocks in the Monetary Union). For these countries, the first wave of the

global crisis transformed in a permanent shock. The decline of investments and the depreciation of human capital over the past quarters express a huge probability that potential output is going to maintain at a low level in the Euro Area over the following years.

The recovery of potential GDP towards the pre-crisis levels is dependent on a higher participation rate of active population, strong reforms of labour markets and, importantly, the return of investment flows. Other measures in order to attain the objectives of Europe 2020 (smart, sustainable and inclusive growth) would also help the process of potential GDP recovery in Europe.

Keywords: potential output, Hodrick-Prescott, Euro Area, public debt crisis

JEL Classification codes: C32, E32

INTANGIBLE ASSETS THROUGH THE COHESION POLICY

Roth Anne-Marie-Monika, Popescu (Stingaciu) Ana-Maria

Intangible assets in general and intellectual capital in particular are important to both society and organizations. It can be a source of competitive advantage for business and stimulate innovation that leads to wealth generation. Technological revolutions, the rise of the knowledge-based economy and the networked society have all led to the same conclusion that intangibles and how they contribute to value creation have to be appreciated so that the appropriate decisions can be made to protect and enhance them. The Cohesion Policy represents the main EU measure to ensure a balanced and sustainable growth in Europe by promoting harmonious development and reducing the regional disparities. The general objective of the paper is to highlight the important role of the Cohesion Policy in the development of intangible assets. The objectives and the instruments of the Cohesion Policy are designed to support programs on regional development, economic change, enhanced competitiveness and territorial cooperation through the European Union, to develop human resources and employability.

Keywords: intangible assets, intellectual capital, Cohesion policy, development;

JEL Classification: O43, G32, D24, O34

THE RELATIONSHIP EUROPEAN UNION - BLACK SEA REGION FOLLOWING THE IMPACT OF THE ECONOMIC CRISIS

Rusu Livia

This paper refers to the possible interaction between the European Union and the Black Sea region, following the consequences the international and financial crisis placed upon the Eastern neighbourhood of the Union. It provides a comprehensive picture on the economic situation in the Black Sea area, correlating the economic realities from the field with the required domains of policy actions. The research performed tries to reveal the impact the economic crisis had on the Black Sea region, to identify the suitable sectors of cooperation following the recognition of the common challenges and problems. Moreover, it offers a quick insight for the possible future interaction of the region or the countries within with the European Union or at intra-region level. The paper complements and enhances other researches (not that many though) on the subject. It studies previous researches, it uses the valuable information offered by the most comprehensive international economic data bases and it takes into account the present framework of dialogue developed by the European Union for its Eastern neighbours. The research methodology included quantitative and qualitative approaches. The analyses of the international literature and the interpretation of the data covered a range of fields pertaining to the European economy. The reading of the information processed was made in a personal key and it was correlated in an integrated, systematic and interdisciplinary manner. The instrument of Opinion Survey was used in two circumstances: in one case, elements were extracted from an existent poll, while in another a personal Survey was created to further inquire on the theme. The results of the research are of interim and final nature. The final results highlight the economic overview of the Black Sea region, pointing out the challenges and the risks on short, medium and long term. As a response to these challenges and risks, several common domains of dialogue can be identified, including a

cooperation attempting to boost growth, competitiveness and productivity at the level of the entire region, through a sustainable development strategy. An important conclusion relates to the relevance of the European Union, as a main partner for the area. The Survey on the interaction European Union – Black Sea region generates interim results. Its limitation is given by the relatively small number of respondents. The implications of the paper can be reflected in the political decision-makers field and in the policy-debate domain; the findings could be used by economic operators. The research offers a good portrait of the economic realities of the region, it tries to link the possible cooperation between the European Union and the Black Sea region with the concrete needs and it offers an insight from the region for an eventual future interaction of the above mentioned actors.

Keywords: Black Sea region, economic crisis impact, common problems, interaction, European Union

JEL Classification codes: E0, F0, F50, F53, F55, H70, O10, O52, O57

FISCAL DISCIPLINE AND CONVERGENCE OF THE EURO AREA CANDIDATES. CLOSER TO THE PERFORMERS OR TO THE LAGGARDS?

Tatomir Cristina Flavia, Alexe Ileana

The objective of this paper is to examine how the current financial crisis has affected the fiscal discipline and convergence in the seven Central and Eastern European countries which have not yet joined the Euro Area (EA), namely Bulgaria, the Czech Republic, Hungary, Latvia, Lithuania, Poland and Romania. In the first part, we emphasize the importance of fiscal discipline for the effective functioning of the European Monetary Union (EMU). In the second part, by exploring the current status of the literature in this field, we identify scarce theoretical and empirical research on the non-EA countries' fiscal discipline and convergence. In the third one, we briefly present the data and methodology used in the paper. We report the fiscal discipline of the non-EA countries by analysing their distance from the Maastricht criteria regarding the budgetary deficit and the public debt as shares of GDP in the fourth part. We also assess the fiscal convergence of the seven candidates for Euro adoption in order to understand whether they add to the strengths or to the weaknesses of the EMU, from a fiscal point of view, by employing two benchmarks: the EA core and the EA periphery. The sovereign debt crisis emphasized the asymmetry between core and periphery countries. It is of major importance to know if the EA candidates will exacerbate the fiscal imbalances by joining the periphery group of countries or by contrast, will promote fiscal discipline and sustainability alongside the core EA member states. The fifth part concludes. The non-EA group of countries has not experienced major fiscal imbalances in the last four years, but the efforts must continue in reducing the budgetary deficits and controlling the public debts. In times of crisis, the EA candidates achieved more convergence with the EA core than with the EA periphery, by reducing the distance from the EA core. This is due to a deterioration in the fiscal performance of the EA core states and not to an improvement in the non-EA group of countries. The result is not encouraging for the fiscal convergence given the fact that we would expect an improvement in the non-EA countries' fiscal performance in order to catch-up with the best performers of the EA and not the reverse. In terms of public debt, the fiscal convergence with the EA core would not be desirable, due to the high levels of public debt achieved by these countries.

Keywords: Fiscal Discipline, Maastricht criteria, Fiscal Convergence, Euro Area, Euro Area candidates

JEL Classification codes: E61, E62, E65, H60

ROMANIA'S FIRST FIVE YEARS IN THE EUROPEAN UNION. A SHORT ASSESSMENT

Vadasan Ioana

It's been more than 5 years since our country has joined the European Union, on January the 1st 2007. It's been a long road, as fulfilling the Copenhagen criteria had not been an easy task.

But was it all worth it? Are we better off today, five years after? Did we know how to take advantage of European Union membership? Did we know what to do and how to do it, in order to benefit from (all) the advantages of the Single Market?

These are some questions we will try to answer in this paper.

In this paper, we will present data regarding: the evolution of Romania's foreign trade, overall, as well as with the rest of the European Union countries; the evolution of Romania's economic growth, in comparison with European Union's average economic growth; the evolution of foreign direct investments in Romania; the absorption degree of structural and cohesion funds, in comparison with other countries of the European Union.

We will analyze these data, and we will make comparisons between Romania and the European Union, in order to see the similarity between Romania's evolution and EU's evolution. We will also analyze the structural and cohesion funds absorption degree, in comparison with other European Union countries.

Finally, we will try to assess whether we knew how to take advantage of our European Union membership, as being member implies both advantages and disadvantages. Knowing how to fully benefit from the advantages and how to diminish the disadvantages is the winning strategy.

Did Romania know how to maximize its advantages?

As we will see in the conclusions of this paper, the answers to these questions are not always in our advantage. There are still some lessons to be learned, especially regarding the absorption of structural and cohesion funds, and attracting foreign direct investments.

Keywords: foreign trade, economic growth, foreign direct investments, structural and cohesion funds

JEL Classification codes: E24, F11, F21 O47

CONSIDERATIONS UPON ROMANIA'S MANUFACTURING COMPETITIVENESS IN THE EUROPEAN CONTEXT

Vasilescu Felician, Lutan Iustina, Rujan Ovidiu Adrian

Manufacturing structure is essential to ensure the dynamic equilibrium of the whole economy. In fact, this industry is the one that disseminates through the organization and conduct of business as well as by the products delivered, elements of technological progress and new, modern work methods, with significant economic effects. Today in the Romanian industry, an urgent matter is material and energy cost savings thus increasing the value added. According to the economic development, within the industrial structural changes, usually occur the following main trends: the declining share of production from mining industry, while increasing the intermediate and final production, the declining share of industries with labor intensive and reduced complexity and diminishing, starting from a certain development level, of the share of industries with intensive natural resources deficits, especially energy resources, increasing the branches characterized by intensive and highly skilled labor, priority development of branches based on inventions vastly incorporating R&D, etc.. Some of those trends are increasingly emphasized by research, technological transfer and international trade, processes that enhance the interdependence between and within national economies. Labor-intensive industries reduce their share in total industry in developed countries. Demand for products manufactured by these industrial branches begins gradually to be met by developing countries. Production based mostly on the traditional technologies, easily transferable, is moving gradually from more developed countries to least developed ones. In contrast, in the industrialized countries are rapidly developing those industries incorporating important R&D results. These processes had been the subject for several specific research.

Although labor productivity decisively influence GDP per capita during long periods of time, the correlation between GDP annual growth rate and labor productivity growth rate differs between countries.

GDP per capita is strongly and positively correlated in most countries with labor productivity per capita relative to production and income per capita relative to consumption.

Keywords: Labor intensive industries, Energy intensity, Value added in manufacturing, Highly skilled labor, Capital intensive goods

JEL Classification codes: F14, F15

SUB-SECTION: THE IMPACT OF FOREIGN LANGUAGES ON THE BUSINESS ENVIRONMENT

NEW TRENDS IN TEACHING AND LEARNING BUSINESS ENGLISH: ADAPTING TO INTERNALIZATION

Abrudan Cristina

This paper focuses on how new trends have appeared in teaching business English as a result of globalization. During the recent years, along with all the changes that have taken place in every domain of our lives, we have witnessed major changes in how business English students want to learn. It is interesting to analyze the way in which technology muscled its way onto the teaching scene amid a mixture of delight and anguish – perhaps more anguish than delight in many teaching contexts.

Keywords: globalization, new trends in teaching business English, cultural awareness

JEL Classification codes: Y9

THE CONTRIBUTION OF THE FOREIGN LANGUAGES IN IMPROVING THE SERVICES IN HIGHER EDUCATION

Banciu Viorica, Silaghi Simona

In the eyes of the whole world, the European Union had and has a huge influence upon the economical, commercial, legal, social and cultural conditions of the member states and now it represents a reality and a certainty. In this society of globalization and technology the young generation plays an important role in building the Europe of tomorrow. Due to the political social and economic changes that have occurred in our lives in the recent decades doubled by the tremendous development of the digital technology the academic education must take important steps towards a united Europe, a unity achieved mainly through the means of education. “The best school is the one, where above all, you learn to learn” said the Romanian historian and philosopher Nicolae Iorga. Nowadays the best school gives students the opportunity to learn at least a foreign language, offering them the possibility of academic or professional mobility.

Our paper aims to present the role of foreign languages in improving not only the students' quality of life but also the services in higher education.

Keywords: higher education, services, foreign languages, mobility, quality of services

JEL Classification codes: I23, D83, A29

LES APPROCHES PLURIELLES DANS LE MODELE CARAP: SAVOIRS ACQUIS PAR L'INTERCOMPREHENSION

Constantin Felicia, Bogdan Rodica

Custom sets that teaching foreign languages refers to teaching and learning a language taken in isolation, within an essentially monolingual framework. Academic orthodoxy Chardenet (2007) refers to training the teacher in one foreign language only, following the unnatural preoccupation for the completion of knowledge and skills in this language. The dynamics of the societies forces towards the transition from monolingualism to multilingualism, by introducing the pluralistic like teaching devices. Defined as "teaching approaches that put into practice the teaching-learning activities while involving more (= more than one) linguistic and cultural variety," pluralistic approaches are designed as opposed to traditional teaching approaches, the aim of which is a particular language or culture in isolation (Candelier, 2007: 7). Intercomprehension is, along with the intercultural approach, the integrated teaching of foreign languages and awakening to languages, a pluralistic approach that allows the development of diverse and unthinkable emotional and practical knowledge and skills, inventoried in a Framework of reference for pluralistic approaches to languages and cultures (CARAP). Considered from different perspectives - as a method, strategy, training device or educational purpose - intercomprehension is mainly a general competence of the multilingual individual. A doctoral program attended at the University

of Reims, France, as part of a team coordinated by professors J.E. Tyvaert and E. Castagne, has allowed us to experiment intercomprehension with a public trained for skills training for acquiring the perception and understanding of foreign languages not known a priori. According to Jamet (2010), it is a metalinguistic cognitive type activity (the awareness of areas of formal transparency and of significance), meta-pragmatic (the use of knowledge acquired in the native language to decide the needs triggered in a certain situation) and meta-cultural (by means of the encyclopaedic knowledge of the world), activity practiced by inferential type strategies. The regular observation of ICE type training sessions has led us to a reflection applied to non-philological learning environment. We consider that organizing a module of initiation in French for beginner economic students, a course relying on intercomprehension principles, would be an excellent introduction to multilingualism. In this paper we will tackle the knowledge that, according to CARAP, seems attainable by means of this alternative method of teaching - learning a language, in the light, even if only virtual at the moment, of the introduction of French in the curriculum by specific means of intercomprehension. Established as prolegomena to the traditional study, an introductory course of intercomprehension of French would be able to provide students with quicker global linguistic knowledge otherwise acquired in a longer period of time, with more effort and without guaranteed results.

Keywords: pluralistic approaches, intercomprehension, skills, CARAP, didactics
JEL Classification codes: Y8

**PROPOS SUR LE SAVOIR-FAIRE DES ETUDIANTS NON-PHILOLOGUES ACQUIS
PAR DES APPROCHES PLURIELLES. ETUDE DE CAS : LE METALANGAGE**
Constantin Felicia

The Framework of reference for pluralistic approaches to languages and cultures (CARAP), developed in 2007 under Michel Candelier's coordination is an imperative instrument for all the teachers and decision makers preoccupied with the didactic stances of plurilinguism. Much less known than the Common European Framework of Reference for Languages, CARAP provides an inventory of knowledge, attitudes and skills the students will get to master within certain plural didactic approaches, oriented towards the development of plurilinguism. These didactic approaches are profoundly original compared with a traditional training path. We will consider as a reference point for our reflection one of the most promising and dynamic plural approaches: intercomprehension, more exactly the model developed by the InterCompréhension Européenne (ICE) team of the University of Reims, France. The census of knowledge, attitudes and skills allows a systematic look on linguistic and cultural realities that the future plurilinguistic individual is meant to assimilate. Our attention will be focused on skills.

Attending the ICE meetings made us familiar with a running manner excluding the preoccupation for the acquiring of a complete foreign language grammar, circumscribed to assuming its partial knowledge, in one or two of the competences defining it (written and oral understanding). The results of the experiments allow us to state that a minimum of grammar is enough to get the access to the global understanding of texts written in a foreign language: « intercomprehenders » getting involved in the global understanding of foreign languages previously unknown, related to their mother tongue, using a very reduced metalanguage, complementary with a wide range of relieve strategies. This observation has led to our professional activity, marked by the recurrent confrontation with the reality of teaching classes – economic students' inability to remember, understand, and naturally use a significant part of the grammar metalanguage acquired in their mother tongue. To emphasize this, we applied an empirical survey related to the fundamental grammar terminology in their mother tongue and interpreted the answers of a significant number of first and second year students of the Faculty of Economics. The results prove a disquieting inability to manage the already acquired morphological and syntactical categories within grammar analysis of mother tongue and subsequently transferred to the process of teaching-acquiring foreign languages. We have established a contiguity between the natural path in a training session in ICE type intercomprehension and the didactic path in institutional education, concluding that (1)

a simplification of the grammar taught within traditional education is beneficial for students and teacher and that (2) the use of certain intercomprehensive techniques, such as the parangon, is extremely profitable when approaching certain aspects connected to foreign language grammar.

Keywords: intercomprehension, skills, metalanguage, CARAP, parangon

JEL Classification codes: Y8

POLITICAL CORRECTNESS: MYTH OR REALITY?

Istodor Daniela

PC is difficult to define and determine. PC is a term used mostly in a meaningless or abusive way. We may try to define PC as follows: new names given to professions, gender of a minority by the majority instead of their common names (used in their community) in the common language, of which people or the group spoken of, consider them to be offending and outrageous. PC means (represents) the militant attitude of promoting new names. Changes like these- “disabled person” for cripple, “mentally ill person” for madman, “learning disability/ difficulty” for mental handicap and so on, are a simple courtesy. With the introduction of the “politically correct terms”, a vast category of euphemisms came into being.

People are often preoccupied and occupied with their language. It is now no longer acceptable to refer to anyone as a chairman or to use adjectives for nouns. For example the mentally ill, the disabled.

However, those who like to joke about changing terminology forget that language is constantly changing and that language is how we express ourselves. Today, in Anglo-American society at least, to say someone is a cripple or an idiot or mentally handicapped is unacceptable, as opposed to saying that someone has a physical disability or a learning difficulty (or learning disability). But more than that, to say that someone is a disabled person or has a learning difficulty does say something about how we regard them or wish them to be regarded.

The struggle to produce as many non-offending, neutral, non-condemning words opened the door for the creation of very many words with a clear euphemizing function. We should ban the use of the term political correctness. It is a camouflage, a confusion, an obstacle, a disguise, a red herring, an irritant, a diversion. It hardly explains anything.

Keywords: mentality, minority groups, names, euphemisms, language.

KULTUR UND INTERKULTURALITÄT IN DER WIRTSCHAFTSKOMMUNIKATION

Maghețiu Anca-Raluca

Intercultural communication is, especially for the younger generation, nothing extraordinary anymore. Whether they are at their job, on a business trip abroad or shopping online, they communicate in an intercultural context. The target is to find a common ground which is plausible and understandable for all parties involved in the communication process. This is of course not always easy to obtain because they start from different conditions. Each partner comes with a background of different experiences, out of which different expectations develop. Each and every one of us lives, thinks and acts in a different system of ideas, which continues to exist, even though we communicate in a formally common Lingua franca (the English language). The purpose of the paper is to show some ways in which culture is reflected in the business environment, to illustrate some functions and purposes of the intercultural business communication and to explain the importance of intercultural skills in business communication.

In such an intercultural context we certainly have to face misunderstandings, stereotyping, conflicts and communication errors, which cannot always be avoided, but their number can be minimized, if we know and understand the way in which they emerged. Intercultural communication should not be viewed as something problematic, but as something that opens new horizons, encourages the willingness to learn and leads to further education. Difference should be perceived as a new chance, a chance to develop together new and forward-looking ideas.

The ability to communicate in an intercultural context is an important skill that should also be taught in a foreign language class. It is of utter importance that students, besides knowing the

foreign language, learn about the cultural background, the work ethics and the habits of that particular foreign country and thus can interact in a pleasant and easy manner with their foreign counterparts.

Keywords: intercultural communication, business environment, culture, intercultural skills, stereotypes.

DER LERNER ALS ZENTRALER FAKTOR IM FACHSPRACHENUNTERRICHT **Maghețiu Anca-Raluca**

Teaching Languages for Special Purposes (LSP) is a complex and challenging process, because it differs a lot from teaching general language: the goals and contents are different, one has to focus on the practical needs of the language learners, the learners are supposed to already have some professional skills in the field they are studying in, the learner is the central figure in the didactic process. This means that the teacher of LSP has to have some knowledge in the field in which his learners are working or intend to work. The teacher needs also to take into account a series of other subjects such as psychology, sociology, linguistics and didactics in order to create a unitary course. The purpose of the paper is to show the way in which the learner of LSP (in this particular case the learner of business German) and his needs are reflected in literature and if a profile of the LSP learner can be established. Certain features of the LSP learner have to be taken into account such as their age, the skills in their specific field, their cultural background and their language level. Each of these factors contributes to the way in which an LSP course is conceived and organized. The question also arises whether there is a good learner, what characterizes him/her and under which circumstances does he/she learn best. And finally the paper tries to integrate the LSP learner into certain learner types with their distinctive features, strengths and weaknesses. Of course other elements like the course planning and organizing, the text choice, the types of exercises used and the assessment methods must not be ignored, as they are also crucial for the success of the LSP course, but the learner with his background and future needs remains the key element of the equation.

Keywords: LSP learner, LSP teaching, business German, professional skills, cultural background

THE USE OF COMPUTER-BASED MEANS TO DEVELOP LISTENING AND SPEAKING SKILLS TO BUSINESS STUDENTS **Pop Anamaria Mirabela, Sim Monica Ariana**

The aim of this paper is to analyze how business students can achieve communication skills, namely listening and speaking, through computer-based interactive simulations. In today's foreign language teaching, methods using computer applications and multimedia environments are more and more gaining territory to the detriment of traditional methods. These applications are used successfully in reading, writing, listening and speaking practices both by foreign language teachers and by students throughout the world. Moreover, these means are helpful in practising the four skills of a language: reading, writing, listening and speaking. With the advance of Internet, the computer has been transformed from a tool for information processing and display into a tool for information processing and communication. The instant worldwide connections enabled by the Internet have changed the way teachers and learners work in their teaching and learning of second/foreign language. The Internet provides the opportunity for business students to interact with native speakers and, in the same time, to listen to business people around the world, in this way getting acquainted with different accents and speeches. When students listen to a native speaker, they are automatically emerged in the latter's world. There are many idioms and phrases used by native speakers of the language but they hardly are included in the traditional lesson materials. Through specific Internet sites, the students become familiar with these idioms and phrases and most important is that they learn how to use them in a context. From a cultural point of view, the students become familiar with the turn taking habits, addressing different people, greetings, invitations and many cultural related issues. What is important to keep in mind is that

the teacher must create an appropriate learning environment to suit the situation and conform to the needs of the class. A learning environment for the training of communicative competence has to take into consideration the complexity of human experience and the semantic flexibility that allows speakers to use meanings according to their communicative purposes.

Keywords: computer, skills, listening, speaking, business students

JEL Classification codes: Y90

MANAGING PROBLEMS WHEN TRANSLATING ECONOMIC TEXTS

Sim Monica Ariana, Pop Anamaria Mirabela

Theoretically, translation may pass as science; practically, it seems closer to art. Translation is a challenging activity requiring a set of abilities and posing few difficulties that appear during the translation process. This paper investigates the extent to which sub-technical vocabulary can constitute a problem to Romanian students of economics reading in English, by looking at the translations produced as independent or pair work during English classes and analyzing the various errors which may appeared. The exigencies required by the efficient business communication have increased in the past few decades because of rising international trade, increased migration, globalization, the recognition of linguistic minorities, and the expansion of the mass media and technology. All these led us to approach the topic of translation which is actually a job that requires skills, stages of research necessary for disclosure of transfer characteristic into the target language, training, experience and a good sense of languages. The paper defines the theoretical issues and terminology: translation, types of translation, economic texts and then focuses on the presentation of the practical work carried out throughout the academic year of second year students and it also describes the basic skills and strategies that students as translators need to master in their daily experiences with translation tasks. The main skills proposed are: reading comprehension, researching, analytical, and composing skills. Considering that only 28% of the entire European population can read English, and even less people in South America and Asia can, it is obvious that an effective communication of business matters relies on an accurate understanding of terminology. Economics is a field of knowledge in accelerated scientific and technological development. As there is a permanent and ever increasing need to quickly update their knowledge, economists read and learn directly in the original language of the publication and stick to it in daily usage, including conferences, scientific events and articles written in Romanian. Besides researching properly the markets, finding distribution channels, and dealing with legal issues, a successful business person should not neglect the language aspects, be it spoken or translated. These are some of the main reasons why we consider that our students as future graduates should be well-equipped with some of the skills necessary when reading and translating technical texts, be it for personal progress and development or for the job requirements.

Keywords: translation, terminology, skills, problems

JEL Classification codes: Y 90

SECTION: ECONOMICS AND BUSINESS ADMINISTRATION

SUB-SECTION: ECONOMICS

PRICE VS QUALITY COMPETITION AND THE SPATIAL PATTERN OF AVERAGE PRICES IN INTERNATIONAL TRADE

Affortunato Francesca, Mattoscio Nicola

This work investigates the relationship between the average export prices and the distance between the origin and the destination market in international trade. Distance between trading partners obviously stands at the core of international trade literature and is strictly related with the issue of how countries and firms compete on export markets when transport costs become increasingly stiff. Heterogeneous-Firm Trade (HFT) models predict that only most competitive firms are able to export on distant markets, where it is more difficult to recover from freight costs. However, this simple concept does not lead to unambiguous predictions on the spatial pattern of average export f.o.b. prices.

This work uses bilateral product-level data for five top-exporters (US, Germany, China, France, Italy) and all their world partners in order to test the main hypotheses derivable on this issue from theoretical literature. A huge dataset of bilateral international trade flows, the BACI dataset of CEPII, provides data both on values and quantities, allowing to construct products unit values (at the 6 digit level of the Harmonized System), approximating average exports prices. These data are used as the dependent variable of the econometric test and regressed on a set of explanatory variables: the distance of the destination market from the exporter and other importer's characteristics. Thus, this test assesses which of the considered theoretical models fit the data best, shedding some light both on the sign and on the determinants of the spatial pattern of average prices. The main finding of this work is that theoretical models not embedding a quality dimension for products do not seem to fit the data very well: it is clear from the econometric test that a positive correlation between average exports prices and distance often emerges, denoting a "quality competition" pattern in addition to a possible alternative pattern of "price competition". Moreover, theoretical models with a quasi-linear demand function (in contrast with a CES one) are able to better explain same evidences emerging from the data.

Keywords: average prices, distance, quality, inter-firm selection, spatial price discrimination
JEL Classification codes: F1, F59, D4, Z1

DETECTING VERTICAL INTRA-INDUSTRY TRADE IN CULTURAL PRODUCTS

Affortunato Francesca, Ciommi Mariateresa, Crociata Alessandro, Mattoscio Nicola

The European integration process has always been markedly characterized by the increasing incidence of Intra-Industry Trade. This has been theoretically justified on the grounds of the new approaches emerging in international trade literature, based on imperfect competition and differentiated products. In recent years another distinctive economic feature of the European Union is the importance gained by the so called "cultural and creative sectors", which are often studied and monitored for their great growth potential. We provide here a systematic decomposition of world trade in "cultural/creative goods" for the year 2009 (using harmonised bilateral flows for 213 products defined as "cultural products" by UNESCO, 2009) into three trade types: inter-industry, intra-industry (IIT) in horizontally versus vertically differentiated products. We show that the world trade in cultural goods is significantly characterised by two-way trade of vertically differentiated products. Moreover we specifically focus on the Italian peculiarities in the "cultural trade": therefore we first work out which ones of the world countries are the "top exporters" of these categories of products and then we compute an indicator of the Italian goods quality relative to each one of these competitors.

Not surprisingly, we find that the most important bilateral IIT intensities in cultural products are observed in Europe. However the presence of developing countries is not unimportant. This can be explained partly as a consequence of the increasing level of trade integration among some Asian countries and as a consequence of an increasing de-specialization of first industrialized countries in the production and trading of these products. Finally, with reference to the relative quality of Italian cultural products compared with that of the other top-exporters in these sectors, we find that the Italian products performances are good relative to those of emerging countries (such as China and India), but not as much if compared to other European countries (such as Germany, France and the United Kingdom).

Keywords: cultural and creative goods, relative quality, intra-industry trade, vertical differentiation

JEL Classification codes: F1, F59, D4, Z1

STUDY REGARDING THE POSSIBILITY TO DEVELOP TOURISM AND CROSS-BORDER COOPERATION THROUGH A BUSINESS INCUBATOR AT VADUL CRISULUI (BIHOR COUNTY)

Bántó Norbert, Ambrus Attila

In this article I have presented the results of a research realized at the end of the year 2011, within the framework of the cross-border project entitled „Business incubator for cross-border tourist development”. This incubator will be constructed in Vadu Crisului Community, Bihor County, while the realized study intended to demonstrate the fact that such initiative on one hand will attract investors, respectively companies with activities linked directly or indirectly to tourism – because the area offers them all the necessary conditions for business development-, while on the other hand this initiative can encourage and support cross-border tourist co-operation, especially with the balneary spa resort in Hajdúszoboszló, Hungary. For this reason a questionnaire was realized, which was applied not just in the micro-region of Vadu Cri^oului but in Hajdúszoboszló as well, especially distributed among the economical agents that have tourism linked to their activity. The study showed not just the resources and the modalities of existing advertising but also the possibilities of cross-border co-operation as a chance to develop tourism from the two regions.

In this way, the study shows the fact that in the case of the macro-region of Vadu Cri^oului, the extension of the tourism services must be based on the natural characteristics of the region and on highly emphasized own initiatives, rather than the initiatives and the support or the administrative authorities.

In the case of the Hajdúszoboszló resort, a tendency outlines among those who consider the tourism development in the resort essential, tourism services must be diversified, and more emphasis must be put on the implication of local authorities, a chance seen in cooperation with the tourist area without similar characteristics (namely, direct non-competitor), but from the cross-border region (the opening towards the Romanian side is relevant, persuaded on the first place with the wish of learning the Romanian language), however, information and gaining creditability that Vadu Cri^oului and the surrounding area has a tourist potential needs real improvements.

Hajdúszoboszló tends towards advertising the existing tourist potential and infrastructure, pulsing through ensuring the diversity of the programs. In comparison, the Vadu Cri^oului area, even if the first signs of diversification are observed towards the potential of the region, actually still needs extension, but lacks that particular force of grouping around one element or a set of elements that can assume the role of a promoter.

As a solution for grouping the micro-region, followed by the extension of services, the central point must be occupied by an intermediate structure formed among local administrative bodies and entities who encourage own initiatives, including NGO's, so one of the many solutions that can be viable would be the existence of an advertising center in the Vadu Cri^oului Defile, a function that will be fulfilled by the business incubator.

Keywords: business incubator, questionnaire, tourism development, cross-border co-operation

JEL Classification codes: L-83

FORMS OF CROSS-BORDER TOURIST CO-OPERATION IN THE BIHOR–HAJDÚ-BIHAR EUROREGION

Bántó Norbert

In this article I analyzed cross-border tourist projects implemented in the period between 2004-2012 in the Bihor–Hajdú-Bihar Euroregion, financed by the European Union through two programs: Phare CBC in Romania and Interreg IIIA in Hungary in the period between 2004-2006 and the the Cross-border Co-operation program between Hungary-Romania 2007-2013, named HURO CBC. I realized not only a quantitative analysis but a qualitative one too, because besides synthesizing the information and each project's indicators, I made a short analysis of the efficacy of these projects which have proposed to develop the cross-border tourism in this area.

It is about 10 projects, 4 of them were implemented with the help of the Phare CBC program and 6 projects with the help of the HURO program (2 of these are still running). The majority of these projects were small or middle sized projects because in the majority of the cases the amount of financing was below 500.000 Euro. The 10 projects which were unreeled in this period were financed with over 4,8 million Euro, and the benefits of these can not be called in question, but it could be noticed that the measurable results of a project are direct proportional with the volume of financing.

It is obvious that each project brought benefits for the tourism and for the cross-border co-operation in this area, but these projects had their drawbacks too. We can draw the conclusion that besides of these kinds of projects, massive investments are required first of all in the general infrastructure, especially in Bihor County. For this, it is important that the Local Councils, Institutions and District Administrations get grants within the framework of the Regional Operation Program.

Only with the modernization of the access paths and the increase and diversification of the housing units can this region really be attractive for tourists and competitive on the huge market of the tourism. In the same time with the major investment in infrastructure it is necessary the creation of a superstructure to coordinate tourism at county level or at the level of euroregion. This can be a cluster or an institution concerned with the management of the tourists destination or with the management of integrated tourists products.

Keywords: cross-border co-operation, tourism, PHARE, HURO, benefits and drawbacks

JEL Classification codes: L-83

ANALYSIS OF RURAL TOURISM POTENTIAL OF REGION CRISANA

Barbu Ionel, Barbu Sergiu-Aurelian

In this paper we will present a SWOT analysis on the potential of rural tourism in the region Crisana.

Crisana region is a historical region delimited at north by the river Someș and Maramureș region, at west by the river Tisa, at south by the Mureș river and Banat region, and at east by the peaks of the Apuseni Mountains and Transylvania region. Crisana Region stretches on both Romania and Hungary, and we will refer only to the Romanian side of it. Crisana region has an area of 17,717 km² and if we refer to the current counties, this region includes much of Arad county, without the area between the river Mureș and Timiș county, north of Hunedoara county Bihor county and part of western Salaj county

Keywords: Crisana, touristic potential, rural tourism

JEL Classification codes: R1, R11, P25

A THEORETICAL APPROACH OF THE CONCEPT OF SOCIAL CAPITAL IN SUPPORTING ECONOMIC PERFORMANCE

Boldea Monica

Any activity requires the presence of labor resources. If centuries ago the concept was that their presence was enough, now it takes a lot more. Moreover, since Aristotle the issue was taking into consideration all aspects of the community life that can lead to a “better life”. In the current conditions we may consider resources in the broader context of the human factor and of the relations established within a society. Thus social capital was conceptualized. As opportunities of economic growth - based purely on the quantitative aspects of the determinants – were limited, the need occurred to reconsider the qualitative and structural components.

Social capital considers a number of the integrative components of social life. These refer to the relations established at family level up to the level of societal institutions. It is necessary that these relationships be well established, and for the proper performance it is necessary that aspects of education and health should be properly valued and assessed. This helps setting up strong institutions. Developed countries have the ability to create a proper environment for the manifestations of social capital; in these countries one can observe the growing importance of formal and more impersonal relations. But this just reinforces the occurrence and development of economic activities based on efficiency criteria leading to the countries’ economic development.

The interpretations of economic development issues have undergone changes in recent decades. If previously it was considered that the essential difference between rich and poor countries is reflected in the amount of physical capital per person, later on the concept of capital has been expanded to include as well human capital, the lack of which was considered a serious obstacle to development, particularly in the case of poor countries. And given the fact that the transactions within an economic system take place in an institutional and cultural framework that defines the majority of the transaction’s features, the present paper analyzes the concept of social capital - which alongside other forms of capital significantly influences economic progress - in order to emphasize the link between the functionality of institutions, culture and the level of economic development.

Keywords: social capital, trust, civic cooperation, effectiveness, economic development

JEL Classification codes: D03, O43, Z13

DECOMPOSING THE GAP IN SCHOOL ACHIEVEMENT BETWEEN FINLAND AND ROMANIA – SOME METHODOLOGICAL ASPECTS

Botezat Alina

This paper analyzes the advantages and shortcomings of the Blinder-Oaxaca decomposition. Using PISA data for Finland and Romania, we focus on the drawbacks of the detailed decomposition, when the explanatory variables are categorical. From the best of our knowledge, this kind of analysis is performed for the first time using PISA data.

We show that, using covariates which are categorical, the partial characteristics effects can be different when we use different reference categories of the respective variable. However, the overall characteristics effect of a categorical variable does not depend on the omitted category. The more critical aspect of the interpretation of detailed decomposition, when explanatory variables are categorical, regards the unexplained part of the gap. As we empirically show, the both components of the unexplained part are sensitive to choices of the reference category.

These aspects should be taken into account when we perform detailed decompositions with categorical variables.

Keywords: decomposition, categorial variables, test score gap, PISA

JEL Classification codes: J24, I21, C14

DYNAMICS OF DEVELOPMENT IN EUROPE: ANALYSIS OF TWENTY YEARS DATA ON GDP AND HDI

Bucciarelli Edgardo, Alessi Michele, Persico Tony Ernesto

The aim of this study is to analyze the data on both GDP per capita and HDI related to the member States of European Union for the period from 1990 to 2010 in order to verify if these data are more related to the macro-region to which each State belongs than to European area. In particular, this paper considers four macro-regions: North, Centre, East and Mediterranean. Each of the four macro-regions are characterized by a peculiar dynamic of economic growth over the temporal period here considered. The results show that macro-regional dynamics prevail on European ones when European States are characterized by low values of both GDP per capita and HDI. More specifically, the values on GDP per capita are more correlated to the macro-regional average than to the European one. At the same time, States with high values of both GDP per capita and HDI are more related to the macro-regional dynamics of HDI.

Hence, it is possible to observe that not only allows a macro-regional level of analysis to highlight socio-economic dynamics of dependence, but also to underline that some macro-regions are characterized by the prevalence of the economic component on the social one whereas other macro-regions are typified by the opposite dynamic. In fact, if the level of both GDP per capita and HDI are high, the social aspect prevails on the economic one.

Keywords: socio-economic development, European economies, correlation analysis

JEL Classification codes: C32, O11, O52

POPULATION MOBILITY ACROSS REGIONS AND COUNTIES DURING DEMOCRACY IN ROMANIA

Bunea Daniela

As an introduction to a more comprehensive study about internal migration determinants, this paper investigates on the main trends in the evolution of this phenomenon within Romanian borders for the last two decades, 1990-2010. For this, I compute indicators such as gross migration and net migration, and I display some illustrative graphic representations of the main patterns. Thus, my focus will be on: arrivals, departures and balances of migration, both numbers and rates; highest and lowest rates; intra-flows and inter-flows; and the favorite destinations to migrate from county to county.

The main findings of this quantitative statistical analysis reveal low levels of migration, oscillatory flows and rates with sharp falls in 1991, two regions (Bucharest-Ilfov and West) with exclusively positive balances and one (North-East) with only negative balances, only 11 counties registered net inflows (especially from Centre and West), intra-migration strongly dominated inter-migration, inhabitants from almost one third of the counties have chosen the capital as their favourite destination, and almost half of the counties showed no temporal change in their preferences.

Keywords: internal migration, regions, counties, destinations, Romania

JEL Classification codes: R23

MIGRATORY FLOWS ACROSS SPANISH PROVINCES: 1960-2010

Bunea Daniela

Internal migration is a controversial topic among researchers because of both its determinants and consequences on the market economy. Different empirical studies have offered different answers to how migration is influenced and influences economic disparities within a country.

As an introduction to a more comprehensive study about the determinants of this phenomenon, this paper carried out a quantitative statistical analysis of the main evolutions of domestic migration across and within Spanish provinces. The period of analysis is 1960-2010 during which migration patterns changed considerably from intense to moderate flows and from moderate to constant flows.

Over the entire period, only seven provinces registered exclusively net inflows and only two provinces remained inflexible as regards their favourite internal destinations, inter-provincial migration dominated intra-migration only during the first decade, the provinces on the Mediterranean axis formed the main attraction pool due to their climatic conditions and tourism expansion, negative balances dominated positive balances except for 1981-1991, Madrid turned negative in the decade of the 90's while Barcelona did it in the 80's.

Keywords: internal migration, provinces, destinations, Spain

JEL Classification codes: R23

GLOBALIZATION AND MASS-MEDIA IN THE CONTEXT OF ECONOMIC CRISIS

Burtic Daniel

Globalization is a reality that we cannot deny or run away from. The economic, political or social issues, even if they have a starting point, spread very quickly, covering large areas in a very short time. Modern communication systems enable crisis transfer. They also bring us information about the actions that have been taken in order to overcome those critical circumstances. Does recession have positive aspects, too? If it has, what are these positive aspects and how can they be used to produce highest benefits? We will try to describe the concepts we maintain by means of some notorious works written by authors with a vast experience, some of them being Noble Prize winners. The idea that we propose is to bring hope out of this situation generated by crisis and globalization. The economic crisis has created a huge opportunity to the mass-media system: it brings the required information to citizens from different nations. Taking this into account, mass-media has played and still plays an important part in making the people involved find solutions and communicate whenever the decision makers are trying to hide facts. With the help of innovation and transformation, let's look for solutions to develop our abilities, relationships, products, markets and results. We should never forget that the greatest and most impressive changes are often born in times of crisis.

Keywords: globalization, media, economic crisis, TV, Internet

JEL Classification codes: L82, D12

SUSTAINABILITY OF ECONOMIC GROWTH AND INEQUALITY IN INCOMES DISTRIBUTION

Burz Razvan, Boldea Bogdan Ion

The problem of inequality in incomes distribution is a present one, much discussed. Economic growth is considered an essential force to reduce the level of poverty by increasing the labor demand and finally the wages within the economy. But the extent to which poverty is reduced as a result of economic growth depends mostly on the initial inequalities in income and on how the distribution of income changes with economic growth. A lot of researches are focused on studying the evolution of inequality in incomes distribution and others have attempted to explore the relationship between income inequality and economic growth. There are also studies which try to identify the main factors which have impact on inequality in incomes distribution. The objective of this study is to put in discussion another possible factor that affects the variability on inequality of incomes distribution – economic growth variability. As background research, until now, we did not find any studies which are investigating this possible relation between inequality of incomes distribution and economic growth variability. To provide some empirical evidences for a positive impact of social output volatility on inequality of incomes' distribution we are involving a small sample of 27 developing countries for an observation time span between 1995 and 2006. The values of the Gini coefficient reported in World Income Inequality Database are used as dependent variable. As a first step in testing our research hypothesis, we are involving a static panel data model with pooled ordinary least squares (OLS), fixed effects (FE) and random effects (RE) estimators. The F statistics tests the null hypothesis of same specific effects for all countries. If we accept the null hypothesis, we could use the OLS estimator. The Hausman test can decide which model is better: random effects (RE) versus fixed effects (FE). The FE model was selected because

it avoids the inconsistency due to correlation between the explanatory variables and the country-specific effects. For a robustness assessment, we also apply the so-called GMM-System estimation. According to our results, an increase in the volatility of the social output (a decrease in the sustainability of the growth processes) leads to a greater inequality in incomes distribution. Such outcome appears to be robust to the changes in estimation methodology

Keywords: inequality, inequality in incomes distribution, inequality factors, economic growth, economic growth volatility

JEL Classification codes: O15, Q01

SOCIAL CAPITAL AND INDUSTRIAL DISTRICT DEVELOPMENT: THE ROLE OF THE LOCAL GOVERNMENT

Castagna Alina, Colantonio Emiliano, Furia Donatella

The paper represent a theoretical attempt to investigate the role that the local government can play in improving the level of social capital for the development of industrial districts. The social capital is not, as generally suggested by the socio-economic literature, an individual attitude towards something which does not imply privately appropriable economic benefits, as it is for a pure public good (which would not imply privately appropriable benefits). Social capital should be interpreted as a public component of an investment which implies private and public benefits entangled with each other. Firms could not have sufficient incentive to increase its investment in social capital, because this investment strictly depends on the economic convenience of investing in the impure public good. Starting from this point of view, we underline the importance of investing local public resources (funds, time and effort) for the development of the local social capital.

Keywords: districts; social capital; local government aid

JEL Classification codes: H49, D21, J39

CHANGES IN CONSUMER'S BEHAVIOUR ON THE ROMANIAN RETAIL MARKET IN THE CONTEXT OF ECONOMIC CRISIS

Catana Adina

In order to observe the impact of the economic crisis of consumer's behaviour on the Romanian retail market, I focused my research on the evolution of consumption expenditure of households. I studied aspects from European Union and Romania. The study is based on the research taken in the project of PhD research with the theme: The impacts of Economic Integration on Romanian Retail. I used data from Eurostat, the Romanian Statistical Institution, specialised studies etc.

Keywords: consumer behaviour, higher expectations, crisis,

JEL Classification codes: E21, E32, M16

DEVELOPMENT STAGE OF RETAIL TRADE IN THE EUROPEAN UNION

Catana Adina

According to Karel De Gucht, Trade Commissioner from the European Commission, trade is working for Europe's economic recovery by ensuring growth and jobs. The European renewed trade strategy will open markets and connect Europe to the main sources and regis of global growth. The aim is to ensure that European business gets a fair deal and that countries' rights are respected so that all can enjoy the benefits of trade.

Thanks to the ease of modern transport and communications, it is now easier to produce, buy and sell goods around the world which gives European companies of every size the potential to trade outside Europe.

This paper's objective is to analyse the development stage of the European Union's retail, and its member countries. The study is based on the research taken in the project of PhD research with the theme: The impacts of Economic Integration on Romanian Retail. For my research I used data from Eurostat, National Statistical Institute, European Union official website

In the past 10 years, the volume of retail trade in EU member states has increased, but the extent of the changes varies substantially from one country to another.

Keywords: commerce, development, transformation

JEL Classification codes: E21, E32, M16

UNDERGROUND ECONOMY, GDP AND STOCK MARKET

Căuș Vasile Aurel

Economic growth is affected by the size and dynamics of underground economy. Determining this size is a subject of research for many authors. In this paper we present the relationship between underground economy dynamics and the dynamics of stock markets. The observations are based on regression used by Tanzi (1983) and the relationship between GDP and stock market presented in Tudor (2008). The conclusion of this paper is that the dynamics of underground economy is influenced by dynamic of financial markets. Thus, using specific stock market mathematical tools analysis, one can analyze the dynamic of underground economy.

Keywords: underground economy; currency demand; stock market volatility; wavelet analysis.

JEL Classification: C30, G12

FROM SOCIAL CAPITAL TO FIRMS NETWORKS: SOME EVIDENCE FOR EUROPE **Colantonio Emiliano, Crociata Alessandro, Perrucci Antonella**

The concept of development is not only referred to the level or to the growth rate of GDP of a country, but it concerns different aspects of individual and social life. Development leads to a changing of values, culture, behaviours and attitudes of people interested in it. That is to say that not only quantitative dimensions, but also qualitative ones became relevant in fostering development trajectories. Reasoning in these general terms a long and rich intellectual debate grew up in social sciences within which we focused the social capital and firm network debate. Social capital is a multidimensional determinant at base of the industrial district framework as the “network capital” represent a driver of firm’s network framework.

By moving from social capital, as a local development driver, to network capital, as a global development driver, the present paper analyzes the firms’ networks determinants by identifying the conditions for some European countries. The methodology through which the results are obtained is the multidimensional scaling method which allows to define relations between countries in terms of proximity/distance with respect to the considered determinants providing a spatial representation of them.

Keywords: social capital, network capital, firms’ networks, multidimensional scaling

JEL Classification codes: D71, R23 Z1, Z13

COMPARATIVE STUDY ON LABOR MARKET FLEXICURITY AUSTRIA - ROMANIA **Costin Daniel Avram, Alexandru Avram**

Present in the European political discourse in the early '90s, the concept of flexicurity, achieved by the contraction of two terms, flexibility and security, emerged in the European Union with the adoption of the Communication “Towards Common Principles of Flexicurity: More and Better Jobs through Flexibility and Security” in June 2007.

This study, result of the research internship undertaken in October-December 2011 at WIFO, aims to capture the main dimensions of labor market flexicurity, the quality of social partnership and the present status of the targets set by of Europe 2020 Strategy.

Europe 2020 Strategy aims, among other objectives, at achieving a series of targets specific for the labor market, in the European context, such as:

- Employment for the population aged between 20-64 years,
- Reducing the number of early school leavers,
- Increasing the share of university graduates in the population between 30-34 years,
- Reducing the number of people affected by poverty and social exclusion.

Keywords: labour market, flexicurity, employed population, unemployment, market requirements

JEL Classification codes: J62, J82, F59

ANALYSIS FOR THE DEGREE OF EUROIZATION IN ROMANIA

Dinu Marin, Marinas Marius, Socol Aura Gabriela

Euroization is defined as the adoption of the Euro currency by the authorities from a country outside the Euro area, as a legal currency and as an official currency, and this means that the country chooses to give up its national currency and that the national bank gives up using the monetary policy as an instrument of the economic policy. The objective of this study is to adjust the extent of meanings of the Euroization concept for Romania and to explain it under the terms of the optimum currency areas theory. Thus, an economy characterized by a high Euroization will be more ready to give up its national currency in the future, as that economy has passed the test of using the currency it wants to adopt. This study makes an analysis for the causes of Euroization, based on the economic literature and we have examined the forms of occurrence of Euroization in the Romanian economy, insisting upon the aspects related to the preferences of the economic agents for crediting and saving in the Euro currency. We consider that the increase of the Euroization degree may be considered an opportunity for the economies which propose to adopt the unique European currency, meanwhile constituting a vulnerability if adopting the unique currency is delayed and if that economy is affected by the external shocks which induce a depreciation of the national currency. The partial Euroization of the Romanian economy has encouraged the overheating of the national economy until 2008, but it fractured the adjustment capacity of the shocks by means of the monetary policy and of the rate of exchange. Thus, a partial Euroization acquired a characteristic of a unilateral Euroization, in which the capacity of the economy to neutralize the shocks gets decreased and the dependence on the decisions of the Central European Bank, respectively of the economic agents from the highly commercially and financially integrated countries with Romania gets increased.

Keywords: euroization, Euro area, financial integration

JEL Classification codes: F15, F36

ROMANIAN REGIONAL DEVELOPMENT POLICY. LEARNING FROM THE CASE OF ITALY

Dodescu Anca

The first part of this paper presents a short retrospective into the evolution of regional development research and policy in Italy, in the last decades, highlighting the specific contributions of Italian regionalists to the international debate and the specific features of Italian regional policy in the general context of EU Member States. “Questione meridionale”, “Third Italy”, productive decentralisation, new industrial regions, industrial districts, diffused industrialization, local productive systems, local development models and strategies etc. are some aspects of Italian regional development research and policy that we examine in this paper stressing the importance of models of development based on SMEs and endogenous development. The second part of this paper selects models from Italian experience and drawing some policy lessons to be followed for Romania's regional policy, not sufficiently aware, in our opinion, about the active role of the territory in the development process, and facing two major challenges: the new cohesion policy of EU for the period 2014-2020 and the imperative of “exiting the crisis”. The paper presents research results afferent to the transnational documentation stage at Facoltà di Economia, Università degli Studi di Pavia, Italy, for post-doctoral research project: “Growth and regional development economic policies. Challenges for Romania in the context of economic-financial crisis and European model integration”, carried out in the project “Economic scientific research,

reliance of human welfare and development in the European context”, financed from the European Social Fund and by the Romanian Government through Sectorial Operational Programme Human Resources Development 2007-2013 (SOP HRD), contract number SOP HRD/89/1.5/S/62988.

Keywords: regional development policy, industrial districts, diffused industrialization, endogenous development, economic crisis

JEL Classification codes: H12, O38, R11, R58

A PROPOSAL OF MODEL OF ANALYSIS OF THE TRANSITION FROM SCHOOL TO ACTIVE LIFE OF ECONOMISTS BASED ON INTER-REGIONAL LABOUR MARKET PARTNERSHIP. STUDY CASE OF PRACTEAM PROJECT

Dodescu Anca, Pop Coșuț Ioana, Chirilă Lavinia

In the last years, the integration of young people into the labour market has become more difficult, being accomplished in a gradual, complex and less uniform way comparatively to the years prior to the crises. The rate of youth employment is much lower than among other categories of population, and the insertion of young people on the labour market has become a difficult process, both in Romania and in the European Union, process that is characterised especially through raising the period of time passed from the moment of graduating from school to the moment of finding the first ‘significant’ workplace (for at least six months and with a length of at least 20 hours of work per week), preferably, from qualitative point of view, in accordance to the qualification obtained. In this context, in order to analyse the way in which the integration of young people into the labour market is done in Romania, the present paper makes, in the first part, a short theoretic incursion regarding the main theories referring to youth employment, transition from school to active life and, more specific, transition from higher education to employment, the main determinants of the transition from school to active life and the way in which the process is affected by the tendencies on the labour market, the ways of measurement and evaluation used up to the present etc. In the second part, the paper tries to propose a research methodology of the transition from higher education in the field of economics to employment, analyse that will be carried out in the project called „The practice of economist students. An inter-regional partnership on the labour market between universities and the business environment" (PRACTeam) in the purpose of creating policy and strategy recommendations for diminishing the difficulties felt by young people in the process of transition from school to active life.

Key words: transition from school to active life, transition from higher education to employment, integration of young people into the labor market, youth employment, labor market

JEL Classification: J01, J08, J18, J21, J44, J64

DYNAMICS OF FOOD SECURITY IN RECENT DECADES

Florea Adrian

By food security we understand the people's access, at all time, to food, needed for a healthy and active life. It can be thought at global, regional, state or local level, but only as a strategy with relevance only to the family, to be able to buy, thanks to its own production or purchase, sufficient food to meet the needs of all its members. Diet must be quantity sufficient, variety and of good enough quality and each family member should be healthy to take full advantage of consumed foods.

Keywords: food security, demographic aspects, dynamics of food prices, purchasing power

JEL Classification codes: E01, E25, I38, Q18, Q22

EVALUATION OF THE PROJECT MANAGEMENT ORGANISATIONAL ABILITY OF PUBLIC ORGANISATIONS

Florescu Margareta

The quality of the results of a project or a public programme, as well as the quality of project management consist in management process performance. This analysis tool promotes the idea of

initiating a new organisational/functional policy – organisational tools regarding project management, a new standard concerning the complexity of the project and the associated risk, as well as a new standard concerning the project management organisational/functional ability.

Political decision makers, public organisation managers, but project managers as well are the main people in charge of elaborating and taking responsibility for these standards and policies within the organisations they manage and represent.

Keywords: project, evaluation, management, process, decision makers.

DOUBLE ORAL AUCTIONS AND TENDENCIES TOWARD MORAL HAZARD

Gazda Vladimír, Maliková Zuzana, Kubák Matúš, Gróf Marek

Moral hazard can be found almost in all fields of human activities. Moral hazard is a change of economic agent's behaviour when circumstances change. Theoretical background of moral hazard issue in economics dates back to 1970s. Recognition of moral hazard started by published studies of Pauly (Pauly 1968), Zeckhauser (Zeckhauser 1970), Arrow (Arrow 1971) and Mirrlees (Mirrlees 1999). Current situation of the global economy (fall 2011) was caused largely by moral hazard executed by authorities such as governments, institutions, ranking agencies, banks, chief executive officers, politicians etc. Efforts to stabilise Eurozone, governments bail-outs to banks, governments purchases of toxic assets, rescue packages given to the bank sector and big companies, which are "too big to fail", rescue packages given to debtor nations, golden parachutes given to employees which are leaving companies are nothing but the manifestations of moral hazard in economic and politic reality. This paper uses an economic experiment with 96 subjects to examine the tendencies of economic agents towards moral hazard. Design of the experiment allowed simulating third party's intervention on a market (e.g. state funding accelerating purchase, health care insurance function on the market with health care). Obtained data are statistically evaluated and it is shown, that economic agents incline to moral hazard in case, when it is possible. Study shows how rational agents became less rational in terms of average market price, after intervention of a third party on the market. Third party intervention raises the average market prices presenting a manifestation of moral hazard. It is shown, that under given assumptions, even rational economic agents diverge from rational and market efficient strategies and behave irresponsibly. Despite generally negative attitude towards moral hazard, it is shown that economic agents have tendencies to behave in such a manner. During experiment we observed robust deviation in equilibrium market price before and after the third party intervention.

Keywords: Moral hazard, economic experiment, market failures, state funding accelerating purchase, equilibrium market price

JEL Classification codes: C90, C91, D03

THE STRUCTURE AND THE DYNAMIS OF PRIVATE LABOR MARKET IN BIHOR COUNTY: A STUDY OF ONLINE AND OFFLINE JOB ADS PUBLISHED BETWEEN 2009-2012

Hatos Adrian, Rogojan Delia Domnita, Bodea Adela, Stef Raluca

Supply side labor policies are greatly enhanced by a valid knowledge of labor market dynamics. Apprehending the structure and the evolution of the job offerings raises, however, many methodological issues which depend on their side on the features of the specific market. Our presentation presents the methodology and the results of a study aiming at describing validly the evolution and the structure of the supply of jobs on the private labor market in Bihor county between 2009-2012 by analyzing the contents of job ads on online and offline specialized listings.

CONVERGENCE IN THE EUROPEAN SOCIAL POLICY

Iovitu Mariana

The European Union has developed a series of strategies that aim to limit the consequences of non-employment (due to the continuing crisis). These strategies aim by the objectives and

mechanisms specific to the eco-social area, to improve the access to employment, social services, professional education and a more efficient European fund management. All this are subordinated to the coupling policy public-private in terms of partnerships both at a national level and European level. The problem is related to differences manifested between the social objectives at the national level and those imposed by the European context. The differences come from different degrees of economic development of the member states, economic development which is reflected on the living standards. The convergence between the social policies is based on the economic convergence, which represents the only way to ameliorate the discrepancies between the united nations of Europe. Social Europe dream or certainty? The answer can be found in the words of Jean Monnet: “we are not bringing together states, we are uniting people”. The efforts to define the four types of actions regarding the free movement of labor force and the correlation of the social security schemes, ensuring equal opportunities, respecting labor rights and the fight against discrimination can be found in the results obtained on these priorities.

Keywords: social policy, subsidiarity, economic and social convergence, the workforce flexibility, the continental model of welfare, regulated profession, felxicurity, equal opportunities, social dumping

JEL Classification codes: J 01, J 08, J 44, J 64, 65, J 83

DIMENSIONS OF HUMAN CAPITAL – SPECIFIC HEALTH APPROACH OF NATIONS CAPITAL

Jivan Alexandru, Toth Maria

The paper proposes sythesizing the most important correlations between the dimensions of human capital, in order to provide a better theoretical basis for assessing realistic valence motivated human resources sustainable development of society.

In terms of conceptual work based on the fundamental role of health capital and the neglect that often has its problems, especially in developing countries. Based on the review abstract theory of human capital, research establishes correlations between dimensions. It shows the importance of ethical component in professionalism and existence of moral capital rooted in medical ethics. Specific breakdowns of health capital, referring to the health of the population and medical services.

The research findings highlight the profound connection between morality and productivity seemingly nonexistent (customized to the case of medical services), about joint economic approaches ignored. It also means that the moral, professional and medical staff working in social capital formation influence the health of a nation.

Keywords: Human capital, health capital, medical services, productivity

JEL Classification codes: A14, J24

MAIN ASPECTS CONCERNING INTELLECTUAL SERVICES PRODUCTIVITY WITH FOCUS TO EDUCATION

Jivan Alexandru, Weisz Janeta

Part of a larger research, this paper aims to point out several key elements of the productivity in the field of services, with application to the intellect-intensive ones: the main concern is for educational services.

Methodologically, the paper starts with the framing in the context of the knowledge based economy and its requirements concerning scientific approach on productivity. Customizations are made to educational services, followed by certain extensions of the issues discussed and synthetic correlations.

Conclusive results underline the intellectual core of most productive efforts of human mankind: investments in human capital.

Keywords: productivity, knowledge, technological progress, education, economic growth

JEL Classification codes: I25, J24, O15, P36

DATA ISSUES IN TOTAL FACTOR PRODUCTIVITY BENCHMARKING: A CENTRAL EUROPEAN PERSPECTIVE

Machek Ondrej

Total factor productivity is a method of measuring overall productivity of businesses, industries or economies. It is an approach which is recently becoming popular among government regulatory agencies when applying the so-called performance-based regulation. This principle induces regulated companies (for instance, electricity or natural gas distributors) to behave efficiently even if their industries are not exposed to competitive pressures, since they are rewarded for being more productive than other firms in the industry, and penalized in the opposite case.

The aim of this article is to deal with the question what are the main data issues when comparing total factor productivity among firms or industries with focus on the Central European region, which is very heterogeneous in terms of geographic, social, economic and historic conditions.

In the first part, we introduce total factor productivity and the most common methods of its measurement – Malmquist and Tornqvist indexes. Consequently, we divide the data issues into separate categories and discuss them more in detail. The first category of issues is related to defining the set of comparable firms. Many factors, such as the degree of competition in the market, the extent of government regulation, economies of scale, firm size, geographical conditions and historic development have to be taken into consideration. The second category is associated with specifying the time period. TFP estimates should be based on long time series and the period should include the whole business cycle and be representative and exclude extraordinary events. The third group of issues is related to defining and measuring the inputs and outputs. Since a number of difficulties are associated with labor input measurement, it is often included into operating expenditures along with materials and services. The measurement of capital is even more contentious. The outputs should reflect performance, complexity and quality of service rendition. Finally, the fourth category of problems concerns determining the costs of inputs and outputs (cost-based indexes) or defining and measuring the reference technology (distance-based indexes), where some degree of arbitrary judgment and inaccuracy is inevitable.

We conclude with the suggestion to avoid methods requiring large time series such as frontier-based methods of efficiency benchmarking (data envelopment analysis or econometric methods) or Malmquist TFP benchmarking in the Central European region due to huge differences between firms and their environment. However, the question of the best performing regulatory methods is still not clarified and is subject to intensive academic debate.

Keywords: total factor productivity, benchmarking, regulation of public utilities, Central Europe
JEL Classification codes: L43, L51, L90

WHY THE INCREASE OF THE PUBLIC INVESTMENTS DOES IS NOT AN ANTI-CRISIS SOLUTION IN ROMANIA?

Marinas Marius, Socol Cristian, Socol Aura Gabriela

The higher public investment during times of economic recession is sustained by most economists, starting with Keynes. However, this solution does not work in economies characterized by a poor efficiency and by corruption in the management of public funds, such as in the case of Romania. Although in the period 2006-2009, Romania has spent the largest share of GDP for public investment (from EU-27 countries), however the multiplier was less than one, as we have estimated in this study. Using the impulse-response function specific to VAR models, we have observed that the impact of public investment on GDP is limited, which validates the lower efficiency of investments in the Romanian economy. We estimate that the level of the investment multiplier estimated for Romania is smaller than multipliers estimated by OECD (2009) for other countries from the Eastern and Central Europe (0.6-0.7 size on short term). Elasticity of GDP according to public investment is 0.013, ie increase investment spending by 1% causes a more growth by 0.013% over one year. Regarding the second equation, there was an immediate impact on investment spending of industrial capital goods production, the level of elasticity being 0.051. It results that public investment lead to higher increase of industrial production on short term, but

to lower economic growth rate on long term. We believe that the main reasons for a lower efficiency of these public investments in Romania are following: the dependence of the projects' objectives on the election cycle, as it generates a "œnew" • prioritizing of the investments; the absence of transparency in the case of the public spending, this fact leading to budget allocations higher than spending made for the achievement of some projects; the absence of a multi-annual budget schedule which blocks the achievement of greater projects or the completion of the projects which have already been started; the money which has not been spent for investments according to the budget granting settled at the beginning of each year; most of the amounts have been wasted by using them during the last quarter of each year during the period 2005-2008.

Keywords: investment multiplier, economic growth, industrial production, OLS regression

JEL Classification codes: E62, H62

AN EXAMINATION OF OKUN'S LAW: EVIDENCE FROM EUROPEAN TARGET COUNTRIES

Mattoscio Nicola, Bucciarelli Edgardo, Odoardi Iacopo, Persico Tony Ernesto

In this paper Okun's law is tested for six European selected countries in order to compare the responsiveness of unemployment to economic growth over the period 1981-2010. In the first section there is a survey of scientific works that have observed the empirical relationship between growth and unemployment. The countries selected are representative of different socio-economic contexts today existing in Europe, i.e. EU member countries, countries that adopt the Euro, and others which are candidates to join the EU or that although EU members have chosen not to adopt the Euro. Finally, we also refer to the U.S. and Canada, which are country-systems where the regularity of Okun's rule of thumb was conceived. In particular, we intend to represent the data of the macroeconomic variables GDP and unemployment rate in their annual variations for a time series sufficiently long to show the occurrence of the supposed regularity, and then to investigate specific cases, which represent changes compared to the expected variations. In addition to any changes occurred over time in the studied relationship, these empirical observations, along with the reported literature, will help to draw conclusions about the differences regarding the inflexibility and responsiveness to changes in the aggregated output by the labor market of the countries involved in the study.

Keywords: economic growth, unemployment, European countries, estimation models

JEL Classification codes: B22, C13, E24

JAPANESE MONOPOLIST COMPANIES – INSTRUMENTS OF THE 'NATIONAL POLICY'

Mihut Marius Ioan

As the title suggests, this article discusses the problem of monopolistic Japanese companies, unique features among advanced countries, and perhaps worldwide. The Japanese most ardent desire was always to reach and to overcome the Western, and, as a balanced development of all companies would have taken a long time, Japanese policy makers decided to support only those with good performances, around them being concentrated all energies in the East Asian archipelago. Following these important efforts (from the State, small and medium companies, people, etc.), as it is well known, Japan has succeeded, precisely by those holdings, to become a tough opponent for developed countries and even to overcome them, becoming the second global power behind the United States.

The importance of this article derives precisely from the fact that these companies (Zaibatsu and later holdings) were the driving force behind Japan's economic development, whether we talk about the period preceding the Second World War or the next one. Even if after the American occupation, it was wanted with all costs their liquidation, holdings being considered as close to prewar militaristic power, after the American withdrawal from the archipelago, they were rebuilt as a Japanese principle, the foundation of Japanese reconstruction.

The paper aims to embody the main dimensions on which these companies have arrived, as well as their structure, the relations between them, their organization.

On the topic discussed, the literature contains more general issue of the Japanese economy, without being paid (at least in the contemporary period) consideration to these main pillars of Japanese capitalism development. The main work in which they are giving increased attention is written at the end of the Second World War, thus the need for the additions concerning the next period is important. The authors' contribution lies precisely in the synthesis of information that he provides, from the appearance of Zaibatsu in the mid-Meiji era, until the Great Depression of the 1990s.

Keywords: Keywords: Japan's economy, zaibatsu, monopolist companies, keiretsu, Japan challenge

JEL Classification codes: O15, O25, N15

LABOUR PRODUCTIVITY AND HUMAN CAPITAL IN THE EU COUNTRIES: AN EMPIRICAL ANALYSIS

Neagu Olimpia

The role of the human capital in the economy is highlighted in several studies of human capital, endogenous growth and macroeconomic literature. A special part of this literature is dedicated to the mechanism and the various channels through which human capital influences economic growth. As expression of the macroeconomic performance, the labour productivity depends on the accumulation of human capital in the economy. To analyze and discuss this dependency is essential for appropriate human capital policies aiming to stimulate the human capital accumulation in the economy and the enhancement of the labour productivity.

The paper explores the link between labour productivity and the estimates of the human capital stock in the EU countries.

Human capital theory explains the labour productivity level by the workers' level of educational attainment level. Four different effects of human capital on labour productivity can be found in economic literature: worker, allocative, diffusion and research. Other researchers used a production function to estimate the productivity impact of changes in educational attainment.

Research on the impact of human capital on productivity at the country level encountered many difficulties over the years. The main methodological issue is how to measure skills and human capital investment and to model possible channels of skills of influence the economic performance. The UNESCO attainment levels and enrollment series and other data sets, constructed by researchers, have been used in a large number of empirical studies of the link between education and productivity.

What is innovative in the present study is the estimation of human capital stock based on educational costs by level (primary, secondary, tertiary) weighted by the proportion of labour force with corresponding educational attainment and the testing of linear regression model for the dependency of labour productivity on human capital stock.

The assumption of the study is that the labour productivity is strongly and positively correlated with the human capital stock in the European economies. In order to confirm this, the following steps were completed: First, the appropriate method to estimate the human capital stock in the economy was identified and then, the estimations were calculated for the EU's countries, based on EUROSTAT data. Second, the correlations between statistical indicators of labour productivity and estimates of human capital stock, for each European country were identified and discussed. Third, a regression linear model was tested for each of 22 European countries included in the study.

A strong correlation between labour productivity and human capital stock, statistically tested through regression equations with data from EUROSTAT, was found. The variation of labour productivity can be explained in proportion of 85-95% by the variation of human capital stock, considering all other factors as constant.

The added value of the paper consists of: (i) the estimation of human capital stock using the educational costs method for the European countries; (ii) the use of these estimates to show the correlation with the labour productivity levels and (iii) testing econometrical models of the dependency between labour productivity and human capital stock in 22 European countries.

An interesting and useful task for future research is to explore the details of the institutional and incentive structure that best allocates a fixed amount of educational expenditures.

Keywords: human capital stock, labour productivity

JEL Classification codes: J 24, J 21

THE MARKET VALUE OF HUMAN CAPITAL: AN EMPIRICAL ANALYSIS

Neagu Olimpia

There is a general consensus that human capital is a major determinant of economic growth. Reflections on how human capital is related to growth can be extended by viewing on the market value of the human capital.

The concept of the market value of human capital reflects the efficiency of allocation and utilisation of the human capital in the economy. To measure this efficiency the concept of the market value of human capital is explained and developed in the present paper.

The aim of the paper is to introduce the concept of market value of human capital and the specific objectives are targeted to define his content, to propose a method for estimating it and to provide calculations of it for OECD countries.

The concept of human capital is complex and multifaceted one, consisting of: native human capital (biological), educational capital, health capital and social skills (Neagu, 2010). Clearly, human capital is intangible, a stock that is not directly observable as physical capital. Therefore, the estimation of human capital must be constructed indirectly. The stock of human capital in economy creates economic value, expressed through the economic output per capita. In order to estimate this economic value we have to find an appropriate proxy for the human capital stock producing that value.

In the purpose of our paper, we consider that the economic value of human capital can be estimated by calculating the aggregate value created by the active human capital in the economy. In this view, GDP per person employed is a relevant estimation of value created by the employed labour force. The aggregate value is created by the employed persons with different educational level.

The market value of human capital is calculated by dividing the GDP per person employed to the human capital stocks active in the economy. The human capital stock depends on educational costs (on primary, secondary, tertiary education) as a the share of GDP per capita weighted by the employment rates. For OECD countries, the market value of their human capital was calculated for 1999-2008, showing their efficiency on utilisation of the human capital stock. The most efficient OECD countries are Australia Austria and USA and the less efficient are Mexico, Czech Republic and Hungary. The market value of human capital has an ascending trend in all OECD countries, reflecting the results of their efforts to valorise their human capital in employment.

The originality of the paper consists on introduction the concept of the market value of the human capital, defining his content and providing estimates for OECD countries. As a concept, the market value of human capital of a country shows the ability of the economy to use the existent human capital to produce economic output. The market value of human capital reflects an aspect of the economic efficiency, by relating the economic output per person employed to the human capital per capita employed in the economy. It expresses the economic output per one unit of human capital, reflecting the aggregate performance of that economy.

Keywords: human capital, market value of human capital, employment, education costs

JEL Classification codes: J 24, J 21, E24, I 22

EVERYTHING MOVES NOTHING STANDS STILL. SOME ASPECTS ABOUT THE MEGASYSTEM EARTH ECO-SOC-ECO

Negucioiu Aurel

One of the most important moments of the start or restart of the academic activity has always been the opening of courses in each subject (discipline) that would be studied. On these occasions each professor shows to the students the subject of the discipline, place and role that intellectual seizure of that object in the formation of their professional competence required by the exigencies of the time. Most teachers stop on the most important sources, sources of knowledge that young learners can turn to and would be better to turn. They indicate written sources, books, magazines and other publications available in classical libraries and add, especially now, the world's largest library: the Internet. However, teachers advise students to seek permanently another source, a "book" - permanently opened, the book of reality that contains the most truth and what is very important - many problems waiting to be discovered and resolved. Leafing over "the first pages" of one of the "volumes" of this huge established "book", I found that the paradigm "Everything moves. Nothing stands still" as the paradigm "movement is absolute, and the repose - roughly" is far from having exhausted full knowledge of "everything". But knowledge can enrich through investigation of the unknown aspects. Substantially reducing the size of the unknown we have subscribed to communicate, stopping on several sides and objectives of the issues:

- Further examination of the main contents of the concept of development;
- Nominate a limited number of forms of movement in the "kingdom" of the Megasytem Eco-soc-eco;
- Further investigation of the causes of motion;
- Pace to and rhythm in which the different forms of movement develop;
- Which are the directions in which evolve different directions of movement forms.

Keywords: moving, economic movement, environmental movement, eco-economics movement, economic expansion, growth and economic decline, local economy, microeconomics, Mezzo economics, Mondo economics, globalization, industrialization, deindustrialization, accumulatio

A REGIONAL STUDY OF FINANCIAL RESOURCES INVOLVED IN RDI SECTOR IN ROMANIA IN THE LAST DECADE

Nicolov Mirela

The present paper present a study done on the Financial Resources in Research Development and Innovation (RDI) sector in Romania during 2000-2010 . These studies are conducted on the regions and counties in Romania in the specified period.

The present study is part of Doctoral Grant "Implications for innovation, research and development role in the development of Romania's economic competitiveness", during 2010 and 2013 and having Director: Prof. Dr. Alina Badulescu in Oradea University, Faculty of Economic Sciences.

Keywords: Educational Finance, Higher Education and Research Institutions , Education and Research Institutions, Management of Technological Innovation and R&D , Technological Change: Choices and Consequences; Diffusion Processes; Monetary Systems; Standards; Regim
JEL Classification codes: I22 ,I23 , I2, O18, O32, O33, E42,H61

REGIONAL ANALYSIS OF FINANCIAL RESOURCES INVOLVED IN RESEARCH DEVELOPMENT AND INNOVATION (RDI) SECTOR IN ROMANIA IN THE LAST DECADE –STUDY DONE ON MACROREGIONS

Nicolov Mirela

The present paper present a study done on the Financial Resources in Research Development and Innovation (RDI) sector in Romania during 2000-2010 . The present paper analyze Regional Systems of Financial Resources of the research development and innovation sector in Romania in

the last decade. In the present paper is done an analysis on the Macro Regions and Regions in Romania.

The present study is part of Doctoral Grant “Implications for innovation, research and development role in the development of Romania's economic competitiveness”, during 2010 and 2013 and having Director: Prof. Dr. Alina Badulescu in Oradea University, Faculty of Economic Sciences.

Keywords: Educational Finance, Higher Education and Research Institutions , Education and Research Institutions, Management of Technological Innovation and R&D , Technological Change: Choices and Consequences; Diffusion Processes; Monetary Systems; Standards; Regim
JEL Classification codes: I22 ,I23 , I2, O18, O32, O33, E42,H61.

ECONOMICAL ANALYSIS OF DISABLED EMPLOYERS AND THEIR EMPLOYEES IN HUNGARY

Nóra Nagymáté

Nowadays employment is an evergreen topic in Hungary. Many kinds of supplies are provided by the state (on the basis of the 8/1983. EüM-PM Hungarian Law), for example for the group ‘people living with disabilities’. It is very difficult to provide job for these people after their rehabilitation. My main goal is to analyze the ‘rehabilitation’ of disabled people and to study the related firms and the connection between the employers and employees. My intentions were also to create a strategy for these people to be employed again and for the firms to be motivated to employ them. Statistical figures show, that the highest ratio of ‘people living with disabilities’ can be found in the North Great Plain Region of Hungary (30 per cent of the total number of ‘people living with disabilities’). The employment of these people means extra costs for enterprises. At the same time the complete accessibility of workplaces is still not realized in many cases in Hungary yet. Currently only a few enterprises are specialized to employ people living with disabilities. Unfortunately, most of the enterprises don’t intend to employ disabled persons. Questionnaires were created in order to study the relationship between people living with disabilities and their possibilities to get employed on the labour market again. My study had two phases. In the first phase we focused on individual persons providing anonymity of the questionnaires. The research focused on special rehabilitation firms and their employees too (they are specialised to employ disabled employers). Two questionnaires for the above mentioned firms and their employees were created in order to gather information on their activities as well as relationship between the firms and its employees. It can be stated that this paper shows the relationship between the employers and employees. I will analyze the importance of factors in working among employers and among the employees. According to the latest trends I analyse the attitude to the rehabilitation of these people and how they will be able to work again not only in ‘rehabilitation firms’. My implication is that new workplaces for these people should be created by the utilisation of the European Union and the available national sources in order to integrate them into the labour market again in a long run. In the current stage of my research evaluation of the data collection is ongoing now. After summarizing all claims of participants I can make an impression in this area. I think my research is very special because of the geographical research area of data collection and the topic.

Keywords: Disabled persons, recruitment, rehabilitation, labour market, Hungary
JEL Classification codes: E24; J14

EVALUATION OF THE STRUCTURAL FUNDS ABSORPTION RATE BY MEANS OF THE HERMIN MODEL

Opritescu Elena Madalina

The main objective of this article is to highlight the main method that could quantify the impact of the structural funds on the Gross Domestic Product. I also presented the regional disparities situation and the European funds absorption rate. The HERMIN model has been designed considering the evolution of macro-variables throughout transition and pre-accession process, as well as out of the need to analyze the gradual alignment of Romania’s economic policies to those

of EU. The fact that, initially, the HERMIN model was designed for the European Union's less developed economies represented the cornerstone in choosing it, as it was the case for Romania, too. However, the quantitative evaluation must always be accompanied by a qualitative evaluation, in order to comprise factors which cannot be measured by the econometrical modeling. For this purpose, when the results of econometrical model based evaluation are used, it is important to be aware of the fact that models simplify reality, no matter the impressive mathematical calculations they employ.

Also, we must not omit the fact that Romania's major development needs and the current economic context imperatively demand a high as possible level of structural funds absorption, as well as their efficient use, meant to generate a significant impact at a national, regional and local level.

One of the main instruments employed to sustain economic growth, while also reducing disparities between regions is represented by the structural funds. These funds, consisting in financial contributions of the member states, according to their level of development, are redistributed in compliance with an extremely complex regulating and procedural frame, to those EU states of regions which are fallen behind from a social and economical development perspective

Nevertheless, when absorption capacity of a member state is evaluated, the used percentage from the allocated funds is not the only monitored indicator, but also the effects they have generated in that state's economy. This analysis is imperative because at this moment, Romania is facing one of the lowest absorption rate.

Keywords: Hermin model, Structural Funds, Absorption rate, Regional disparities, Regional development

JEL Classification codes: O, M.

THE FAILURE OF INDUSTRIALISM IN COMMUNIST ROMANIA

Părean Mihai - Olimpiu

This work aims to present the exact thinking and action of the Romanian Communist leaders that had as declared purpose the Romanian society's prosperity company. This falls into the line drawn by the Communists, but in the case of Romania the ambitions were far above the country's potential.

In order to understand the situation of the national economy in the past two decades we must take into account the manner in which they have carried out economic policies in the Communist leadership. This marched on exacerbated development of manufacturing industry by capital goods to the detriment of the goods consumer industry, which generated a series of social tensions.

The economic objectives of Communist Romania were limited for the exacerbated development of the industrial sector. Its presence of economic policy measures implemented in our country shows that the authorities had in mind a self-sufficient industrialization by providing greater care than conventional industries, with high energy consumption. This unprecedented enhancement for national economy was made possible by the contracting of foreign credits And this began to give increasing and more frequent misfires when the world was hit by the resources of the crisis. The falling of the national economy has been Romania unable to repay loans on time. The obsessive decision of the authorities was to fully pay off foreign debt in order to allow new investment in construction of some megalomaniac industrial sights, that could hardly be effective. Thus, there was no link between the overall targets of national economic policies and the needs of the company. In this work are chronologically and factually shown all the decisions adopted in the industrial policy in Romania. Certainly that at the beginning of massive industrialization results seemed to be at least some optimistic, but after the population had passed through various serious situations (floods, earthquake) to what degree very hard decisions devoid of rationality regarding the impulse energofag industry. Inevitably the complaints gathered, the economic system implemented by the Romanian communist authorities collapsed. Eventually, the economic system imposed by Ceaușescu collapsed because of his desire to increase in the country's industrialization. Basically he shown the limits.

This paper seeks to show how faithfully the faulty module was designed during the development of the country's Communist leadership.

Keywords: industrialization, communism, Romania, national economy, energofag industry

JEL Classification codes: E 61, L 52, N 14, O 25, O 52, P 21

ENERGY CRISIS IN COMMUNIST ROMANIA

Părean Mihai - Olimpiu

If during the interwar period Romania has managed to move from an agrarian economy to an industrial-agrarian one, after the 2nd world war in Romania, as in other communist countries, has monitored the further development of the industry. It wanted to be a true industrial revolution. Over time one can identify several types of industrial revolutions, each giving impetus to a given development cycle, which had its beneficiaries and the losers. At first it was steam power, and then use the internal combustion engine, which used oil instead of steam. While other countries developed would increase of production capacity of nuclear power, a higher stage of economic development, in Romania continued the industrial development on the same grounds as in the inter-war period. This has had very serious tracks for the Romanian economy and society, since before and during World War II, the German war machine operated within the national resources of energy. The time and manner in which each country is part of this race are defining the social welfare. Unfortunately, Romania has failed to take advantage, each time losing the start. Creation of some production capacity and the development of industries (metallurgy, chemical industry, iron and steel industry), which consumed significant energy amounts was the wrong decision for the future well-being of the country. Oil impacts which have affected the world economy, hit also Romania. The first oil shock (impact) was more easily broken because of the continued use of internal resources (oil, coal, natural gas), but the second shock was catastrophic. It was too much for Romania after being forced to use those resources in the last decades (including the interwar period). Romanian leaders probably had in mind that Western countries were developed by enhancing industry of this type, but they did it in a different historical period when also the prices of such resources were much smaller and the lack of them was not a possibility. The outphasing of economic policies have resulted in a major negative impact on the population. In order to cope with the shortage of energy has been passed to the rationalization of energy products for the population consumption (from public lighting and restaurants program to heat and hot water rationalisation).

Perhaps the crisis of energy resources necessary to support an antiquated economic system was one of the major causes that resulted in social complaint from the Communist Romania.

Keywords: energy resources, communism, Romania, oil shocks (impacts), rationalization of domestic energy consumption

JEL Classification codes: N 54, P 26, Q 32, Q 34

STRUCTURAL FUNDS ABSORPTION GROWTH BY IMPROVING THEIR MANAGEMENT

Păuțu Sorina

Grant project management is now a trend in the institutions of various types in Romania due to the opportunities offered by the EU through structural Instruments. Absorbing European funds is a challenge for Romania. The Managing Authority for Structural Instruments, together with the subordinated institutions present deficiencies in their coordination and implementation, the effect being a slow process of absorption of structural and cohesion funds. Taking action to enhance absorption of Structural and Cohesion Funds was done later; some measures are neither effective nor efficient. One of the major problems in implementing the Structural Funds is the continuous change of their national legislation. Therefore it is necessary to take measures to increase the absorption of structural funds and also the national adoption of a stable legal framework applicable to Structural Funds, guides of the applicant and clearly established project calls, without any latest changes, creating a transparent system of project proposals assessment and results communication

of assessments to their beneficiaries, the payments required by the reimbursement requests within 45 days specified in the contract and not just their validation, terms compliance in approval notifications and addenda to the contract funding, proper training of the personnel from the intermediate organizations and linking information provided by their staff.

Keywords: project management, structural and cohesion funds absorption, deficiencies in the implementation of structural and cohesion funds, measures to improve structural instruments management

JEL Classification codes: R11, R58

ORGANIZATIONAL CHANGE: BUSINESS PROCESS REENGINEERING OR OUTSOURCING?

Pellicelli Michela, Meo Colombo Carlotta, Cioffi Andrea

This article aims to propose a case study analysis in order to confirm literature assumptions and to provide suggestions for future improvement of the company presented.

Often, management has to take decisions about business process reengineering or outsourcing in order to maintain firm's viability and growth. We focus on the relevance, difference and usefulness of outsourcing and business process reengineering to support organizational change in the managerial function of the firm analyzed. We show BPR success and the need to embrace BPO principles so as to have a relevant content that could and should be the basis for imprenditorial change and innovation. According to literature, our objective is to propose the outsourcing paradigm – in its form of cosourcing - as a future solution which would help the firm's management to concentrate resources on the core processes, redeploying key personnel to more strategic roles.

Keywords: business process reengineering, outsourcing, organizational change, change management, innovation

JEL Classification codes: L24, L25, L26

ENVIRONMENTAL IMPLICATIONS OF THE INCREASING DEMAND FOR ENERGY

Perticas Diana

During human society's development on large geographical areas, a series of cultural systems have appeared and have determined a certain approach concerning the environment and social relations. These systems of thought persist even today and they are strongly influenced by individuals' thinking and approaches in that society, thing that requires a specific approach for the implementation of these relatively new concepts (e.g. sustainable development, pollution, ecological approaches on social life). Furthermore, the continuous growth of the demand for energy in the world is seen as an alarm. Between 1970 and 1997 world energy consumption has almost doubled and it is projected to grow by about 57% during 2004-2030 and the thing which should be mentioned is that with the increasing energy demand, pollution levels will increase too. But we must not forget that electric and thermal power represent one of the basic needs of mankind, and when the fulfilment of this need started to affect the climate and implicitly human health this problem turned into a hardly manageable one. We must not forget that the world's population is growing rapidly and the level of pollution per capita increased we might even say in direct proportion. In many cases, increased pollution has its explanation in the growing number of individuals at global level and also the increasing needs, desires, aspirations, standard of living, of these.

This paper intends to objectively analyse the interconnections that arise between the environment and the growth of the demand for energy, emphasizing the devastating effects of pollution created by burning fossil fuels in order to obtain electric and thermal power as well as the current and future possibilities for the replacement of these energy reserves with renewable energy reserves. The whole analysis will be accompanied by case studies and will follow strictly imposed goals by sustainable development.

Keywords: energy, environment, pollution, sustainable development, fossil fuels.

JEL Classification codes: Q32, Q42, Q57

THE ANALYSIS OF POPULATION MORBIDITY RATE DUE TO INCREASED ENERGY DEMAND

Perticas Diana, Florea Adrian

Sustainable development as general acceptance is that form of ensuring the bio-socio-economic needs of the present generation without affecting the existence and development opportunities for the generations to come. Secondary, the concept refers to the protection of the environment that is at present greatly affected by externalities of the socio-economic activity of previous and present generations. As it is shown in this paper the negative effects of the environmental pollution records higher and higher values in a short period of time of which we analyze their impact on population health, focusing on the situation of Romania.

I started the analysis from the assumptions that the health of an organism is a normal physical and physiological state, being the opposite of the concept disease. The most common diseases are: hereditary, infectious, internal, infantile, autoimmune, allergic, socio-professional, tumorous, degenerative diseases etc. Of these infant, allergic, tumorous and autoimmune diseases are mainly generated by environmental pollution. Extremely special, regarding the incidence of harmful environmental factors, are the socio-professional diseases or of civilization that are represented by those diseases that are more common in industrialized countries than in the so called third world. In respect to air pollution-generated illnesses with products resulting from burning fossil fuels are highlighted respiratory diseases, immunological diseases, benign and malignant neoplasm of the airways and also dermatitis.

Most activities follow sooner or later to increase welfare. Economic growth, environmental protection as well as fulfilling social needs of individuals are only a few elements that lead to the increase of population welfare. If we accept the above mentioned things, then it means that promoting the realisation of sustainable development based on clean and renewable resources and the rationally using the conventional ones is an objective to be supported and of course achieved.

Keywords: sustainable development, population morbidity, fossil fuels, energy

JEL Classification codes: P48, Q56, Q32

INNOVATION– AN INFLUENCE FACTOR OF CYCLICAL FLUCTUATIONS. STUDY CASE FOR ROMANIA, BETWEEN 1995 AND 2009

Pitorac Ruxandra Ioana, Cismas Laura Mariana

The study of influence factors of cyclical fluctuations is of major importance for a country's economy. In the present context, of the new economy, where the emphasis is on new technologies, and information is the main product and resource of the economy, innovation is one of the most important factors among the ones which influence the economic activity fluctuations.

As part of a larger paper, this study is set to emphasize and explain the influence of innovation on the cyclical fluctuations in Romania between 1995 and 2009.

The following analysis indicators were used: the 'innovation' factor is represented by Research & Development expenses and by the number of people with internet access, whereas the economic activity fluctuations are represented by the fluctuations in the real GDP.

The research starts with the conceptual boundaries regarding innovation, with an emphasis on Joseph Schumpeter's theory, then, the influence of innovation on economic activity fluctuations is underlined through a quantitative analysis of the three indicators mentioned above and through an econometric model.

The results of the research underline Romania's economic status, the scale on which new technologies have entered the Romanian market and the way in which the fluctuations of the economic activity are closely linked to innovation.

Keywords: cyclical fluctuations, innovation, Schumpeter, GDP, internet

JEL Classification codes: E32, O31

THEORETIC INCURSION IN THE IDENTIFICATION OF DETERMINANTS AND E-GOVERNMENT STRATEGY. EMPIRIC STUDY OVER THE GRADE OF IMPLEMENTATION OF E-GOVERNMENT IN BIHOR COUNTY

Pop CoHuț Ioana

We are currently witnessing an unprecedented development of new technologies, that offers great opportunities for the modernization of the society, it changes radically the way governments, businesses and citizens have the opportunity to obtain goods and services, the way in which public services are provided that become increasingly important for citizens, the way of obtaining and transmitting information, the way in which business connections are done, the interaction between different communities, etc..

From this point of view we research the way in which public strategies of achievement and implementation of model of e-government are shaped, model which can exploit the opportunities offered by new technologies and can implement roles for the citizen and public policy makers and implicitly of local and regional development. How the public sector should support the implementation of strategies of e-government, to polarize at the highest level all communities of interest, to provide a framework for planning and action across the board, covering local administration, institutions, organizations and government agencies, to empower appropriate training for implementation of IT strategies, can lead to stimulation of generators factors of local and regional development.

We also, intend to identify, from carrying out an empirical study in Bihor county, by analysis of 30 public institutions, the degree of implementation of new technologies in public administration, human resources readiness for appropriate use of IT facilities and what level of implementation of e-government in these institutions, in order to outline the main characteristics and determinants of e-government implementation.

The present paper is of interest to policy-makers, researchers, local communities through analysis how the introduction of new technology development in developing and implementing public policies, particularly by networking government and e-government, can cause local and regional development and change perceptions about the relationship and the interaction between citizens, communities and local and national authorities.

Key Words: networking government, e-government, regional and local development, public policy, new technology

JEL Codes: O38, D78, D85, R58

INFLUENCE OF THE INVESTMENT DECISIONS ON THE RETURN OF THE COMPANY

Pop Mugurel Gabriel Sorin

We propose in this study, to make an analysis of the influence of the investment decision on the return of the company. The goal of our research is the quantification of the influence of investment activity on profitability. Fulfilling such a goal has forced us to research the existing literature in this field, both in our country and abroad, ascertaining the existence of a unitary meaning of the criteria for investment projects' evaluation.

Of course, the realization of such research was possible only after close consideration of the opinions expressed in the relevant literature on this area.

Our research aims to be a theoretical-applied one. It is based on comparisons we make between the two criteria for assessing investment projects namely: that of net present value (VAN) and internal rate of return (RIR). By creating a suite of phase calculations, based on information from economic and financial documentation of corporate investments, we separated the influence of the policy investment decisions on profitability. We are convinced that the most accurate determination of the influence of policy investment decisions on profitability helps the financial management, facilitating the process of adopting the most appropriate policy decisions that ultimately leads to the objectives formulated by the financial policy.

The result of our research is the quantification of the influence of investment policy decisions of the firm on profitability.

Keywords: politics, investment decisions, evaluation criteria, updated net income, internal rate of return, influence

JEL Classification codes: G31

IMPLICATION OF DECISIONS OF FINANCING POLICY ON THE FINANCIAL PROFITABILITY AND STABILITY OF THE COMPANY

Pop Mugurel Gabriel Sorin, Staneanu Gheorghe

The present study aims at analyzing the influence of decisions on financing policy of the current activity on profitability and financial stability of the company.

Of course, the realization of such a research is not possible without a pertinent analysis on the concepts expressed in the literature of this field. In relation to this matter, we find that each author has his own concept about the subject under review. These expressed views, based on previous research, are related to the domain under analysis.

Our research is in the current phase, a theoretically applied one. It is based on the comparisons we make between different means of financing the company's current activity. We are convinced that an accurate determination of the influence of decision on financing policy on the profitability and financial stability, helps the financial management, by facilitating the process of adopting the most appropriate funding decisions.

Our research results are outlined in the information provided on financial management of the company that will lead to a better substantiation for decision-making policy-related process on funding.

Keywords: policy of funding, decision, modalities of financing own resources, attracted resources, self-financing, leverage ratios, influence

JEL Classification codes: G32

CRITERIA AND FACTORS USED BY MANAGERS IMPLEMENTING THE KNOWLEDGE-BASED MANAGEMENT IN TOURISM SMES

Popescu Dan, Ciocarlan Chitucea Alina, State Cristina, Petrus Catalin

Knowledge-based economy requires both in Romania and internationally, the presence of intelligent organizations, with advanced management capabilities of their collective skills, as sources of performance. As a result, worldwide, more than ever, knowledge is accepted as one of the main sources of competitive advantage.

Small and medium sized enterprises (SMEs) are the most dynamic and vital factor of progress in the contemporary society, main generator of economic performance and substance in any country, employment opportunity provider for most of population, major contributor to the national budget, and engine to improve the living standard of the population.

SMEs represent 99% from all enterprises, drawing up the main human resource agglomeration. In this context, knowledge-based management approaches are inevitable, arising from systemic complexity that goes beyond the rigid hierarchies and traditional practices and entails the emergence of non-hierarchical organizational structures.

Keywords: knowledge-based management, small and medium enterprises, managers, tourism

JEL Classification codes: M3, M31, L81

CONSIDERATIONS REGARDING ROMANIAN HIGHER EDUCATION GRADUATES **Popovici (Barbulescu) Adina**

The paper aims at analyzing the dynamics of in Romanian higher education graduates in the 2006-2010 period, both in Romania and by the Romanian development regions.

After highlighting the importance of human capital and its education, the paper analyzes the dynamics of Romanian higher education graduates in the targeted period, at both of the above-mentioned levels.

The conclusions reveal that, during the analysed period: 2006-2010, the number of female, and, respectively, male higher education graduates, as well as the total number of higher education graduates, continuously increased in the 2006-2010 period at the whole country level and registered an increase trend, as well, by the eight development regions of Romania in the 2006-2010 period, with very few exceptions in some years of the period, in some of the eight development regions of Romania.

Therefore, the Romanian higher education system must correlate the graduates number with the number of work places in the Romanian economy, and take into account the necessities imposed by the participation at international competition.

Keywords: knowledge-based society, economic growth, human capital, education, higher education graduates

JEL Classification codes: I21, I23, I25, J60

ABOUT MANAGERS SKILLS AND LOYALTY

Prunea Petru

It is known that after the managerial revolution, the companies ownership was separated from their management act. And, most recently, the main objective of companies is to increase their market value. Based on these facts that can be imperative for some people, we approach in this paper the work relationship formed between managers qualities, such as skills and loyalty to the company, and prevalence of short-term interests over the long term, as happens when the manager aims to increase the market value of companies led.

We want to find out, learning from the opposing of some cases (U.S., China, Romania, etc.), the effect of watching with priority the evolution of stock prices or the fairness of managers through events such as keeping promises made, perseverance, commitment to the company where they work, and if the entire increase in a longer time horizon, with the side, or, there exists an inverse proportional relationship.

Key words: company, management, loyalty, quality, relationship;

JEL Classification codes: A20, D21, M21

THE CORPORATE GOVERNANCE AND THE OPTIONS BETWEEN EQUITY AND DEBT CAPITAL. CONSIDERATIONS ON ACCESS TO CREDIT IN ITALIAN REALITY

Rangone Adalberto

To conduct a business today one needs intuitive skills and, therefore, an ability to respond to the new and numerous challenges that the market requires.

These challenges are economic, but not only. A continuous and steady development involves actually the need to go beyond the limits, not only in the case of traditional companies, but also of those in the start up phase.

To be in a multilateral and global economic system - as the present one – supposes a continuous upgrading of production technologies within companies, sometimes by undergoing serious reengineering processes.

The updating of the company, however, cannot and should not be perceived as a simple and sudden initiative that is applied superficially just to conform to a market trend. It involves a certain difficulty, and especially the demand for new and ongoing investment in the sector of competence, therefore, it requires a careful process of analysis to relate multiple aspects of the company, including the availability of equity or the need to resort to foreign capital, such as to the bond market, to national or European facilitating tools or to foreign intervention of banking nature, on short or medium-long term, calibrating these interventions based on business needs.

It is this delicate "step" in the life of a company - which requires a coherent, appropriate and stable organization of the governance of the company – that we want to tackle within this paper, as well

as its interaction with the banking system, which in our specific case is the Italian one, all these by a brief empirical analysis of the relationship that links corporate governance to the access to finances, in the current banking context.

Keywords: Corporate Governance, Banking System, Reengineering, Start up, Management

THE CORPORATE GOVERNANCE AND THE OPTIONS BETWEEN EQUITY AND DEBT CAPITAL. CONSIDERATIONS ON ACCESS TO CREDIT IN ITALIAN REALITY (PART II)

Rangone Adalberto

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Keywords: Corporate Governance, Banking System, Reengineering, Start up, Management

SCHOOL ENGAGEMENT, WORK VALUES AND STUDENTS' TRAINING FOR THE LABOR MARKET

Saveanu Tomina Gabriela, Saveanu Sorana Mihaela

This paper reflects theoretical and empirical interrogations regarding concepts which gain interest in recent research in relation to school results and school-to-work transition of high education graduates: school-engagement, valorization of work, work ethics and school social capital. The initiative of such approach is linked to the identification of the obstacles and implicitly the mechanisms which facilitate an easier school-to-work transition of high education graduates of economic studies. In the current research we followed which are the motivations regarding work, and the measures of school engagement, identifying that students with higher academic engagement present greater interest in general criteria related to work and are less intrinsically motivated. The research findings in this area on the one hand confirm the importance of school-engagement for the students from tertiary education. On the other hand, it suggests, besides the mediated effect on school results on the successful insertion on the labor market, also a direct impact on their work engagement of these graduates. In addition to these aspects less visible and less studied, research in this field revealed other obstacles that occur in the successful integration of graduates in the workplace. It was found that both employers and young graduates' employees assigned increased importance for the success in the workplace to transversal skills that are considered less developed through tertiary educational system. In addition, experience at the workplace, the practical training and voluntary involvement in different actions can also be useful tools in preparing students for the labor market. The data, both qualitative and quantitative,

analyzed in this paper were collected within the project "Practical training of economists students. Inter-regional partnership in the labor market between universities and the business environment". PRACTeam project is coordinated by University of Oradea - Faculty of Economic Studies, financed through European Social Fund - "Investing in People!" Contract no. POSDRU/90/2.1/S/64150.

Key words: school engagement, transition to labor market, young graduates, social capital
Jel Classification codes: A23, J20, M20

THE CAUSES OF ECONOMIC CRISIS. A BEHAVIORAL FOUNDATION.

Soim Horatiu Florin

The cyclical path of economy is a common place in the economic theory. The economic crisis that started in 2007 was not only one of the most severe since the WWII but it came unexpectedly. The cause of the crises and of the surprise consists in the economic models and theories that were founded on the rationality and maximization behavior of the economic actor. People lack the rationality the mainstream economics assume. This is why both economists and simple people do not act as theory predicts and finally economy does not tend toward equilibrium but suffers recurrent crises. This crisis started as a financial one, because of the subprime loans made in USA, but have spread in production sector because of credit frozen, is now in transforming into a social crisis because of austerity measures taken by governments. The paper analyzes the theoretical foundation of economic theory and how the facts that characterize the recent economic evolution fit with the non mainstream theories. It presents the figures of the economic evolution in the last 3 years and explains them based of the agent's behavior described by Herbert Simon and Daniel Kahneman. Their challenge of mainstream economics is based on an analyze of human behavior. Herbert Simon introduced the concept of bounded rationality as opposed to perfect rationality postulated by neoclassic economics and Daniel Kahneman realized experiments that proved that people cannot stick with the performances assumed by mainstream economics. Their conclusion permit to understand the approach of George Soros who says that people actions are bounded by reflexivity and as a consequences sometimes economy move not toward but far from equilibrium, creating bubbles that end in financial and economic crises. As Akerlof mention the cause of the crisis is the reliance of a false theory which said that we are safe. The conclusion is that we need new theories more close to the real life and an agent description that capture the limited characteristics of the human being despite the abstract "homo oeconomicus".

Keywords: economic crisis, efficient markets, behavior, rationality, ideology
JEL Classification codes: D01, D83, E21, G14

ADOPTING THE SINGLE CURRENCY AND THE CHANGEOVER PROCESS

Stanculescu Mimi-Florina

Changeover will be a complex phenomenon which depends not only macroeconomic indicators, but also the social reaction, the way the environment social, consumers, unions, the population in general will be able and willing to adapt to the rigors of the euro. Adapting systems to the changeover is a complicated process that should not be underestimated, all businesses need to prepare a project with all the changes resulting from the changeover: what steps should follow the objectives and those responsible.

Legislative adjustments represented an important part of the public sector changeover preparations.

Conversion to a common currency, the euro, will not only involve economic issues, like the reduction in exchange rate risks and the increase in price transparency , but also a number of business and technical issues. Will be strategic decisions that will fundamentally affect the way an enterprise conducts its affairs,who can change the functionality that is expected from information systems.

The impact of euro conversion on retail systems reflects changes on price displays, labels, pack pricing, bar codes,psychologically sensitive price points,weighing scales, the unit pricing

directive, the loss of margin on low-unit-price items, consumer information, personnel training, adapting cash registers, scanning systems, cash office management, security, the use of credit cards, and so on. Sales and purchasing price lists will have to be reviewed.

The paper structure consists of the following parts:

- Convergence Methods
- The Changeover and the Public Sector
- The cash changeover
- The five main reasons why the euro is still a strong currency

The methodology for conducting research involves analysis of the accounting measures adopted by other Member States of the Economic Monetary Union in the pre-stage and after accession, generated, especially by the changes.

The research results will have a particular importance for the economic consultancy. Even if the results will mainly target the Romanian accounting system, they could be used by a broad category of the population (students economists, economists accountants, tax consultants, officers of the legislative system, etc.).

Conclusions: The research aims to identify issues that the Romanian accounting system is going to meet them as result of finalising the process of monetary integration. The paper will focus on changes in every aspect: formally, logistics, functional etc.

Keywords: the convergence, the changeover process, euro-strong currency

JEL Classification codes: G32, M16

REALITIES AND PERSPECTIVES OF BUSINESS TOURISM ON A GLOBAL SCALE **Tileaga Cosmin, Cosmescu Ioan**

At an extensive level, business tourism is often defined as being the action of travelling for business purposes, more precisely to solve commercial problems or to attend different conferences and meetings organized by economic institutions in order to diversify and improve the quality of the economic goods and services. Although, the vast majority of these actions may involve running a paid activity, they are part of tourism, the organization and their implementation requires the use of technical facilities for accommodation, food services, leisure and consumption of specific services supplied by the organizers. Until now and much more to come, business travel is and will be the privilege of developed countries with established and authentic market economies. However, business travel is the most important niche which can enable Romania's access to the international touristic circuit.

Keywords: business tourism, conference tourism, fairs and exhibitions, incentive travel, leisure tourism

JEL Classification codes: L83

ANALYSIS OF PLACING THE POPULATION SAVINGS IN ROMANIA IN THE CURRENT PERIOD

Tileagã Cosmin, Nitu Oana, Nitu Valentin

In Romania, after a careful study of the saving process and the analysis of the determinant factors, it could be highlighted a number of ways of population savings. Because the permanent correlation of income and expenditure by business entities is not part of the economic and social reality, issue of placement of saved income rises, in certain periods of time, and also making use of investments in previous periods, in which case the need to use the savings appears. It is important to make distinction between the different possible allocations of savings, because depending on their destination, the economic effects are radically different.

Keywords: savings, income, investments

JEL Classification codes: E2, E21, E22

SUSTAINABLE DEVELOPMENT CHALLENGES AND FDI IMPACT IN HOST COUNTRIES

Gheorghe Zaman, Valentina Vasile, Anca Cristea

This survey analyses aspects of the relationship between FDI and sustainable development within the Romanian economy, focusing in particular on volume, dynamics and structure of FDI companies in Romania, impact on imports and exports as well as ratio between repatriated profit and profit reinvested in the host country. A series of proposals have been made for increasing the contribution of FDI in the sustainable development of Romania by attracting FDI in particular to the tradable sector and for increasing the favourable propagation effects to Romanian companies.

Key words: export, import, FDI, trade balance deficit, reinvested profit, repatriated profit.

Jel Classification: F15, F21, F23, F43.

THE ORGANIZATIONAL STRUCTURE OF THE BODY SHOPS CONNECTED

Zima Liliana Adela

The selling of collision parts represents 28% of General Motor's business. The main customers of collision parts on the market are the international dealership and the independent Body Shops. The successes of these shops have a direct relation with the sale collision parts through the dealership Parts Department. For optimize the collision parts sales it's important that the operations of the dealership Parts Department meet the needs of both internal and external Body Shops. It is important to know the organizational structure of the body shops and the main factors which influence the activities such as: shop volume, expense budget, available skills, facility size, and production methods. The Collision Parts Marketing Group of General Motor's made an independent market research related to survey dealership and independent Body Shops. This research provided insight to General Motor's as to how and why decisions are made to purchase collision replacement parts.

Keywords: body shops, satisfaction, collision parts

JEL Classification codes: M: Business Administration and Business Economics; Marketing; Accounting

SUB-SECTION: BUSINESS ADMINISTRATION

PERFORMANCE MEASUREMENT THROUGH NON-FINANCIAL INDICATORS

Anis Cecilia, Lala - Popa Ion, Cican Simona, Tarta (Blaga) Eugenia Anisoara

The information about a company's performance is necessary in order to evaluate the potential modifications of the economic resources that the entity will be able to control in the future, to anticipate the ability to generate treasury fluxes with the available resources, and to establish the efficiency with which it can employ and make use of new resources. In current practice, the information regarding financial performance are mainly given by "the profit and loss account", respectively "the budgetary execution account", but things are not so simple as to reduce them to the synthetic data in a certain periodic report form since it would be a pity to ignore the real - time information given by the account itself.

In our paper we have tried to resume the most important non-financial indicators, through which the performance of a company is measured.

Keywords: performance, profitability, financial indicators, non-financial indicators, performance indicators

JEL Classification codes: M21, G30

THE IMPACT OF TOURISM ON THE SOCIETY

Bac Dorin Paul

Tourism is one of the most important components of the global economy. It generates billions of dollars in revenues and millions of jobs worldwide. It is considered by many communities, especially in emerging countries the only tool for development, and the only chance for increasing the quality of life. Thus the tourism industry has stretched from seaside to mountain resorts and from small villages to big metropolises. But at the same time, tourism started to show its uglier side. Both the actions of investors and of tourists are having negative impacts on the socio-cultural values and environmental assets of host communities all over the world. In the present paper we are trying to observe the impacts of tourism on society from three perspectives: economic, social and cultural, and environmental. From the economic perspective, tourism generates wealth and jobs, but the wealth leaks from the community and the jobs are mainly low-income. From the socio-cultural perspective, tourism brings together people from different backgrounds, cultures and traditions and promotes peace. But at the same time, due to globalization, many communities have lost their cultural identity and gave way to a Disneyfication of their village or town. Last but not least, tourism helped create national parks and protected areas, where unique examples of flora and fauna can be found. But tourists have been proven to be a problem, because of the pollution they generate. Tourist entrepreneurs can also be blamed for a total disrespect to local traditions and the environment. The main problem from these negative impacts is that the local community is the only side that picks up the check for all the damages on the culture, tradition and, most importantly on the environment.

Keywords: tourism, globalization, environment, consumerism

JEL Classification codes: q52, q57

ARE SMES MORE CONFORTABLE WITH SMALL DOMESTIC LENDERS? (I – THE LITERATURE)

Badulescu Daniel, Petria Nicolae

Small and medium enterprises (SMEs) are recognized having an important role in economic development, but this recognition doesn't resolve the essential problems of the SME sector. We found that one of these are the problems of insufficient or inadequate funding, the lack of availability of financial institutions or private equity investors to meet the SMEs financing requirements. The need for financing of SMEs is predominantly covered by bank loans, but it is difficult to say if this demand finds an appropriate offer, in amount and structure. Thus, it is important to understand if the role of lending techniques and organizational structures of the

banks, types and origin of the owners (state, private, domestic or foreign) or the size and the market power (large, small, local, or niche banks) individualizes the banks offer and if the banks know the best way to mitigate the demand and supply constraint. Even though the traditional view explains the strategic predisposition of large banks to finance their clients (by default large clients, corporations) through transactional lending and, and local/domestic banks use the relationship lending- suitable to small customers (SMEs), however, the more recent opinions show that the large international banks use a combination of methods and techniques to gain favorable position on SMEs segments.

Keywords: SMEs lending, large banks, foreign banks

JEL Classification codes: G21

ARE SMES MORE CONFORTABLE WITH SMALL DOMESTIC LENDERS? (II – EVIDENCE FOR ROMANIAN SMES)

Badulescu Daniel

Based on a consistent literature presented in the previous part of our paper, and analysing our research results, carried out on a significant number of SMEs from Romania in 2011, the purpose of this paper is to examine how SMEs are affected and how they perceive the bank involvement in financing SMEs needs, in terms of the nature and characteristics of organizational structure of these lenders. We have found that, despite of the recent development of the crisis and the decision of the most of important European banks to reduce theirs involvement in Central and Eastern Europe, the mostly of the Romanian SMEs considered they are not ignored or under-privileged by large, international banks operating in Romania.

Keywords: Romanian SMEs, survey, bank lending, lenders structure

JEL Classification codes: G21

WOMEN IN BUSINESS. THE NEED FOR POLICIES TO FOSTERING WOMEN ENTREPRENEURSHIP IN ROMANIA

Badulescu Alina, Borza Adriana

In developing economies, the issue of overcoming the gaps in public policies regarding gender is closely linked to the ability of governments to identify policies that have worked successfully in regions with similar economic circumstances. Equally, there is a need for innovative data solutions that have the capacity to determine a real change of socio-economic relations. For now, as far as the Romanian context is concerned, female entrepreneurs do not enjoy as much government support as it is really needed. What literature refers to as the “glass ceiling” seems to be doubled in Romania by collective suspicion towards the discrepancy between the ambition and the skills of women who find themselves in the position of decision makers at top management level. This crisis of confidence faced by women makes their management tasks even more difficult. Not incidentally, literature mentions opinions according to which a woman must work twice as hard as a man to reach a certain position. The crisis brought about by the lack of models is confirmed by numerous studies and researches, all highlighting the urgent need for mentoring. Given such gender related constraints, it is only natural to expect that decision makers at government level would show a special interest for policies designed to encourage female entrepreneurship, and, in general, to support increase of employment of women in economic activities.

Keywords: gender policies, women entrepreneurship, women in business

JEL Classification codes: M13

PUBLIC SERVICES AND THE EURO-REGIONAL COOPERATION

Badulescu Alina, Bucur Catalin-Adrian

Besides the goods and private services, covering the specific needs of individual or groups based on specific mechanisms of demand and supply, human needs can be addressed also through public

services. They are designed to meet the general interests of members of a community or society at large and established by public authorities, subject to certain fundamental principles of organization and operation, such as: the principle of efficiency, the principle of equity, the principle of continuity, the principle of movability and the principle of decentralization. In the same time, public services involve in many areas of economic and social life is not just a national issue, but also have characteristics and provision ways at international, regional and euro-regional level. This paper underlines the main areas of euro-regional co-operation interest in the public services sectors, such as: the sectors of environment, agriculture and territorial planning, the sectors of transportation, security and telecommunication, the sector of the economy and labour force, the sector of cross-border populations: social protection and public health, the sectors of education, research and culture.

Keywords: public service, euro-region, cross-border co-operation

JEL Classification codes: R11

TOURISM INDUSTRY IN ROMANIA AND THE NEEDS OF PEOPLE WITH DISABILITIES

Băbăiță Carmen Mihaela

Internationally, elaborated research about the tourism of people with disabilities are rather limited, and they focus more on the lack of physical access to certain services in hotels. But very few studies have been published on the issue of tourism and people with disabilities. In this context, this paper draws attention to the issue of the tourism of people with disabilities in Romania. The aging population is a growing phenomenon worldwide and it leads to the shaping of a new market segment with a visible and complex dynamic, namely that of persons with disabilities. The purpose of this study is to identify other potential external barriers related to the development of tourism of people with disabilities in Romania, such as hotel infrastructure. At the same time it has been tested the degree to which managers of these hotels are aware of the phenomenon itself and their opinions on the development of this area.

Keywords: tourism, people with disabilities, consumer profile

JEL Classification codes: M20, M21

THE CONSTRUCTION OF IMPORTANCE-PERFORMANCE GRID IN TOURIST SERVICES RESEARCH WITHOUT THE DIRECT DETERMINATION OF THE ATTRIBUTES IMPORTANCE

Ban Olimpia

The importance-performance grid is a marketing instrument used to make decisions regarding the growth of the consumers' satisfaction, by optimizing the attributes of products. This grid is a useful instrument, as it is shown in the paper, to the extent to which the importance and performance of the attributes are correctly recorded. Another idea underlined in the paper is that regarding the difficulty to directly determine the importance of attributes or in the same stage with the determination of the service performance, according to these attributes.

The objectives of this paper are to analyze the importance-performance grid (suggested by Martilla and amended by Abalo), through an empirical study in the field of tourist services used and to test the conditions to carry out this grid taking into account the hypothetical case of indirectly determining the importance of the quality attributes.

The literature in the field regarding the importance-performance analysis is analysed and the subsequent amendments to the previous grid suggested by Martilla and James in 1977.

The present paper is a continuation of several studies on the same subject, in which the following research methods were used: direct survey by questionnaire, the Spearman correlation coefficient, and the entropy calculus. A comparative analysis of the importance-performance grid if directly recording the importance of attributes (through survey by questionnaire) and of the indirect determination of the importance of the attributes (through the Spearman coefficient and entropy

calculus) is being suggested. The results indicate possible uses of methods, yet it raises a series of collateral problems regarding their application.

The contribution of this paper is given by the suggestion of two methods to indirectly determine the importance of attributes, which take into account the data measurement scale used and the collinearity among attributes and which lead to pertinent results when we use the IPA grid amended by Abalo as a decision instrument.

Keywords: Importance-Performance Analysis(IPA), IPA Abalo, applications, Spearman coefficient, entropy calculus

JEL Classification codes: L15, M31, M11, C81, C83

MODELS OF TOURIST DEVELOPMENT IN THE CONTEXT OF REGIONAL DEVELOPMENT

Borma Afrodita

Third year PhD candidate at the University of Oradea, under the guidance of Professor Mrs. Alina BĂfdulescu in the doctoral research project entitled: “Doctoral studies and Ph.D. candidates for competitive research on a knowledge based society”, a co-financed project by the European Social Fund through the Sectoral Operational Program for Human Resources Development 2007 - 2013, Priority Axis 1. “Education and training in support for growth and development of a knowledge based society” I chose to present this subject in order to demonstrate the connection that exists between tourism and regional development. Having as research topic “Tourism and development in the Euro regional context” • I felt it would be appropriate to devote a subchapter in presenting the impact of tourism in regional development.

Thus I have analysed a number of specialised papers found at national and international level in order to achieve a synthesis on the approached topic. Authors such as Williams and Shaw (1991), Sharma (2004), Keskin and Cansiz (2010) were concerned with presenting the positive aspects of tourism in regional development. Condes (2004) presents on one hand the secrets regarding success in matter of tourist development, and on the other side he presents the possible risks that follow the development of tourism in a country / region (Condes 2004).

Following the gathered information we found that indeed tourism plays an important role in regional development.

The used research methodology consisted in using specialised literature in order to identify some models that illustrate the potential success of tourism in regional development.

The space-temporal development model of tourism proposed by Opperman (1993), although it was developed at national level represents a useful tool in illustrating the potential success of tourism in regional development. Miossec's model (Sharma 2004:300) describes the structural evolution of touristic regions in time and space. Butler (1980) develops a more complex model than the one of Miossec regarding the hypothetical development of a tourist area. There are a number of studies on the role of regional clusters in increasing regional competitiveness of an industry (Porter, 2000; Rocha, 2004) paying a special attention to clusters in tourism.

Keywords: tourist development, regional development, models of tourist development, clusters in tourism

JEL Classification codes: O16

TOURISM - AS A DEVELOPMENT STRATEGY

Borma Afrodita

Third year PhD candidate at the University of Oradea, under the guidance of Professor Mrs. Alina BĂfdulescu in the doctoral research project entitled: “Doctoral studies and Ph.D. candidates for competitive research on a knowledge based society”, a co-financed project by the European Social Fund through the Sectoral Operational Program for Human Resources Development 2007 - 2013, Priority Axis 1. “Education and training in support for growth and development of a knowledge based society” I chose to present this subject in order to demonstrate the connection that exists between tourism and development. Having as research topic “Tourism and development in the

Euro regional context’ • I dedicated a subchapter of this thesis in presenting tourism as a development strategy.

Thus we have analysed a series of specialised papers encountered at national and international level in order to achieve a synthesis about the addressed topic. Authors like Sharpley and Telfer (2002) found that the specialised literature in the tourism domain contains few articles on the relationship between tourism and development despite the fact that tourism remains an important area of the economic policy regarding development in most regions of the world.

Writings on tourism, that debate development, are often written in terms of the impact of tourism on the environment in which it unfolds.

Following statistical data collected on *Faits saillants OMT du tourisme*, 2011 Edition I found that indeed tourism is an important element in the development strategies.

The research methodology that was used consisted in documentation from the specialised literature and the site <http://mkt.unwto.org/sites/all/files/docpdf/unwtohighlights11frhr.pdf> in order to gather representative data on the evolution of international tourism for the 1950-2010 period, also highlighting the potential success of tourism in the economic development.

For this study to be more representative I presented the evolution of international tourist arrivals in the main tourist regions of the world. The graphical representation shows that Europe is the main destination for tourists from around the world.

Projections made by UNWTO (2011), confirm the fact that international tourism is continuously expanding, in 2020, the number of international tourists arrivals is approaching 1.6 billion.

Keywords: tourism, economic development, development strategy, international tourism

JEL Classification codes: O16

COOPERATION BETWEEN INSTITUTIONS OF PUBLIC ORDER AND SAFETY FROM BIHOR (ROMANIA) AND HAJDU-BIHAR (HUNGARY): A CASE STUDY

Bucur Catalin-Adrian

The forms and degree of cooperation between public order and safety on both sides of the border took on different forms from country to country, from one region to another. Some countries have a very extensive inter-institutional cooperation and substantial, while in other countries relations are characterized by a deep division, competition and lack of communication. To understand existing forms of cooperation, and how best practices can be transferred to some Member States it is necessary to understand the existing diversity across the European Union. This paper focuses on presenting several cooperation projects with direct reference to public order and safety activities implemented in Bihor - Hajdu-Bihar euroregion, within the CBC Programme Hungary-Romania 2004 and especially the project “Mirror network for operative and operational data transfer”, a joint project of cooperation in the public order and safety in Bihor - Hajdu-Bihar Euroregion.

This paper is part of the doctoral thesis on Integrate perspective on companies sector, coordinated by professor Ph.D. Alina Bădulescu from University of Oradea, Faculty of Economics.

Keywords: public order and safety, euro-region, Bihor – Hajdu-Bihar

JEL Classification codes: R11

HUMAN CAPITAL’S IMPACT ON THE PERFORMANCE OF ROMANIAN KNOWLEDGE BASED COMPANIES

Burja Camelia

To meet the desiderata expressed by the implementation of knowledge-based economy, companies must reconsider development strategies and must facilitate the shift from a management largely based on resource consumption to knowledge-based management. In this view, the importance of the human factor increases, becoming a precious resource that creates value and competitiveness. This paper shows the interaction between company performance and human capital, exemplifying this aspect through a case study based on a regression model in Romanian software companies.

The obtained results show the strong connection between company performance, expressed by net income, and the quality of the human capital, synthesized by labour productivity.

Keywords: human capital, performance, labour productivity, knowledge assets

JEL Classification codes: L25, M54

GLOBALIZATION AND MASS-MEDIA IN THE CONTEXT OF ECONOMIC CRISIS

Burtic Daniel

Globalization is a reality that we cannot deny or run away from. The economic, political or social issues, even if they have a starting point, spread very quickly, covering large areas in a very short time. Modern communication systems enable crisis transfer. They also bring us information about the actions that have been taken in order to overcome those critical circumstances.

Does recession have positive aspects, too? If it has, what are these positive aspects and how can they be used to produce highest benefits? This is the reason why, in the first part of this study, our aim is to approach globalization and present economic crisis on a positive note, emphasizing the opportunity we have to find appropriate solutions to the complex circumstances we are facing. In this process, the first winners are those who overcome crisis successfully and manage globalization skillfully. In the second part, we will try to demonstrate the link between globalization and mass-media, having in mind the dissemination of the flow of information. We would also like to reveal the dark side of mass-media; the costs regarding time and resources which especially the young generation pays for this modern vice called multimedia. The perspective from which we approach this subject is related to immediate every day reality. Our aim is to provide a descriptive and explanatory study. From this point of view, our analysis will sometimes become passionate, but will be strongly rooted in the reality that is shaped by each and every action of man. We will try to describe the concepts we maintain by means of some notorious works written by authors with a vast experience, some of them being Noble Prize winners. The idea that we propose is to bring hope out of this situation generated by crisis and globalization. The economic crisis has created a huge opportunity to the mass-media system: it brings the required information to citizens from different nations. Taking this into account, mass-media has played and still plays an important part in making the people involved find solutions and communicate whenever the decision makers are trying to hide facts. With the help of innovation and transformation, let's look for solutions to develop our abilities, relationships, products, markets and results. We should never forget that the greatest and most impressive changes are often born in times of crisis.

Key words: globalization, media, economic crisis, TV, Internet.

JEL Code: L82; D12

STRATEGIC APPROACHES OF INTERNATIONAL HOTEL CHAINS TO ENTER ON THE ROMANIAN MARKET

Cosma Smaranda, Fleseriu Cristina

On the Romanian market 23,9% of all accommodation structures are hotels. Among these 4% are belonging to international hotel chains which is a very small percentage. Almost all international hotel chains realized the potential of the market and that is why they intend to increase the number of hotels opened in Romania. Hotel chains attempt to control and dominate the market as result of an extremely dynamic and complex environment. The decision made by a hotel company to carry out its activity in a foreign country and the way to enter into the market can be motivated by many reasons. The paper analysis the presence of international hotel chains on the Romanian hospitality market and the strategies used to enter on the Romanian market compared with the global strategies. The paper used the comparison method to highlight different entry strategies used by international hotel chains when entering a foreign market. For data collection, the main method used was the observation of annual statistical reports with the support of international hotel chains. The first international hotel chain that came in Romania was InterContinental in 1971, but the majority entered on the Romanian market after 2000. In 2012 other chains announced the intension

to penetrate this market. The study identifies strategies for penetrating the Romanian market by international hotel chains. The preferred penetration strategy on the Romanian market is management contract followed by franchise. Not least are highlighted comparative aspects of internationalization decisions taken by the chains in the world and in Romania, analyzing whether in Romania are predominantly used the same strategy as in most other countries or some specific strategies. International hotel companies want to enter on the Romanian market because they consider that in this area is need for hotels which belong to the luxury segment but also hotels that belong to the economy segment.

Keywords: hotel chain, penetration strategies, Romania hotel market

JEL Classification codes: L83

SECTORAL RISK AND RETURN FOR COMPANIES IN ROMANIA

Lala - Popa Ion, Buglea Alexandru, Anis Cecilia, Cican Simona

Probability that cash flows or return will vary from expectations. Standard corporate finance theory supposes that a company chooses a capital structure that maximizes company value. A fundamental idea in finance is the relationship between risk and return. The greater the amount of risk that an investor is willing to take on, the greater the potential return. The reason for this is that investors need to be compensated for taking on additional risk. Why put capital at significant risk for a return that is no higher than the return on government bonds? Or expect higher than averages returns from low-risk activities? It is impossible to separate measuring the performance of a company from the risks that the management takes to achieve it. In most aspects of company operations, risk assessment plays a different but equally important, role. It is an integral part of informed decision taking in achieving performance. Risk assessment is involved from the highest level in strategic choices about what activities to undertake, what assets to buy or what markets to serve all the way to detailed operational decisions about whether to accept payment in foreign currencies and the adequacy of safety measures in the workplace. It plays a part whether or not an organization is aware of managing risk and many managers feel that their instinct and judgment are enough – a behavior risk. The danger is that this leaves company risk unplanned and unmanaged. This paper proposes a framework where we realized a study cases: we test if return on assets and return on equity has influence on the risk, both on long and short term. For this purposes, we conduct an empirical research that covers 59 selected companies traded at the Bucharest Stock Exchange within the time period 1999-2010. For this study our results reveal that dynamic global risk can be associated to a low intensity with total assets performance of the company's. Investments efficiency and the adoption of certain financial positions appear to be key factors in the dynamics of risk.

Keywords: global risk, return on assets, return on equity, GMM system, net profit, sectors

JEL Classification codes: M21, G30, C58

ACHIEVING SUSTAINABLE TOURISM THROUGH CUSTOMER SATISFACTION

Marinescu Roxana Cristina, Ispas Roxana

In tourism, hotels play an important role and contribute to the economic growth in cities and other places endowed with attractions which are universally recognized.

Two elements are essential in the tourism industry system: product quality and human resources.

In terms of quality of the hotel services, that is the one that allows to the tourist enterprise to own a competitive advantage, gain competitive differentiation and reputation among customers by achieving a high degree of customer satisfaction.

Hotel customer satisfaction would be impossible if the hotel management does not perform periodic evaluations on customer satisfaction and quality, which are the focus of this paper. Therefore, this paper focuses on customer satisfaction measured by the SERVQUAL model.

Keywords: tourism, hotel industry, quality, satisfaction, client

COGNITION AND INTELLIGENT ENTREPRENEURSHIP

Meo Colombo Carlotta

The aim of the paper is to study how it's possible to enhance the cognitive enterprise model by the theory of autopoietic systems. I propose a model that considers the organization as a closed system in which all cognitive activity is necessary to develop coherent operations needed to adapt the firm to environmental perturbations. The central issue of the work consists in the presentation and description of the "chain thinking-action" as a cognitive basis that builds models from which derive the actions that characterize the transformation of a business enterprise in order to maintain the viability over time. A "winning" entrepreneurial thinking is able to give a direction (objectives-strategy) always aimed at improving the organization's vital parameters. The role of entrepreneurship and management, therefore, is to create the conditions to encourage a continuous development of cognitive models in organizations, in order to maintain the conditions of survival and to lead the company in a situation of evolution and improvement.

Keywords: cognitive system, cognitive models, autopoiesis, organizational behavior, intelligent firm

JEL Classification codes: L21, L26, M10

COST MEASUREMENT AND COST MANAGEMENT IN TARGET COSTING

Moisello Anna Maria

Firms are coping with a competitive scenario characterized by quick changes produced by internationalization, concentration, restructuring, technological innovation processes and financial market crisis. On the one hand market enlargement have increased the number and the segmentation of customers and have raised the number of competitors, on the other hand technological innovation has reduced product life cycle. So firms have to adjust their management models to this scenario, pursuing customer satisfaction and respecting cost constraints. In a context where price is a variable fixed by the market, firms have to switch from the cost measurement logic to the cost management one, adopting target costing methodology. The target costing process is a price driven, customer oriented profit planning and cost management system. It works, in a cross functional way, from the design stage throughout all the product life cycle and it involves the entire value chain. The process implementation needs a costing methodology consistent with the cost management logic.

The aim of the paper is to focus on Activity Based Costing (ABC) application to target costing process. So:

- it analyzes target costing logic and phases, basing on a literary review, in order to highlight the costing needs related to this process;
- it shows, through a numerical example, how to structure a flexible ABC model – characterized by the separation between variable, fixed in the short and fixed costs - that effectively supports target costing process in the cost measurement phase (drifting cost determination) and in the target cost alignment;
- it points out the effectiveness of the Activity Based Costing as a model of cost measurement applicable to the supplier choice and as a support for supply cost management which have an important role in target costing process. The activity based information allows a firm to optimize the supplier choice by following the method of minimizing the total cost of ownership (TCO). Moreover the activity based analyses reveals the opportunities for rationalizing the supply related activities and containing costs and it enables the effective involvement of the supplier in the process of target costing when he provides activity based information on the costs sustained to produce the product/service: the purchaser can evaluate the impact, in terms of cost, of the activities requested of the supplier and, as a result, he has the chance to rationalize these activities

by reducing their number or intensity and enables the effective involvement of the supplier in the process of target costing.

The paper gives a contribution in the advancement of costing methodologies applicable to the target costing, proposing the use of a flexible model that supports the decision process according to different time horizons so that effectively supports target costing. The model is suitable for production characterized by high complexity in terms of number and intensity of activities.

Keywords: Activity Based Costing, Target Costing, Total Cost of Ownership, Supplier Selection, Supply Management

JEL Classification codes: M

A REVIEW OF TOURISM AND HOSPITALITY INNOVATION RESEARCH

Nagy Andrea

Innovation plays a vital role in a company's development and in helping it keep up with new technologies and customers' highest expectations. A large number of publications on tourism innovation reflect the interest of many authors in this topic. In the past few years several authors have approached tourism innovation, developed models of innovation in tourism, analyzed innovation types or the factors that influence innovation in this field. The purpose of this paper is to review the existing literature on tourism innovation and to identify the main research tendencies in this area of interest. Therefore, we searched for keywords like "tourism innovation", "hospitality innovation" or "service innovation" in several databases such as Science Direct, Emerald, Sage Publications and The Center for Hospitality Research of Cornell University. Because this study focuses on tourism and hospitality innovation, there were analyzed 17 research papers regarding these aspects. Relevant findings such as factors that influence innovation in tourism and hospitality (hotels' size, category and chain structure, introduction of ICTs, employee involvement and commitment, customer or guest requests etc.), types of innovation implemented in this area and correlations between innovations' success and hotel performance were highlighted.

Keywords: innovation, service innovation, tourism, hotel, hospitality industry

JEL Classification codes: M10, O31, L83

CULTURAL TOURISM MOTIVATION – THE CASE OF ROMANIAN YOUTHS

Negrusa Adina, Yolal Medet

Cultural attractions have become particularly important and play an important role in tourism at all levels. They are also increasingly being placed at the centre of urban and rural development and constitute an important aspect of social and cultural lives of the residents. Cultural tourism is defined as 'visits by persons from outside the host community motivated wholly or in part by interest in the historical, artistic, scientific or lifestyle/heritage offerings of a community, region, group or institution. The main purpose of this research is to identify and understand the general dimensions of motivation for attending cultural tourism. Cultural tourism is motivated by tourists' interest in historical, artistic, scientific or heritage offering by a community, region, group or institution. It can be considered an independent segment of the tourism industry as well as a complement to mainstream tourism, in connection with other forms of attraction. In this sense, local communities and national organizations all over the world have developed particular cultural and heritage tourism products that attract increase the number of tourist visits each year. The study examine the motivations of Romanian young people in attending cultural tourism for underling the perspectives of cultural tourism development in Romania. We developed a quantitative study and designed a structured questionnaire to obtain information regarding youths' motivations and perceptions toward attending cultural tourism, including their demographic characteristics. Based on significant literature review we included 7 composite motives: learning reasons, cultural motives, experience something new, pleasure-seeking and entertainment, physical reasons, relaxation-based motives and indirect motives. The findings of this research provide a comprehensive view of cultural tourism behavior in Romania. The evidence suggests that for the

young and highly educated generation the most important reasons which attract them to cultural tourism activities are the novelty and learning experience. These distinct characteristics of young people's motivation and their behavior toward cultural tourism have a number of both practical implications for the cultural tourism organizers and theoretical contribution to the growing research of cultural tourism.

Keywords: tourism, cultural tourism, motivation, youth customers

JEL Classification codes: L83, M39

THE THEORIES OF INCOMPLETE CONTRACTS IN ANALYZING THE COMPANY Pacala Anca

Incomplete contracts theories have developed significantly in recent decades, although insistence for rigorous models left little room for empirical research. By formalizing and extending some results from other theories such as transaction costs, incomplete contracts theory tries to analyze the prudence displayed by the parties before the possible opportunistic behavior that would follow completing a contract, especially in the case of specific investments and how the insufficient contractual protection measures can lead to inefficient levels of investment. Even the name - incomplete contracts theory- suggests that the main concern is to consider the limits of contracts, that the contracts fail to specify not only the investment ex ante, but also many other unforeseen items that may appear ex post, and that would be desirable to be introduced in such an arrangement. Explanations can be either the bounded rationality or excessive cost that would involve writing of such contracts. This paper is part of the doctoral thesis on Integrate perspective on companies sector, coordinated by professor Ph.D. Alina Bădulescu from University of Oradea, Faculty of Economics.

Keywords: corporate governance, incomplete contracts, transaction costs, property rights

JEL Classification codes: D23, G34

RECENT THEORIES OF THE FIRM: A CRITICAL APPROACH

Pacala Anca

Besides the classical theories of the firms as complete or incomplete contract theories, in the last decades there were developed some new theories bringing new perspectives and approaches. Among these new perspectives we are presenting in this paper the evolutionary theory of the firm, the importance of resources and knowledge, and game theory. According to evolutionary theory the most important element for a firm is the company itself and its specific assets (physical and human). Evolutionist theories, in their diversity, are interested in issues such as the effects of changes in the long run within the firms, in terms of products, processes, decisions, analysis of the determinants of success. Resource and knowledge -based theories try to find a common point between transactions and organizational management analysis, focusing on development issues within companies, the importance of business strategy and achieving competitive advantages. Finally, cooperative game theory sees the firm as a coalition of various parts that compose it, emphasizing the importance of cooperative relations between employees and shareholders, risk sharing and effective collective skills, knowledge and funds using.

Keywords: corporate governance, evolutionary theory, co-operative game theory

JEL Classification codes: D23, G34

DEVELOPMENT POSSIBILITIES OF THE HUNGARIAN-UKRAINIAN

Pasztor Szabolcs

Thanks to the all pervasive globalisation trends previous state borders have become more permeable and subject to change. As borders disappear previously separated borderlands can unite and form a spatial unit where more increased economic interactions could integrate both sides to the global economy. The European continent is such a case which previously had been punctuated by strong state borders. Today the continent sees the physical and intellectual disappearance of

borders. Regional integrations – like the European Union – spur this process and helps the integration of borderland inside and outside of the common market. The creation of a common market was a huge success and still a great deal of benefits are anticipated from the fulfillment. We are not taken by surprise when we see a massive increase in the number of border related studies and researchers. This field is very popular today.

However the difference between Western and Eastern Europe is huge because eastern state borders are still strong or they link peripheral regions. There - under the communist times- border crossings were restricted and trade links were quite poor. No wonder that the tendencies of the past are still determining.

This paper focuses on of one the most peripheral external borderland of the Schengen zone: the Hungarian-Ukrainian borderland. Expectations are running high and the disappearance of the border is a long-awaited hope. First I take into consideration the relevant economic theory in connection with more intense borderland dynamics. In the literature the trade theory, new economic geography and the traditional location theory approach this question. The approaches do not give coherent and clear-cut answers so I have to turn my attention to different empirical approaches. These show huge heterogeneity depending on the nature and character of the borderlands. In the mentioned case, settlement-level data are not fully available so I conduct a questionnaire-based survey. With 432 cases collected from 6 micro regions from the Ukrainian side I can measure the possible cross-border dynamics of the borderless situation. With this method I follow the empirical approach of other regionalists who have come to the conclusion that the opening-up of borders can lead to different dynamism.

In this way I try to shed new light on the development possibilities and more increased economic interactions the Hungarian-Ukrainian borderland. The most important conclusion of this paper is the fact that with more intensive cross-border interactions not the neighbouring borderland benefits but centrally located or larger towns in Hungary. In this way I can point to the fact that borderland dynamics could be quite limited in the research area. With this paper I could confirm previous studies and point to the fact that empirical analysis is needed to understand the local dynamism of a borderless space.

Keywords: globalisation, spatial impact, borderlands, Hungary-Ukraine

JEL Classification codes: F22, J61, R12

ORGANIZATIONAL CHANGE: BUSINESS PROCESS REENGINEERING OR OUTSOURCING?

Pellicelli Michela, Meo Colombo Carlotta, Cioffi Andrea

This article aims to analyze the decisions that lead management to decide whether to make business process outsourcing or business process reengineering.

Investigating business phenomena, economic literature assumes some preliminary statements - or postulate - that guide the method of analysis, synthesis and generalization. In particular, we recall some preliminary statements method that helps us to understand the processes of organizational change.

We focus on the relevance, difference and usefulness of outsourcing and business process reengineering to support organizational change in the managerial function of an enterprise.

We show that BPR and BPO principles have a relevant content that could and should be the basis for imprenditorial change and innovation.

Keywords: business process reengineering, outsourcing, organizational change, change management, innovation.

JEL Classification codes: L24, L25, L26

ORGANIZATIONAL CULTURE AND ITS WAY OF EXPRESSION WITHIN THE ORGANIZATION

Pirjol Florentina, Maxim Raluca

The main theme of this paper is the role of organizational culture in a company and its way of expression within the organization, for its management, for its employees and for its competition. Organizational culture is undoubtedly one of the fashionable areas of management, with a relatively recent history. Its purpose is to sensitize readers to the importance of organizational culture for the success of an enterprise, and its objectives were: to define organizational culture and its influence factors, as well as to explain the role of its components in the organization as a whole and for its members. Practically, the interest in organizational culture began in the 7th decade, largely due to the performances of Japanese companies, performance explained by their specific culture. Although the concept is increasingly met in international and local literature, the process that prevents its practical implementation is the lack of scientific (theoretical) research at a company's level. The old generation of leaders lead based on knowledge acquired years ago, few are those who really consistently do research and are up to speed with the latest news in management, or in the economic field in general. This paper aims to identify key conditions that determine human activity in an organization and their relationship to the successful implementation of an organizational culture by exemplifying great successes of international companies. This is relevant, not only because these companies have huge incomes and recorded notable successes, but also because they enter and develop on the local market, trying to implement their thinking. Thus, local businesses can improve their business by adopting and adapting this way of thinking. The results of the research results reflect the fact that despite the concept that people are the main value of an organization, companies continue to ignore their employees, instead seeking the magic formula, the immediate solution or the latest management tool, not giving organizational culture the importance it deserves. We want to preclude the notion that it is easier to implement a new policy than to invest time to analyze and improve internal organizational culture. An organizational culture of success tries to improve old ways without losing the tradition, it brings advantages to the organization, to the management and to the employees.

Keywords: organizational culture, symbols, organizational behaviour, beliefs, values

JEL Classification codes: M14

EXPLORATORY STUDY REGARDING THE QUALITY ASSESSEMENT OF SERVICES OFFERED BY AN AUTO REPAIR SHOP IN CLUJ-NAPOCA

Rusu Corina

The quality of services should be treated as a resultant derived from the satisfaction of the costumers participating in the service consumption, which requires prior knowledge on the predictable behaviour and reactions of the clients to the offered services. In its turn, the service monitoring system's design must be shaped according to these behaviours: service delivery, service delivery management and service quality control are therefore inherently subject to a double purpose: obtaining consumer satisfaction and stimulating them to seek, in the future the services of the same tender.

It is obvious that, in the case services, their intangible character makes quality aspects to be rarely identified in physical or quantifiable indicators, which means that service quality measurements remains largely subjective or up to the client. As a result, each manager must choose some criteria for establishing the principles used in quality assessment and, ultimately, the practice under market competition conditions, is the one that will approve or not, on the long run those criteria, therefore the service's quality and its adequacy for a particular customer segment.

Keywords: service quality, global quality, client satisfaction, questionnaire, services

JEL Classification codes: M10, M20, M30

WORK ETHICS IN ROMANIAN COMPANIES (I) - EMPIRICAL EVIDENCES

Pup Anca

In many countries (e.g. Japan, China) it has been proved that a key-driven factor in increasing their economical development consists on employees' attitude toward work. Based on the assumption, the main objective of this article is to compound a descriptive image on drivers and barriers on work ethic in Romania, which illustrate the most frequent ethical issues in firm-employee relation. In this respect, the sense which I attributed to the term "work ethics" refers to specific attributes of relationship between two parts: employee and firm and in the second paper I will use this term based on Weber's definition as a belief in the moral value of the work. The empirical evidences presented here are the results of a research based on an online survey which I applied to managers and/or persons in leading position in Romanian small and medium enterprises. Using this methodological instrument, I collect responses from 828 companies from 41 different Romanian counties land. The resultants indicates that the main source of the unethical practices is based upon a double phenomenon: employees fail to comply with their labor contract duties and management administration restricts employees' rights to work (applying discriminatory practices) and rights to a fair wage.

Keywords: work ethics, business ethics, Romanian companies

JEL Classification codes: J30, J41, J50,

WORK ETHICS IN ROMANIAN COMPANIES (II) - A DESCRIPTIVE AND A NORMATIVE APPROACH

Pup Anca

This article has as start point the following question: "Why do we work?" Identifying at least three different answers, I consider that the attitude throughout work can be shaped based on these issue. At the first level, the value of work is based on the assumption that by work, the human being provides his living existence. On the second level, it is considered that the work supplies opportunities for self-expression, identity, drawing talent and enriching the personality. And on the last level, it is identified a new perspective upon work – as a reconciliation between private interest and public good. At each level, my aim is to present the status quo, but also the possible distresses when the value of work is bounded to one purpose, for example what happens if throughout our activity we are only absorbed to procure the supply basic needs or only to define our identity. If the attitude towards work specific for the first two levels is focused on "the desire to consumption", I consider that at the third level, the ethics governing employees shifted to "desire to production". That means that workforce is not only interested in economic rewards nor the gratification of self fulfillment or professional accomplishment, - aspects relevant on what one can receive- but it is focused on how it can be help full for the organization or for society, being concern upon on what it can offer, making a reconciliation between private interest and public good.

Keywords: work ethics, attitudes throughout work, economical and social reward

JEL Classification codes: J30, J41, J50,

RURAL DEVELOPMENT, TOURISM BUSINESSES IN VADU AND CORBU'S MUNICIPALITIES

Safta Dan

The main purpose of this article is to present the transformation needed by a seaside rural area in an internationally competitive tourism. Vadu and Corbu areas are rural municipalities which want to develop and convert into a new city: Orion City. Therefore, Vadu and Corbu's municipalities want to become a cluster region within the tourism industries and hence turn into a resort municipality where tourists can live and run their businesses as well as providing for tourism activities. The reason why it is interesting to create a cluster region is because it comes with

benefits for the companies and it helps developing the regional economy, since clusters' lower barriers in a new business formation are the ones which improve the environment for productivity. One investment that needs to be made in the direction of becoming a great resort municipality is the start up of an Advanced Rural Tourism Vocational Education in the region, named Orion Entrepreneur.

It should start with only 20 students in this programme, skilled ones, which should all want to start up own businesses within 10 years, and maybe some of them even plan to establish their companies in Orion City.

Also, the two municipality councils should invest in attractions to capture tourism companies.

However a trend can be estimated from the very beginning. The districts where most of the tourism businesses in Romania take place are rural areas close to populated regions, so called semi-urban areas. Or, there are no cities in Corbu and Vadu's municipality only one bigger town, Constanta. These makes us believe that, if the two rural areas want to become tourism municipalities they must invest, for example creating job opportunities and new residential areas. Therefore, the idea that I would like to promote would be to build a Las Vegas as a city of Romania, a city that would become internationally recognized as a 5-star holiday city, with hotels and rest facilities, shops and famous casinos, access to the delta, the Black Sea coast and to the historical sites for the passionate, but also access to spa treatments.

These investments are needed to attract inhabitants and business people to their municipalities before the tourism companies can flourish. Investments make this type of clusters attractive.

Keywords: cluster, tourism, rural, investments, entrepreneur.

JEL Classification codes: L26; L83

AN OVERVIEW ON THE DETERMINANTS OF MERGERS AND ACQUISITIONS WAVES

Vancea Mariana

This paper concentrates on the presentation of the economic dimension of the mergers and acquisitions from a macroeconomic perspective. Thus, the objective of this paper is to reveal the main drivers of merger and acquisition activity. These operations take place in waves, which enters the context of changing the competition game marked by economic changes, technological evolutions, changes generated by the phenomenon of globalization, and by regulating changes. On the other side, a series of studies in the literature argue the existence of a connection between evaluating the securities and the merger and acquisition activity. This research is based on a systematic, logical and comparative analysis of scientific literature regarding the macroeconomic determinants of mergers and acquisitions.

Keywords: external growth, merger and acquisition waves, macroeconomic determinants, neoclassical hypothesis, behavioural hypothesis

JEL Classification codes: M10, M20

FEATURES AND CHARACTERISTICS OF MERGERS AND ACQUISITIONS WAVES - OVERVIEW AND THE EUROPEAN EXPERIENCE

Vancea Mariana

This paper analyses the mergers and acquisitions waves that took place in history, emphasizing the generating factors of each wave of operations, as well as the particularities specific to each period. Systematically, these growth and development instruments have become very attractive for the firms in the entire Europe and, in the present, the phenomenon of mergers and acquisitions represents a reality having a major impact on national economies and also on the world economy. This research is based on a systematic, logical and comparative analysis of scientific literature and statistical data regarding mergers and acquisitions.

Keywords: external growth, mergers, acquisitions, waves, Europe

JEL Classification codes: M10, M20

SURVEY ON THE USE AND THE INTEREST OF INDIVIDUALS IN ONLINE STORES

Vlad Miranda Petronella, Corina Rusu

In Romania, most products sold in online stores are technology and communication ones. Best sold products through the Internet, globally speaking (games, toys, flowers, watches, tickets), are only 30% of the online products offered in Romania. Culture (books and information) only represents 10% of all products, as well as clothing and grooming products.

In recent years electronic commerce has had an explosive increase, starting to gain more and more ground on the traditional trade. In what follows, we will analyze the factors that favoured the development of electronic commerce, both in terms of consumers as well as vendors.

Keywords: electronic commerce, online store, customers, loyalty, Internet

JEL Classification codes: M10, M15, M31

THE MOTIVATION AND WAYS OF MOTIVATING THE HUMAN RESOURCES BEST WESTERN HOTEL CENTRAL ARAD

Vlad Silvia

On one side, this paper aims to define the motivation and study the methods of approaching and motivating the human resources and on the other side, we take a more closer look in analyzing the motivation and its means by applying a questionnaire to the hotel's human resources. In every enterprise, the core of the motivation reflects the management and economic concepts adopted within its walls. The wide variety of these concepts along with the extreme diversity of the personal and managerial situations available in each firm, reflect in the underlined dissimilarity component of the managerial theories and practices.

Keywords: motivation, motivating, bonus payment, job stability

JEL Classification codes: M12, M20, O15

SUB-SECTION: ECONOMIC STATISTICS

IDENTIFICATION AND MEASUREMENT OF REGIONAL DISPARITIES IN ROMANIA

Antonescu Daniela

The recent trends in convergence process between countries are not observed at the intra-national level where differences between regions are in fact accentuating. The increase in economic disparities between regions belonging to the same country is the consequence of concentration processes.

The increase in regional disparities is deemed to be due more to the high performance of some regions (capital or metropolitan areas), than to the sluggish performance of lagging regions. These processes of concentration do not however only concern the accumulation of wealth and the means of economic production in specific regions. A stronger concentration of jobs in those areas is also to be found as a result. Knowing the degree of concentration and also the influence factors is useful in making decisions and setting regional policy measures.

This article proposes a synthetic analysis of the development level of regions in Romania with the concentration/diversification model (Gini/Struck coefficients), based on the existing key statistical indicators.

Keywords: regional disparities, concentration/diversification, regional analysis

JEL Classification codes: R1, R12, R15

MONETARY STABILITY AND UNEMPLOYMENT IN AN EMERGING ECONOMY. THE CASE OF ROMANIA

Boldea Bogdan Ion , Burz Razvan

A typical feature of an economic crisis, as is the case of the last economic and financial crisis, is the rise in the unemployment. This phenomenon represents one of the most serious aspects of an economic recession implying additional constraints for the policy makers and increased social and economic distress. In this paper we approach the issue of unemployment dynamics for Romanian economy. Modern economies must cope with the challenge of achieving financial stability, given that the globalizing financial environment is becoming more complex due to globalization, to the intersection of the monetary and financial market, and to the financial industry innovativeness. Although this evolution of the markets encourages more efficient allocation of global capital resources, allowing the ways of financing to adapt more quickly to the needs of the real economy, “the financial sector is not exempt from tensions and destabilizing movements, which generate risks not only for the players of the financial sector, but also for the economy as a whole”.

Keywords: monetary stability, unemployment, emerging economy, Phillips curve

JEL Classification codes: E52, E58, E61, G01

ANALYSES OF ORADEA MUNICIPALITY’S ECONOMIC SITUATION THROUGH LOCAL REVENUES

Delcea Lavinia Sidonia

This paper proposes a new approach in presenting the economic situation of a municipality by analyzing its local revenues. The quantity and evolution of local revenues are extremely important in public management because, in their absence, local governments cannot implement any policy, endangering therefore the local economic development. In this paper we conducted an eight years analysis on the evolution of Oradea's municipality revenues. The used research methodology was both analytical and empirical, by constructing and analyzing selected indicators. In the end we conclude that the grants obtain by the municipality from the European Union represent the key to future economic development.

Keywords: local revenues, local development, public finance

JEL Classification codes: H20, H71, O18

THE EXPENDITURES ANALYSIS OF ORADEA MUNICIPALITY'S LOCAL BUDGET

Delcea Lavinia Sidonia

The quantity, evolution and destination of local expenses are particularly important in public management because they sustain the local economic development policies supported by the local public administration. In this paper we conducted an eight years analysis on the evolution of Oradea's municipality expenses. The used research methodology was both analytical and empirical, by constructing and analyzing selected indicators. We concluded with observing an improvement in Oradea's expenditures policy efficiency during 2005-2012.

Keywords: local expenditures, local development, public finance

JEL Classification codes: H72, H76

THE CONTRIBUTION OF BUSINESS CONFIDENCE INDICATORS IN SHORT-TERM FORECASTING OF ECONOMIC DEVELOPMENT

Gagea Mariana

In this paper we study the usefulness of using confidence indicators derived from business surveys in the assessment of the state of economy and in short-term forecasting. For this purpose, we consider the relationship between the industrial confidence indicator and industrial production index in Romania and other European Union member states. We apply graphic methods to analyze the dynamics of variables considered, cointegration and causality tests, as well as the synchronization analysis of cyclical patterns of the confidence indicator and the industrial production index. The cyclic component of data series is extracted with Hodrick-Prescott filter and the identification of turning points is made with Bry – Boschan procedure. The results indicate that the industrial confidence indicator provides important information on the status and evolution of economic activity, although significant differences were found between the countries analyzed. For Romania, the confidence indicator is not Granger-cause for the reference series and the cycles of the two series do not have a strong synchronization, which restrict the use of the confidence indicator in assessing and forecasting the country's economic activity.

Keywords: confidence indicators, industrial production index, Granger causality test, Hodrick-Prescott filter, Bry-Boschan procedure.

JEL Classification: C22, C53

STYLIZED FACTS OF ROMANIAN BUSINESS CYCLE. THE LITERATURE (I)

Mester Ioana

If the more or less regulate moves of the macroeconomic variables are accepted by the economists as a reality, the problem of measuring the aggregate level of the economy in direct correlation with these fluctuations is much more difficult, due to the numerous variables involved.

The way these variables move in time is very different from a period to another as well as from a country to another. While some variables have already reached their maximum level, others are on their descendent slope. This is the reason why the measurement problem of the aggregate level of the macroeconomic activity deserves our attention. Finding the patterns macroeconomic variables move together and influence each other is important both as a theoretical challenge, but for its practical utility as well.

Depending on the result of the measurement process, the authorities are able to conduct their economic policies. More precisely, the monetary or fiscal authority will act differently if the economy is in recession or in expansion. These are the reasons for which a very important phase in the study of the cycle is its descriptive analysis, which is realized by focusing on certain aspects, such as: the length and magnitude, the correlation of the economic variables with the reference series, the study of the cyclical indicators, the analysis of the relative variability of economic series, the diagnose and prevision based on the cyclical indicators.

The first part of this paper presents the relevant literature regarding the evolution of business cycle models as well as the stylized facts of business cycles. In the second part of the paper we'll deal

with the most frequent decomposing techniques as well as with the stylized facts for Romania's business cycle. Finally, these stylized facts are used to validate a real business cycle model for the Romanian economy.

Keywords: business cycles, stylized facts, comovements

JEL codes: E12

STYLIZED FACTS OF ROMANIAN BUSINESS CYCLE. AN EMPIRICAL INVESTIGATION (II)

Mester Ioana

If the more or less regulate moves of the macroeconomic variables are accepted by the economists as a reality, the problem of measuring the aggregate level of the economy in direct correlation with these fluctuations is much more difficult, due to the numerous variables involved. The way these variables move in time is very different from a period to another as well as from a country to another. While some variables have already reached their maximum level, others are on their descendent slope. This is the reason why the measurement problem of the aggregate level of the macroeconomic activity deserves our attention. Finding the patterns macroeconomic variables move together and influence each other is important both as a theoretical challenge, but for its practical utility as well.

These are the reasons for which a very important phase in the study of the cycle is its descriptive analysis, which is realized by focusing on certain aspects, such as: the length and magnitude, the correlation of the economic variables with the reference series, the study of the cyclical indicators, the analysis of the relative variability of economic series, the diagnose and prevision based on the cyclical indicators.

Our paper deals with the stylized facts of Romanian business cycles. In our previous paper we investigated the theoretical aspects regarding the stylized facts of the business cycle. In this second part of our study, we first deal with the most common challenges that economists deal with when handling historical data, we'll present the most common methods to solve these problems. The empirical part of our study begins with an investigation of the stylized facts of Romania's business cycle, then a RBC model is estimated for the same economy. The simulations of the model are compared with the stylized facts of real data.

Keywords: business cycles, stylized facts, comovements, real business cycle

JEL codes: E12

FORECASTING EXCHANGE RATES WITH BAYESIAN MULTIVARIATE TIME SERIES METHODS

Mouratidis Kostas , Ruxanda Gheorghe, Toader Cristina

This paper provides an comparative predictive analysis between the models based on the fundamentals with a relationship between exchange rates and fundamentals variable in time by using Bayesian Multivariate Time Series Methods , like Bayesian VAR's being put in evidence the process of Bayesian Inference . The analysis is realized for GBP/USD exchange rate and the prediction realized for h step ahead direct and iterated forecasting and then compared the results between the considered methods .

Keywords: VAR , fundamentals , exchange rate, forecasting

JEL Classification codes: F31 , G10

THE IMPACT OF INVESTMENTS, EXPORTS, AND OPENNESS ON ECONOMIC GROWTH. A COMPARATIVE STUDY ON THE EAST EUROPEAN COUNTRIES

Simuț Ramona

The study of the economic growth process has older implications. The preoccupation for the study of the economic growth has existed beginning with the representatives of the Classical School and continuing with the Keynesians, Neokeynesians, and Neoclassics. A series of empirical studies

have tested the correlation between the dynamics of the different factors and the process of economic growth.

This paper examines the role of investments, export and openness in relation to economic growth for the East European countries and also has the objective to estimate the long-run relationship between economic growth, investment and export in Eastern European countries using trimestrial data from the Eurostat as well as National Statistical Institute. We used Johansen cointegration test to estimate the nature of relationship and Granger causality test is used to determine the direction of causality in the model.

Keywords: economic growth, export, investments, East European countries

JEL Classification codes: C32, E52

SOCIAL AND ECONOMIC FACTORS AFFECTING POPULATION IN ROMANIA

Toader Valentin, Gidiu Valeria

As a result of the fact that at the end of 2011, in Romania, was conducted the Population and Houses Census, many studies were focused on the demographic evolution from our country. Our paper is focused on the factors that are influencing the evolution of population in Romania, in order to explain the evolution of demographics. The study was conducted on a 20 years timespan, using statistical data that are characterizing the macroeconomic and demographic environment between 1990 and 2010.

To achieve our goals, we will use the statistical methods to analyze the data released (time series and cross section data) by the National Institute of Statistics. We will try to find some correlations between the evolution of population and social (natural increase of population, net migration) and economic factors (employment, average net wage, GDP).

We conclude sustaining that the increase of emigrants and the ageing phenomenon in last 20 years decreased the number of population, while the increase of employment and GDP are two factors that have a positive influence on the population evolution. The average net wage may have two types of effects: an increase of the wage may represent an opportunity for some families to cover easily the cost of having a child, while for others, the opportunity of gaining higher wages may change their working behavior determining them to focus on career and postponing the birth of a child.

Keywords: population, natural increase of the population, migration, employment, net wage, GDP

JEL Classification codes: J11, E24

SECTION: FINANCES, BANKING AND ACCOUNTING

SUB-SECTION: FINANCES

FINANCIAL ANALYSIS AND THE PREDICTION OF FIRM BANCUPTCY

Achim Monica, Sorin Borlea, Ludovica Breban

The “new economy” has set new economic and financial development models and consequently new models to predict failure for companies. In this paper we tried a review of risk prediction models based on financial ratios, making classifications by time, space or nature of variables chosen. Although, the studies of prediction failure are extremely large, we note that the developed models are successfully applied in space and time were created, although there are models that have proved their viability over time. Finally we conclude that, for a better accuracy, the bankruptcy risk predictions model based on financial criteria should be supplemented by non-financial criteria (age, market share, the form of ownership, auditor critical comments, etc.)

Keywords: bankruptcy risk, financial analysis, prediction, financial rates, discriminant analysis

JEL Classification codes: G32, G33

INVESTMENT FUNDS’ PERFORMANCE AND ECONOMIC GROWTH

Apolzan Carmen Maria

In this paper we examine the performance of investment funds during the period 2006-2010, intending to comprise the portfolio performance’s dynamics before, during and after the present economic and financial crises climax. We categorize investment funds according to their investment strategy and geographical focus and distinguish a number of 11 classes. In order to analyze their returns’ dynamics, we create a fund performance index for each category using principal components method. The instability created in financial system in 2007 had a direct impact on institutional investors’ portfolios regardless of investment strategy, effects that have rapidly propagated on real economy. Analyzing index’s dynamics correlated with economic growth we conclude that financial and economic environment react in the same direction, but with a certain time delay, to instability factors. We also underline the major impact of boom and bust evolution of financial markets on real economy, cause of the current economic and financial crises.

Keywords: investment funds, portfolio performance, economic growth, crises, investment strategy

JEL Classification codes: G20, G23, G29

A NEUROECONOMIC APPROACH OF TAX BEHAVIOR

Batrancea Larissa-margareta, Nichita Ramona-Anca

Governments around the world register substantial losses due to tax non-compliance behavior. Whether it is tax avoidance or tax evasion, non-compliance has repercussions on the whole society because it mitigates the quality of the provision of public goods. Nevertheless, the level of tax compliance is significantly higher than the classical tax evasion model of Allingham and Sandmo (1972) predicts. A manifold of theoretical and empirical studies invalidate the assumptions of the classical model by trying to give answers to one of the most intriguing questions: Why people pay taxes? Taking into consideration these realities, we summarize some of the findings related to tax behavior within the emerging new field of neuroeconomics. Using state-of-the-art technology (non-invasive brain stimulation, non-invasive measurement of brain activity, pharmacological interventions to raise or lower the activity of neurotransmitters, eye-tracking or skin conductance response), neuroeconomics steps on the scene to give insights on the reasons for which taxpayers display a certain tax behavior. According to the neuroeconomics mainstream literature, emotions guide the decision-making process when outcomes are uncertain with regards to rewards and losses. At neural level, the amygdala triggers bodily states related to reward and loss and the ventromedial prefrontal cortex reenacts past experiences of reward and loss to predict future

outcomes. Some taxpayers who decide to engage in tax evasion experience a positive feeling when anticipating the profit from dodging taxes, feeling that is triggered by the amygdala. Other taxpayers don't engage in tax evasion because they want to avoid negative feelings (shame, guilt, regret). Oxytocin facilitates dopamine release which is a positive physiological motivation for cooperation. As a consequence, taxpayers' trust levels increase and, with it, increases the propensity to comply with the tax law. Besides summarizing neuroeconomics findings related to tax behavior, we also draw attention on some policy implications which may derive from neuroeconomics studies and may assist authorities in raising tax compliance levels. Tax evasion is showed to decrease in trustful environments where tax authorities facilitate compliance process and where taxpayers believe their true earnings can be accurately estimated by tax authorities. Tax evasion also decreases when tax authorities publicly denounce tax offenders.

Keywords: neuroeconomics, tax compliance, trust, oxytocin, eye-tracking
JEL Classification codes: D87; G02; G28; H26

METHODS OF FUNDS ANALYSIS IN THE SALAJ COUNTY

Bechis Liviu

In this paper the authors present methods of analysis of budgetary resources in territorial, the example of Salaj County. We analyzed this county revenues and expenditures during 2007-2010, using a system of indicators related

Keywords: resource allocation, income, expenses, results
JEL Classification codes: G18

THE ENVIRONMENT OF REGIONAL DEVELOPMENT FINANCIAL ANALYSIS

Bechis Liviu, Moscviciov Andrei

The paper presents the difference between the two concepts regionalism and regionalization. It also presents the three types of regionalism analysis depending on the dimension and the nature of the relations: regionalism at national level, transnational regionalism and international regionalism analysis.

Keywords: regionalism, development, regionalization
JEL Classification codes: G18

OPERATIONAL RISK MANAGEMENT IN PUBLIC SERVICES HEAT SUPPLY

Bolos Marcel Ioan, Otgon Cristian Ioan, Guler Ovidiu Vasile

Operational risk is one of the main methods of analysis and management in the company break even. Beyond this threshold, usually companies have profit. The break-even point is the point that equalizes revenues and expenses generated by the activity of the company. Is there is a break-even in public services? For this question we will try to find an answer, given that public service operators act on monopoly markets, and consumers are captive, and do not have the possibility of choosing another public service operator. Quantifying the operational risk, the results obtained and their interpretation offer the endorsed readers a new model of risk management in public services.

Keywords: Operational risk, company, public service, break-even
JEL Classification codes: H0, H10, L32

THE RISK OF FINANCIAL CONTAGION IN THE FORMING PROCESS OF THE BUDGET CLAIMS

Bolos Marcel Ioan

Financial contagion is a complex process that occurs between companies, as part of the business environment, affecting the formation and settlement process for the debts owed to public budget. The company viewed as a whole has debts to suppliers, to financial creditors, and to the state budget. Each of these debts is accompanied by a risk, which often lies in the problem of not paying

a debt to the creditors. Thus, this paper aims to establish the impact upon the formation and settlement process for the public budget.

Keywords: Financial contagion, company, debt, creditor, state budget

JEL Classification codes: G28, G38, H68, H61

THEORETICAL CONSIDERATIONS ON THE ISSUES AND GENERAL VALID RULES FOR LOCAL TAXES AND FEES ACCORDING TO TITLE IX OF THE FISCAL CODE AND POINTS FROM METHODOLOGICAL NORMS OF APPLIANCE THE FISCAL CODE TITLE IX: DEFINITIONS.

Bota Florin Anton, Popescu Luigi

To operate in complex and real problems of determining the amount of local taxes, specialized inspectors from local administration services, but also the taxpayers, must have regard to a number of issues and general rules apply across the spectrum, in general, of local taxes. Based legal matter in this issue of principle is found in the Romanian Fiscal Code, Title IX and points from the Methodological Norms of the Fiscal Code, referring of Title IX.

Trying a systematization of issues of local taxes through the Fiscal Code provisions, Title IX and its implementing Norms, we concluded that the issues and generally applicable rules for local taxes are found, scattered, over different articles of Title IX and during various points of the Methodological Norms of application of the Fiscal Code provisions relating to Title IX.

In the analysis we did, we concluded that the issues and general rules applicable for local taxes are grouped into three categories namely: a first group, comprising mainly with issues and rules theory, including here a series of definitions, principles underlying the establishment of local taxes and special to their calculation, as they result from the comparative analysis of art.247 Fiscal Code Section 1-10, 14 and 15 of the Norms of Fiscal Code, the provisions of Title IX. A second category of issues and generally applicable rules applicable for local taxes is considering issues related primarily to the role of - specifically local - in the domain of local taxes, and in the third category of issues and rules generally valid applicable are the local taxes relate to budgetary nature.

Throughout this article, we detail aspects of the first category, the related issues and general rules applicable for local taxes, mainly theoretical, and for this category, we will insist on clarifying the definitions given in Article 247 Fiscal Code and the contents of paragraphs 1-10, 14 and 15 of the Methodological Norms of the Fiscal Code provisions relating to Title IX.

Keywords: fiscal code, local taxes, local fees, Romania

JEL Classification codes: H2, H3

HOW CAN ROMANIAN GOVERNMENT BOOST ECONOMIC GROWTH?

Campeanu Emilia, Gyorgy Attila

Restoring economic growth is a challenge for the Romanian government that have to apply fiscal and budgetary measures in order to restore the positive path of the GDP without deteriorating the public finances sustainability. Therefore, it is necessary to identify based on historic data the impact of fiscal and budgetary policy on economic growth. The aim of this study is to analyze the effects of fiscal and budgetary policies on economic growth based on Romania case. The results are useful for identifying the instruments to boost the economy and propagation mechanisms of their effects on growth. Therefore, the economic growth is sustained by governmental measures involving increases for taxes on production and imports and cut for current taxes on income and wealth. Meanwhile, compensation of employees, subsidies and interest have significant statistical effects on growth.

Keywords: fiscal policy, budgetary policy, growth

JEL Classification codes: E62, H20, H50, O23

FINANCIAL STABILITY – THE PRE-REQUISIT OF A SUCCESSFUL FINANCIAL ACTIVITY

Chirila Emil

Essential component of social life, the economic activity is faced with the problems of permanent balance. General economic balance implies the existence of a correspondence between needs for material goods and goods possibly available; needs for labor force and manpower available; needs for financial resources and opportunities for their procurement; between revenues of the population and their possible coverage with goods and services; between needs for foreign currency resources and those potentially available in given circumstances. We believe that the financial balance of an company must reflect, through financing rates, the method of ensuring, allocating and using financial resources, on the one hand, and the economic-financial results obtained from the activity performed on the other hand, as well as reflect the relation between cash flows generated by operation activities, by investments and financing, on the one hand, and cash flows used for these activities, on the other hand.

The financial balance study, according to "Cross-border research programme - performance indicators of entities in the Bihor- Hajdu Bihar Euro-region" - HURO/0901/204/2.2.3 was based on the basis of financial reporting for the years 2008-2010 for a number of 50 companies grouped in the representative activity sectors contributing to the county's GDP performance as follows: Processing industry, Building, Building materials industry, Light industry, Agricultural products processing, Forestry and wood-processing industry, Commerce, Tourism services, Transport services. The calculation of balance indicators for the examined Bihor county companies are presented in the tables from the second chapter and briefly interpreted.

It is important to note that companies which are representative for the economy of the Bihor county, possess 93,7% of the total subscribed and used capital, given that the number of public limited companies is 330 and represents only 1%, while the number of private limited companies is 21644 and represents 66,7% of the total of companies. In the same period, Hungary was on the first position by the number of companies with foreign capital, representing 1639 companies with registered capital of 21.6 million Euros.

Keywords: Corporate finance, Financial Statements, Financial Stability

JEL Classification codes: G30, G32, O16, C63, C61

GLOBAL FINANCIAL CRISIS AND UNIT-LINKED INSURANCE MARKETS EFFICIENCY: EMPIRICAL EVIDENCE FROM CENTRAL AND EASTERN EUROPEAN COUNTRIES

Ciumaş Cristina, Chiş Diana-Maria, Botoş Horia Mircea

This paper empirically investigates the impact of the Global financial crisis on the efficiency of four Central and Eastern European emerging unit-linked insurance markets, applying the automatic variance ratio (AVR) test of Kim (2009) and variance ratio tests using ranks and signs by Wright (2000) for entire, pre-crisis and crisis periods. This study contributes to the existing literature on efficient market hypothesis with several distinct features: it provides a systematic review of the weak-form market efficiency literature that examines return predictability of the daily ING unit-linked funds prices; also the article aims at monitoring any improvement in the degree of efficiency in time and also examines the relative efficiency of unit-linked insurance markets in pre-crisis and crisis periods. Unit linked insurance are life insurance policies with investment component. In the literature there are few studies investigating the effects of a financial crisis on the potential of predictability and implicitly on the degree of efficiency of financial markets. The occurrence of a market crash or financial crisis is a possible contributing factor of market inefficiency. Most of the studies are focused on the Asian crisis in 1997: Holden et al. (2005) examined the weak-form efficiency of eight emerging Asian stock markets using VR tests before, during and after the Asian crisis; Kim and Shamsuddin (2008) used three different types of multiple VR tests for nine Asian stock markets; the findings reported by Lim et al. (2008) are consistent with those reported by Cheong et al. (2007), in which the highest inefficiency occurs

during the crisis period. Todea and Lazar (2010) investigated the effects of the Global crisis on the relative efficiency of ten CEE stock markets, using Generalized Spectral test of Escanciano and Velasco (2006). Wright (2000) proposes the alternative non-parametric variance ratio tests using ranks and signs of return and demonstrates that they may have better power properties than other variance ratio tests. Kim (2009) found that the wild bootstrap AVR significantly improves the size and power properties of the AVR test. Using the bootstrapped automatic VR test developed by Kim (2009) and Wright's test, the statistical findings show that the degree of the markets' inefficiency varies through time and surprisingly the empirical results suggest that the Global crisis led to a decrease of predictability and hence to an improvement of relative efficiency for five of the eight ING funds.

Keywords: Global financial crisis, unit-linked insurance markets, market efficiency, martingale, variance ratio test

JEL Classification codes: G22, G23, G14, C58, C87

INSURANCE CONTRACTS BASED ON INDICES, A STEP TOWARDS WEATHER DERIVATIVES

Ciomas Cristina, Botoș Horia-Mircea, Chiș Diana-Maria

The aim of this paper is to analyze the methodology of structuring an index based insurance contract.

The weather has always been the biggest risk factor in agriculture, affecting all aspects of the economic sectors. In the developed countries of the world, there is a significant number of rain-dependent farmers.

To gain insight into potential growth of weather markets in developed countries, we are going to analyze the case of India. In 2003, Basix microfinance company in Hyderabad and ICICI Lombard insurance company in Mumbai have launched a pilot weather insurance, which had as basic index phenomena for Mahabubnagar district of Andhra Pradesh. Further detail can be found in the full-paper.

In the paper we will enumerate the appropriate steps in the determining the necessity for the use of index based insurances. The appropriate stages are making a comparison between index based insurances and traditional insurances, and optimizing the use of weather indices in insurance contracts.

In order for the contracts to be successful, the recommended steps are: developing a product based in an index, and after that we need to plan and implement the contract. In planning the implementation it is needed that we: identify the risks and areas where they manifest, then identify the best distribution channels; after this we can develop a prototype of the contract. The next step would be the testing of the negotiability of the contract, then the contract is opened to be finalized. After this the index based insurance contract can be introduced to the market, but the program needs monitoring in order to insure its successfulness.

In order for the market and contract to grow the necessary steps are: having access to the necessary meteorological data, determine the optimal way of integrating the contract in the existing economical context, technical feasibility, property rights and the legal framework.

In the end, the aim is to familiarize the literacy field and potential beneficiaries of such products and to provide some way to address this market for investment purposes, showing a bridge-point between the traditional insurances and the more elaborated weather derivatives.

Keywords: insurance based on indices, Basix, CRMG, weather indice, insurance contracts

JEL Classification codes: G22

LOCAL BORROWING AUTONOMY AS PART OF FISCAL DECENTRALIZATION PROCESS

Crasneac Alexandru Octavian

Beside the usual fiscal instruments like taxes and intergovernmental grants, sub-central governments have access to additional revenue through borrowing. When assessing the fiscal decentralization process, a key issue is the local borrowing autonomy, even though the fiscal decentralization literature has devoted surprisingly little attention to this topic. This paper examines the implications of sub-central government borrowing and the reasons behind the borrowing constrains they face. Based on the methodology developed by IADB, we have calculated a Borrowing Autonomy Index for Romania and compared the results to other countries providing a valuable insight on the fiscal decentralization specific features.

Keywords: fiscal decentralization, sub-central government, local borrowing, borrowing autonomy
JEL Classification codes: H71, H77

STUDY ON THE SOLVENCY OF ROMANIAN COMPANIES

Csegedi Sandor, Batrancea Ioan, Todea Angela

Abstract. In this paper the authors describe how the analysis of solvency to prevent bankruptcy of Romanian companies. In this respect safety intervals are identified by the authors after analyzing the financial condition of more than 900 Romanian companies.

Keywords: Key words: solvency, assets, liabilities, financiers
JEL Classification codes: Gel classification: G32

ANALYSIS OF PERFORMANCE RATES IN THE IT INDUSTRY

Csegedi Sandor, Moscviciov Andrei, Todea Angela, Molnar Andra

Abstract. In the paper the authors show a modality of performance analysis based on ratios which are useful tools of analysis that synthesize large amounts of data in a form easier to understand, to interpret and compare. They underline in the same time certain limits to be analyzed for each case. When comparing rates from different periods should be considered the operating conditions of the economic entity and the impact of certain changes to the financial statements such as: changes in economic conditions, the production process, the various product lines or geographic markets served.

Keywords: liquidity, leverage, assets, equity
JEL Classification codes: D22

AN INTRODUCTION TO BEHAVIORAL CORPORATE FINANCE

Dedu Vasile, Turcan Ciprian Sebastian, Turcan Radu

The purpose of this paper is to reflect the behavioral aspects that govern corporations. The paper briefly presents some of the main pillars of behavioral corporate finance: management, closed-end funds puzzle, dividends and the importance of aggregate earnings releases. The first pillar consists in a brief presentation of the behavioral factors related to the management of corporations, such as the fact that independent directors are not that independent as they should be, they do not have the prerequisite expertise for assessing complex financial risks, the importance of ethics and having a corporate culture that nurtures doing the right thing above anything else and the fact that CEO's decisions reflect in good part, their personal style rather than a set of criteria determined by the company. In the second part of the paper, it is treated the puzzle why would investors buy a closed-end fund at its IPO price, knowing that it is likely to fall to a discount, when they could buy instead an open-end fund that is guaranteed always to trade at par and some mentions about the way that dividend policy may be influenced by managers "œcatering"• to the demands of investors and also the effects of aggregate earnings announcements over the market returns.

Keywords: Behavioral finance, conflicts of interests, corporate finance, managers, dividends, closed-end fund puzzle, aggregate earnings

MONEY LAUNDERING TYPOLOGIES SPECIFIC TO ROMANIA

Din Alina Valentina

Money laundering is a process by which some people render or try to render a legal appearance to some profits obtained illegally by criminals who, without being compromised, will afterwards benefit from the respective incomes.

In this context, the issue of money laundering, comprising a wide spectrum of directions, namely: the main landmarks regarding the appearance of “dirty” money and its laundering; the money laundering mechanism which mainly involves its A) the placement the initial movement of money, in order to change its form or place and to place it outside the authorities’ coverage area of applying the law. For the incomes in cash which are permanently cashed, there are valid the first techniques used by the mafia groups in 1920 in the USA. Illegal money is mixed with money legally obtained from businesses which involve cash receipts. B) Stratification (or investment) represents the second stage of money laundering in which the money circulates within different companies, corporations and financial institutions, physically, by deposit or electronic transfer. One aims to physically move the money to other entities in order to separate it from its illegal source in an attempt to disguise its origin. In most of the cases, the first concern after committing the basic infraction is to transfer money abroad. The basic rule is that the person whose funds have to be transferred should not assume this risk. At the international level there are networks of professional couriers who take over the transfer action and provide the delivery of money abroad, at the established place and then its integration, respectively the return of clean money to the offender in order to be used as legally obtained money; regulations regarding money laundering, at international level (Convention from Vienna, Recommendations of the International Financial Group - GAFI 40 + 8 Special Recommendations regarding Terrorism Financing, European Union Directives) as well as at the national level; essential characteristics of the activity to prevent and fight against money laundering in Romania, which is mainly the responsibility of the National Department for Money Laundering Prevention and Control - ONPCSB, as well as the financial analysis of the activity to prevent and combat money laundering in Romania within 1999-2011, identifying the specific typologies of money laundering; the connection between money laundering and terrorism financing.

Keywords: fiscal evasion, underground economy, corruption, taxes, fraud

JEL Classification codes: G

THE UNDERGROUND ECONOMY, THE CORRUPTION . A WAY OF MANIFESTING THE FISCAL EVASION

Din Alina Valentina

Fiscal evasion is mainly found within the underground economy, came to the specialists’ attention within the 1960s, moment in which it took a great extent. The main cause which leads to activities within the underground economy is represented by the increase of direct taxes, which has the largest influence, followed by the intensity of the regulations and the complexity of the fiscal system. The imposed taxes determine more and more countries to act within the underground economy, as long as there is not a proper offer of public goods and infrastructure. In his study, Vito Tanzi indicated as the main cause of the underground economy the level of taxes.(Tanzi,1983:11-15) He adds the instability of the legislative framework, legislative restrictions imposed within certain states, corruption and bureaucracy. Corruption and the activities specific to the underground economy are realities all the states confront with. Gathering information about the dimensions of corruption and the connection with the underground economy proves to be a task which is impossible to achieve, because all the people involved within these mechanisms prefer not to be identified. Even if the underground economy and corruption are considered as being twins, the questions which appear are: who needs them and who fights against them? Theoretically speaking, corruption and the underground economy can be complementary or

substitutable. The anticorruption efforts have to focus on a real reform of the administrative system, whereas the citizen's perception on corruption is mainly based on his personal experiences in direct connection with the state institutions. Both the public sector as well as the private sector should become more responsible, so that the public institutions to be able to carry out their obligations under integrity conditions and without external pressure or implication. Corruption attracts the economic agents to the underground economy, which leads to a reduction of taxes collected by the state, finally materialized in the increase of the fiscal burden for a less and less number of tax payers.

Keywords: fiscal evasion, underground economy, corruption, taxes, fraud

JEL Classification codes: G

GREAT BRITAIN AND GERMANY SUPREME AUDIT INSTITUTIONS

Dobre Cornelia

Overall progress recorded in contemporary society, has increased at the same time the aspirations and expectations of the population, marked by phenomena which are based on the financial policy of the Executive. Of course, for the legislature to know the financial activity carried out by the Executive Board, in each State was established a Supreme Audit Institution (SAI), whose independence is guaranteed by the Constitution, as it is in Germany, or by law, as is the case of the United Kingdom. The variety of powers of supreme audit, is the result of various economic areas, each demonstrations through specific activities and suitable approaches to organizational cultures, which gives them their distinct identities. The work is conducted under the public responsibility with an emphasis on developing and improving continuously audit methodologies to present best practices. The two supreme institutions operate according to an annual plan of action which includes financial audit or regularity and performance auditing actions, and additional Federal Court of Audit of Germany practice preventive control institutions contained in its area of activity. By tradition, the role of supreme consists of the evaluation as regards the legality and regularity of financial management and accounting, but since the 80's but it was noticeable trend internationally to audit performance or "value for money" (United Kingdom), since the latter refers to the essence of the problem and is the final attainment of the envisaged at the time of allocation of resources. The topic researched is distinguished by originality, marked being the fact that a area so important as that of external public audit is least known works, and I wish to point out the vacuum bibliographic Supreme Audit Institutions experience in the international arena and beyond. Research methodology consists in the evaluation of resources in the area, using foreign literature. For the study of the subject of this material have been followed the official sites of the Federal Court of Audit of Germany and of the National Audit Office of United Kindom, including consulting on hypothetical case studies submitted by the specialists of the two institutions on the occasion of seminars held at the Romanian Court of Auditors. This work focuses on developing institutional development, role, experience and traditions performed in the field of external public audit, as well as their relationship with the Parliament, including the measures taken as a result of recovery audit reports. Thus, the supreme institutions analysed may constitute "models" for Romania's economic reality. In our opinion, any "model" should be adapted to the situation on the field and in this case the model becomes the solution. An assessment of the current business of the supreme audit institutions, we ask where is heading and how they will look in the future. Perhaps the future will provide this response.

Keywords: Supreme Audit institutions, financial audits, performance audit, annual report, the new public management

JEL Classification codes: M42

FINANCIAL PERFORMANCE ANALYSIS BASED ON THE FINANCIAL STATEMENTS FOR THE COMPANIES LOCATED IN THE BIHOR - HAJDU BIHAR EUROREGION

Droj Laurentiu

This paper will be later used within the Doctoral thesis: “The Mechanism of Financing Investment Projects by Usage of European Structural Funds”, which is currently under development at the University Babeş Bolyai Cluj Napoca, Faculty of Economics and Business Management, under the coordination of the prof. univ. dr. Ioan Trenca. This paper comes also as a result of the European Funded project PERINPRO “Cross-Border Research Programme - Performance Indicators of the Economic Entities from Bihor-Hajdu Bihar Euroregion”. The goal of the project was to identify of a set of common indicators that characterizes companies in the Bihor-Hajdu Bihar Euroregion and which will be used to analyze the financial health of the economic entities in the Euroregion of Hajdu-Bihar- Bihor.

The first chapter of the paper will introduce the research and also will present the literature review and the methodological framework: by establishing a common set of indicators for the financial analysis of the companies located in the Bihor-Hajdu Bihar Euroregion. Seven of these indicators considered to be highly important will also briefly described and defined. Some of these indicators are used for the first time in a trans-national analysis over companies located in the Romanian-Hungarian cross border area. In the second chapter the research will be focused over establishing a common ground for usage of the financial reporting documents as basis for the analysis. Several characteristics which differentiate the financial reporting documents from Romania and Hungary will be identified and measures for correction of the values of the indicators will be proposed. This comparative study can be considered an innovation, as well, in the cross-border area since in the past no other studies of this types were performed between Romania and Hungary. The third chapter will be focused over the application of seven identified common indicators to companies based in the cross-border area. In the last part of the paper these results will be analyzed and presented.

Keywords: Corporate finance, Financial Statements, Performance Analysis, Performance Indicators

JEL Classification codes: G30, G32, O16, C63, C61

FINANCIAL SYSTEM STRUCTURE AND STABILITY DURING TRANSITION

Firtescu Bogdan

The process of transition from socialist economy to market economy was not considered an end in itself, but a necessity, and standing proof to achieve high levels of sustainable development. All former socialist countries are characterized by an early transition recession transformation result of the restructuring, loss of markets, tough competition from foreign products, best quality, or in other cases cheaper. To express the financial system structure in transition we take into discussion data that reflects representatives mutations and restructuring in Central and Eastern European countries, such Bulgaria, Czech Republic, Hungary, Poland and Romania. For all countries we show some important changes of financial system during transition and construct an image matrix that illustrates important indicators of financial system structure and their adjustment.

Keywords: financial system structure, financial system stability, transition, banking systems.

JEL Classification codes: E44, G01, G21

THEORETICAL CONSIDERATIONS REGARDING THE AUTOMATIC FISCAL STABILIZERS OPERATING MECHANISM

Gondor Mihaela

This paper examines the role of Automatic Fiscal Stabilizers (AFS) for stabilizing the cyclical fluctuations of macroeconomic output as an alternative to discretionary fiscal policy, admitting its huge potential of being an anti crisis solution. The objectives of the study are the identification of the general features of the concept of automatic fiscal stabilizers and the logical assessment of them from economic perspectives. Based on the literature in the field, this paper points out the disadvantages of fiscal discretionary policy and argue the need of using Automatic Fiscal Stabilizers in order to provide a faster decision making process, shielded from political interference, and reduced uncertainty for households and business environment. The paper conclude about the need of using fiscal policy for smoothing the economic cycle, but in a way which includes among its features transparency, responsibility and clear operating mechanisms. Based on the research results the present paper assumes that pro-cyclicality reduces de effectiveness of the Automatic Fiscal Stabilizer and as a result concludes that it is very important to avoid the pro-cyclicality in fiscal rule design. Moreover, by committing in advance to specific fiscal policy action contingent on economic developments, uncertainty about the fiscal policy framework during a recession should be reduced. Being based on logical analysis and not focused on empirical, contextualized one, the paper presents some features of AFS operating mechanism and also identifies and systematizes the factors which provide its importance and national individuality. Reaching common understanding on the Automatic Fiscal Stabilizer concept as a institutional device for smoothing the gap of the economic cycles across different countries, particularly for the European Union Member States, will facilitate efforts to coordinate fiscal policy responses during a crisis, especially in the context of the fiscal harmonization. The main result of this study is the developing of the definition of Automatic Fiscal Stabilizer.

Keywords: Automatic Fiscal Stabilizers, Discretionary Fiscal Policy, Non-discretionary Fiscal Policy, Economic Cycle, Economic Crisis

JEL Classification codes: H12, H30, O23

AGENCY PROBLEMS IN PUBLIC SECTOR

Gyorgy Attila

Agency theory analyses the effects of contractual behaviour between two parties: principal(s) and agent(s). This relation is inevitably characterized by information asymmetry because agent holds a substantially larger volume of information than the principal. Due the negative effects of information asymmetry for the principal, this should cover supplementary costs with monitoring agents and/or grant incentives. The first objective of this paper is to emphasize the effects of information asymmetry, particularly on adverse selection and moral hazard. The second objective is to evaluate the negative effects of information asymmetry and to assess the viability of solutions proposed by scholars for mitigation. The third objective is linked with personal contribution, respectively to highlight specificity of agency theory in public sector and the mechanisms of action in this particular field. In this paper, literature is mainly based on scholars' contribution to the proposed theme. Little literature approaches agency theory in public sector, in most cases the analysis being restricted to general issues. Research methodology is based on synthesizing relevant information from literature and adapting them to public sector particularities. The results reflect some threats for public bodies in their contracting activity. Conclusions present also a set of solutions which could be used by public institutions to optimize their activity of mitigating information asymmetry's effects. These solution guidelines could represent a useful instrument for make more efficient public money spending. Personal contribution and the novelty of this paper consist in presenting a new approach regarding mechanisms of managing information by agents. In case of public institutions, principals have more opportunities the take possession over the information managed by the agent. Nevertheless, agents can limit the principal's access to vital information by offering excessively much information, combining few vital data with numerous

unimportant information. For further research, agent's information management should be depth and analyzed in which manner principal can control it.

Keywords: agency theory, information asymmetry, adverse selection, moral hazard, public resources

JEL Classification codes: D01, H59

TAXATION OF FINANCIAL SECTOR AFTER THE CRISIS IN THE EUROPEAN UNION

Mara Eugenia-Ramona

Taxation of financial sector is an important issue of the actual fiscal policy, especially after the economic crisis impact. By taxing the financial sector, it is intended taxation of financial transactions, and financial activities. European Union supports the taxation of the financial system and makes proposals in this regard. This paper tries to reveal the major aspects concerning the taxation of financial sector, both theoretical and empirical aspects. It will analyze the reasons which justify the application of such taxes, but also difficulties involved in practice. Another major objective of this paper is to examine the role of taxation in the financial sector as important regulatory instrument. This subject is debated in European Commission papers and by many economists. There are underlined the necessity of such tax, the impact and the economic efficiency. Our purpose is to identify if this kind of tax is good for our economy and what can be the impact from budgetary point of view. For finding this answers the paper realize a complex analysis of the types of taxes applied on financial sector in countries which already adopted this kind of taxes, like United Kingdom, Austria, Hungary, Cyprus. We believe that the financial sector should be charged, because was responsible in great measure the economic crisis impact. A potential tax applied to financial sector is considered as an important source of budget revenues. This article tries to explore the possible tax measures for financial sector according to the major principle of public finance "equity and efficiency. Special attention will be given to the need to implement financial sector taxation in Romania. In the years before the crisis banks and entire financial sector in Romania recorded significant profits. For this reason such tax is justified given that this sector is exempt from VAT. Applying such a tax would reduce the budget deficit and on the long term will reduce the public debt.

Keywords: financial sector taxation, fiscal policy, financial transactions

JEL Classification codes: E62, H25, H12

THE ADEQUACY OF ROMANIAN FISCAL POLICY TO CURRENT CONDITIONS

Matei Gheorghe, Croitoru Ionut - Catalin

This paper aims to make a review of the Romanian fiscal policy appropriateness to the new conditions imposed by socio-economic catching separating us from the developed countries of the European Union. In the last three decades we are witnessing due to changes in national economies trade liberalization in the context of globalization. The analysis deals with issues of budget deficits, which are the main cause of sovereign debt crisis in Europe and solutions to rebalance the budget. The Keynesian and the multiplier mechanism solution is considered in economy, proposed by using public savings spending. The automatic stabilizers and their degree of efficiency in emerging economies solution is also considered. Finally, we show an analysis of tax rate systems used in three of the most developed EU countries compared with the tax rate used in Romania. Although facing large state budget deficits, Romania, in years of economic crisis, has made spending mitigation measures, which led to the contraction of consumption, the measures having a pro-cyclical nature. The analysis is considering a restructuring of the tax system in order to rearrange the tax burden as a means of mitigating the economic crisis.

Keywords: globalization, fiscal policy, budget deficits, tax rates

JEL Classification codes: E62

SUSTAINABILITY OF PENSIONS WITHIN THE EUROPEAN UNION MEMBER STATES

Milos Marius Cristian

The demographic changes that are likely to be experienced in the European Union in the coming decades determine governments to find solutions in order to provide the sustainability of social public expenditures. We consider that the main aims of future policies should be creating better job opportunities and working conditions for the growing number of older people in Europe. It is very important to help older people play an active role in society. Retirement should happen at an older age but only if appropriate jobs are available for older generations. Consequently we reveal the demographic changes and propose the necessary policies which governments could make. The key to tackling the challenges of an increasing proportion of older people in our societies is “active ageing”: encouraging older people to remain active by working longer and retiring later, by engaging in volunteer work after retirement, and by leading healthy and autonomous lives.’ Active ageing is defined by the World Health Organisation (WHO) as ‘the process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age’. The definition therefore includes the notion of extending the activity of older persons, both within the labour force, through delaying their retirement but also within society, through participation in a range of social, economic, civic or cultural activities. Employment policy also seeks to improve human capital through better education and skills. As such, efficient lifelong learning strategies including workplace training may enhance the prospects of older workers to remain in the workforce. The EU’s employment strategy seeks to establish a lifecycle approach, putting in place conditions that allow people to prolong their working lives, such that employment rates for older workers and average exit ages are raised. The European Social Fund (ESF) has, since 1957, helped millions of Europeans to get (better) jobs and acquire skills for work. It is one of the EU’s structural funds, which was set-up to reduce differences in the prosperity and living standards that are experienced between Member States and regions of the EU.

Keywords: demography, pensions, public expenditures, sustainability, governments

JEL Classification codes: H00, H55

PENSION FUNDS AND THE FINANCIAL CRISIS IN THE CEE COUNTRIES

Milos Marius Cristian, Milos Laura Raisa

In this paper, the authors analyze the influence of the international financial crisis on the current architecture of the CEE pension systems and their further reforms. As a consequence of the financial crisis, the very fragile pension reform has been subject of debate in the new member states of European Union, given their deep recession and registered fiscal deficits. In many of the CEE countries, which have adopted/developed later the second pillar, the financial crisis has raised questions in what concerns the benefit of moving to a mixed pension system, in comparison with the former one, which relied exclusively on public pay-as-you-go schemes. The current literature analyses the situation in each of the CEE countries, but does not make an overall analysis of the situation of the CEE countries, member of the European Union. The authors show the short-term negative effects of the financial crisis on the pension reform in these countries, but also the longer run effects, on the continuing deteriorating finances of these pension systems, in the context of the aging of population and unsustainable pension schemes. Alongside reviewing and commenting the national authorities’ responses to the financial crisis, we are proposing also some measures meant to enhance the further pension system reform and to improve the performance of the private pension funds. Pensions have a long-time horizon and it would be very wrong to produce a reversal of the past reforms since the main problems of adequacy and sustainability remain vivid (demographic challenge and population aging). It is also true though that, while shifting from an exclusively public pay-as-you-go system towards a mixed pension system, especially in times of financial crisis, authorities must pay increased attention to the management and supervision of the DC pension plans, to the risk management standards and regulations of the private pension funds, alongside other measures meant to enhance further pension system reform.

Keywords: financial crisis, pension funds, CEE countries, reform, pillars

JEL Classification codes: G01, G23, H55

SEVERAL MEASURES OF BUDGETARY POLICY

Morar Ioan Dan

Budget policy for the funding and sometimes care about the public sector, certain actions and utilities on the private sector within limits set by the strategies, tactics and operational decisions promoted executive.

Phenomenon budget includes both revenues and expenditure side edge contained in the public budget. Often, perhaps excessive zeal in translating domain-specific phrases are even officially speak about "fiscal policy measures", with reference to all areas of the budget, containing and thus the budget expenditure.

Budgetary policy has several specific policy budget subdomains like Cookie fiscal policy, budget expenditure allocation Polti, policy and public loans.

Keywords: Budget policy, public sector, fiscal policy, phenomenon, allocation, public loans

JEL Classification codes: G

ABOUT TAX NEUTRALITY AND NON-DISCRIMINATION

Morar Ioan Dan

Taxpayers are required to pay taxes to the state budget by virtue of their position subject to the state, the latter in its capacity as sovereign person of public law.

This quality gives them the right to impose against taxpayers by administrative means known, or sometimes with justice, respecting a certain extent the principles and traditions specific to tax. Principles of neutrality and non-discrimination are relevant in terms of describing the relations between public authorities and taxpayers.

Although taxpayers are divided into official and legal persons, in fact individuals are those who support the ultimate tax burden.

Keywords: taxes, neutrality, non-discriminator

JEL Classification codes: G

COMPETITION VERSUS COLLUSION: THE PARALLEL BEHAVIOUR IN THE ABSENCE OF THE SYMMETRY ASSUMPTION

Mosteanu Tatiana, Dragoi Ionut, Romano Oana Maria

Cartel detection is usually viewed as a key task of competition authorities. A special case of cartel is the parallel behaviour in terms of price selling. This type of behaviour is difficult to assess and its analysis has not always conclusive results. For evaluating such behaviour the data available are compared with theoretical values obtained by using a competitive or a collusive model. When different competitive or collusive models are considered, for the simplicity of calculations the economists use the symmetry assumption of costs and quantities produced / sold. This assumption has the disadvantage that the theoretical values obtained may deviate significantly from actual values (the real values on the market), which can sometimes lead to ambiguous results.

The present paper analyses the parallel behaviour of economic agents in the absence of the symmetry assumption and study the identification of the model in this conditions.

Keywords: parallel behaviour, Cournot competition, collusion, identification symmetry hypothesis

JEL Classification codes: D43, K21, L13, L41

THE IMPACT OF MACROECONOMIC FACTORS ON COMPETITION POLICY EFFECTIVENESS WITHIN EUROPEAN UNION

Mosteanu Tatiana, Romano Oana Maria, Dragoi Ionut

In the last decades, more and more countries have enacted competition laws, understanding the importance of this process in providing a normal functioning of the economy. Analyzing competition policy effectiveness is important not only because of the recent extent of the phenomenon, but also because of the impact of competition policy effectiveness on economic development and, in the current economic climate, on the economic recovery process. For this reason, quantitative evaluation for competition policy effectiveness became very useful as data handling and understanding the whole phenomenon are easier this way and an international perspective is provided. This was made possible by various international institutions that have created a system of aggregated indicators for the evaluation of competition law enforcement and competition advocacy (perceived effectiveness). The purpose of our research is to identify the macroeconomic factors that influence the effectiveness of competition law implementation within the European Union Member States. We have tested the influence of 13 macroeconomic, using panel data methodology and data from the last four years. We obtained β coefficients statistically significant only for 11 of them. The results are consistent with prior analyzed studies and economic logic: positive influence from market division, intensity of local competition, ethical behavior of firms, strength of auditing and reporting standards, efficiency of legal framework in settling disputes, protection of minority shareholders' interests, public trust of politicians, economic dimension and market size and negative influence from corruption level and diversion of public funds. Based on the achieved results we can perform an analysis of principal components leading to causal space reduction with minimal information loss and without informational redundancy, creating the premises for building a model that explains competition policy effectiveness through macroeconomic factors.

Keywords: competition, antitrust policy, economic efficiency, financial crisis, regulations
JEL Classification codes: K21, L44, R58

THE IMPLICATIONS OF TAX MORALE ON TAX COMPLIANCE BEHAVIOR

Nichita Ramona-Anca, Batrancea Larissa-Margareta

The present paper focuses on the analysis of tax compliance behavior from the tax morale standpoint. We grounded our research on the idea that empirical studies constantly invalidating the assumptions of theoretical models of tax evasion show there are more factors influencing compliance than just the economic ones (e.g., audit probability, fine, tax rate, income). Giving the fact that audit probabilities are generally very low and that tax evasion is not as high as one could expect, tax morale might have to do with the high degrees of tax compliance registered around the world. In a stream of articles on taxation published beginning with the late 60's, tax morale defined as the intrinsic motivation to comply or "internalised obligation to pay tax" (Braithwaite and Ahmed 2005) has been found to positively relate to tax compliance and negatively relate to shadow economy. This paper attempts to offer a broader view on the influence of tax morale on compliance behavior, covering articles ranging from national and cross-cultural surveys to experimental games. Moreover, the aim of the article is to emphasize the policy implications of tax morale research and the changes governments could make in order to raise the amount of public levies.

Keywords: tax morale, tax compliance, shadow economy, corruption index
JEL Classification codes: G02; G28; H26

EMPIRICAL RESEARCH ON THE STRUCTURE OF A SYSTEM FOR ASSESSMENT OF THE GLOBAL PERFORMANCE OF ECONOMIC ENTITIES

Pintea Mirela-Oana

Sustainable development and, therefore, globalization require new standards of performance that exceeds the economic field, both for domestic companies as well as international ones. So, these standards should be integrated into corporate strategy development to ensure sustainability of activities undertaken by harmonizing the economic, social and environmental objectives. For sustainable development of an entity, value creation can not be seen in strictly financial terms, therefore any strategies that are defined by entities concerns not only the quantitative aspects (economic-financial) but also qualitative aspects (social and environmental).

This study attempts to address the issue of building a set of indicators to assess overall performance and it stops at each of the three dimensions of performance, namely economic performance, social performance and environmental performance. In this scientific approach we try to stop on one of the priorities of economic research that is finding indicators that better reflect the three dimensions of performance. What indicators would best represent the overall performance?, What indicators would best represent the financial performance?, What indicators would best represent social performance?, What would be the best indicators of environmental performance? During this scientific approach will try to answer each of these questions through the empirical research conducted.

To do this research we focused on statistical population consisting of the following categories of analysts: analysts from academic environment (Cluj-Napoca, Bucharest, Timisoara, Iasi, Craiova, Sibiu, Pitesti, Galati) and financial analysts from the specific departments of the Financial Investment Services Company (Broker SA, BT Securities, Target Capital, Tradeville, Estinvest, Intercapital, KBC Securities, etc.). This distinction was made because we believe that in determining the optimal structure of such a model we need the views of both academicians and practitioners. The method used for data collection was the questionnaire method. The result of this study is represented by a system of 20 indicators (financial and non-financial) selected to evaluate the global performance of an entity.

Keywords: global performance, sustainable development, environmental performance, social performance, performance indicators;

JEL Classification codes: G00, G30

PERFORMANCE EVALUATION: LITERATURE REVIEW AND TIME EVOLUTION.

Pintea Mirela-Oana

Performance evaluation of an economic entity requires approaching several criteria, such as industry and economic entity type, managerial and entrepreneurial strategy, competitive environment, human and material resources available, using a system of appropriate performance indicators for this purpose. The exigencies of communication occurred on the growing number of phenomena that marked the global economy in recent decades (internationalization and relocation of business crises and turmoil in financial markets), demand performance measurement to be made in a comprehensive way by financial and non-financial criteria.

Indicators are measures of performance used by management to measure, report and improve performance of the economic entity. The relationship between indicators and management is ensured by the existence of performance measurement systems. Studies to date indicate that economic entities using balanced performance measurement systems as a key management tool registered superior performance compared to entities not using such systems.

This study attempts to address the issue of performance evaluation by presenting opinions of different authors concerning the process of performance measurement and to present, after revising the literature, the evolution of the performance evaluation systems.

We tried to do this literature review because sustainable development and, therefore, globalization require new standards of performance that exceeds the economic field, both for domestic companies as well as international ones. So, these standards should be integrated into corporate

strategy development to ensure sustainability of activities undertaken by harmonizing the economic, social and environmental objectives. To assess the performance of economic entities it is required that performance evaluation to be done with a balanced multidimensional system, including both financial ratios and non-financial indicators in order to reduce the limits of the two categories of indicators.

Performance measurement and management can't be separated; performance management is a philosophy that is supported by performance measurement. Performance management precedes performance measurement and creates the context for performance measurement.

Keywords: performance, performance measurement, indicators, sustainable development, global performance.

JEL Classification codes: G00, G30

COMPETITIVENESS ANALYSIS OF LEADING COMPANIES IN HUNGARIAN DAIRY INDUSTRY BY LIQUIDITY INDICATORS

Rózsa Andrea, Tálas Dorisz

In this study, on the basis of the accounting data for the last few years, we analyse the change of competitiveness the Hungarian dairy companies which have the largest revenues. In 2010, 5 enterprises of the 50 food industrial ones having the largest revenues were working in the dairy sector. This concentrated competitive environment offers reasons for the comparative review of the short term liquidity factors as the most important indicators of remaining in the competition or market survival.

For the research we use the balance sheets, income statements and cash flow statements from the financial reports concerning 2008-2009-2010 economical periods. The research methods of our analysis are based on the internationally accepted and applied system of financial indicators. This study includes the analysis of the liquidity ratios coming from the balance sheet and the cash flow statement as well as the analysis of the cash cycle which indicates the effectiveness of the current assets management.

We examine the change of the liquidity position of competitors belonging to the selected group during the economic crisis. We form company orders on the basis of the revenues, the liquidity indicators, the capital structure indicators, the financial strength and the cash conversion cycle. Basically, we search the answers for the following questions:

- Which company's market position is the strongest on the grounds of liquidity factors?
- Which company can be considered as market leader by its competitiveness?
- Is there any connection between the value or tendency of the change of the revenues and the liquidity situation of the analysed companies calculated on the basis of the above mentioned financial indicators?

Finally, we summarise our conclusions concerning the most important liquidity features of the leading Hungarian dairy industrial companies. Comparative sector analyses on national or European level may fill a gap, because only a few professional papers have appeared in this subject. In our opinion, this kind of studies has outstanding importance in the field of applied economics, business economics and practical economic life as well; consequently, our results can be used by companies immediately.

Our analysis can be widened, and similar researches can be accomplished for different regions or different sectors. This study is also convenient for the international popularization of competitiveness analysis from financial point of view.

Keywords: competitiveness, financial analysis, liquidity, dairy industry, Hungary

JEL Classification Codes: M21, L66

INNOVATION – THE MAIN COMPONENT OF THE „KNOWLEDGE TRIANGLE”

Rus Mircea-Iosif, Radu Ioana

Science has begun to play an increasing role in industrial development not only as a major source of knowledge for new technological activities or scientointensive industries (medicine industry, chemistry, electronics), but also as essential input in testing, evaluation and quality control. Innovation is one of the activities that can generate economic and social progress. Therefore, this paper also approaches the significance of innovative information dissemination, as well as the objectives of this activity in view of the EU Member States. The European Union has prepared two funding programs for innovation activity, Europe 2020 and Horizon 2020.

Keywords: R & D and innovation, finance, technology dissemination

JEL Classification codes: G28, G29, O30, O31

THE RESEARCH SYSTEM IN ROMANIA – REFORMING AND FUNDING IT THROUGH PROGRAMS

Rus Mircea-Iosif, Radu Ioana

Scientific research represents today the most important lever for improving the living standard, health, culture and, in general, the wealth of a society. Therefore, this paper attempts to present the current state of the research system in Romania, as well as several proposals for reforming this system, which would, consequently, lead to a better use of research results, as well as the presentation of ways of funding for research through research programs, both national and European. We should not omit the fact that adequate funding for the research system also has a social impact, by creating new jobs, especially if the research results are implemented in industry.

Keywords: R & D and innovation, reform, funding, programs

JEL Classification codes: G28, G29, O30, O31

THE EUROPEAN FISCAL UNION. A SOLUTION TO SAVE THE EURO?

Sabau-Popa Diana Claudia

A monetary union with strong connections among banking systems but without a fiscal union may pose problems because the national governments may be tempted to increase inefficiently their public debts, which, in case of contagion, may have serious repercussions on other economies.

One of the most widespread ideas among the political decision makers as well as among specialists is that in order to overcome the sovereign debts crisis, the Euro Area needs a fiscal integration which should double the monetary one.

This article analyses the idea of fiscal integration in the Euro Area as a solution to overcome the sovereign debt crisis and save the euro. The situation has become critical for countries such as Greece, Portugal, Ireland, Spain. It will present as well the implications of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union signed on the 2nd of March 2012 by 25 EU member states.

Keywords: fiscal union, governmental deficit, public debt, treaty.

JEL Classification codes: E62, E63, F36

ADVANTAGES AND RISKS OF USING THE PUBLIC-PRIVATE PARTNERSHIP IN ROMANIA

Sabau-Popa Liviu Mihai

This article presents the advantages and risks of the public-private partnership in realizing the public investments in Romania. Public-private partnerships refer to the forms of cooperation between public authorities and private entities and target the regulation of the design, financing, construction, operation, rehabilitation, development, rental and transfer of any public work, asset or public service. It is a formula agreed by the public authorities by which the solving of public problems of general interest is “commissioned” by attracting entrepreneurs from the private sector.

One of the main arguments for supporting the public-private partnerships in case of public investment projects is the transfer of the managerial competencies and of the know-how from the private partner to the public one.

One of the main risks of the public-private partnerships is related to the temptation of using the private-public partnerships as a means of eluding the budgetary pressure, which may lead to their inadequate use.

Keywords: knowledge transfer, concession and joint venture, public-private partnerships, public investments.

JEL Classification codes: D23, H54, E60

THE ECONOMIC CRISIS IMPACT ON PUBLIC EXPENDITURES IN EU NEW MEMBER STATES

Sabau-Popa Diana Claudia, Mara Eugenia

This article analyzes the main trends of public expenditures in the New Member States 12 in the last decade. We develop a synthetic analysis of the total public expenditures and also an analytical inquiry of major categories of public expenditures according to COFOG. Based on data provided by Eurostat from 2000 to 2010 we try to capture the impact of global financial crisis on the major trends of the public expenditures for new member states. Our purpose is to reveal a global view of the state of public expenditures in this group of EU countries and also we try to make a comparison between Romania and these countries considering that the stance of public finance is quite similar to the new member states. The major findings of this study are the high increase of the public expenditures for all the countries especially in 2009, due to a huge increase of the social protection expenditures. In this context we underline some correlations between the public expenditures evolution and economic growth.

Keywords: public expenditures, fiscal policy; economic growth; budget deficit

JEL Classification codes: E51; H3; H61

THE LEVELS OF VALUE IN BUSINESS VALUATION. THE DISCOUNT FOR LACK OF MARKETABILITY

Săcui Violeta, Szatmary Miclea Camelia

This paper approaches the subject of levels of value used in business valuation and adjustments (discounts and prime) that enable professional business valuers to relate these in order to determine the value of a business or ownerships interests in a business. Marketability and control over business decision have a profound impact on the value of an ownership interest. Valuers, regularly, reduce the value of an investment interest if it lacks a ready market. In this paper, I highlight the difference between the marketability and liquidity and, the differences between the the discount for lack of marketability and discount for lack of control. A discount for lack of marketability is closely associated with, but, conceptually, distinct from, the discount for lack of control. I present the characteristics of discount for lack of marketability and the rational of applying it in valuation of minority and majority interest.

Keywords: value, discount, marketability, control, interest.

JEL Classification codes: G32

ROMANIAN INTERNATIONAL TRADE CHARACTERISTICS DURING THE RECENT CRISIS

Sandu Carmen

The present paper aims to reflect the main changes in Romanian international trade during recent crisis. Using databases from Eurostat and United Nations Conference on Trade and Development we reflect a sharp decrease in the start of 2009 and an increase during this period to nowadays. The situation is similar in the Central and Eastern Europe countries.

Keywords: international trade, financial crisis, balance of payments, Romania

CREDIT LEVEL INFLUENCING FACTORS AT HUNGARIAN FARMS

Toth Kristof, Toth Jozsef

In this paper we estimate the impact of different factors on creditability of agricultural farms. According to the literature the collateral (tangible assets), the farm size, productivity, and subsidies should have significant effects on farm loans. We use data from the Hungarian Farm Accountancy Data Network to test our two hypotheses and theoretical assumptions for the period 2001-2010. Because of using panel data, we do our estimations using fixed effects econometrics model to test our assumptions. The results indicate that the chosen factors have significant influence on total liabilities and short- and long-term loans as well. With specially interest of subsidies the growing level of supports decrease the need of other financial tools. At output factors (inclusive farm size) have significant and positive effect, same as collateral (tangible assets).

Keywords: credit, output, collateral, subsidies, farm size

JEL Classification codes: G32, H71

ECO - FISCAL POLICY IN ROMANIA: MITH OR REALITY?

Vuta Mariana

Fiscal ecology has become in recent years a very interesting subject in Romania and in the recent European context specialists are filling their agendas with points about the environmental policy and the environmental fiscal policy are top priorities.

But is there the Romanian stat able to use environmental fiscal instruments in order to regulate economical agents behavior or is the state just using them as fiscal instruments with no environmental purpose? In a world that is constantly moving and is facing different problems, states are trying to find new ways to create budgetary resources in a crisis situation. What is Romania's position?

Environmental Romanian fiscal policy has to be though in the general economic context, being included in the general social and economical problems. Thus, the fiscal policy should aim at integrating into costs consumption and production externalities but his causes several effects hard to dimension.

The Romanian fiscal system needs hard coercion measures and a total rethinking of the imposing system in order to become efficient. Therefore, only after 2000 we can state that Romania had real environmental taxes but how are often modified both as way of determination and imposing base, things that have generated lack of trust and even panic among the economic agents.

In this context, the paper aims to underline the environmental fiscal policy characteristics applied in the European Union states and especially Romania, in order to surprise the role of the environmental taxes by comparison with other direct taxes, underlining at the same time the national fiscal policy modifications.

Analyzed data has been coming from different sources. Thus, for international comparisons the European Union site has been used, the Eurostat, the Romanian Finance Ministry site. The research is mainly based upon a synthesis of the reached area in the special literature. The study continues a fundamental research using deductive and inductive research mechanism in order to delimit the used concepts.

Keywords: eco-fiscal policy, environmental taxes, fiscal policy, energy taxes, fiscal burden

JEL Classification codes: H23

FISCAL COMPETITION AND DIRECT FOREIGN INVESTMENTS: ROMANIA VERSUS POLAND

Vuta Mariana, Lazar Paula, Vuta Mihai

The European Economic Community treaty defines indirect taxation common rules taking into consideration their impact upon free merchandise's circulation and upon international commercial exchanges.

Once the Roma treaty has been signed (1957) the established scope was creating a common market. But, how is it possible to create a common market without any monetary and fiscal instruments? Thus, these instruments have had to be created in order to achieve such an objective. If from the monetary point of view introducing euro as a common currency was a big step ahead, from the fiscal point of view things haven't evolved in such an easy manner. Fiscal objectives are achieved only if the national market is running normally and correctly.

Indirect taxation is harmonized base upon article 113 from the European Union Treaty, while regarding direct taxation legal recommendations and regulations approval we can't talk about harmonization but about fiscal competition. We are stating this because there are 27 states in the European Union and each one is sustaining its own direct taxation system. Furthermore, the taxation system (fiscal system) is influencing member states economical performances through economies, investments and human capital formation by affecting the revenue's distribution, research and development expenses level and type and by fiscal competition - an effect more and more profound. In this context we aim at analyzing the way fiscal competition had had a positive impact upon attracting foreign direct investments in Romania and Poland. We also aim at underlining positive and negative points for fiscal competition taking into consideration that not only a decrease in micro or macro-economic fiscal burden will have a positive impact upon investments in-flows and there are other factors to be taken into consideration, like: infrastructure, labor expenses, research and development expenses, internet access, etc. The research is mainly based upon a synthesis of the reached area in the special literature. The study continues a fundamental research using deductive and inductive research mechanism in order to delimit the used concepts.

Keywords: fiscal competition, foreign direct investments, fiscal systems, tax rate

JEL Classification codes: H3

SUB-SECTION: BANKING

ASSESSMENT OF CREDIT INSTITUTIONS' OPERATIONAL RISKS FROM THE PERSPECTIVE OF EXTERNAL AUDIT

Avram Veronel, Hetes-Gavra Roxana, Avram Alexandru

Credit institution's operational risk should be evaluated by the external auditor cautiously because it is a risk arising from the way in which the bank's global strategy is implemented in practice and how the bank's activity is followed step by step by those charged with governance, internal audit and internal control so to indicate any deviation from the standard rules and procedures and reduce the likelihood of distortions caused by frauds or errors.

International Standards on Auditing require to external auditors to obtain sufficient and appropriate evidences to support the audit opinion, therefore the auditor must first understand the specific banking activities and then identify and properly evaluate the credit institution's operational risks.

Keywords: external audit, operational risk, misstatements, fraud, error

JEL Classification codes: G21, M42

A MODEL OF RATING FOR BANKS IN ROMANIA

Batrancea Ioan, Batrancea Maria, Popa Anamaria

Abstract. In the paper the authors present a model of rating for the banking system. Thus we took into account the records of 11 banks in Romania, based on annual financial reports. The model classified the banks in seven categories according with notes used by Standard Poor's and Moody's rating Agencies.

Keywords: rating, Basel III, bankruptcy

JEL Classification codes: G21

APPLICATION OF CHAOS THEORY TO EMERGING CAPITAL MARKETS

Birau Felicia Ramona

This article provides an analyses of emerging capital markets based on chaos theory. Emerging capital market is characterized by deep functional, structural and institutional malfunctions. This particular category of capital market is characterized by certain particularities such as : high volatility, the existence of bubbles, panic, speculation, anomalies, high-risk investment opportunities, high returns, a low level of liquidity, reduced capitalization, diversification benefits for investors in developed markets, strong correlation with developed capital markets, reduced number of transactions, insufficient development of financial instruments, exchange rate instability and many others also. Chaos theory is a revolutionary concept which analyzes the behavior of complex and unpredictable dynamical systems, such as emerging capital markets. Insignificant variations of the initial condition of a nonlinear dynamical system may produce very sharp variations in the long term behavior of the analyzed system, namely the emerging capital market. Chaos theory provides an effective alternative to traditional models and especially to Efficient Market Hypothesis.

Keywords: chaos theory, fractals, emerging capital market, efficiency, the butterfly effect, R/S analysis

JEL Classification codes: C58, G11, G14

A SEEMINGLY UTOPIAN COMPARATIVE ANALYSIS OF STOCK MARKETS IN THE CONTEXT OF THE GLOBAL FINANCIAL CRISIS

Birau Felicia Ramona

This article analyzes in a comparative manner the evolution of an emerging stock market, such as Bucharest Stock Exchange and several developed stock markets in the context of the global financial crisis. The analysis is based on the daily prices of the following indices: BET (Romania), D.J.I.A (U.S.A), Nikkei 225 (Japan) and F.T.S.E 100 (U.K) during the period of January 2007 to April 2011. In this respect, the article aims to highlight if there are certain similarities between these completely different typologies of stock markets due to the extremely turbulent and unstable financial and economic conjuncture.

Keywords: emerging stock market, developed stock market, financial crisis, correlation, index
JEL Classification codes: G10, G15, G17

DEVELOPMENT PERSPECTIVES OF SECURITIES SECONDARY MARKET IN REPUBLIC OF MOLDOVA

Chetraru Aliona, Enicov Igor

It's an urgent necessity to determine the specific problems of the securities market in Republic of Moldova, in the context of policies and strategies of accession to the European and International activity standards, performance and quality, along with the implication and effects of the international financial crisis.

Identification of the influence factors with negative on the secondary market will enable the formulation of recommendations, proposals, improvement and refreshing techniques for the capital market as a whole. The analysis of the secondary market indicators allowed concluding on a high degree of uncertainty and predictability of its evolution. Legislative and regulatory issues on the securities secondary market activity of professional participants, admit the interpretation duality of provisions concerned. National Commission of Financial Market activity as a mega-regulator of the financial market, although involving a increased complexity of activities concerning supervision, control and regulation of the financial (non-banking) sector, do not enjoy great efficiency in terms of stabilization and promotion of the financial sector. The appearance of a stock institution as an alternative to the existing one, after 20 years of experience of the latter, theoretically opens new market opportunities, although in practical terms, at this moment of time, the market participants are reserved and undecided on the future development trend of the secondary market.

The study is based on statistical data contained in annual reports of the National Financial Market Commission and published on the official website of JSC „Stock Exchange of Moldova”, analysis of legislative and regulatory provisions and international practices. The statistics cover the whole period of operation of the secondary market in Republic of Moldova, that is from 1995 to 2012, as much as the stock market segment and the counter. The research methodology was based on content analysis, scientific observations, classification, and graphic representation of the investigated phenomena.

The paper will contribute to the identification of the secondary market problematic issues and will present a variety of solutions, which will help to review the secondary market development strategies, in particular, and of state policies on financial markets in general.

Keywords: securities secondary market, transactions, stock exchange, finance
JEL Classification codes: O16, G18, G24

THE IMPACT OF FINANCIAL CRISIS UPON THE INFLATIONARY PROCESS IN ROMANIA

Damian Monica

The intensification of financial turmoil in September 2008 has determined a contraction of economic activity in most countries around the Globe. Because the real GDP dynamics influence the evolution of consumer prices, the effects of financial crises have been reflected upon inflation rate. The aim of this paper is to estimate the inflationary impact of the financial crisis and to analysis of the channels through which the financial crisis has affected inflation rate in our country.

In order to estimate the inflationary impact of international financial crisis, we have used multifactorial regression model regarding inflation rate and leading factors in which we included a dummy variable. Analyzing the causes of inflation rate in 2007-20011 period, we had found gross average salary being the principal cause of inflation, because its increasing had not been accompanied by the increasing of labour productivity. The growth of the real net salary had been accompanied by the production growth (2007-2008) and on the other hand, by the uncertainty regarding the future evolution of incomes (2009-2010) and, therefore, did not create inflationary pressures upon consumer demand. The results show the positive impact of financial crisis, but a very low one. The effects of financial crisis have revealed upon inflation rate through international prices, consumer demand, leu currency exchange rate fluctuation.

In the context of financial crisis, the financial system has become more vulnerable, and, therefore, the necessity of maintaining financial stability slows down the disinflationary process.

The necessity of maintaining financial stability and reassessing the crediting involves avoiding strong increase of interest rate; we identified a positive and strong relationship between the share of overdue and doubtful loans in the total credit portfolio and interest rate on the interbanking market at the three months. Also, another factor with negative impact upon the quality of credit portfolio is the national currency depreciation. We can state that the financial sector is another channel through which financial crisis influences the inflation rate in Romania.

Keywords: financial crisis, inflation rate, financial stability, recession, depreciation

JEL classification: E31, G01, C32

THE ROMANIAN BANKING SYSTEM – PAST, ACTUALITY, PERSPECTIVES

David Delia

The way crossed by the Romanian banking system until the present time is one governed by profound reforms which have been made in regards to the European Union. The strategies embraced by Romanian banks, in 1990 and until the present time, are meant to develop and to improve the performances so that they can compete with European banks and they can respond in an efficient manner to the customers' needs. The purpose of this paper is to underline the main stages of evolution of the Romanian banking system since 1990 and to lay emphasize the perspectives on its evolution in the context of the actual economic crisis. By going through the stages previously mentioned in this paper, we can see that the Romanian banking system evolved positively, from the moment of the transition to the market economy, but in order for it to be functional and to contribute to the development of the economy as a whole, aspects related to the the supervision of the financial stability should be taken into consideration and in order to assure the stability of the financial system, the increase of the administrative capacity of the Central Bank should be considered, as well as balancing the structure of the creditation process, on coins, the improvement of the banking assets' quality, the qualitative study of the NBR's surveillance process, managing the contagion risk, etc. In order to achieve these objectives, the documentation by the investigation of a significant volume of works has been done, by scientifically acknowledged publications, analysis being applied, by deduction method and a significant volume of quantitative information was submitted to professional judgment. Concerns regarding this subject have been found in various paper works and in specialized books. We mention here the doctoral thesis of Elena Teodorescu Georgescu "The evaluation pattern of credit institutions"

prudential surveillance efficacy”, the author of this work David Delia, with the work “Contributions regarding the improvement of the banking accountancy dealing with credits granted to non-financial clients” and so on. An outstanding attention payed to this subject was the one of the governor of the National Bank of Romania, Mugur Isarescu, who issued a series of articles and books on this subject. Also, Silviu Cerna, Aurelian Paul Berea, Vasile Dedu, Nicolae Danila approached in their books the problem regarding the evolution of the Romanian banking system. The National Bank of Romania offers to its users, information regarding the evolution of the banking industry through the Reports of Financial Stability and The Annual Report. The results of the research and the general conclusions regarding the concern on the evolution of the Romanian banking system are presented at the end of the work.

Keywords: commercial banks, banking reform, The National Bank of Romania, development perspectives

JEL Classification codes: G01, G21, G28

THE IMPACT OF THE FINANCIAL CRISIS ON THE EUROPEAN BANKS

David Delia

The fast innovations existent on financial markets and the internationalization of cash-flows in the last decade led to changes within the banking industry making it unrecognized. The financial innovation within the banking industry, especially the one regarding the off-balance-sheet instruments has effects as the risk focus and the increase of volatility within the entire banking industry. As it is proved by the economic crisis, the financial stability plays an important role within the financial system as well as within the economy as a whole. At the moment, as the number of active financial institutions is getting higher and higher in one or more countries or on one or more continents, the financial stability at a worldwide level became even more important. The objective of this work is to emphasize the way in which the European banks were affected once with the global financial crisis. The economic crisis was triggered by the bankruptcy of the Lehman Brothers ‘ Investment Bank, in the autumn of 2008 and its effects were felt at the level of the European financial markets, a series of cross-border groups claiming interventions of the state in order for them to be saved. The intensity of the crisis was felt and it affected many states, the impact of these ones being influenced by a series of specific factors which outlined the situation of their financial system, at the moment of the crisis release. At the level of the European Union, a series of measures have been established in order to extinguish the identified dysfunctions at a financial field level, among which we mention: the improvement of the surveillance framework of those financial institutions having cross-border activity, the expansion of the communication and cooperation among the EU surveillance authorities and the ones outside the Union, etc. The conclusions of the study of this paper work in regards to the activity of the main European banks, especially to the ones from Western Europe, is the fact that during the crisis period, they intensified their cross-border activities and increased their incomes. The increase of incomes was generated by both the fast efficient measures taken by the state and the volatility of the emergent markets. All these aspects were detailed in the content of this paper work. As far as this work is concerned, the method used here consist in a deductive-type research, which means that the starting point is represented by general facts in order to get to particular ones, starting from a theory that has as purpose the application of that certain prediction, assuring a wider knowledge area and being more operational. The selection of the pieces of information was done through different methods, as are the quantitative and the qualitative research types. The pieces of information presented here were picked up from different sources, as published articles and specialized books, all being from the financial field.

Keywords: financial crisis, European banks, cross-border activity, the analysis of the indicators, banking activity

JEL Classification codes: G01, G21, G28

SPECULATIVE BUBBLES A BEHAVIORAL APPROACH

Dedu Vasile, Turcan Ciprian Sebastian, Turcan Radu

The purpose of this paper is to explain briefly from a behavioral point of view, the appearance and the development of speculative bubbles in financial markets. In the first part of the paper, we have presented the most known speculative bubbles among the history and the principal factors causing them (structural, cultural and behavioral factors). In the second part of the paper we have briefly presented the four main stages of developing speculative bubbles. In the last part of the paper we have concluded that besides the general opinion that bubbles make more harm to investors and economies, the human history has provided us the lesson that some of the bubbles have offered us genuine collective social gains: Apollo program, Human Genome Project and the Dot.com bubbles in the early 2000s. As some studies reflect, besides of the fact the some investors have lost all their money during those bubbles (Dot.com), nowadays we all enjoy the IT infrastructure realized with all those heaps of money that were frenetically invested in.

Keywords: Bubbles, Phases, Behavioral Biases, Smart Money, Euphoria, Collective Social Gain
JEL Classification codes: D71, D81, D83, D84, G12, G14, Z10

PATHWAYS TO SUSTAINABLE BANKING MANAGEMENT

Dragan (Santamarian) Oana Raluca

This paper describes one of the major challenges of the future: the sustainable development of the society. Sustainability is now increasingly recognized as central to the growth of emerging market economies. For the banking sector, this represents both a demand for greater social and environmental responsibility as well as a new landscape of business opportunity. Several years ago, the main part of the banks did not consider the social and environmental problems relevant for their operations. Recently, the banks began to realize the major impact of the sustainable development over the way of ulterior development of the society and, implicitly over the way of creating of the banking value in the future. In this context, the development of a banking management system, based on sustainable principles represents one of the provocations of these days. Starting from literature in the sustainable banking management field in this paper are presented several relevant issues related to risk management in the context of sustainable banking financing: the need to implement the sustainable management principles in financial and banking industry; the role of banks in sustainable development of society; social and environmental risk management policies, events that have shaped the role of the banking sector in sustainable development; international standards regarding sustainable banking management such us: Equator Principles for sustainable investment projects' financing or GRI principles for sustainable reporting. Furthermore, we developed a practical case study related to the implementation of sustainable banking management at Bank of America.

Keywords: sustainable development, sustainable banking management, environmental and social risks, Equator Principles, GRI Principles
JEL Classification codes: G21

USAGE OF ACB-MININD SOFTWARE IN THE CBA ANALYSIS FOR FINANCING INVESTMENT PROJECTS THROUGH EUROPEAN FUNDING IN CORRELATION WITH THE FINANCING FROM THE BANKING SYSTEM

Droj Laurentiu, Droj Gabriela

The extension of the European Union with the first “wave” of new members in 2004 and later with the second “wave” of members in 2007 brought new opportunities for the countries in Eastern Europe, being obvious that “effective utilisation of EU support can foster the success of their economic performance”. Financing investment projects proposed by the SMEs can be realized through several financial sources internal and external, from which two of the most common external sources constitute from subsidies-grants and through banking system. One of the most important financing programme present in Romania, available for SMEs is SOP IEC, which

awards grants for investments proposed by production companies. This financing program encourages its beneficiaries to combine the European grant with private funds mostly provided through the banking system. The paper analyzed the methodology used in Cost Benefit Analysis and also The ACB-MININD software which is compulsory to be used for the CBA analysis of these investment projects links for the first time elements of analysis used by the European Commission with elements of analysis used by the banking system. In this context the present article tries to analyze how the ACB-MININD software links the main elements of Cost-Benefit analysis such as NPV or IRR with elements of the bankability software which are mainly used by the banking system such as: cash-flow analysis, loan/interest payment and financial sustainability. Also are presented the links between the banking sector and the external financing sector in the field on investment projects. As final conclusions of this paper we will demonstrate the theoretical and practical role of cost-benefit analysis - financial component to select the best applications that will be proposed for funding under the European grant programs and to link them to the banking system in order to ensure a proper co-financing for these investment projects.

Keywords: Banking, Loans, Grants, Cost Benefit Analysis, NPV, IRR

JEL Classification codes: G17, G21, F35, O16, H43, C63, C61

EMPIRICAL APPROACH UPON THE RELATIONSHIP BETWEEN CENTRAL BANK INDEPENDENCE AND INFLATION IN DEVELOPED AND DEVELOPING COUNTRIES

Dumiter Florin Cornel

Central bank independence has become over time one of the key concepts in modern theory and policy. Most economists agree that central bank independence is desirable because it helps achieving and maintaining the long – term goal of price stability. Although one might think about alternative mechanisms to reach lower inflation rates, central bank independence is clearly the most often recommended. The empirical trends upon a more independent central bank with a more transparent and accountable monetary policy regime has emerged in economic literature regarding central banking and monetary economics. In recent years, starting from the Maastricht Treaty central bank independence has become the panacea of the monetary economics and monetary policy approaches. Moreover it is important to analyze and assess the impact of this key issue in central banking upon the inflation performances of the central banks. In this article we provide a qualitative overview upon some recent trends in the central bank independence field: does it still matter? How can be it evaluate and stress it's impact upon macroeconomic performances, especially upon inflation. As we can observe in the economic literature upon central bank independence there are several approaches to use several indices in order to measure this qualitative and quantitative institutional variables. The most important debate is to eliminate the gap between de jure and de facto independence in order to flatten the measuring of institutional aspects, the legal implication, the constitutional facts and the actual practices of the central banks. Finally, we suggest that according to the new index for measuring central bank independence and inflation targeting index we can evaluate more accurate the degree of the de jure and de facto independence and stress the impact on inflation performance with a case study for ten developed countries and ten developing countries.

Keywords: inflation targeting, central bank transparency, communication strategy, decision-making process, inflation level

JEL Classification codes: E50, E52, E58.

THE CRUCIAL ROLE OF CENTRAL BANK TRANSPARENCY IN ASSESSING THE MONETARY POLICY COMMITTEE MECHANISM

Dumiter Florin Cornel

In the past, central banks used to be very reserved regarding their activities, strategies and monetary policy decisions and actions. As central banks become more and more independent, transparency gained importance based upon accountability arguments. An important fact for

adopting an increasing central bank transparency lies in its importance of influencing the development of expectations. The concept of central bank transparency has emerged in the economic literature relatively later than some other key concepts. The widespread agreement of an inflation targeting regime and a more transparent central bank is desired by the most central banks around the world in the context of the need of the public disclosure of macroeconomic models, the quarterly time series for indicators like: inflation, output, budgetary deficit, public debt, interest rate, inflation expectations, the public announcement of the monetary policy decisions, objectives and targets, the publication of some key monetary tools like: inflation report, financial stability report, monetary policy committee report, annual report. These are all key issues in the construction of a more transparent and independent central bank in the context of a good global governance. Moreover, for the fruitful success of the central bank, *latum sensu*, and monetary policy, *stricto sensu*, it must be encompassed a complex monetary policy committee mechanism. This complex mechanism must be endowed with the collegial approach of the monetary policy committee, structure of the voting mechanism within the committee, the importance of the person which announces the changes within the interest rates and the public disclosure of these information's enriched in a communication strategy. This communication strategy is very important for assessing and public understanding of the central bank's actions but also for communicating the objectives, targets and forward looking approaches of the monetary policy in the global context of the transmission mechanism.

Keywords: monetary policy strategy, collegial entity, central bank independence, democratic accountability, transmission mechanism

JEL Classification codes: E50, E52, E58

THE CORRELATION BETWEEN THE EXCHANGE RATE AND THE DIRECT FOREIGN INVESTMENTS

Halmi Mirela

Since the fall of the monetary system from Bretton Woods, based on a system of fixed rates, numerous theoretical and empirical articles have emerged through which the volatility of the exchange rate and the commercial influxes was analyzed and the identification of specific connections regarding the transmission of the effects of the modification of the exchange rapport of a currency in economy was tried. The general idea from these works start from the uncertainties regarding the evolution of a currency in comparison to another and their effects on the goods and services balance of a state.

Important works from the domain are evaluated. The authors are renowned researchers in the area of international finances and some of them are part of the personnel of the most important international finance-banking institutions such as the International Monetary Fund and the Bank of International Settlements. The studies regarding the relation between the exchange rates and the direct foreign investments are contradictory: some do not find a significant influence of the exchange rate and other demonstrate that there is a strong connection between the two variables. If a connection between the two variables is established, it remains to be settled if the connection is direct or reversed.

The Granger causality test identified the characteristics of the relation between the direct foreign investments and the exchange rate. The conclusions of the research mark out the complex nature of the relation between the two variables, the results being extremely heterogeneous from one country to another.

Keywords: direct foreign investments, exchange rate, volatility, correlation, impact

JEL Classification codes: E20, E22, E43, E30, G10

THE DIMENSION OF THE DETERMINATION OF THE RISK OF THE DIRECT FOREIGN INVESTMENTS IN ROMANIA

Halmi Mirela

It was marked out that the investors should be prepared for permanent changes of the forms in which the risk can manifest itself from the evolution of market economy grounded in the industrialized countries: operational, financial, strategic risks are also added to the traditional exposition to chance, caused by a series of factors, as legislation modifications, certain standards and European codes, the risks imposed by the evolution of the new economy, pressures that emerge in the personnel policy domain, the new needs for technical equipment, the costs efficiency, the spontaneous (unexpected, unplanned) economical events.

It is interesting to analyze in what measure one can talk about the risk management in the strategies to attract the foreign investors in this context. This supposes an additional effort of the authorities to identify and subsequently eradicate the risk that could emerge in the case of some direct foreign investments in Romania.

Keywords: direct foreign investments, risk, risk management, uncertainty

JEL Classification codes: E20, E22, G32, D81

THE ADJUSTEMENT OF THE BANKING MECHANISM FOR FINANCING ECONOMY UNDER CRISIS CONDITIONS

Istrate Luminita Gabriela

Development of complex financial products and necessity of reducing the costs encourages the creation of groups with multiple activities in the financial sector. Structures of financial group are also present in Romanian, and most of them are part of the international groups, provided that the financial capital is mainly foreign.

Both the benefits as well as the risks associated to the financial groups present in Romania are limited due to their orientation mainly mono-sectorial (very high weight kept by the credit institutions).

The National Bank of Romania has an intrinsic role for maintaining the financial stability, taking into consideration the responsibilities that result from its double aspect of monetary and prudential authority. The attributions afferent to the objectives of financial stability are exercised by prudential supervision and regulation of the institutions under its authority, as well as by formulation and efficient transmission of the measures of monetary politics and supervision of functioning under optimum conditions of the payment and reimbursement systems systemically important.

At the same time, it is necessary the identification of risks and vulnerabilities of the entire financial system, on the whole and separately, because the financial stability monitoring is preventive. The occurrence and development of some malfunctions, like the incorrect evaluation of risks and inefficiency of capital allocation can affect the stability of the financial and economic system.

Keywords: economic crisis, financial products, financial institutions, interest rate, foreign exchange rate

JEL Classification codes: E52; E58

THE COMPARATIVE ANALYSIS OF ROMANIAN AND HUNGARIAN STOCK MARKET INDICES AND EXCHANGE RATES

Kulcsár Edina, Tarnóczy Tibor

Nowadays, when we are witnessing a serious macro-level changes, to deal with financial and economic indicators becomes more and more important in the economy, in particular to evaluate the changes of these indicators and especially their impact to the private sector. This paper aims to analyze in comparison for two countries, in what extent can explain the changes of the most important stock market indices with the fluctuations of those two countries national currency exchange rates in euro. To determinate the relationship between the macro indicators we've used

traditional statistical methods, namely simple linear regression model and the Bayesian statistics. In case of both Romania and Hungary, the analyses show that there is a relationship between exchange rates and the changes of stock indices. If we compare the analysis results of the two countries, we can see that the relationship between the BET index and Lei/EUR exchange rate is much more stronger than between the BUX index and Ft/EUR exchange rate, in the latter case we can see a much weaker relationship.

Keywords: stock indices, exchange rate, financial crisis, macro-indicators, Bayesian statistics

JEL Classification codes: G01, G15, G18, G19

CONTROLS ON CAPITAL MOVEMENTS

Petriş Sorina

Until recently, capital mobility was encouraged across national borders, because it was considered that such capital can seek the highest rate of return. However, recent global financial developments have shown that, due to contagion, the mobility of capital flows can cause severe financial imbalances.

In the context of globalization, liberalization or maintaining controls on capital flows is a current topic, more debated by economists.

This topic is very important, due to the impact of liberalization decision or maintaining controls on capital flows has on the overall macroeconomic framework. The paper analyzes the relationship between capital flows' control and the income per capita, the degree of central bank independence, democracy country, the foreign exchange regime. Also, it analyzes the effectiveness in time of capital controls, taking account of financial system development and potential risks of instability. Over time, it was observed that a period in which they have imposed restrictions on capital movements was followed by a removal of such restrictions, and vice versa. Cyclic change of capital movements regime corresponds to the cyclic evolution of the global economy.

Full capital account liberalization led to the emergence of currency and financial crises, so that the idea of maintaining controls on capital is not rejected by economists. After a full liberalization of capital flows, there is a change in the mentality of an increasing number of economists, who support the maintenance of controls, in a gradual liberalization.

Keywords: capital flows, controls, liberalization, crisis, benefits.

JEL Classification: F21, F32, F43.

CAPITAL FLOWS AND THEIR SECTORAL DESTINATIONS

Petriş Sorina

Since 2003, New European Union Member States have made large capital inflows, which led to a credit crunch and recession. Whether they are foreign direct investment, or banking flows, capital inflows ultimately affect GDP, depending on how they are invested.

In the specialty literature, analysis of capital flows was done especially in terms of their structure, with a lack of analysis in terms of final destination of capital inflows. Therefore, we analyzed the effect of capital inflows on GDP in the New Member States of the European Union (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia) over the last economic cycle. Based on experiences of the new Member States during the recent boom and crisis, the paper studies the impact of capital inflows on GDP growth, inflows channeled to economic sectors, such as real estate and corporate investment sector.

The results of this research tries to highlight the extent to which the final destination of capital flows is important for the evolution of GDP.

Keywords: capital flows, gross domestic product, sectors, Euro zone, loans.

JEL Classification: F21, F32, F34.

THE INFLUENCES OF INFLATION ON THE MONETARY POLICY INTEREST

Popa Coralia Emilia

In the context of sovereign debt crisis in Europe, a crisis entirely felt also in the direct relation between credit institutions, the National Bank of Romania (NBR) adopted a monetary policy strategy meant to determine the reinforcement of its image, by initiating in the autumn of 2011 a new series of reduction of the monetary policy interest rate and implicitly the appropriate resizing of liquidity conditions. By increasing the role of liquidity adjustment, the European Central Bank (ECB) succeeded to determine in the money market the decrease of interbank rate interests under the interest rate level of monetary policy.

The direct inflation targeting strategy used by the European Central Bank in applying its monetary policy has the first criterion of implementation the expression of inflation target in terms of „headline inflation” (consumer price index - CPI) given that the economic market in Romania is familiar with this indicator. Also, the main criterion considered by the investment segment of the market to achieve capital infusions in economic transactions is represented by the consumer price index, this one ensuring the necessary transparency related to the effects of inflation phenomenon. A strong argument supporting the use of consumer price index in monetary policy is represented by its upward flexibility towards the limited effectiveness of monetary aggregates in sizing inflationary anticipations.

The downward slope of inflation phenomenon, in whose depreciation the evolution of consumer price index, whose positive trend surprised the European Central Bank, played a significant role, determined adjustments in the monetary policy strategy of the National Bank of Romania and at the same time the achievement of the inflationary target proposed with a direct effect on the monetary policy interest rate.

The same measure to reduce the key interest rate is outlined in the monetary policy of the European Central Bank and it is mainly due to the decrease of inflation phenomenon, although at the end of 2011 important quantities of liquidities were introduced in the financial system. It remains to be analysed to what extent the inflation phenomenon will be possible to manage under the conditions of the renewal of economic instability in the euro area and to which direction this aspect will influence the monetary policy of the National Bank of Romania.

Keywords: inflation, monetary policy, interest rate, monetary policy strategy, CPI

JEL Classification codes: E31, E42, E52, E58, E63

THE ROMANIAN CARD MARKET

Radulescu Magdalena, Popescu Luigi

This paper presents an analysis of the Romanian card market in the last decade, based on the statistic data, against other Eastern European Countries and its perspectives in the next years. The use of cards is important for banks, due to the significant interests and tax gained this way, but Romanian market is still underdeveloped because of the population behavior in the payment area and due to the lack of the card acceptance infrastructure at the merchants for a long period of time. In Romania, there are still many cards with a cash-withdrawals function, but the Romanian card industry has a great potential, because it was underdeveloped. The crisis was an opportunity on the market cards because the credit products have dropped significantly and banks had to develop other banking products, realized the importance of the cards and began to invest in infrastructure.

Keywords: payments cards, Romania, ATMs

JEL Classification codes: G20, G35

LENDING IN FOREIGN CURRENCY AND CURRENT CHALLENGES AT EUROPEAN LEVEL

Roman Angela, Sargu Alina Camelia

In recent years, most countries in Central and Eastern Europe, Member States of the EU, that we selected for the analysis (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland,

Romania) have recorded a significant expansion of lending in foreign currency, which was one of the major factors of the accelerated growth of loans to economy. Such developments have led to an increase of indebtedness in foreign currency of the non-financial private sector, especially of the households and of the accumulation of major macroeconomics and financial imbalances.

The issue of lending in foreign currency, the determinants of increasing the share of loans in foreign currency and the risks generated at the level of financial stability are the subject of numerous studies, including: Basso, Calvo-Gonzales and Jurgilas (2007); Rosenberg and Tirpak (2008); Csajb k-Andras et al. (2010); Zettelmeyer, Nagy and Jeffrey (2010).

Another significant issue addressed in the specialized literature regarding foreign currency loans refers to the role of monetary policy in limiting growth of these loans. Thus, in addition to those noted studies we remark other studies, such as: Kiss et al. (2006); Sirtaine and Skannelos (2007); Hilbers et al. (2006); Brzoza-Brzezina et al. (2010).

Our paper complements the specialized literature on the approached subject, in particular, by highlighting and discussing current issues of high interest for policymakers, both at national and European level regarding lending in foreign currency.

The extremely negative implications of lending in foreign currency on financial stability in most countries under review, outlined clearly in the context of the current crisis, determined the focus of the policymakers concern, both at European and national level, regarding the issue of foreign currency loans, which became one of the most discussed issues on the agenda of the monetary-financial authorities.

The aim of our research is to comparatively underline, based on the example of the panel countries, a few stylized facts about lending in foreign currency, and also the main factors which determined the growing share of loans in foreign currency, the risks for financial stability generated by the loans denominated in foreign currencies and the challenges that arise for the monetary-financial authorities, both at national and European level, in the current context and in the post crisis period.

The methodology used in our paper starts with an extensive literature review in order to underline the importance of the research theme approached. The analysis is based on information and statistical data provided mainly by the official statistics of the ECB, IMF, EBRD, Raiffeisen Research, different reports, studies and researches.

Through the content of our research we want to underline the crucial importance of a rigorous monitoring of the foreign lending activities undertaken by the central banks and the supervisory authorities in order to limit the risks and to ensure the financial stability at EU level.

Keywords: foreign currency loans, New EU member states, risks, tools, financial stability

JEL Classification codes: G21, E44, E51

OWNERSHIP CONCENTRATION AND CORPORATE GOVERNANCE DISCLOSURE – THE CASE OF FINANCIAL INSTITUTIONS

Stefanescu Cristina Alexandrina

Disclosure and the quality of corporate governance system are more often appreciated as closely related concepts - the higher the level of transparency, the better the quality corporate governance practices. As regards disclosure, if in a widely held company (ownership dispersion) its role is to signal that the managers are acting in the best interests of the principals, in a highly concentrated company (ownership concentration), it comes to annihilate the conflicts of interest between “insiders” (controlling shareholders and managers) and outside investors.

Basing on this background, we focused on corporate governance disclosure, analyzing possible influences over it coming from corporate governance dimensions. Therefore, the objective of our paper is to identify possible associations between corporate governance features and the level of disclosure through annual reports in case of banking institutions listed at London Stock Exchange focusing on ownership concentration.

Most empirical studies that have tested the correlation between ownership concentration and the level of disclosure reached to a negative relationship (Barako et al., 2006; Tsamenyi, et al., 2007;

Haniffa and Cooke, 2002; Huafang and Jianguo, 2007; Patelli and Prencipe, 2007; Chau and Gray, 2002; Cooke, 1989). However, there are also studies that could not find any association (Arcay and Vazquez, 2005; Ghazali and Weetman, 2006; Holm and Scholer, 2010; Parsa, et al., 2007; Baek, et al., 2009; Makhija and Patton, 2004; Depoers, 2000). Basing both on assertions supported by the agency theory that companies with concentrated ownership do not have to rely on external disclosures to the same extent as companies with dispersed ownership, as well as on most prior empirical findings that provide evidence in this respect, we proposed the following hypothesis:

“(H): There is a negative association between ownership concentration and the extent of disclosure”.

The research methodology used for achieving our goal is based on econometric analysis using statistical tools - correlations for identifying the relationships and regressions for assessing them - all of these being performed using SPSS software. In this respect, firstly, we developed a disclosure index made of three sub-indices, one for each type of disclosure: mandatory, recommended and voluntary.

The results of the performed analysis reveal significant negative influences of ownership concentration on the level of disclosure, thus confirming our assumptions that the extent of disclosure is negatively associated with ownership concentration. Thus we can assert that the higher the dispersion of shareholders, the higher the level of transparency, our results being consistent with some general prior literature findings on the same topic (e.g. Barako et al., 2006; Tsamenyi, et al., 2007; Haniffa and Cooke, 2002; Huafang and Jianguo, 2007; Patelli and Prencipe, 2007; Chau and Gray, 2002; Cooke, 1989).

Unlike prior research studies which were focused on similar goals - to test possible influences of corporate governance features over the level of corporate governance disclosure at companies level, our paper provides a particular approach on a specific business field, the banking one that was little explored on this topic before. Thus, we had the chance to enrich the research literature with this empirical study, whose disclosure index developed ensures it as well with originality.

Keywords: corporate governance, disclosure, ownership concentration, banking, UK

JEL Classification codes: M10, G30

ACCOUNTING PRACTICES FROM FINANCIAL INSTRUMENTS DISCLOSURE PERSPECTIVE – THE CASE OF ROMANIAN BANKING SYSTEM

Stefanescu Cristina Alexandrina

International harmonization and convergence of accounting had gradually become one of the most challenging topic of worldwide research and a very hot debated issue in practitioners' sphere, too. Several studies have addressed both formal and material accounting harmonization along time, a wide range of instruments have been developed and various statistical tools have been used in this respect. Basing on this background, we focused our attention on Romanian banking system which is now experiencing a great challenge by finally entirely adopting IFRS after the first step from 2005 when consolidated financial statements in accordance with IFRS were required and the second one from 2009 when informative individual financial statements under IFRS begun compulsory.

Therefore, the objective of our paper is to empirically measure and compare the levels and progress of material accounting harmonization in Romanian banking sector focusing on financial instruments and their related disclosure requirements.

First studies conducted in the measurement of harmonization practices (Nair and Frank, 1981; McKinnon and Janell, 1984; Doupnik and Taylor, 1985) started at the beginning of the 80's, but were merely descriptive, focused on examining how IAS had been adopted in various countries around the world. In the earliest 90's, there were developed the first instruments for measuring material harmonization, namely the concentration indices (H, C and I Index) (Van der Tas, 1988; 1992) and various other forms of these (Archer et al., 1995), which were widely used in various research studies (Herrmann and Thomas, 1995; Aisbitt, 2001; Taplin, 2004).

Basing on these measurement tools and considering the main aim of our study – to measure material accounting harmonization in Romanian banking sector – we stated four hypotheses, thus trying to answer our questions: “Are the accounting practices related to financial instruments disclosure in Romanian banking system harmonized with international requirements? Was there a progress in this respect in the latest years?”

The research methodology used for achieving our goal is based on both static and dynamic analysis using appropriate statistical tools – concentration indices (H or Herfindahl index) for measuring the improvements in financial instruments’ disclosure practices, thus pointing out the degree of material harmonization reached step by step as well as the overall progress. In this respect, firstly, we developed a disclosure checklist structured on three sections dealing with financial instruments’ general disclosures, derivatives and hedge accounting and risk disclosures.

The results of the performed analysis reveal that accounting practices in Romanian banking sector as regards disclosures related to financial instruments experienced a continuous improvement both at individual and consolidated level, but the level of material harmonization is still relatively moderate. In case of individual financial reporting this can be explained by the recently introduced requirement of preparing financial statements in accordance with IFRS and only for informative purposes. Thus, by now we can talk about a real material harmonization just in case of consolidated financial reporting.

Unlike prior research studies which were focused on similar goals - to measure accounting harmonization around the world, our paper provides a particular approach on a specific business field, the banking one that was not separately explored on this topic before. Thus, we considered for analysis its related accounting practices focusing on financial instruments disclosure, which is a particular issue, too, thus enriching the research literature on this field.

Keywords: disclosure, financial instruments, IFRS 7, banking, Romania

JEL Classification codes: M10, G30

COMPARATIVE STUDY OF OWN FUNDS IN THE BANKING SYSTEM

Tesu Ramona

The present article has as a research field theoretical, methodological and practical aspects of the own funds, taking into account the line-up attempts of the Romanian banking system to the requirements of the European Union, materialised in the Basel Agreement. The objectives of the research theme, presented in this paper, are mainly oriented towards own funds. We also proposed the following secondary objectives: presenting the concept approaches concerning own funds, emphasising the typology of own funds and pointing out their purpose in the banking activity; presenting and analyse the evolution of the own funds in Romania, for a period of 8 years (2004-2011). Even though the actual stage of the research in this field is advanced, in the Romanian and foreign literature which dedicate a lot of theoretical and empiric studies concerning own funds. In our study we will use a theoretical and a practical research. The theoretical research describes the laws, regulations and rules of application in the banking field in our country. In the practical part we will use as a research method the quality-comparative analyse by presenting details regarding bank back-ups. Despite the global financial crisis, the Romanian banking system can be considered as stable as a whole, with levels of capitalization, solvency and liquidity in accordance with consistent with prudential requirements. Tier 1, defined as the core of their sources of credit institutions through the permanent criteria, payment flexibility and capacity to absorb losses continued to overwhelmingly support a total equity. Appropriate quality of own funds is on their structure. The most important component frame our capital plus capital frame attached. The second component in terms is still represented by legal reserves. An important challenge for banks was to maintain a level of own funds accordance, in the conditions which they were eroded by the current period losses. Tier 2 support rate of about 20 percentages of total equity and subordinated debt were the main components and revaluation reserves. Re-evaluation reserves have preserved funding contributions to Tier 2. An for evaluation of the level of capitalization of credit institutions, the central bank uses solvable indicator, as the only indicator currently regulated for

this purpose. It also provides banks in Romania at the conditions for additional capital requirements related to Basel III framework to be taken by the European regulatory Capital Requirement Directive IV. As a final conclusion of the research in the own funds field we want to mention and express our opinion that the methods and techniques of managing risk, calculation of capital need permanent revision and adaptation to the changes that take place on the financial market the appearance of Basel Agreement 3, which are absolutely necessary in the actual economic and financial context. The presentation of concrete cases concerning the bank back-ups represent the personal work which completes the study concerning the analysis of managing banking risks, the role of bank back-ups in the bank capital adequacy mechanism.

Keywords: capital adequacy, own funds, Tier 1, Tier 2, Basel 3

JEL Classification codes: G2/G21 - Banks; Other Depository Institutions; Micro Finance Institutions; Mortgages

THE CARD - CURRENCY WITH AND WITHOUT CASH

Tirlea Mariana Rodica, Nicoara Mihaela

Use by individuals and businesses resulting in reduced cash cards in circulation, the corresponding increase in transfer payments and payments accounts also limit exchange risks and make effective use of currency. As a result, we have the effect of reducing cash in circulation.

These advantages are also available for businesses and for banks and leads to favorable effects on import-export business.

Following this, banks can diversify our products, so to meet customers' new products.

Keywords: card, bank card, debit card, credit card,

JEL Classification codes: G32

MULTIFRACTAL STRUCTURE OF CENTRAL AND EASTERN EUROPEAN FOREIGN EXCHANGE MARKETS

Trenca Ioan, Pleşoiianu Anita, Căpuşan Răzvan

It is well known that empirical data coming from financial markets, like stock market indices, commodities, interest rates, traded volumes and foreign exchange rates have a multifractal structure. Multifractals were introduced in the field of economics to surpass the shortcomings of classical models like the fractional Brownian motion or GARCH processes.

In this paper we investigate the multifractal behavior of Central and Eastern European foreign exchange rates, namely the Czech koruna, Croatian kuna, Hungarian forint, Polish zlot, Romanian leu and Russian rouble with respect to euro from January 13, 2000 to February 29, 2012. The dynamics of exchange rates is of interest for investors and traders, monetary and fiscal authorities, economic agents or policy makers. The exchange rate movements affect the international balance of payments, trade flows, and allocation of the resources in national and international economy. The empirical results from the multifractal detrending fluctuation analysis algorithm show that the six exchange rate series analysed display significant multifractality. Moreover, generating shuffled and surrogate time series, we analyze the sources of multifractality, long-range correlations and heavy-tailed distributions, and we find that this multifractal behavior can be mainly attributed to the latter. Finally, we propose a foreign exchange market inefficiency ranking by considering the multifractality degree as a measure of inefficiency. The regulators, through policy instruments, aim to improve the informational inefficiency of the markets, to reduce the associated risks and to ensure economic stabilization. Evaluation of the degree of information efficiency of foreign exchange markets, for Central and Eastern Europe countries, is important to assess to what extent these countries are prepared for the transition towards fully monetary integration. The weak form efficiency implies that the past exchange rates cannot help to improve forecasts about future spot exchange rates, therefore there are no opportunities for profit based upon past data. Our results show that the Russian foreign exchange market has the highest degree of efficiency while the Hungarian foreign exchange market is at the opposite side.

Keywords: multifractality, MFDFA, long-range correlations, heavy-tailed distributions, foreign exchange markets

JEL Classification codes: C10, F31, G15

ANALYZING THE EUROPEAN MARKET OF INTEREST RATE SWAP INDICES

Trenca Ioan, Mutu Simona, Petria Nicolae

The interest rate risk is the most important risk that derives from the OTC transactions, taking into consideration both the notional amounts and the market value of the financial derivatives that relies on interest rate contracts. Open positions on interest rate derivatives represents more than 75% of the OTC market. In the European banking market interest rate swaps prices are strongly dependent on the interbank interest rates. In this paper we want to analyze the behavior of the Eoniaswap indices and their impact on the interest rate swaps between banks.

Keywords: interest rate risk, Eoniaswap, volatility, impulse response functions

JEL Classification codes: E43, E50, G10, G21

CARDS MARKET – A RESISTANT MARKET TO CRISIS

Vechiu Camelia, Gherman Liliana - Victoria, Tudose Geanina - Gabriela

At the same time with the development of market and consumer behavior of Romanians, the growth rate of cards market accelerated. Of course, infrastructure and acceptance network were very important, they are the factors that allowed the widespread use of cards.

Currently, any natural person or legal entity is engaged in commercial relationships involving financial transactions, the electronic payments having an important role, representing virtually future transactions, both nationally and across borders.

The financial institutions have made a more rapid segmentation of the portfolio of cards and began to focus increasingly on services and benefits situated behind the payment instruments. Meanwhile, cardholders were becoming more educated and sophisticated, knowing what to ask of cards. More, many financial institutions have adapted so that network to accept chip cards.

On the Romanian market, the chip cards will increase which are much more effective in terms of security transactions, as well as for co-branded cards, that offers the possibility of the loyalty of the customers. They will try to get as many benefits from different types of cards, but at the same time, they will focus on niche products, business cards, cards for shopping or for payment of public services.

The scientific paper aims to capture aspects that emphasize the fact that the permanent market monitoring and the continuous adaptation of it will become necessary for the next period. The current client is more demanding, more educated and less tolerant in the relation to the suppliers of any kind and especially with those of financial services.

The tendency to use co-branded cards for everyday payments will increase as merchants and issuing banks will attach more and more benefits on these cards, which will ultimately increase trading volumes on the card to merchants. The bank clients benefited of the cutting - edge technologies, of dual cards functionality - debit and credit.

Keywords: cards market, crisis, markets segmentation, personalized card, co-branded card

JEL Classification codes: E42, E50

REAL AND NOMINAL CONVERGENCE, THE SYNCRONIZATION OF BUSINESS CYCLES BETWEEN THE NEW EUROZONE MEMBERS (NEM) SLOVENIA, SLOVAKIA, CYPRUS , ESTONIA AND THE CORE EUROZONE

Zapodeanu Daniela

After the accession of newly members in the European Union in 2004 and 2007 these countries are expected to adopt the common currency: Euro. The nominal convergence must be achieved until then as the Maastricht treaty implies but in order to be an Optimum-Currency-Area (OCA) these countries economies are expect to behave similarly to those of the Eurozone. We test the synchronization of the business cycle between the EU12 and Slovenia, Slovakia, Cyprus and

Estonia using as a measure their GDP evolution . The GDP for all the states are seasonally adjusted using the X12-ARIMA methodology, we apply the Hodrick-Prescott filter in order to capture the trend and cycle of GDP, using the correlation coefficient we test their level of synchronisation. The main findings are that their level of synchronisation has rise over the 1995-2011 period, also adopting the common currency Euro doesn't seem to have an impact on the level of busyness cycle synchronisation.

Keywords: Eurozone, business cycle synchronisation, Hodrick-Prescott filter, Optimum-Currency-Area

JEL Classification codes: E32, C22

THE ROLE OF VALUE AT RISK IN THE MANAGEMENT OF ASSET AND LIABILITIES

Zapodeanu Daniela, Cociuba Mihai, Petria Nicolae

ALM is the management of risk at enterprise level, the models used in ALM can be static or dynamic: single period-static models, multiple period static model, single period stochastic model, multi period stochastic model. While single period-static don't incorporate the dynamic of the economical changes the multiple period-static models are an extension of the single period-static model, the most common used are multi-period stochastic which model the evolution of financial series in time and the assets and liabilities using different types of probability distributions (Student, GED). Highly correlated with ALM is the Value at Risk which can be used as and function to be minimized in ALM models. In the Value at Risk methodology the estimation models are classified as: parametric, nonparametric, semi-parametric; we present the parametric models (GARCH models) used in Value at Risk and the connections that can be established between ALM models and Value at Risk. We present the Conditional Value-at-risk and offer an example on how to calculate CVaR .

Keywords: asset-liability models, Value-at-risk, Conditional Value-at-risk, GARCH

JEL Classification codes: G21, G17

SUB-SECTION: ACCOUNTING

IMPROVING CORPORATE GOVERNANCE IN EMERGING ECONOMIES – AN ANALYSIS OF THE IMPLICATIONS ON THE ACCOUNTANTS’ ROLES AND COMPETENCIES

Albu Nadia, Albu Cătălin, Gîrbină Mădălina

Corporate governance became in the last decade an important domain of reforms in emerging economies. The reforms in the corporate governance models and in accounting should assign a more important role for accountants. The objective of this paper is to analyze the changes in the accountants’ roles and competencies as a result of the reforms in corporate governance model of an emerging economy. We correlate information from the job offers (as indicators of the role and competencies expected from accountants) and from the corporate governance disclosures (as indicators of the application of roles and competencies) in order to discuss the recent changes in the Romanian accounting profession roles and competencies. Our results contribute to the understanding of the factors related to the modernization of the accounting profession in emerging economies, illustrating the challenges associated with the “import” of Western models.

Keywords: accountants, accountants’ roles and competencies, corporate governance, Romania

JEL Classification codes: M 41, M 14

FREQUENCY USE OF FAIR VALUE WITHIN INTERNATIONAL ACCOUNTING STANDARDS - A STATISTICAL APPROACH

Andreicovici Ionela-Irina

The debates over the paradigm of fair value are not recent; they have gradually evolved and intensified with awareness of the current financial crisis. However we accept the idea that expanding the use of fair value is correlated with widespread application of international accounting standards, either by convergence of the national accounting systems, or by express requirements for listed entities.

Starting right from the definition of fair value and going further to the attempt to put into practice, this desideratum has in scientific literature various opinions.

Beginning from these differences of judgment we took on our shoulders the task of convincing readers about the importance of using fair value; and how to accomplish this better than by International Accounting Standards. Into International Accounting Standards the references to the notion of “fair value” are numerous. The objective of this study is highlighting the need to use fair value as a measurement base, underlining the importance and its role. We try by the frequencies of use the concept under the international accounting standards. We prove this by frequency of use of this concept in the international accounting standards. Using as a research method content analysis we examined International Accounting Standards, edition 2011 and we calculated the frequency of use of the words in these regulations. To get an overview of the use of this concept we calculated the most common uses of words. As a result of the research we mention that the fair value has been used 933 times, being the concept with one of the highest frequency of use.

Keywords: fair value, IASB, frequencies, valuation

JEL Classification codes: M41

MORALITIES AND ETHICS. THE PARADOX OF THE PARABLE OF THE UNJUST STEWARD AND THE PARADOX OF CREATIVE ACCOUNTING

Balaciu Diana, Bogdan Victoria

The paper targets the approach of the implications regarding the compliance or non-compliance with ethical principles in the accounting profession, the interest for this debate being the profound crisis we are experiencing which makes us come back to fundamentals, the current world trying to discover them morally and ethically.

In order to reach the purpose of our research, we have carried out an exploratory research, as a specific research method, using the analysis of secondary data. In this view, starting from the

behaviour of the characters of the controversial biblical parable of the unjust steward bringing it into the context of our days, we can notice that the wit of the above mentioned steward mentioned above, it cannot be underestimated and we cannot, even now, underestimate the creativity of a “good” accountant when he has “to solve” a problem or to reach a certain purpose. Also, we have used a descriptive research, too, the research method used being the survey. In making up the surveys, we used the 5 level Likert scale, this type of scale targeting aspects related to the relation ethics-morality-religious values with which, the respondents, in our case represented by a sample made up of the managers of large enterprises and those of the SMEs in the Bihor County, agreed or disagreed.

This paper shows that, from a philosophical and spiritual point of view, the contemporary crisis is a conscience crisis and a crisis of the humanity’s moral values, emphasising the idea that humankind must enter a phase of new humanism, meant to cultivate the features of a morally developed man, endowed with responsibility regarding the choices that he makes as well as the capacity to suffer the consequences of his choices.

In our opinion, the parable mentioned has in view the accentuation of the moral aspects of the steward’s behaviour and, extrapolating, of the accounting professional in creating a solid basis for an ethical behaviour. Thus, the solution for the economic, political, or environmental problems we identify in the world we live in, depend, to a high extent, to the way in which the moral problem is solved, a problem depending, in our opinion, on the spiritual problem.

Keywords: ethics, morality, creative accounting, economic crisis

JEL Classification codes: M41

EUROPEAN HARMONIZATION OF CONSOLIDATED FINANCIAL STATEMENTS REGULATIONS?

Baltariu Carmen-Alexandra, Cîrstea Andreea

The purpose of this paper is to analyze the degree of formal accounting harmonization within the European Union with respect to the EC Regulation No. 1606/2002 adopted by the European Parliament and European Council on the 19th of July 2002, which regulates the application of IAS/IFRS regarding the financial reporting of listed European companies. The conclusions of the paper were drawn after the completion of a thorough analysis performed by using correlation and/or association coefficients, namely: the Jaccard’s Correlation Coefficients, Rogers and Tanimoto Coefficient, Lance and Williams Coefficient and Binary Euclidian Distance Coefficient. The results lead us to conclude that although our first hypothesis is verified, the degree of harmonization between the accounting systems of EU Member States could be truly quantified only through an analysis of the material accounting harmonization, more precisely by analyzing the way the companies put into practice the requirements imposed through the EC Regulation No. 1606/2002.

Keywords: formal accounting harmonization, consolidated financial statements, regulatory framework

JEL Classification codes: M40, M41, M48

CONSOLIDATED FINANCIAL STATEMENTS: A COMPARATIVE ANALYSIS BETWEEN IPSASS AND IAAS

Ban Raluca Felicia, Tiron Tudor Adriana

The aim of this article is to compare standards from private sector with standards from public sector with respect to consolidated financial statements. It is known that standard setters are trying to introduce a whole accounting of government in order to respond to the qualitative characteristics of the accounting and for doing this a lot of rules are copied from private sector. There are many researchers that studied this aspect, from different countries and a common idea of their research is that accrual based accounting is the main cause of this process of consolidation. Through this article we appealed a theoretic analysis and an empirical one based on Jaccard’s Coefficient to measure the degree of the comparability between the two sets of standards and as a

result we found that they are similar. When developing the standards, regulators from IPSASB should have in mind the objective of their standards, the particularities from public sector and the alignment with user's purpose. Organizations from public sector are not-for-profit, while the scope of a private entity is to obtain profit. So, through the standards this objective of the users should be reached but at the same time the information presented should be complete, faithful and relevant. Implementing standards in order to elaborate consolidated financial statements could be expensive at the beginning but also the transparency and the comparability between the countries is ensured. So, measuring the impacts of this new rule in public sector we sustain the idea that we have more advantages than disadvantages for entities that apply these standards. The standards are revised periodically and in this article we analyze the comparability between IPSAS 6, 7, 8 and IAS 27, 28, 31 based on existing version before the year 2011, and for further researches we propose ourselves to follow the revision of these three standards for public sector as is state in IFAC projects, accordingly to IFRSs.

Keywords: consolidated financial statements, public sector, private sector, Jaccard's Coefficients, accrual based accounting

JEL Classification codes: M4

FINANCIAL PERFORMANCE VERSUS NON FINANCIAL PERFORMANCE. CASE STUDY AT ANTIBIOTICE TRADING COMPANY IASI

Dănescu Tatiana, Beleneși Mărioara

The actual economical conditions, the effect of global crisis and the efforts to pass this turning point, does force trading companies toward an extremely balanced management of performance. Now, when financial indicators are neither so spectacular nor so relevant, and when the principles of a durable development are mentioned over and over, the exigencies of companies' external environment are higher and higher. This reality does force the companies to pay more attention to social responsibilities' assuming and investment into green innovation, as well as to the field of information's communication in a relevant way, which should gather financial, social and environment information. The absence of a normalized balance of financial and non-financial indicators used in measuring companies' global performance, does allow them selecting of "agreed" indicators which should reflect the company under the light of high performance. But, the same reason urges the searcher for some research studies of the most adequate diagnostic model of global performance, which should faithfully reflect company's current status. The purpose of this study is to measure the global performance of ANTIBIOTICE Trading Company, taking into account, both financial and non-financial indicators for a period of 5 years. For the financial years 2006 and 2008 company's global performance is an acceptable one, while for the financial years 2007, 2009 and 2010 the global performance is a medium one. It should be highlighted the lack of involvement or transparency regarding social and environment responsibility in 2006 and weak financial performance in 2008, indicators which positioned the company to an acceptable level.

Keywords: performance, financial indicators, non-financial indicators, global diagnostic, ANTIBIOTICE Trading Company

JEL Classification codes: M14

QUALITATIVE STUDY REGARDING THE RELATIONSHIP BETWEEN CORPORATE GOVERNANCE AND CREATIVE ACCOUNTING

Berinde Sorin, Rachisan Paula Ramona, Grosanu Adrian

The concept of corporate governance has come into the spotlight after the big accounting scandals. Corporate governance represents the manner in which a company is managed and controlled, and this aspect is closely related to the creative accounting practice; ownership structure, the board of directors' structure, the frequency of these bodies' meetings, they all can encourage but also discourage accounting manipulation.

We tend to agree with the authors who claim that certain changes within the company – including the structure of certain departments – and a rigorous control can significantly reduce the use of creative accounting techniques.

Concerning the main objective, respectively outlining a clear image of corporate governance starting from creative accounting, in order to achieve it we conducted a qualitative study, we decided to analyze one of the main research directions, namely corporate governance, as we considered it a current issue with great impact on creative accounting. Our study is based on corporate governance seen as a possible solution to reduce creative accounting practices

We used as research method the content analysis which developed in three stages, namely: pre-analysis, content exploitation, respectively processing and interpretation of results. Moreover, when conducting this qualitative study, we use both quantitative and qualitative analysis, using external observation (non-participant) method in collecting the necessary data. We also used the comparative method by studying the main lines of research in different periods (1990-2010).

These studies refer to creative accounting techniques, to conflicts of interest between managers, directors and shareholders, to joint ownership and control rights, to the lack of transparency regarding financial reporting and auditors' independence – as evaluators of the financial and accounting information. Not all research directions have been sufficiently explored; therefore, in the future the researches must be continued and deepened.

We consider that a number of independent outside directors within the board could contribute to a better monitoring of the management team, leading to a lower possibility for the company to use creative accounting practices compared to the situation in which the board would be formed mainly from inside director.

Keywords: corporate governance, creative accounting, qualitative study, empirical study, theoretical study

JEL Classification codes: M40, G34

ACCOUNTING STANDARD SETTING IN THE INTERNATIONAL ARENA: UPDATE ON THE CONVERGENCE PROJECT

Bonaci Carmen Giorgiana, Mustata V. Razvan, Matis Dumitru

Our paper contributes to the literature on international accounting by focusing on the standard setting process. As documented by research literature, accounting regulation can enhance corporate governance (Melis and Carta, 2010), corporate reporting being expected to reduce information asymmetry. Based on accounting research and trade literature we first synthesize recent evolutions in the international accounting arena. We therefore position our study within current realities significantly marked by uncertainty in relation to the world wide globalization process. The objective of our paper is to perform an analysis that would help assess further developments of the convergence project. This is done by looking at the current status of the projects being developed under the IASB –FASB collaboration, as well as by developing a comparison between IFRS and US GAAP. The employed research methodology relies on analyzing data provided through the IASB and the FASB's websites, as well as other official documents being issued by the two Boards. The assessment of the projects was done by reviewing exposure documents and monitoring the Boards' deliberations, while the developed comparison requires accounting regulations content analysis. Concluding upon the Boards' ongoing projects, we might identify areas in which convergence seems to be quite close (such as revenue recognition and leasing), but also areas in which convergence becomes even more challenging (such as financial instruments or the particular case of offsetting). Similar to other studies being developed within accounting research and trade literature (SEC 2011: 8) we may conclude that, generally, US GAAP present more detailed, specific requirements than IFRS.

Keywords: International Accounting Standards Board, Financial Accounting Standards Board, corporate reporting, IFRS, US GAAP

JEL Classification codes: M41

DEVELOPING A METHODOLOGY FOR DETERMINING THE SCORING OF GOOD AUDIT COMMITTEE PRACTICES USED BY EUROPEAN COUNTRIES

Bota Avram Cristina

The ensuring of a good corporate governance is a relatively new target on the list of objectives for international economic convergence, and the way that audit committee could contribute for the achievement of this objective is becoming a subject of greatest interest and debate among members of both academics and practitioners or specialists. The attention given to the audit function, especially in the context of corporate governance becomes a priority for European Commission (EC), one significant proof in this way being represented by the latest green-papers issued by EC that outlines the social role and responsibilities of audit function in terms of corporate governance, in order to rebuild and to establish the investor confidence in the effectiveness of financial markets. The major purpose of this paper is to develop and to propose a methodology for measuring the score of good audit committee practices in the context of corporate governance used by European countries. During its evolution, the audit committee also had known significant mutations from its objectives' point of view, and so if at the beginning audit committee was mostly focused over the financial reporting process, actually the objectives of the audit committee started to be more extended, being strongly focused over the ensuring the soundness of corporate governance of the entity (Porter, 2009). Based on a well-documented literature review, with a focus on significantly research developments and studies with respect to the audit committee's role and responsibilities it was developed a synthesis of main audit committee practices that should be taken into account into an integrated framework of good audit practices in the context of corporate governance. The results consist of a set of certain criteria that should be taken in consideration when considering the methodology for measuring the score of audit committee practices in the European context. These results represent only a preliminary step in a major research project dedicated to the analysis of good audit practices in European context. The following step in developing this major research will be to determine based on the methodology proposed a score for more than 550 European economic entities, listed at European markets capital in the most significant indexes, finally trying to determine a synthesis of the most significant practices of audit committee when speaking about the good audit practices in the context of corporate governance. By presenting the main criteria included in the proposed methodology, the author hopes to stimulate further constructive debates on this field of research which might contribute at the value-added improvement of the developed methodology, assigning to the further results a better relevance.

Keywords: audit committee, corporate governance, good practices, scoring of good practices, methodology.

JEL Classification codes: M40, M42, M21, M14

ACCOUNTING ON THE PARTICULARITIES THAT CONCESSION AGRICULTURAL UNITS

Breban Ludovica, Achim Monica Violeta, Borlea Nicolae Sorin, Bochis Leonica

Agriculture represents the branch of the material production which deals with growing crops and raising animals in order to obtain farm produce and some raw materials, as well as the totality of works and methods used for this purpose. Agriculture has specific traits mainly induced by the traits of its results. Thereupon, what sets apart agriculture from other sectors of the economy is the volume, structure and concretization of the resources in the process of their consumption. The essential cause of these differences is the fact that land is the main production factor and that, compared to the development level of the production forces and the natural and biological factors, it behaves in a specific manner. Definitions and characteristics of agricultural activities are given also in The International Financial Reporting Standards (IFRS) , respectively IAS 41, "Agriculture". Hence, according to IAS 41 "Agriculture", agricultural activity is defined as the management of the biological transformation of biological assets (living plants and animals) into agricultural produce (harvested product of the entity's biological assets). The received concessions

represent an important characteristic of these units and, as a particular case concerning such concessions, we will tackle the issue of terrains pertaining to the assets sold by the Romsilva National Forests Administration.

Keywords: agricultural activity, concession,, forest land, agricultural exploitation

JEL Classification codes: M, M4, M41

SOCIAL ACCOUNTING RESEARCH AND THE IMPORTANCE OF HR AUDIT

Briciu Sorin, Ivan Oana Raluca

The purpose of this paper is to present the importance in the Social Accounting Research of internal audit of human resources in nonprofit organizations (NPO). The importance of NPO in Europe and in Romania is increasing so our examination re-evaluates what social accounting is, the typical aspects regarding an HR audit mission. The specificities of NPOs work related matters, and especially the use of volunteer working raises specific HR matters and consequently a greater accountability of HR internal audit missions. The purpose is to identify the specific volunteer-work related issues, and to come with a specific response to these problems

Keywords: HR audit, internal audit, volunteers work, social accounting/auditing research

JEL Classification codes: M42, M48, M54

THE RELEVANCE OF MANAGEMENT ACCOUNTING FOR THE HOSPITALITY INDUSTRY

Briciu Sorin, Scorte Carmen

In the contemporary period the tourism and hospitality industry has experienced dynamic growth despite the challenges facing not only the global crisis, but also market changes, consumer behavior and technological trends. Accounting, the language of business is required to keep up with changes made to each particular area of activity so that they can provide timely relevant information to be managed by an efficient information system.

Our article focuses on presenting the importance of management accounting and cost information system in the hospitality industry, then consider identifying features of this sector and their impact on accounting. The methodology of our research falls within the economic research, being theoretical, aiming primarily to knowledge objectives and the relevance of management accounting for economic entities, and then we have the characteristics of hospitality industry and possible organizational management accounting in this sector. In our perspective cost calculation for services, packages or travel benefits must take into account the development of the accounts from Class 9, so we propose a possible method to customize them according to the Direct Costing and CVP analysis. Our research will also be explanatory descriptive, trying to answer the questions How? and Why?

Keywords: Hospitality industry, management accounting, cost information system

JEL Classification codes: M 41

FINANCIAL BALANCE AND LOANS OF THE SHAREHOLDERS TO THE COMPANY

Burja Vasile, Rus Luminita

The present analyses, based on a case study show the influence on the financial balance of the loans from shareholders , taking into account the accounting treatment of loans. We do not know that the Romanian economic literature to be treated that aspect. That is why we consider the study as being useful to managers, members, shareholders, and all business partners to form the economic decisions.

The purpose of this financial analysis is to examine critically the accounting and financial information offered by the companies to assess their performance and their financial position (Laurence Le Gallo). The financial position of firms is assessed based on the financial structure and financial balance. In a same time the financial balance is approached from a static perspective

based on the: net situation, working capital, necessary of working capital, net treasury. The present analyses deals with financial balance in a static manner based on these four indicators listed.

The sources of data for the analysis of financial balance are offered mainly in the financial statement. This document has been used data from a company that is engaged in the carriage of goods. Analysis was made over a period of five years.

The present analysis showed that financial balance is influenced by the way that the shareholders loans to the company are treated by including them in long-term debt or short-term. Reprocessing of loans and their inclusion in long-term debt, changes the perspective on financial balance showing that on the long-term company has a stable balance.

These aspects require preparation of loan agreements with associates as loans work in reality. The contracts must to highlight the progress of the loan on the long term and not to be extended or remodeled the short-term contracts.

Of course, there are always solutions to improve the financial balance and in this way the financial position and the performance of the company. However, the proposed solutions must be based on a proper perspective on the financial balance offered by the suitable treatment of the raw data.

Keywords: financial balance, loans from shareholders, working capital, necessary of working capital, net treasury

JEL Classification codes: M41, L29

BUSINESS MODELS FOR TAX AND TRANSFER PRICING PURPOSES

Corlaci Alexandra

The purpose of the present investigation is to provide, from a tax and transfer pricing point of view, a systematic and structured analyze of the generally characteristics of business models (manufacturer and sales business models) used by multinational enterprises in the process of business reorganization, with the scope to increase their performance and the sustainable competitive advantages. According to the functions performed and risks assumed, the entities are labeled into limited risk units (such as toll manufacturer or commission agent), medium risk (contract manufacturer, commissionaire, stripped distributor) or high risk units (fully fledged manufacturer, fully fledged distributor) and, further, the most important characteristics of each type are presented by comparison with the other types.

Keywords: business restructuring, business model, manufacturer models, sales models, transfer pricing

JEL Classification codes: H20, H25, M16

FROM ACCOUNTING REGULATIONS TO VALUATION PRACTICE - THE APPRAISER'S ROLE IN TANGIBLE ASSETS' REVALUATION

Crisan Sorana Adina

Tangible assets revaluation has an impact over equity, profit and the financial indicators of the company, several being relevant for the decision making process of investor's and company management. The revaluation process is usually done by valuation experts who have to start their mission departing from the accounting information regarding the revalued assets. A sound understanding of accounting rules and of the necessities of the revaluation process is essential for a reliable revaluation. Lack of specific accounting knowledge on the valuer's side can lead to distorted representations of the valued assets which will affect faithful representation, have accounting and fiscal impacts and can also raise problems when auditing the company. The quality and valuation expertise of the called-in appraiser are also relevant for the outcome of the revaluation process, especially if market values evidence is scarce or the revaluated assets are highly specialised. We present the actions that the valuer and the entity have to pursue in order to ensure a reliable revaluation process, contributing thus to a better understanding of the practical approach to assets revaluation and its specific requirements.

Keywords: tangible assets, revaluation, appraisal, fair value

JEL Classification codes: M49

THE RELATIONSHIP BETWEEN ACCOUNTING AND TAXATION - THE ROMANIAN ACCOUNTING ENVIRONMENT

Cuzdriorean Dan Dacian, Albu Catalin Nicolae, Albu Nadia

The paper analyses the relationship between accounting and taxation in the Romanian accounting environment. In this respect the paper illustrates the results of the main research conducted in the national and international literature in terms of the relationship between accounting and taxation in Romania and also the main research directions in terms of tax-accounting link. The paper concludes that the level of influence was decreased over time (de jure and de facto) as a result of changes made in the Romanian accounting and tax environment.

Keywords: accounting, taxation, tax-accounting link, accounting environment, Romania

JEL Classification codes: H29, M40, M41

ROMANIA'S FACTS ABOUT INTERNAL CONTROL ENVIRONMENT OF EUROPEAN SOCIAL FUND FINANCED PROJECTS

Dănescu Tatiana, Dogar Cristian

The malfunctioning of internal control system of European Social Fund (ESF) financed interventions may prejudice the sound financial management principle. Incorporating COSO principles in the beneficiary's internal control systems may provide some warranties about compliance to the above mentioned principle as described in the EC Regulation 1605-2002. This study aims to explore some facts in actual internal control environment, as a base for future improvements of Romanian ESF beneficiary's internal control systems

ESF financed interventions covers a large range of costs for implementing labor market related services. But supporting costs according to the sound financial management principle calls for best value for money in real and legal operations. Without some specifics from the donor or a mutual accepted best practice model, most of the ESF beneficiaries are reporting their efforts to actual researches and specialized literature regarding internal control system implementation in services.

This study was realized in April 2012 by applying an investigation instrument, an on-line questionnaire collecting both opinions and factual data as well to a number of 962 members of a practice community for ESF interventions implementation. This technique was used to test hypotheses regarding the premises existence for a future improvement of the existing internal control system model. 100 members of this community: managers, accountants, auditors financial responsible and other team members answered anonymously, revealing a real concern for internal control, providing as well a different side image for this. Analyzing all stakeholder answers, we may consider that our hypothesis is correct and there is a real need for internal control environment improvements.

This study is a part of a larger research "New models of the accounting and internal control systems of ESF financed interventions in Romania", addressing a qualitative approach of ESF absorption through improved practices. The research is coordinated by Prof. Dr. Tatiana Dănescu and elaborated by PhD student Cristian Dogar.

Keywords: COSO, internal control, sound financial management, European Social Fund, projects.

JEL Classification codes: M42: Auditing

MANAGEMENT ACCOUNTING IN EUROPEAN SOCIAL FUND FINANCED PROJECTS IN ROMANIA

Dogar Cristian

Associating spent amounts in European Social Fund (ESF) financed interventions to eligible activities could be important premises for safeguarding the sound financial management principle. Incorporating management accounting in the beneficiaries accounting systems may provide primary warranties about compliance to the above mentioned principle as described in the EC Regulation 1605-2002

This study aims to explore some facts in actual accounting management implementation, as a base for future improvements of Romanian ESF beneficiary's accounting systems

ESF financed interventions covers a large range of labor market related services, delivered to the people to increase adaptability and occupational mobility with the aim of allowing or improving labor market access. Even if these services are diverse and delivered by various entities such as government agencies, enterprises or NGO's, they do have something in common; they cannot generate incomes, but costs for implementing entities. But costs according to the sound financial management principle calls for tracing money with eligible activities using at least some if not all of management accounting concepts. Without some specifics from the donor or a mutual accepted best practice model, most of the ESF beneficiaries are reporting their efforts to actual researches and specialized literature regarding management accounting implementation in services delivering activities.

This study was realized in March 2012 by applying an investigation instrument, an on-line questionnaire collecting both opinions and factual data as well to a number of 962 members of a practice community for ESF interventions implementation. This technique was used to test hypotheses regarding the premises for a future improvement of the existing accounting system model by incorporating management accounting.

130 members of this community answered anonymously, revealing an important concern for management accounting usage, even if only less than 15% declared that they organize it continuously. The rest of more than 85% perceive an important concern about tracing money with budget breakdowns and activities within their projects, just about 65% of them considering also that their work is different now in an ESF project than in past situations. More than 83% of the ones organizing management accounting stated that their actual work is different than in past situations.

Analyzing all the answers, we may consider that our hypothesis is correct and there is a real opportunity for accounting system improvements, by incorporating management accounting.

Some other conclusions about interactions between the accounting and internal control systems may be drawn from the way that community members perceive communication from and to the accountant. Possible weaknesses of the internal control system may lead to unpleasant effects for sound financial management.

This study is a part of a larger research "New models of the accounting and internal control systems of ESF financed interventions in Romania", addressing a qualitative approach of ESF absorption through improved practices. The research is coordinated by Prof. Dr. Tatiana Dănescu and elaborated by PhD student Cristian Dogar.

Keywords: Management accounting, Accounting system, European Social Fund, communication, sound financial management.

JEL Classification codes: M41

THE IMPACT OF THE BUSINESS AND ORGANIZATIONAL SIZE OF A COMPANY ALONG WITH GRI AND CSR ADOPTION ON INTEGRATING SUSTAINABILITY REPORTING PRACTICES

Dragu Ioana-Maria, Tiron-Tudor Adriana

This paper intends to investigate the correlation between the business and organizational size of companies as well as GRI and CSR practices adoption, and the level of sustainability disclosure. The correlation is highlighted through SPSS statistic analysis and determination of an econometric model between a dependent variable - sustainability information disclosure - and five independent ones- sales, number of employees, GRI and CSR policies and ultimately reporting period/year -. We use the Deloitte Sustainability Scorecard for measuring the sustainability reporting practices. Our sample comprises companies that adopted integrated reporting for the period 2009-2010. Sample selection was made on the basis that sustainability reports are incorporated within the integrated reports. We assume to obtain a high correlation between the business and organizational

size of companies, GRI and/or CSR polities and the level of sustainability information disclosed in our integrated reports.

Keywords: integrated report, reporting scorecard, sustainability, disclosure, correlation

JEL Classification codes: M41, C58

THE SOUND OF CORPORATE GOVERNANCE

Dumitrascu Luminita Mihaela

The paper explores the corporate governance and corporate social responsibility in music industry, by reviewing the literature and investigating the aspects in the context of a sample made by top companies in this domain. The paper spotlighting the mutual connections between corporate governance and corporate social responsibility. The research methodology used consists in investigate the corporate governance codes. It's about a qualitative interpretive research methodology that was adopted. The findings suggest the intercorelation of corporate governance with corporate social responsibility. The main contribution of the author consists in the fact that the added value of this paper and the original contribution leads in the intercorelation of these two aspects of corporate governance and corporate social responsibility, the findings beeing interesting, implying that recent preoccupation with corporate governance in music industry is starting to be equable by some attention to social responsibility aspects, with growing appreciation of their interdependencies. Previous literature has researched corporate governance and corporate social responsibility independently. Due to this fact, this paper is considering them jointly. The paper is important for both practical and theoretical aspects: for managers and also can serve as the basis for future research on this topic.

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Keywords: corporate governance, corporate social responsibility, music industry, stakeholders

JEL Classification codes: G39, M14

CONTRIBUTIONS OF DUMITRU VOINA TO THE DEVELOPMENT OF ACCOUNTING AND ACCOUNTING EDUCATION IN ROMANIA

Fărcane Teodora Viorica

The paper presents the biography and the work of an important accounting professor from the Academy of High Commercial and Industrial Studies from Cluj, trying to surprise his contribution to the accounting development in Romania.

Professor Dumitru Voina had an important activity as a professor of accounting in Transylvania and at the Academy of High Commercial and Industrial Studies from Cluj. He had lots of papers and studies in the accounting field. From his papers we presented in our article the most complex one General Accounting Course, in which he presented important elements of accounting, issues that were preoccupying the accounting world of those times.

Keywords: biography, professor, accounting, history, education

JEL Classification codes: B31

COURT OF AUDITORS - THE ASSESSMENT OF INTERNAL CONTROL SYSTEM IN THE PUBLIC SECTOR IN ROMANIA. CASE STUDY BIHOR COUNTY

Gherai Dana Simona, Tara Ioan Gheorghe

Since resources in the public sector generally represent public money and their use in the public interest generally requires special care, the significance of safeguarding resources in the public sector needs to be underlined. The public romanian sector is characterized by an descendant trend of public resources, limitation of expenses and new risks horizons, this is way the ability to anticipate threats or opportunities is the most important objective of internal control sistem. The internal control is a dynamic process which continuously adjusts to the changes faced by an entity, with the direct involvement of the management and staff at all levels of the organization, to identify and address risks and to resonably ensure that the entities\' mission and the general objectives have been fulfilled. Regardless of the nature or the size of entities, the efforts given by the application of internal control are much related to the implementation of good practices, monitoring, evaluation, adaptation and updating of their implementation.

Which is the level and the current state of the system of internal control in the Romanian system? Do we understand and respect the notion of Public Internal Financial Control? To all these questions we try to answer in this paper, primarily through the presentation of general principles and objectives of the internal control and analysis of the report to the Bihor Board of Auditors for the year 2010. As a result of the study, a number of flaws and errors revealed, both of organization and coordination, in order to be able tooffer some measures of solving the developed.

Keywords: external public audit, internal control, public sector, risk

JEL Classification codes: M42, M48

INTENATIONAL RESEARCH REGARDING CREATIVE ACCOUNTING

Grosanu Adrian, Rachisan Paula Ramona, Berinde Sorin Romulus

Although creative accounting practices are not at all recent, only since 2000 this phenomenon has been widely publicized because of the financial scandals that had erupted worldwide. Obviously, creative accounting practices came to be used with nonchalance at enterprise level, irrespective of their size or the industry within which they operate, fact that appears from different studies undertaken globally in recent years. Even though there are many studies based on the creative accounting phenomenon and on other subjects deriving from it, we considered both interesting and necessary an analysis of the articles that tackle different aspects concerning creative accounting, published after 1990 until now within the highest rated journals in the field of accounting.

The main objective of this study is to identify the main research areas in order to emphasize the main existent shortcomings and to outline possible solutions concerning future research directions in this field. Of course, from this main objective derive a few sub-objectives which we will try to achieve by means of the quantitative study.

The quantitative study is based on the analysis of researches performed in the filed of creative accounting and its aim is to observe their evolution within the concerned period of time, to analyze the main research directions approached, but also to study the predominant research current and the main type of research applied. Moreover, within this stage we have also analyzed the geographical areas on which the studies performed within the selected articles were based. The present study is far from being exhaustive, but it surely represents a starting point and an informative source for future research in the field of creative accounting.

We may conclude that most of the researches conducted within the creative accounting field fall within the main research current, which in our case is positivism. Concerning the type of research, we can observe that the vast majority of articles are of empirical nature, but many theoretical studies have also been published.

Keywords: creative accounting, corporate governance, true and fair view, creative accounting techniques, research curent

JEL Classification codes: M40, G34

SOME APECTS REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS

Hada Teodor, Szora Tamas Atila

The study is divided into four parts: in the introduction are presented the theoretical aspects of the consolidated financial statements and the consolidation methods. During the second part are shown the structure rates calculated prior and after the consolidation, and in the third are calculated the financial rates of return and the effective tax rates of fixed assets. The conclusion of this study presents that although the consolidated entity is not a tax, it presents the group effort without the internal flows between entities within the group.

In terms of the world scientific research typology used by the authors, it refers to descriptive research, explanatory research and applied research.

In terms of the novelties, brought by this study, it is specifically determined, based on the actual database, the evolution of structure indicators, indicators of balance, the financial profitability indicators of corporate companies prior to and after consolidation.

Keywords: Consolidation, financial statements, rates structure, working capital, Return on equity.

JEL Classification codes: M41 - Accounting

A LONGITUDINAL ANALYSIS OF INTELLECTUAL CAPITAL

Ienciu Nicoleta Maria

The term intellectual capital has been appeared recently in economy being debated in literature since 90s playing an important role in the economic activity of an entity of nowadays. The emerging of the “new economy”, mainly driven by information and knowledge, has been identified by the Organisation for Economic Cooperation and Development as the explanation lying at the base of the development of intellectual capital, a fundamental topic in business (Hornery, 1999). One way or another, intellectual capital plays a significant role in the economic, administrative, technological and social development of contemporary times, being difficult to quantify. Many researchers avoid defining intellectual capital, but consider it the basic value of an entity, as it contains non-financial and related information (Amir and Lev, 1996; Edvinsson and Malone, 1997; Stewart, 1997; Bontis, 2001). The purpose of our paper is to highlights the contributions of researchers in the field of intellectual capital as far as the published articles in the high quality journals are concerned. Our paper presents a quantitative research by performing, on one side, a content analysis of the prestigious international journals which include papers related to intellectual capital and, on the other side, a content analysis of those articles. The originality of the present article is represented by the personal contribution to the stage of knowledge in the field of intellectual capital by means of analyzing already existent researches in the field. The results of our analysis, demonstrate that the studies conducted until now are very few by comparison to the number it should have existed until now in the literature, which demonstrates that this field of research is still at its early stage.

Keywords: Literature Review, Intellectual Capital, Analysis, Journals, Articles

JEL Classification codes: M49

ENVIRONMENTAL REPORTING AND SHAREHOLDER STRUCTURE IN THE CASE OF ROMANIAN COMPANIES

Ienciu Ionel-Alin

Because environmental reporting remains voluntary on an international scale, there are major difference in terms of quality and quantity of environmental information, reported by entities from varied sectors and countries. The literature identifies factors like public exposure, entities legitimacy, laws and regulation, characteristics of the company (management, size, profitability etc), culture as the main factors that could determine environmental reporting (Lee and Hutchinsos, 2005). Within this study, I have focused on environmental reporting and I have analyses factors related to corporate governance characteristics, such as shareholder structure, in order to identify the existence of certain associations between the shareholder structure and the level of

environmental reporting. The paper represent an empirical analyzes on how shareholder structure might explain the level of environmental reporting in the case of Romanian companies listed at Bucharest Stock Exchange. The sample consist in 64 entities listed at Bucharest Stock Exchange in the first, second and third tier from 10 areas of activity that may impact the environment: agriculture, forestry and fishing; the extractive industry; the manufacture industry; production and supply of electricity, thermal energy, gas, water; water distribution, sanitation, managing waste, recyclable materials recovery activities; construction; transport and storage; food industry, hotels, restaurants; the repair, retail, maintenance and installation of machinery and equipment; printing and reproduction of recorded media. I suggest a model comprising shareholder structure: percentage owned by families, percentage owned by institutional investors, percentage owned by private investors, percentage owned by foreign investors, percentage owned by board members, percentage owned by management members as factors that could explain environmental reporting. As future research we will test this model on companies listed with the London Stock Exchange. I conclude that the presence of foreign shareholders help increasing transparency maybe because they are more expose to the public and maybe because foreign investors need more relevant information's regarding environmental performance. Companies where the percentage of the shares owned by the state is higher report more on environmental aspects maybe because the state wants to give examples of good transparency. The paper contributes to the development of the research in the field of environmental reporting and corporate governance in the case of Romanian companies and shows that foreign ownership and state ownership influence the level of environmental disclosure.

Keywords: Shareholder Structure, Environmental Reporting, Empirical Analyses, Entity Level, Romania

JEL Classification codes: M49

ENVIRONMENTAL REPORTING AND CORPORATE GOVERANANCE FOR FTSE 100 LISTED COMPANIES

Ienciu Ionel-Alin

Because environmental information reporting remains voluntary on an international scale, there are major difference in terms of quality and quantity of environmental information, reported by entities from varied sectors and countries. Within this study, I have focused on internal characteristics, consisting mainly in how the entity is managed, in order to identify the existence of certain associations between the characteristics of corporate governance and the existence of environmental reporting. The literature in the field suggests various results related to the correspondence between corporate governance characteristics and environmental reporting. Within the factors suggested by the literature are the board structure, presence of the board committee, the separation between the Chairman of the Board and the Chief Executive Officer, shareholder structure. The paper represent an empirical analyze on how corporate governance characteristics might explain the level of environmental reporting. I suggest a model comprising corporate governance characteristics like: board independence, board size, existence of a Social Responsibility Committee that could explain environmental reporting. The sample comprises 48 companies listed at London Stock Exchange FTSE 100. From FTSE 100 I select only the companies that activates in sectors of activity that may have an impact on the environment such as Aerospace & Defence, Automobiles & Parts, Beverages, Chemicals, Electricity, Food & Drug Retailers, Food Producers, Gas, Water & Multiutilities, General Industrials, Health Care Equipment & Services, Household Goods, Industrial Engineering, Mining, Oil & Gas Producers, Oil Equipment, Services & Distribution, Personal Goods, Pharmaceuticals & Biotechnology, Tobacco. My results show that, from the point of view of the London Stock Exchange FTSE 100 listed companies, the presence of an environmental committee in the board help reduce the conflict of interests between the stakeholders and the company\'s management regarding the disclosure of environmental information. The environmental committee monitors the company\'s activity regarding the impact on the environmental, bringing about increasing transparency, and

independence inside the board regarding environmental aspects. For assuring a high transparency level of environmental performance within a company, the board should ensure a sufficiently large number of members able to exercise an independent reasoning in order to solve potential conflict of interest. The directors represent the interests of the stakeholders and have more influence on reporting information regarding environmental aspects.

Keywords: Corporate Governance, Environmental Reporting, Empirical Analyses, Companies, FTSE 100

JEL Classification codes: M49

ADAPTATION OF THE MANAGEMENT ACCOUNTING TO THE CONDITIONS OF THE ECONOMIC CRISIS IN THE URBAN PUBLIC PASSENGER TRANSPORT

Ionescu Ion, Dragusin Cristina Petrina

This study fall within the scope of the management accounting and is based on the establishment and control of costs and performance within the entities from the urban public passenger transport. Our scientific approach was initiated as a result of some personal research studies in the domain of accounting and management control. We started from the need to know and quantify the costs and the performance in a domain which, despite its important position within human activities, is nowadays a hard-to-solve problem in most of the modern cities. The main aim of the research is to present an organization method of the management accounting, so that it enables the calculation of a pertinent cost on every profit center, and finally, the establishment of the result obtained by comparing the cost with the incomes. We critically realized the current organization conception of the management accounting at an entity from the analyzed domain, aiming to underline the need to organize and implement a modern management accounting, which would enable to control costs and to increase the performance of the entities in this domain, starting from the premise that there are enough similarities between the entities in the domain. The main research methods we have used in order to carry out this scientific approach were the analysis, synthesis and qualitative research. We have studied the specialized writings in the field published in the country and abroad and the legislation in force in the concerned domain. The research emphasized the fact that, in present, there is organized no proper management accounting and, that it is compulsory to organize and implement a management accounting based on the use of a modern method, namely the method of costs on activities, as well as to integrate it with the direct – costing reasoning. The major implications of the proposed system for the research domain consisted in establishing a pertinent cost, oriented towards the entity’s management, as well as optimizing the result, by permanently correlating the (direct and indirect) expenses with the activity’s volume, namely the degree of using the capacity of transport with the tickets price. The added value consists in carrying out a rigorous study of the current organization conception of the management accounting in an important domain of the urban activity and in the projection of a modern leading system through costs.

Keywords: management accounting, direct costing reasoning, ABC method, activity, transport route

JEL Classification codes: M41, M49

THE IMPACT OF ECONOMIC CRISIS ON ACCOUNTING PROFESSION

Ionescu Ion, Dragusin Cristina Petrina

This article appears as an extensive study of the impact of global economic crisis on the accounting profession and accountants, our research highlights the development and fortuitous changes in accounting under the restrictions and auspices of the global recession. The article begins with the study and comparison of international responses on the subject treated. Thus, we studied foreign literature, as well as articles in numerous newspapers, journals of international stature. Then our research is oriented mainly towards identifying responses to the following questions: How did the accounting profession develop under the auspices of the global recession? What does it imply the new culture in the accounting profession and innovative practice in the

field? What is the role of the accountant in crisis management? What problems does the accounting face up as a significant pawn in crisis? Using deductive reasoning we have established conclusions referring to the global recession mark upon the profession and have determined the general trend at present time in accounting. In times of economic recession, the role of accountant has changed, getting augmentative and multifaceted dimensions. It is required, more strongly, the need of guidance for accountants on providing integrated services to the entities they serve. Thus, we noticed the position of the accountant-consultant, as an important pillar for the entity, perspective which gives us an image of the specialist accountant, who always ensures the security of the business. Also, in the context of recession, professional accountants should be concerned with the identification of financial engineering which could lead to an exit from the crisis and to reduce and mitigate its negative effects, but also to prevent and reduce the potential intensity of future crises. Accounting, as a mirror of events in the economy in order to fulfill its mission and to ensure success in times of crisis, it must be concerned with improving financial reporting in order to rebuild confidence and information on users and to remove their skepticism towards financial reporting. Accounting is required to commit to a system of high quality financial reporting, commitment which could provide users with confidence and security. Also, in times of crisis, to achieve accounting objectives, there should be abandoned the erroneous conception that the responsibility for various problems and failures occurred at the level of individual entities and the level of the global economy, it could belong to accounting.

Keywords: global economic crisis, the accounting profession, professional accountant consultant, financial reporting, reliability of the information

JEL Classification codes: M41, M49

SOME CONSIDERATIONS OVER THE INTERNAL CONTROL IN THE CONTEXT OF CURRENT ACCOUNTANCY REGULATIONS

Lenghel Dorin Radu

Through the hereby study we set ourselves on an analysis over the internal control and the ways of implementation of it. The final purpose of our research is represented by the characteristics of the internal control system in the context of current accountancy regulations. The accomplishment of such goal has forced us to research the current literature in the area and also the legal regulations over internal control.

Of course, the accomplishment of such a research was possible only after a pertinent analysis over the opinions expressed in specialty literature regarding this area.

Our research wants to be with a theoretical and applicative character. It is based on analysing the internal control system, the methodology of internal control and the steps of internal control. We express our belief that the implementation of the internal control in a very exact manner comes as an aid to the company management and lead to the accomplishment of managerial objectives and policies.

In what it regards the result of our research there can be drawn the following conclusions: from the legal regulations (OMFP nr. 3055/2009), there is no clear conclusion over the procedures and policies of implementation of internal control applicable to an economical entity; also there are not presented in a detailed way the types (forms) of internal control, being presented in the legal regulations only a classification of them after the time in which they are exercised (before, during or after the finishing of the operations); also in the legal regulations there is developed a certain way of internal control, represented by the financial and accounting internal control, as if the other forms of internal control do not exist; in what regards the components of internal control, these are presented in another way, but similar to already known models of internal control (Coso and Coco); also in the legal regulations there are presented the general objectives of internal control, without developing the differentiate objectives on each for of internal control.

Keywords: internal control, financial and accounting internal control, methodology of internal control, techniques and procedures in internal control, types of internal control.

A STATISTICAL APPROACH OF PERCEPTIONS OF MASTER ACCOUNTANCY GRADUATES CONCERNING EARLY CAREER EXPERIENCES

Mare Codruta, Dragos Cristian, Popa Irimie Emil, Span Georgeta Ancuta

The article emphasizes aspects regarding the perceptions of master accountancy graduates concerning the chances to find an adequate job at graduation. These preoccupations are relatively recent in the academic studies. The student's expectations are often unrealistic, which causes problems to them and also to the private firms and organizations. From the empirical section results that the students' evaluations regarding their own opportunities to get a job modify as they advance in the programme. Even more, this evolution is influenced by employment during the studies and by the professional experience.

Keywords: higher education, master accountancy graduates, early career experiences

JEL Classification codes: M40, M41

QUALITY OF ACCOUNTING INFORMATION TO OPTIMIZE THE DECISIONAL PROCESS

Miculescu Corina, Miculescu Marius Nicolae

This article provides information on business and therefore need managers to obtain information relevant accounting, reliable, clear, accurate and lowest costs to optimize decision making. This need derives from the current economic environment. The survival of organizations in a competitive environment, to which they must adapt, is conditioned by obtaining accounting information which should be qualitative, opportune, vital, and in a short time. This information is related to patrimony, analytical results, the market (dynamics, dimensions, and structure), and relationships with business partners, competitors, suppliers. Therefore focus more intensely on the quality of accounting information. Definition of quality of accounting information but leave the boundaries and features of accounting communication process and aims to determine "quality criteria" or "qualitative characteristics" to develop a measurement tool. Note that the review literature was found that the normalization and accounting doctrine, criteria for definition of quality of accounting information are not identical, their selection and ranking is different. Theory and practice also identifies the fact that information itself is worthless. Instead it is valuable once it is used in a decisional process. Thus, the economic value of the accounting information depends on the earnings obtained after making a decision, diminished by information cost. To be more specific, it depends on the table or on the implemented decision tree, on the informational cost and on the optimal condition established by the decision maker (due to the fact that producing accounting information implies costs which are often considerable and profits arise only from shares). The problem of convergence between content and interpretation of information sent by users also take, and the quality of information to be intelligible. In this case, those who use, say users should have sufficient knowledge about business and accounting. Also were studied data on how the easiest to increase intelligibility provided by management accounting information. It was found that there are different possible behaviors of managers in the dissemination of accounting information in relation to how the organization deals with information about the external environment and as a result of research efectaute have identified some solutions that managers can limit the effects of uncertainty in information dissemination accounting. Therefore the present study, the detailed approach and identify the quality requirements of modern economic information system, comes to effectively support managers in making decisions.

Keywords: accounting information, relevance, incertitude, decision, costs

JEL Classification codes: M40, M41, M49

VALUE RELEVANCE OF GROUP FINANCIAL STATEMENTS BASED ON ENTITY VERSUS PARENT COMPANY THEORY: EVIDENCE FROM THE LARGEST THREE EUROPEAN CAPITAL MARKETS

Müller Victor-Octavian

Financial statements' main objective is to give information on the financial position, performance and changes in financial position of the reporting entity, which is useful to investors and other users in making economic decisions. In order to be useful, financial information needs to be relevant to the decision-making process of users in general, and investors in particular. Regarding consolidated financial statements, the accounting theory knows four perspectives (theories) on which the preparation of those statements is based, namely, the proprietary theory, the parent company theory, the parent company extension theory and the entity theory (Baxter and Spinney, 1975). Of practical importance are especially the parent company extension perspective and the entity perspective. The IASB and FASB decided (within an ED regarding the Improvement of the Conceptual Framework) that consolidated financial statements should be presented from the perspective of the group entity, and not from the perspective of the parent-company. However, this support for the entity theory is to our knowledge not backed by empirical findings in the academic literature. Therefore, in our paper we set to contribute with empirical arguments to finding an actual answer to the question about the superior market value relevance of one of the two concurrent perspectives (theories). We set to carry out an empirical association study on the problem of market value relevance of consolidated financial statements based on the entity theory respectively on the parent company (extension) theory, searching for an answer to the above question. In this sense, we pursued an analysis of market value relevance of consolidated accounting information (based on the two perspectives) of listed entities between 2003-2008 on the largest three European Stock Exchanges (London, Paris and Frankfurt). The obtained results showed that a „restrained” entity perspective, which would combine elements of entity theory (by focusing on the whole group equity) and elements of parent company extension theory (by focusing on income corresponding to majority interest), would have a superior relevance compared to the classical versions of the two mentioned perspectives.

Keywords: Consolidated Financial Statements, Entity Theory, Parent Company Theory, European Capital Market, Market Value Relevance

JEL Classification codes: M40, M41

COMPANY PERFORMANCE MEASUREMENT AND REPORTING METHODS

Nicu Ioana Elena

One of the priorities of economic research has been and remains the re-evaluation of the notion of performance and especially exploring and finding some indicators that would reflect as accurately as possible the subtleties of the economic entity.

The main purpose of this paper is to highlight the main company performance measurement and reporting methods. Performance is a concept that raises many question marks concerning the most accurate or the best method of reporting the performance at the company level. The research methodology has aimed at studying the Romanian and foreign specialized literature dealing with the analyzed field, studying magazines specialized on company performance measurement. If the financial performance measurement indicators are considered to offer an accurate image of the situation of the company, the modern approach through non-financial indicators offers a new perspective upon performance measurement, which is based on simplicity. In conclusion, after the theoretical study, I have noticed that the methods of performance measurement, reporting and interpretation are various, the opinions regarding the best performance measurement methods are contradictive and the companies prefer resorting to financial indicators that still play a more important role in the consolidation of the company performance measurement than the non-financial indicators do.

Keywords: Performance, performance measurement, financial indicators, non-financial indicators, profit and loss account

EFFICIENCY OF FINANCIAL CONTROL IN ROMANIA

Pop Ioan, Molnar Andra, Gaban Lucian

In this paper the authors present ways to measure the effectiveness of financial control in Romanian companies. Thus, based on the concept of economic efficiency the authors show ways to increase efficiency and results achieved by ANAF control lately.

Keywords: control, efficiency, economy, effort, effect

JEL Classification codes: M41

CONTEMPORARY APPROACHES OF COMPANY PERFORMANCE ANALYSIS BASED ON RELEVANT FINANCIAL INFORMATION

Popa Dorina, Kiss Melinda, Sziki Klara

In this paper we chose to present two components of the financial statements: the profit and loss account and the cash flow statement. These summary documents and different indicators calculated based on them allow us to formulate assessments on the performance and profitability on various functions and levels of the company's activity.

This paper aims to support the hypothesis that the accounting information presented in the profit and loss account and in the cash flow statement is an appropriate source for assessing company performance. The purpose of this research is to answer the question linked to the main hypothesis: Is it the profit and loss statement or the cash flow account that reflects better the performance of a business?

Based on the literature of specialty studied we tried a conceptual, analytical and practical approach of the term performance, overviewing some terminological acceptations of the term performance as well as the main indicators of performance analysis on the basis of the profit and loss account and of the cash flow statement: aggregated indicators, also known as intermediary balances of administration, economic rate of return, rate of financial profitability, rate of return through cash flows, operating cash flow rate, rate of generating operating cash out of gross operating result.

At the same time we had a comparative approach of the profit and loss account and cash flow statement, outlining the main advantages and disadvantages of these documents.

In order to demonstrate the above theoretical assessments, we chose to analyze these indicators based on information from the financial statements of SC Sinteza SA, a company in Bihor county, listed on the Bucharest Stock Exchange.

Keywords: accounting information, performance, result, profitability, cash flow

JEL Classification codes: M41, M21

ASPECTS OF COMPANY PERFORMANCE ANALYSIS BASED ON RELEVANT FINANCIAL INFORMATION AND NONFINANCIAL INFORMATION

Popa Dorina, Bogdan Victoria, Balaciu Diana

The main objective of our work is the conceptual description of the performance of an economic entity in financial and non-financial terms. During our approach we have shown that it is not sufficient to analyze the performance of a company only in financial terms as the performance reflected in financial reports sometimes do not coincide with the real situation of the company. In this case the cause of the differences has to be found among the influences of other nonfinancial information. Mainly following the great financial scandals the distrust in the reliability of financial-accounting information has eroded strongly and thus the business performance measurement cannot be the exclusive domain of the criteria of financial analysis, but must be done in a comprehensive way, based both on financial criteria and on non-financial ones (intangible assets, social responsibility of the company). Using non-financial criteria have led to the occurrence of new types of analysis, namely extra-financial analysis. Thus, enterprise performance is not subject to material and financial resources managed and controlled by the entities, but to the complex of intangible resources that companies created by thier previous work. The extra-financial

analysis has to face difficulties arising mainly from the existence of non-financial indicators very little normalized, and from the lack of uniformity of the practice in the field. In determining the extra-financial performance indicators one has to observe the manifestation and the evolution of the company's relationships with its partners / environment. In order to analyze the performance measurement by financial and nonfinancial indicators we chose as a case study a company in Bihor county, listed on Bucharest Stock Exchange. The results of our study show that the Romanian entities are increasingly interested in measuring performance and after the extra-financial analysis we concluded that the company had set targets appropriate for adopting a responsible behavior, aimed at a sustainable development of the entity.

Keywords: accounting information, relevance, performance, financial information, non-financial information

JEL Classification codes: M41, M21

THE DEFINITION OF GOODWILL- A CHRONOLOGICAL OVERVIEW

Ratiu Raluca Valeria

The purpose of this paper is to offer a full perspective on the evolution in time of goodwill definitions. This paper is part of the research conducted in the doctoral dissertation and we consider it is very important to have a full understanding of the concept studied in order to develop on this subject. We use a chronological analysis and review definitions from the late 1800s until today. The definitions are given by prominent scholars of the time, published in highly ranked journals and books or offered by international accounting boards. We approach the definition from an accounting and a legal perspective. Our findings are that, in time, the definitions offered either improve on an old definition or are completely original. Some elements used to describe goodwill remain the same throughout the whole period we studied. The conclusion of our study is that this type of in-time analysis is beneficial to the researcher in the way that it offers a complete picture of the concept and its history.

Keywords: goodwill, definition, chronological

JEL Classification codes: M 41

ACCOUNTING INFORMATION – A BASIS FOR ACHIEVING THE DECISION FOR THE REALIZATION OF PUBLIC INVESTMENT PROJECT

Sarac Ionut Pavel

Accounting information plays a key role in the foundation process of public sector decisions. Financing budget deficits, treasury risk identification (availability risk), formation of tax claims, foundation of financial sustainability for public investment projects are just some examples of using accounting information in decision-making process of credit accountant.

How can we use and process accounting information in the foundation of public investment projects? We will try to answer this question in the content of this paper. The revenues and expenses, as accounting information, are necessary for determining the actual financial net value and/or the actual economic net value. These indicators have decisive information power in accepting and / or rejecting public investment projects. In the current economic context, the importance of investments is major for at least three reasons: the first one is a highly circulated reason in the last 20 years: the increase of technology, the alignment of the technology used in the alignment of competitors from the European market and even worldwide; the second reason is linked to the support of economic growth in crisis conditions through a policy of major investments especially in the infrastructure sector; the third reason, which derives from the second one, is that of post-accession grant funds available for investment both in private and public sectors. The importance given to public investments is also revealed by the authorities' approach to establishing key areas of interventions under grant programs (with programs designed to both public and private environment) designed exclusively to carry out public investment programs (for example the POS Transport).

In this context, the present research is intended to be a documentary of the role that accounting information plays in decision-making process that precedes the development of an investment, especially as most major investments are made in the public domain.

Keywords: public investments, accounting information, cost-benefit analysis

JEL Classification codes: H83, H54

PARTICULARITIES OF FIXED ASSETS.

Sarac Aldea Laura

The present work proposes to realize a complex research of the accounting and fiscal perspective of fixed assets. A special attention will be given to the opportunity and the efficiency of the investment as an instrument in the management decision for the development of a company.

The accounting theory will find in the present work a complex approach on the subject of the investment in fixed assets especially while the investors and the owners of fixed assets as well as the fiscal and legal authorities will find in it a clear mention and explanation of all the present interpretations on this theme.

Many aspects that a company has to take into account in its development strategy find themselves out in the financing programs regarding a maximization of the profit through investment of the capital in tangible and intangible assets, implementing of new technologies, measures for protection of the medium or financial investments.

The company is the driving force of the economy and the company that moves after a strategy based on competitive know how is the future of the economy. The present work aims to offer this know how to the companies.

The work treats in detail the aspect of the capital investment in long term assets, the obligations and risks that this investment involves, the efficiency of the investment and its effects on the development of the business.

The work starts from the concept of "assets" "I tried the reflection at the same time of the common points and the differences to immobilizations approach between as part as International Standards of Financial Report issued by IASB and OMFP nr. 1752/ 2005 for the approval of Accounting Rules according to Europe Directives.

Theoretical and scientific support of work is the ensemble of concepts, principles, researches, studies of cases, techniques of audit and the acknowledged methods of management from the special national or international literature.

Keywords: investments, assets, tangible assets, intangible assets

JEL Classification codes: M41, M21

INSOLVENCY CRISIS PERIOD. FEATURES ON THE SALE OF GOODS OF THE DEBTOR

Sarac Aldea Laura

Development on tangible research is useful both for investors and owners of fixed assets and for the authorities and the public.

The paper aims to conduct a thorough research of legal, accounting and tax on assets and investments of the appropriateness and effectiveness as an indicator for assessing the company's development management decision. The paper starts from the concept of "property in insolvency proceedings".

During the current crisis has significantly increased the number of companies became insolvent. In the context of globalization as a result of economic and financial relations between companies in different countries of Europe, entry into insolvency of a company leads financial difficulties for business partners. No longer than a step up from entry into insolvency themselves.

Insolvency is the status of the assets of the debtor that is characterized by the insufficiency of the monies available to cover the debts, liabilities and certain liquids. The purpose of this law is to establish a procedure for covering the liabilities of the debtor's collective in insolvency proceedings. By insolvency proceedings \ shall mean collective insolvency proceedings and

egalitarian concursualã applicable for the liquidation of the debtor's estate to cover liabilities, followed by deletion from the register in which the debtor is registered. The company is the driving force of the economy and the company that moves after a strategy based on competitive know how is the future of the economy. The present work aims to offer this know how to the companies.

The liquidation of assets of the debtor will be performed by the liquidator under the supervision of a judge-trustee in bankruptcy. To maximize the value of the property of the debtor, the liquidator will make all arrangements for exposure in the market in a form appropriate to their advertising costs being borne from the debtor's estate.

The work treats in detail the aspect of the capital investment in long term assets, the effects of the insolvency procedure on the development of the business.

Theoretical and scientific support of work is the ensemble of concepts, principles, researches, studies of cases, techniques of audit and the acknowledged methods of management from the special national or international literature

Keywords: insolvency, assets

JEL Classification codes: M41, M21

IS GRATUITOUSNESS A REASON FOR JOINING AN EDUCATIONAL MASTER PROGRAMME IN AUDIT? SURVEY EVIDENCE USING STATISTICAL METHODS **Span Georgeta Ancuta, Popa Irimie Emil, Mare Codruta, Dragos Cristina**

The study shows the reasons taken into account by the students in choosing an academic preparation. Free courses and employment opportunities during or after graduation are the most important advantages students expect to receive from an educational program that aims to follow. The empirical section results emphasize the efficiency and performance of the master program financed by the European Social Fund.

Keywords: student employment, free courses, European Social Fund

JEL Classification codes: M40, M41

THE IMPACT OF GREAT DEPRESSION ON THE AMERICAN ACCOUNTING PRACTICE

Toman Cristina

This article aims to prove that the events surrounding the Great Depression of the late 1920s and early 1930s, marks a maturity point in American Accounting thought and practice. In order to achieve such objective we have undergone a qualitative research, using as method of research the content analysis of the books and articles regarding the American Accounting history and the Great Crash. We can conclude that there is evidence that the crisis had a profound effect on the subsequent evolution of the American Accounting practice.

Keywords: Great Depression, American Accounting, Federal Securities Acts, American Accounting Association

JEL Classification codes: M41

GLOBAL FINANCIAL CRISIS – AN ACCOUNTING LITERATURE REVIEW AND OVERVIEW

Toman Cristina

Reflecting the magnitude of “financial crisis” in 2008, some academics started examining causal relationships between accounting and the crisis. The purpose of this article is to review the current state of academic research articles related to the global financial crisis that are published in ScienceDirect, Springerlink, Emerald and SSRN databases, in order to identify the trends and researchers’ contributions and to analyze the interplay between the global financial crisis and the accounting. Although there are lots of articles about the current financial crisis, the number of academic articles that examine the relationship between accounting and the crisis are still few, but the research questions are increasing, more and more researchers becoming interested in this topic.

Keywords: Accounting, Accounting regulations, global financial crisis, literature review, databases

JEL Classification codes: M41 – Accounting

IMPORTANCE AND VULNERABILITY OF TRUE AND FAIR VIEW IN THE ROMANIAN ACCOUNTING ENVIRONMENT – CASE STUDY

Vladu Alina Beatrice, Matis Dumitru

This empirical study comprises items related to the operationalization of the concept True and Fair View in day to day accounting issues in Romanian accounting environment, demarche based on which we were interested in assessing the vulnerability of the concept and also the importance attributed by Romanian practitioners. If the vulnerability is high and the importance attributed low, the concept True and Fair View `s importance as an overall basis of accounting is limited, fact that will affect the quality of accounting information. The categories approached were chosen based on their implication related to the operationalization of the concept. The company`s financial directors are responsible for ensuring that the financial statements give True and Fair View and in the same manner the expert accountants must consider it important in order to prepare the financial statements in accordance to its requirements and finally the financial auditors must assess its existence, otherwise if this principle is neglected the companies would consequently present spurious results of their activity. All the categories above asserted that the concept doesn`t have only a symbolic role at the national level and their implication in achieving its requirements can be characterized by a proactive attitude. When it comes to assessing the potential vulnerability of TFV, our respondents agreed that items like legislative ambiguity and accounting estimates have the potential to affect TFV construct in the practical side of accounting.

Keywords: legislative ambiguity, true and fair view

JEL Classification codes: M40, M41

CREATIVE DISCLOSURE: AN EXPERIMENTAL STUDY

Vladu Alina Beatrice, Cuzdriorean Dan Dacian

This empirical study extends the study conducted by Vladu, Grosanu and Cuzdriorean (2012) and reached similar conclusions. This particular research was conducted with the scope of assessing the impact of: positive bias, persuasive language, creative visual manipulation and performance comparisons over the unsophisticated users of accounting opinion. We have chosen this particular category since retail investors have been identified as relying on the information provided in corporate annual reports for decision making (Wills, 2008). Based on their relative inexperience and limited knowledge of these investors it is plausible that they can be mislead easily comparing to more sophisticated users of accounting information, as financial analysts.

The main argument for conducting such a research is the fact that little research was conducted so far and the effects of creative disclosure on investment decision cannot be assessed so far. Based on this, we conducted a laboratory experiment where participants where provided with an informational set of financial data and required to make an investment decision. Our results document that the users perceptions is strongly affected by creative disclosure, contradictory with previous results documented in the literature, that their opinion cannot be influenced since they relay mostly on numerical information and less on the narrative segments of the financial statements. Even if our sample compressed few participants, we consider the results conclusive. A further research can extend the sample and test if our research hypothesis can be validated. Another possible spring of research can deal with the assessing of the opinion of the users of accounting information that are not considered unsophisticated, as financial analysts.

Keywords: Creative disclosure, Positive bias, Persuasive language, Creative visual manipulation, Performance comparisons

JEL Classification codes: M41

SECTION: MANAGEMENT AND MARKETING

SUB-SECTION: MANAGEMENT

ROLE OF BEST PRACTICES IN ENTREPRENEURIAL INITIATION OF STUDENTS ILLUSTRATIVE CASE: WEST UNIVERSITY OF TIMISOARA

Abrudan Denisa

In a competitive and dynamic international context, investment in education and training must take into account the new demands of knowledge based society. Education institution is the organization which, “teaches and produces knowledge” and the role and responsibilities of education are fundamental. Rethinking the way of doing business, reinventing our own business that allows the exploitation of opportunities and constraints of the economic environment can not be achieved without entrepreneurial education, without adaptive and responsive approach to changes in economic environment and beyond.

This paper aims to present the role and impact of good practice in creating a culture and entrepreneurial education in Romanian higher education system.

Research is a descriptive and analytical one, the conclusions drawn are important as they constitute a starting point in identifying and implementing solutions to reconfigure higher education system so as to meet the challenges of today's economic environment.

Personal contribution lies in identifying the multiple ways of expressing entrepreneurship and business culture embodied in innovative projects initiated and implemented in the Faculty of Economics and Business Administration from West University of Timisoara.

Keywords: Educational reform, entrepreneurial education, partnership between academic and business environments, policy of best practices

JEL Classification codes: I23, A20, J23, J24

INTERNSHIP ROLES IN TRAINING AND PROFESSIONAL DEVELOPEMENT OF STUDENTS

Abrudan Denisa, Lazar Mihaela, Munteanu Anca-Ioana

Romanian specialist's studies show a harsh reality: Romanian universities programs have only theoretical value, creating specialists but not for real life, but for a more abstract environment. Our university graduates are doing very well in a stable economic and institutional environment that offers relatively easy material and financial resources, with a set of skills and professional skills which fail to meet harsh reality of the labor market.

An effective solution for professional skills development is the accumulation of work experience during college in the environment and on the job we have in view by following an internship program. As a form of practical education through work, internship meets young people, particularly students keen to gain experience through practical work in a job within a company or institution chosen, giving them the opportunity to translate theoretical knowledge into practice and to develop skills and experience of labor market activities that waits for them.

This paper is an original applied research conducted in the West University of Timisoara, Faculty of Economics and Business Administration.

It aims to identify whether there is a need for specialization Management students to acquire work experience before graduating, to what extent they are able to assess their skills and work in a company and especially the role of internship programs in professional and personal development of students.

The results show that participation in an internship program is beneficial not only for students but also for employers.

Leading to increased competences and to training and professional skills and personal development, internship becomes a more attractive alternative for young people because it gives

them the opportunity to be “a ringer” of an employee on the position you have in view. Without being employed, students can gain practical experience in a certain position they sought in a company or institution on the labor market, practical experience they need so much and they can also learn what responsibilities and tasks the job entails and whether or not they are suitable for that position.

Keywords: internship, professional development, practical experience, gained confidence, applying faculty knowledge

JEL Classification codes: I23,A20, J23, J24

VIEW ON STRATEGIC MANAGEMENT LITERATURE FROM ROMANIA

Bacanu Bogdan

This study focuses on analyzing the Romanian works on strategic management – a specific field of management theory. The literature to be analyzed is referred to the Romanian environment due to the national authors writing in Romanian on the one hand, and to the source of diffusion involving the products which were developed on the other.

This study evaluates the strategic management theory representation and reflection in the works issued in Romania by Romanian authors during the last two decades. Such an assessment is valuable for the evaluation of the development level related to a rather novel field of to the socio-economic area..The evaluation is also useful in order to devise curricula for the faculties providing training programs related to business and institution management.

The study schema taken into account is discussed by reviewing similar examples selected from the foreign literature. The works to be analyzed were selected taking into account the interest triggered by the prestige of the quoted authors and by the analysis schemes they used. The approaches related to a specific segment of management are compared to the ones dealing with the field as a whole. “The form oriented references” of the study are compared with the practice developed in the countries considered as sources for the management theory.

The research has mostly a descriptive character with a longitudinal approach focused on the last two decades. The qualitative aspects prevail, even if an amount of quantitative references are also taken into account. The quantitative approach attempts to provide a wider image where certain approximations are used in order to build a basis of reference. With no intention to develop case studies, the examples were preferred to doubtful quantitative determinations related to the relevance of representation, which could have concealed the essential state of facts. The secondary sources used were selected according to the level of visibility.

The results offer a general view, as a “snapshot,” of the main set of characteristics related to the significant issues of strategic management published in Romanian by Romanian authors. Elements related to amount and contents are taken into account and deductive qualitative evaluations are developed on the quality of the issues. The limits of the study are predetermined by selecting an optimistic approach, a fact that implies the de facto formation of a favorable sample consisting of elements to be researched.

This study represents a point of entry for a “who’s who” type discussion on the current strategic management theory in Romania. Its exploratory character allows the planning of a higher scale research in order to devise a more reliable inventory of the products related to the field and to measure the real impact of the knowledge diffused by these works, books and articles.

By choosing this topic, the author attempted to draw attention to the necessity of researching on the “production” of theory authors involved in a certain field – in this instance the strategic management – in order to decide if the research framework of the associated practice has a reliable basis. Even if structured in a rather elliptical style, the conclusions suggest that in the Romanian field of theory there is still a wide array of unbeaten paths.

Keywords: strategic management textbook, strategic management theory, strategic management studies

JEL Classification codes: M19, Y90

MANAGING CHANGE: SOME THEORETICAL AND APPLICATIVE ASPECTS

Botezat Elena

The strategic organizational change aims is the change of procedures and systems, organizational structures and responsibilities but especially acquiring new knowledge and skills. Significant authors (Drucker: 1999; Kotter: 1996; Buckingham & Clifton: 2001), supporters of the theory of strategic leadership show an inclination for the idea of optimal management of an organization, which depends on circumstantial factors as place and time, the individual and the context in which it acts. Many experts who studied organizational change saw as possible the future replacement of the current state, desired only after completion of specific phases, in a certain sequence. In this article we will focus our attention on the reduction phase of resistance to change. The research objectives targeted both theoretical aspects consisting in bringing to the forefront the relevant aspects related to organizational change in the current context and practical aspects related to identifying and analyzing the main elements that make it possible or on the contrary act as brakes in way of introduction and implementation of change. To achieve the research objectives, we used the method of direct observation and the questionnaire method supported by the gathering of more information from the organization's documents (Beton Construct SRL) and support discussions with the employees.

Data processing and analysis revealed that in the organization certain factors exist and manifest that constitute obstacles or inhibit organizational change, namely: the goal of the change is not clear, the rewards of change are not related to the effort needed to make them happen, change determines fear of failure, change is often imposed by coercion, change requires effort and commitment required for employees that think they do not have resources anymore.

Summarizing the results of usage for certain methods and techniques to implement change, we can say that the actions of an authoritarian management must be reduced at a necessary minimum and positive communication and motivation must be improved of those who contributed to the change. Setting up an effective system to implement changes towards achieving and maintaining performance in our case, limited in time and space at contemporary bihorean space, like practical implication of our study, appears to be related to direct communication, the concentration of communication on solutions and not on problems, creating a climate of trust, time allocation and reconsideration for the notion of failure.

Keywords: strategic organizational change, obstacles, effective system

JEL Classification codes: M3

SOCIETAL CULTURE: A COMPARISON OF ROMANIAN, AUSTRIAN AND GERMAN STUDENTS PERSPECTIVE

Catana Gheorghe Alexandru, Catana Doina

Our study compares the students' view on the existing cultural practices with their ideal societal value system in compared societies. For the purpose of this investigation, Austria and Germany were selected to represent Central European values since they are seen as a 'bridge' between Eastern and Western European societal values. The research findings are helpful in identifying signs of cultural convergence of Romanian societal culture with Central European values. In doing so, our study will hopefully broaden the body of knowledge about the cultural harmonization between newer and older members of European Union. As seen in the literature review section, such studies started only a few years ago. Comparison of Romanian, Austrian and German students' perspective on societal culture is performed for the first time by the authors of this study. The underlying assumption of the study is that the future middle managers will mostly come from the graduates of business and engineering fields of study. The research sample consists of 1086 undergraduate and graduate students. The main research question concerns the differences between the Romanian, Austrian and German students' view on societal culture. The theoretical and methodological foundation of the study is rooted in GLOBE international research project. Our findings revealed significant differences between perceptions of actual practices and expectations between the compared groups.

Keywords: cultural practice, cultural value, Romania, Austria, Germany

JEL Classification codes: M14, M19

RISK MANAGEMENT APPROACHES AND PRACTICES IN IT PROJECTS

Didraga Otniel, Bibu Nicolae, Brandas Claudiu

Risk is identified in project management literature as an important factor influencing IT projects success, and it is relevant for both academic and practitioners' communities. The paper presents the past and current approaches to risk management in IT projects. The objective of this paper is to compare the different approaches and relate them to existing practices. Project management literature and practice have brought different approaches to risk management, and as a result, many projects ended in failure. We present how risk management is considered in the literature, and we compare the main two approaches: the evaluation approach and the management approach. The contingency approach does not consider risk management to be a specific process as it is an embedded process in the other project management processes. Then, we present the main practices in risk management. The methodology applied is based on documentary study review and analysis of the concepts used by the literature. We analyzed the literature published between 1978 and 2011 from the main journals for IT project management and found out that the essence of project management is risk management. The risk management practices have a considerable influence on stakeholders' perception of project success. But, regardless of the chosen approach, a standard method for identifying, assessing, and responding to risks should be included in any project as this influences the outcome of the project.

Keywords: risk management, IT projects, risk management approach, risk management practice

JEL Classification codes: M15

A MODEL EQUATION OF FLEXIBILITY AND KNOWLEDGE PRODUCT

Gratiela Dana Boca, Hasan Gokkaya

Environmental wastes can be a symptom of a suboptimal system. can help the company to reduce waste and improve environmental performance leading to increased system productivity. Every major industry was once a growth industry. But some that are now riding a wave of growth enthusiasm are very much in the shadow of decline. Other which are thought of as seasoned growth industries have stopped growing. In every case the reason growth is threatened, slowed, or stopped is not because the market is saturated. It is because there has been a failure of management.

Keywords: : quality management, environmental management, change management, flexibility equation, product knowledge

JEL Classification codes: M11

THE EFFECTS OF NEW TECHNOLOGY ON PRODUCT KNOWLEDGE MANAGEMENT

Gratiela Dana Boca

In order to manage the market competition, rapid changes in technology, accelerating industry clock speed, increasing number of product variants, shrinking product lifecycles, limited supply, and price pressures, technology companies need to put more emphasis on managing product launches successfully and timely. Therefore, the focus of this study is to examine product of an manufacturer that operates in high volume and high clock speed industry. Furthermore, special attention is paid to how the company could learn from previous product launches and utilize this information internally when preparing for upcoming product ramp-ups.

Keywords: life cycle product, knowledge product, quality, technological innovation, change management,

JEL Classification codes: M11,033

ABOUT EMOTIONAL INTELLIGENCE AND LEADERSHIP

Hahn Rada-Florina, Sabou Simona, Toader Rita-Monica, Radulescu Corina Michaela

This article is, because of its topic of study, a part of management and includes details regarding the important role of emotional intelligence in management and leadership. The importance of this problem is related to the fact that, in Romanian management, this concept (being of a psycho-management nature), is poorly understood. Emotional intelligence is still a highly publicized concept in the West, subject to many controversies between recognized experts in various fields: organizational management, leadership, psychology, sociology. The target of the article is to highlight the fact that there are few management or recruitment consulting firms in Romania that support emotional intelligence development programs, and fewer are the organizations that realize the impact it has in running a business. Since 1995, from the first publication of Daniel Goleman's book, "Emotional intelligence", EQ has become one of the most debated concepts in U.S management. The content of the article calls for a new business climate, ensuring professional excellence. We want this to be "a guide" in cultivating emotional intelligence in individuals, groups and organizations, through leadership, trying to validate the scientific aspect. Because we live in a time when future projects depend increasingly more on self-control and on the art with which we know to maintain interpersonal relationships, such guidelines are necessary to prevent future challenges. The contribution of the authors brings to the forefront the debate about management, behavior management, the concept of emotional intelligence and the importance of understanding, knowing its substance, and the manner in which the management process has to be adopted in order to achieve positive results in an organization, as a system. Businessmen with a preemptive mind will encourage and support such an education in business, not only to improve the quality of management in their organization but also for the vitality of the economy. Thus, the benefits will increase, not only for a new generation of managers, but also for our families and communities, and for society as a whole.

Keywords: emotional intelligence, management, leadership, ethics, organization

JEL Classification codes: A14, M12, M53

CONCEPTUAL APPROACH OF LEADERSHIP AND EMPLOYEES' INDIVIDUAL PERFORMANCE RELATIONSHIP

Ispas Andreia

There is a need for more leadership research in the hotel industry. A reason is the better understanding of the effects and influences that manager-employee relationship can have. Further, this can improve employee performance at their work and clients would be more satisfied. Due to the emergent stage of this field of research, the leadership and employee performance relationship has a lot of potential for being investigated in the context of hotel industry.

There are many types of leadership styles recommended to be used in managers' daily hotels' activities. The most suggested is transformational leadership.

Hotel industry is part of hospitality industry and is providing different services such as accommodation, food & beverage, entertainment. This makes hotel industry very specific and the hotel products, services unique for each of client. That's why high standards of organizational performance, a good manager-employee relationship and a high perceived employee performance by the clients are the keys for a long and sustainable business. Leadership is important in getting people to do the right things at their job. More, it helps employee to work better, to be motivated, to strive for excellence and perform beyond expectations.

The first objective of this paper is to analyze the main approaches of leadership styles applied in the context of hotel industry studies. The second objective is to explore, from a theoretical point of view, the direct and indirect relationship between leadership style and employee performance based on two mediator factors: job satisfaction and organizational commitment. These two mediators are the most used in organizational researches and have a high degree of validity.

The methodology applied is based on documentary study review and critic analysis of the concepts used by the literature.

The results of the conceptual paper are: the construction of the conceptual model of scientific research, new approach of the term “leadership” in hotel industry’s relations. The paper suggests a future research the operationalization of the concepts used in the conceptual model and test them through statistics methods.

Keywords: leadership, employee individual performance, hotel industry, job satisfaction, organizational commitment

JEL Classification codes: M10, L83

SOME ISSUES OF THE AIRPORT MANAGEMENT

Marian Ovidiu

Internationally, the recommended standards for the operation and management of civil-use airports are provided by the International Civil Aviation Organization (ICAO). In most individual countries, airports are managed directly by the government, most often under the ministry of transport. In some countries, including EU countries, some airports are privately owned and operated, although, despite private ownership, they are still subject to much of the country’s regulations regarding aviation operations. The complex system of civil airports is made up of individual airport facilities of varying sizes, serving various purposes, all organized into plans of regional, national, and international levels. The range of rules, regulations, and policies, administered from varying levels of government, cover the full spectrum of airport and aviation system operations. Furthermore, a large number of professional and industry organizations play a large part in influencing the policies by which airport management must operate their facilities. By understanding where an airport manager’s airport falls within the civil aviation system, what rules must be followed, and what sources of support and assistance exist, the task of efficiently managing the complex system that is an airport, becomes highly facilitated.

Keywords: airport management, airport authority, state-operated airport, public relations, local community

JEL Classification codes: M10

PROPOSAL OF THE SOCIAL CONTRACT IN MANAGEMENT AS INSTRUMENT OF ANALYSIS FOR THE EMPLOYMENT RELATION. THE EXPERIENCE OF AUTOMOTIVE INDUSTRY IN ROMANIA

Muresanu Doina

The communication presents the partial results of a research proposing the social contract as a new instrument of analysis for the employment relation in a social context in change, such as the case of Rumania. Until then, the research which aimed at the employment relation which is formed between the employer and the employees widely appealed to the concept of psychological contract (Rousseau, 1989; 1995). The psychological contract, defined as the perception of the mutual obligations assumed by the employee and by the employer, benefited from a fashion effect in the 1990s, when the economic difficulties questioned the model of classic employment relation based on loyalty.

However, most of the empirical works on the psychological contract are static studies, for the greater part elaborated by questionnaire, which do not allow to define the impact of the social context change on the evolution of the employment relation. Although certain studies are interested in a context of change (Dick, 2010), most of the past works describe the contents and the evaluation of the psychological contract in an unchanging social environment. Yet, we saw it in the case of the ex-communist countries or those of the Northern Africa, the change in the environment of the employment relation is more present than ever.

Our communication proposes a research frame which would be more suited to the understanding of the employment relation in a society in change. To do it, we rely on the social contract in management, which we define as the ensemble of the norms and of the tacit laws existing in a society or a group given with regard to the relation of employment.

The approach by the social contract presents the advantage of including multiple elements bound to a societal context, such as the laws, the national culture, the faiths shared by the business environment, etc. (Rousseau, 1995). It offers a new frame of analysis for the employment relation by suggesting that it is through the systematic and global vision of the values and standards relating to the employment relation, that we can better comprehend the consequences of a change of the employment relation.

Given its exploratory character, we use an inductive, thus qualitative, methodology, to perform this research. The partial results of the analysis of the interviews led in two Romanian companies during the summer of 2010 allowed us to identify several components, which we called “terms” of the social contract. These results will deliver to the practitioners and to the researchers in management a relevant tool to better understand the relation of employment in different national cultures as well as a measuring instrument for the quality of the employee-employer relation.

Our communication ends by proposing various paths of reflection which will allow to use this approach in future researches concerning the employment relation.

Keywords: social contract, psychological contract, change, employment relation, national culture
JEL Classification codes: M0 Business Administration and Business Economics; Marketing; Accounting: General

HUMAN RESOURCES MOTIVATION -AN IMPORTANT FACTOR IN THE DEVELOPMENT OF BUSINESS PERFORMANCE

Nicu Ioana Elena

It is well known that the people of a company are a strong resource for business and that the human resource function is valuable in assisting the workforce in order to accomplish the objective of the company.

The productivity of a company is strongly related to its people and its strategies. Therefore, a powerful human resources management system has started to develop in Romania as well. The people that are hired in companies bring along a wide range of qualifications, abilities and knowledge, which might as well be useless to the company needs. Some of them identify with the company and are motivated in helping reaching goals, while others see the company as a vehicle meant to satisfy their own targets.

This paper touches upon the importance of human resources motivation when it comes to accomplishing individual performances and, implicitly attaining organizational performances. Many human resources scientific researchers have discussed the subject of human resources motivation, have sought to understand what prompts people and how they have been motivated. The question “Why do we need motivated employees?” is so often asked by chairmen. Motivated employees help the business survive and they are more productive. When aiming at efficiency, managers must understand what motivates the employees, according to their tasks. Of all the functions of a manager, motivating human resources is probably the most complex.

Keywords: Human resources, human resources management, motivation, reward, performance measurement

JEL Classification codes: O15, E24

THE SOCIAL ENTERPRISE IN ROMANIA. AN EUROPEAN PERSPECTIVE ON THEIR CURRENT SITUATION

Orhei Loredana, Bibu Nicolae , Vinke Joop

The current paper is aimed at identifying the social enterprises according to EMES criteria by investigating the social economy actors in Romania. As an emerging field of study, social entrepreneurship and social enterprise have captured the attention of both practitioners from Europe and North America, and in recent years on other continents. In Romania, very little research has been conducted into the field, mostly as part of academic research papers from doctoral study students or masters, both from Romania and abroad. In Europe, several studies have been conducted among member state of the European Union, to bring to light this new emerging

field.. Investigations in regard to social entrepreneurship in Europe have revealed the existence of this field among social economy actors, in the form of social enterprise, namely work integration social enterprises and social cooperatives. So far, Romania has not been included in them This papers tries to fill the gap of knowledge on this phenomena, by exploring, from a European perspective, the actors of social entrepreneurship in Romania. The methodology used was an analysis of secondary data in the form of legal documents (laws), reports of the social economy sector and scholarly articles related to social entrepreneurship in Romania. The assessment instrument is the EMES set of economic and social criteria that the social enterprises need to meet. Also, parallels have been made with the entities of the same nature in the European Union. The paper concludes on the state of social enterprise in Romania, with an underline on what its and implications for their further study. As main finding, two types of organizations fit best with the EMES criteria, authorized protected units and companies set up by associations and foundations. Also, further developments are expected as Romania is preparing for a law defining the social enterprise and social economy. The main implications of this research is drawing the lines, in the current state of the social economy who are the actors that can best fit with the concept of social enterprise in Romania. Our main contribution to the study of social entrepreneurship is to investigate what European scholars have done with most of the existing member state countries. Using the EMES criteria in the social economy sector in Romania has yet to have been done till this point.

Keywords: social enterprise, EMES criteria, Romania, social economy

JEL Classification codes: M10 – General, L31 - Nonprofit Institutions; NGOs

PURCHASING MANAGEMENT AND ITS IMPORTANT ROLE IN PROVIDING VALUE ADDED TO ORGANIZATIONS

Pop Sitar Corina

Nowadays, in the knowledge based society, purchasing management has become one of the most important tool for improving the profitability of organizations. Because of its important role, purchasing is the function that has a tremendous impact on these efforts to create value in the organizations. This article summarizes the main value that can be provided by the purchasing function to the organizations. The paper starts with the presentation of the evolution stages of purchasing management Furthermore, we present the strategic role of the purchasing management in the knowledge based society. Based on the results of a questionnaire we summarized the main value added by purchasing in the companies from Maramures county. Finally, we draw conclusions and we elaborate some guidelines for managers.

Keywords: purchasing management, value added, knowledge based society

JEL Classification codes: O32, M19

SOCIAL RESPONSIBILITY - A NEW PERSPECTIVE FOR THE MANAGEMENT OF PUBLIC ORGANIZATIONS IN ROMANIA

Popa Oana

This paper presents the theme of social responsibility as a strategic tool to manage modern public organizations in Romania. The literature gives a high interest in corporate social responsibility, but the approaches to implementing social responsibility in public organizations is still at an early stage. The research purpose is to highlight the perception of the concept by officials from 15 public organizations in Dolj County. The study reveals the limitations that hinder the development of social policy and implementation of appropriate solutions of social responsibility in the public organizations, in order to achieve sustainability.

Keywords: Public Organizations, Social Responsibility of Organizations, Sustainable Development

JEL Classification codes: M14, H0, R1

EXTERNAL FORCES DRIVING CHANGE IN THE ROMANIAN SMALL AND MEDIUM SIZED ENTERPRISES

Predişcan Mariana, Roiban Roxana Nadina

Change is a constant in everyday life confronting organizations to continuously adapt their strategy, structure, processes, and culture in order to survive and stay competitive on the market. Implementing organizational change is one of the most important skills required for managers and in the meantime the most difficult one.

The forces driving change within an organization, that can be either external or internal, are those that propel a company forward towards change and in order to identify the need for change and make the proper changes, managers have to develop a tool that allows them to analyze how does the environment influence their business activities. A vision for change will clarify the directions in which the organization needs to move, starting from its current state and taking in consideration the existing opportunities and threats from the environment that allow to move to a future desired state.

The purpose of this paper is to identify the concern for change in the Romanian small and medium sized enterprises by presenting and explaining the past and present influences of the main external forces that have determined the need for change in the last 3-5 years and to make recommendations about future possible changes that have to be performed by managers for a better harmonization with the environment. The research method used for this study is the interview on a sample that contains some of the most relevant SME's from the western side of Romania, from different industries. We analyzed the main external forces that had an impact on the small and medium sized enterprises and how were they generating the need for organizational change, in order to see which present and future changes are required.

Keywords: organizational change, need for change, environment, forces of change, SME's

JEL Classification codes: M10, M19

CHOOSING THE RIGHT FORM OF LICENSING A BUSINESS IN ROMANIA

Predişcan Mariana, Roiban Roxana Nadina

Choosing the most appropriate form of licensing a business is an important decision not easy to be made by an entrepreneur and it should be taken only after he has the required skills and abilities to do so. The business idea should harmonize with the business environment and its future trends, with the existing opportunities and the future products or services that the company will provide and not least the entrepreneur has to make sure that he has sufficient resources to get started.

We consider that every business has a number of features that make certain forms of licensing to be more suitable than others.

This paper aims to present a multitude of items to be reviewed by an entrepreneur at the start-up in order to choose the most appropriate licensing type for his business.

Given that our country's law allows entrepreneurs to license their businesses in several forms, the decision to choose between many existing possibilities is a very important one for the future good of the business.

Currently in our country there are two major laws governing the licensing of a business. The first one is the republished and subsequently amended Company Law number 31/1990 and the second, the Government Emergency Ordinance number 44/2008 regarding the economic activities of the Sole traders, Individual enterprises and Family enterprises.

The Company Law number 31/1990 allows companies to choose between one of the five types of business entities that can operate in Romania: General partnership (in Romanian SNC), Limited partnership (in Romanian SCS), Limited partnerships by shares (in Romanian SCA), Joint stock company (in Romanian S.A.) and Limited liability company (in Romanian S.R.L.).

GEO number 44/2008 on economic activities of the Sole traders, Individual enterprises and Family enterprises regulates the licensing and the activity of a Sole traders, Individual enterprises and Family enterprises.

Keywords: business licensing, types of business entities, Sole traders, Individual enterprises, Family enterprises

JEL Classification codes: M10, M19

STUDY ON THE PROBLEMS IN THE STAGES OF FILLING OUT THE APPLICATION FORM AND TECHNICAL-FINANCIAL REPORTING ENCOUNTERED BY THE PUBLIC INSTITUTIONS IN THE CENTRE REGION IN ACCESSING EUROPEAN FUNDS

Ranf Diana Elena, Dumitrascu Danut

The article has as main field the project management, specifically, identifying the negative factors on European projects. The article assumes that there is a connection between the absorption of European funds and the maturity of the Romanian society in terms of project management.

The main objective of the research is to identify the problems faced by public institutions from Centre Region in accessing European funds. The purpose of the research is to identify the causes that led to the low absorption of European funds, with devastating effects on the current economic situation.

The present research is based on a preliminary analysis performed by the author on the rate of accessing European funds published in an article entitled “The current state of European funds absorption through funding programmes – measure of the Romanian performances in the project management practice”. The small degree of absorption of European funds resulting from the analysis shows a poor practice of the theory on project management. To identify the causes of this problem, a research was carried out to recognise the issues that led to this situation.

The investigation included two successive surveys, the first one qualitative, exploratory type, interview-based, meant to demonstrate the qualitative aspects of the investigated phenomena and the other one, quantitative, based on a questionnaire in the form of occasional surveys. The qualitative and quantitative research methods are used in combination; this approach has become necessary especially due to the very complex reality whose trueness cannot be captured through one method. The investigation has however a highly quantitative character, the purpose of the qualitative research being to provide the prerequisites for achieving the quantitative research.

The qualitative research revealed the existence of some problems faced by institutions in relation to accessing and developing projects that focus on several directions: when filling out the application form, the technical-financial reporting, at the contracting phase of the projects, problems of partners. The article deals with the first two, and from the respondents’ answers, the phase with the greatest number of problems was that of filling out the application form, followed by the technical and financial reporting.

Regarding the usefulness of the results, it should be noted that the information obtained from the conducted research supplies, theoretically speaking, the studied field and brings an important contribution not only to possible beneficiaries of European funds (public, private organisations, NGOs, the state, etc.), but to the entire Romanian society through the economic growth it generates

The authors’ main contribution is to integrate this study into the logical thread of the thesis entitled “Strategic management in European project funding”. The research conducted in the project management specialty literature emphasises the uniqueness and originality of the proposed and researched theme, which meets a current and pressing requirement of the Romanian society.

Keywords: Funds, projects, problems, access, reporting.

JEL Classification codes: M16

RESEARCH ON PROBLEMS WITH PROJECTS AND PARTNERSHIPS THAT PUBLIC INSTITUTIONS IN THE CENTRE REGION FACED IN ACCESSING EUROPEAN FUNDS

Ranf Diana Elena, Dumitrascu Danut

European project management is the main filed of the article. Assuming a connection between the degree of absorption of European funds and the degree of maturity of the Romanian society in terms of project management, the article seeks to identify the negative factors on accessing and carrying out European projects.

The identified problem is a low degree of absorption of European funds in Romania, and the main objective of the research is to identify the problems faced by the public institutions in the Centre Region in accessing European funds and also the causes that led to the low absorption of European funds.

This article's research is based on a preliminary analysis performed by the authors on the rate of accessing of European funds published in the article called "The current state of European funds absorption through funding programmes – measure of the Romanian performances in the project management practice". The conclusion of this article was a low rate of absorption of European funds in Romania, a fact that reveals a poor practice of the theory on project management. This article identifies part of the causes of this situation by identifying a part of the problems that stood in the way of beneficiaries of European funds

The qualitative and quantitative research methods are used in combination in the research. The investigation has however a highly quantitative character, the purpose of the qualitative research being to provide the prerequisites for achieving the quantitative research. The interview-based qualitative research enabled the researcher to get acquainted with the subjects' problems related to the theme of investigation, the causes that have generated these problems. This preliminary investigation to the questionnaire-based research aims to provide information that would help the researcher prepare the questionnaire, so that the questions allow getting the most comprehensive information to solve the identified problems.

The qualitative research revealed the existence of some problems faced by institutions in relation to accessing and developing projects that focus on several directions: when filling out the application form, the technical-financial reporting, at the contracting phase of the projects, problems of partners. This article deals with the problems encountered during the projects' contracting stage and problems caused by partners. The respondents' answers place the problems of partners on top of the categories of problems that stood in the way of European funds' beneficiaries. A series of causes that have led to the occurrence of these problems have also been identified.

It should be stated that the information obtained from the conducted research supplies, theoretically speaking, the studied field and brings an important contribution not only to possible beneficiaries of European funds, but to the institutions managing European funds in Romania, who have a lot to learn from the experience of the first period of programmes. The authors' main contribution is to integrate this study into the logical thread of the thesis entitled "Strategic management in European project funding". Both articles, part of a research in the field of project management are unique and original and meet a current and pressing requirement of the Romanian society.

Keywords: Funds, projects, problems, partnership, absorption.

JEL Classification codes: M16

THE INTELECTUAL CAPITAL IN KNOWLEDGE-BASED SOCIETY AND ECONOMY **Sabau Remus Mircea**

The management improvement in the educational public institutions from Romania owns an undeniable priority in each state government. The necessity of the changes in institutional management related to the administrative system and, mainly, to the management of the intellectual capital defines the utility and the efficiency of meeting the necessities in the respective

educational environment and sets as one of the main problems, recently emerged, the elaboration of a number of structural-organisational and functional-operational measures, stimulating management modernization at an educational level, including the higher education institutions, with a main reference to the intellectual capital.

In the national literature, these problems are not highly scientifically examined. In my opinion, in Romania, at present there isn't any well-defined framework in connection with the management of the intellectual capital from the educational institutions. That's why I considered that this isn't just an actual topic but it is also a central subject. I'm convinced that a more thorough examination of the intellectual capital will be able to contribute on a long and a medium term to the administrative growth and development. The intellectual capital has a key role in the international relations development and triggers, in my opinion, radical structural changes, which are very important for the amplification of the educational institutions value. The ability to create, use and increase the intellectual capital value is, in my opinion, the foundation on which it is based the public management of educational institutions in a country, the welfare and the life quality for her citizens.

The knowledge valorification is a long process, which doesn't offer rapid results. But the effects of promoting and propagating of knowledge are, firstly, on a qualitative structural level and can lead to beneficial effects on long term.

In my opinion, in countries in course of development, knowledge itself isn't yet perceived as an active which can be used at its maximum capacity. As a consequence, in my opinion, both the real management and the researches in the management domain should be oriented especially towards this subject.

The main aim of this article is to underline the managerial essence of the intellectual capital and to highlight its effects on the organisational performance of an educational institution – and at the same time- to determine managers, generally, and top managers, especially, from educational institutions in Romania, to understand the intellectual capital management importance.

The main objectives which I have proposed myself to attain in this paper are science-oriented especially, meaning that I have tried to illustrate the place and the role of the intellectual capital for the socio-economical development, as well as the most important characteristics of the intellectual capital intended to facilitate the creating of the management institutional framework and proficient management of the intellectual capital under the conditions of changing specific to a society and an economy based on knowledge.

Keywords: intellectual capital, management, knowledge, economy, performance.

JEL Classification codes: K11;J24;O34;M12

ACTUAL REQUIREMENTS REGARDING THE INTELLECTUAL CAPITAL AT AN EUROPEAN AND INTERNATIONAL LEVEL. THE ASSESSMENT OF QUALITY MANAGEMENT SYSTEMS IN ORGANISATIONS PROVIDING INSTRUCTION SERVICES

Sabau Remus Mircea, Neacsu Danut

The European Union Council had and still has in view the profound changes taking place in society: globalization represents for Europe a competitors intensification in all the economical sectors, while the developing and the diversification of the information technologies can lead to a radical change of the whole learning and educational system, opening the perspectives for learning possibilities and accumulating knowledge during all one's life.

The topic actuality of this article consist from the fact that, due to the globalization and the international competition intensification the request for workers with a low qualification level decreases; the new jobs presuppose high performances, flexibility, stress on qualities such as: high level of performance, creativity, openness to change, initiative. People will be obliged to possess much more knowledge, competences and they will have to work in multi spheres teams. Of course that not all the people can become conceptual analysts, something like this cannot be required, but an adaptation to the new system, to the new economy is required.

At present, more and more people work in domains in which information is created. In the future this percent will grow. The utilizing on a large scale of machines and installations will determine that even workers from the basic domains to be better and better prepared. In the countries OECD the unemployment rate is higher for the persons with a second education, unlike the persons with a higher education, the manpower being in this way forced to become more qualified. On the other hand, as more and more work is taking place at an intellectual level, the detaining and manipulating of information becomes an essential quality for each employee. This article has as a main objective the highlighting of actual requirements regarding the quality assurance in instruction services at an European and international level. Thus, the permanent learning strategies from the European Union are presented, which aim at realizing a European space of knowledge. The concept of permanent learning is being analyzed as a new vision in the instruction domain, which is centered on the individual. An important aspect is the developing of basic personal competences and the validation of these through flexible qualification structures.

Due to the complexity of the processes and the context in which they are functioning, the instruction organizations should orient themselves to the models TQM, even though the standard ISO 9001 offers advantages at implementation, connected especially with the processes management, the document control and registrations. The proposed model being a TQM model adapted to the instructional domain and integrated with ISO 9001, can be easily utilized by these organizations.

Keywords: intellectual capital, management, quality, TQM, performance.

JEL Classification codes: K11; J24; O34; M12.

AN EMPIRICAL STUDY ON THE BENEFITS AND THE RISKS OF OUTSOURCING LOGISTICS IN THE ROMANIAN INDUSTRY

Salanță Irina, Ilies Liviu, Mureșan Ioana

Logistics outsourcing is considered to be an excellent source of competitive advantage for companies. Its benefits are long praised about in the specialty literature, but its risks are often briefly described. We believe that both the benefits and the risks of outsourcing logistics extremely important and must be regarded as a source of success or failure as it will be described in this paper.

Our research objectives refer to investigating the main outsourcing risks and benefits in the contemporary Romanian industry sector, in order to be able to identify which are the most threatening risks and also the most wanted benefits in the opinion of the production companies.

We regard logistics outsourcing as an exceedingly captivating and up-to-date topic, because it provides a satisfactory solution to various company issues that pertain to increased specialization, collaboration and integration in efficient and effective supply chains. The management of this activity with its main functions including the benefits and the risks will be approached in our research. The outsourcing of logistic services is a complex concept that our paper undertakes to discuss in some costs, access to new and costly technologies, scale economies, of its aspects.

Our study is developed on 108 Romanian companies that have more than 50 employees. Based on our previous studies in Romanian industry, we decided that our research is best based mainly on quantitative methods. The instrument of our research is the structured questionnaire. The general goal of our research is to investigate the way in which companies manage the risks and the benefits both expected and attained in the process of outsourcing logistics.

The implications of our research for the field of logistics refer to the fact that we were able to identify which are the most important and attainable outsourcing logistics benefits out of the large number stated in the international literature. Furthermore, we structured the risks encountered by Romanian companies which took a chance on outsourcing logistics. All in all, we consider that this is an excellent starting point for our future research in this field as we plan to investigate further on this topic by analyzing the outsourcing logistics benefits and risks also from the perspective of logistics service providers from Romania.

Keywords: logistics outsourcing, strategic decision, benefits, risks.

CORPORATE SOCIAL RESPONSIBILITY VERSUS TAX AVOIDANCE PRACTICES **Stoian Ciprian-Dumitru**

Worldwide crisis has made multinational companies that are engaged in corporate social responsibility actions to manage their businesses through the lens of various tax avoidance practices. The content of this paper is important due to the fact that tries to identify the impact in case of companies active in corporate social responsibility actions versus their tax structures orientation.

Corporate social responsibility literature did not paid enough attention on the impact of the tax avoidance practices of companies. Tax, as a concept, brings in itself an important corporate financial impact with subsequent effects for the life of multiple citizens in countries where private entities are operating.

Even though companies are usually expressing their ethical and responsible conduct in respect of the social environment, there are many cases when the business practices were not aligned with the declared corporate behavior. This paper seeks firstly to examine whether companies engaged in tax avoidance practices (ex. offshore tax havens) consider that continue to act socially responsible. Secondly, the paper examines the influence on attending the stakeholders' goals for those companies practicing tax avoidance and its implications on corporate social responsibility actions. Moreover, the paper focuses also on the aspects described before from the perspective of the corporate entities operating in Romania.

This paper's intention is to use and to develop the results of previous research carried out by Lutz Preus (University of London) and, subsequently, by Senators Levin, Coleman and Obama in their "Stop Tax Haven Abuse Bill".

The implications and the objectives of this material are to highlight, to identify and to spot clearly the relations and the influences of the tax haven practices of corporations versus their undertaken social responsibility actions. Moreover, this paper brings a fresh perspective of this topic from the Romanian market.

I consider that this paper triggers in itself a good presence in nowadays business environment, due to the fact that stakeholders are becoming more and more aware on both corporate actions versus their tax efficient structures. Many of the aspects described were already "tasted" in practice by various stakeholders, while many multinational corporations started to become realistic about the risk of being "socially responsible" through tax schemes.

Keywords: Corporate social responsibility, Tax haven, Tax avoidance, corporate financial implications, Investments

JEL Classification codes: M14

RISK MANAGEMENT: AN INTEGRATED APPROACH TO RISK MANAGEMENT AND ASSESSMENT

Szabo Alina

The objective of this paper is to offer an overview over risk management cycle by focusing on prioritization and treatment, in order to ensure an integrated approach to risk management and assessment, and establish the 'top 8-12' risks report within the organization. The interface with Internal Audit is ensured by the implementation of the scoring method to prioritize risks collected from previous generated risk report.

Methodology/approach:

Using evidence from other research in the area and the professional expertise, this article outlines an integrated approach to risk assessment and risk management reporting processes, by separating the risk in two main categories: strategic and operational risks. The focus is on risk prioritization and scoring; the final output will comprise a mix of strategic and operational ('top 8-12') risks, which should be used to establish the annual Internal Audit plan.

Originality/value:

By using an integrated approach to risk assessment and risk management will eliminate the need for a separate Internal Audit risk assessment over prevailing risks. It will reduce the level of risk assessment overlap by different functions (Tax, Treasury, Information System) over the same risk categories as a single methodology, is used and will align timings of risk assessment exercises.

The risk prioritization by usage of risk and control scoring criteria highlights the combination between financial and non-financial impact criteria allowing risks that do not naturally lend themselves to a financial amount to be also assessed consistently.

It is emphasized the usage of score method to prioritize the risks included in the annual audit plan in order to increase accuracy and timelines.

Keywords: risk management, risk assessment, audit universe

JEL Classification codes: G320

HOW TO IMPROVE EMPLOYEE MOTIVATION AND GROUP PERFORMANCE THROUGH LEADERSHIP – CONCEPTUAL MODEL

Tebeian Adriana

We live times of intense change, due to fast technological development, when information and knowledge are certain factors of power. Organizations today must not underestimate the importance of capable employees, owners of these great factors like information and knowledge. The key to success, as many organizations have shown, is, of course a mix of attributes, but one of much importance stands in the quality of employees and their performance. How to motivate and keep such employees is a real challenge in the actual business world. Employee fluctuation is a big risk, because it brings many losses: loss of expertise, of know-how, of time, it breaks relationships and teams. One solution to this problem is creating a good and attractive environment, so that employees are motivated enough to bring up the best in them and rise their performance to a high level.

The main objective of this study is to present a new approach in motivating employees and raising their performance. In this approach, the leader is the main pawn, the generator and sustainer of a healthy environment. By reviewing the literature and the most recent works in this domain, two styles of leadership come into focus: transformational and servant leadership. Both are relatively new concepts, with common but also different attributes, and both having the same final goal: performance, but through a different approach.

Based on a vast literature research, the conceptual model was built, considering the main attributes of the two leadership styles, their impact on motivational factors, their influence on job satisfaction and ultimately on team performance.

The intermediary results of the research sustain the conceptual framework and main hypothesis of the study.

One important contribution of this research is introducing elements of servant leadership together with transformational leadership in the empirical research and also creating an overall conceptual framework which can be applied into practical context, in order to help organizations improve their performance through nonconventional methods.

Keywords: servant leadership, transformational leadership, motivation, team performance, job satisfaction

JEL Classification codes: M 10

INTEGRATION OF ENVIRONMENTAL MANAGEMENT SYSTEM

Tomescu Ada Mirela

The relevance of management as significant factor of business activity can be established on various management systems. These will help to obtain, organise, administrate, evaluate and control particulars: information, quality, environmental protection, health and safety, various resources (time, human, finance, inventory etc).

The complexity of nowadays days development, forced us to think ‘integrated’. Sustainable development principles require that environment management policies and practices are not good

in themselves but also integrate with all other environmental objectives, and with social and economic development objectives.

The principles of sustainable development involve that environment management policies and practices. These are not sound in them-self but also integrate with all other environmental objectives, and with social and economic development objectives. Those objectives were realized, and followed by development of strategies to effects the objective of sustainable development.

Environmental management should embrace recent change in the area of environmental protection, and suit the recently regulations of the field -entire legal and economic, as well as perform management systems to meet the requirements of the contemporary model for economic development. These changes are trailed by abandon the conventional approach of environmental protection and it is replaced by sustainable development (SD).

The keys and the aims of Cleaner Productions (CP) are presented being implemented in various companies as a non-formalised environmental management system (EMS). This concept is suggested here as a proper model for practice where possible environmental harmful technologies are used -e.g. Rosia Montana.

Showing the features and the power of CP this paper is a signal oriented to involve the awareness of policy-makers and top management of diverse Romanian companies.

Many companies in European countries are developing corporate environmental strategies to reduce negative impacts on ecosystems. This involves adopting environmental mission statements, conducting audits and monitoring performances. But we have not to forget that the ecosystem is unique for us.

All of us, individuals and communities, small enterprises and multinational companies, national policy-makers, are responsible of preserving it for the future generations.

Keywords: Environmental management, quality management system, sustainable development, cleaner production

JEL Classification codes: M11, Q56, R11

EDUCATION MANAGEMENT DECISION-MAKERS IN EUROPEAN PRE – UNIVERSITY EDUCATION

Tușa Ana, Voinia Claudiu Sorin, Dumitrașcu Danuș Dumitru

The theme paper consists in a comparative analysis of European preuniveristary education decision makers.

Decision makers in preuniversity education management remain the key issue in the political agenda of most European countries.

The diversity of educational policies in each European country aims to increase school autonomy, in a way that allows comparison of their main elements of management.

Scientific research carried out aimed both theoretical and practical terms:

- comparative analysis of how the makers of European schools are responsible for the management practiced in the educational institution.

- identification of the achievement of school autonomy.

Lately, in terms of policy makers and school autonomy, schools have gone through many reforms. It was felt the need to improve the democratic management and the quality of the educational process.

The analysis and the approaches differ in terms of pace of reform, scale transfer of authority and areas that apply.

No approach can be chosen as the ideal one or more effective than others, because the contexts in which they were made are so diverse. However, as it moves along, educational policy makers can learn from the approaches and experiences of others.

The methodology was based on: the study of scientific literature from the country and abroad, on the theory and practice regarding the decision in the management of school education activities.

Comparative analysis was conducted based on questionnaires distributed to managers of educational institutions respectively partners with the school Romanian Technical College Matthias Hd.

Following the research conducted, the results have shown that due to political differences between countries in European schools are not governed by the same principles regarding the type of autonomy and its extension.

In some countries, schools have been granted considerable freedoms, such as in Belgium and the Netherlands. At the other extreme, Spain and France, the transfer of responsibilities was limited.

In order to ensure that the information in this study is an accurate representation, questionnaires were distributed to several schools in the countries surveyed. Processed data are related to school year 2010-2011.

The data obtained from research can help in better understanding partly the diverse nature of school autonomy policies and models in their takeover by the makers of Romanian school units.

The implications of work on management school education are to link the level of autonomy granted and the intensity of monitoring procedures put on the bodies at the school and the staff involved.

This study examines the correlation that exists between the degree of autonomy delegated power and the responsibility of school measures that were implemented.

The added value of the work lies in the fact that the study focused on several sides of the school management process from the authorities in charge of appointing school managers to autonomy in terms of managerial strategy.

Keywords: makers, school autonomy, management body, complete autonomy, school management

JEL Classification codes: I

MAIN MILESTONES OF LABOUR MOBILITY STRATEGIC MANAGEMENT

Vasile Valentina, Balan Mariana

The development of migration flows for the last decades and the emphasis laid on labour force circulation shifted the interest focus from managing crises generated by conjectural migration flows to inter-country cooperation for coordinating policies regarding labour migration.

Labour migration as multinational process can be dealt with by efficient management at international, national and local level that would aim maximising the advantages of all involved actors, taking into account its fluid character and dynamics, its permanently changing features.

The complexity of the labour migration phenomenon and the lack of a coherent and sufficiently comprehensive data base hindered the development of some management models, and the recommendations of local/national/regional policies took into account particularities of labour market, labour force location and difficulties of covering labour force deficits, but also socio-professional particularities of potential migrants, as well.

Labour force migration management gains importance also from the perspective of increased demographic aging both in EU developed countries and in the new member-states where the aging dynamic on labour market is marked also by the labour mobility to western and northern European countries.

The paper intends to present the main milestones defining migration management, and the policies in the field. General coordinates of labour migration strategic management are analysed at European level, the policies in the field of workers' mobility, and elements of immigration management as well, during the period of the crisis.

For Romania, labour migration management on exit flows must represent a strategic concern of putting to good use the national labour potential and ensuring return incomes, the effective value added of the national education system. Within this context, the paper is a succinct analysis of policies promoted for the employment of graduates in attractive jobs that would allow for career development and, implicitly, remaining in the country, as well as of the measures adopted for returning into the country after pursuing improvement or temporary migration.

Keywords: migration management, policies, migration flows

GYROSCOPIC MANAGEMENT AND GENERATION Y

Vinke Joop, Orhei Loredana , Bibu Nicolae

In the professional field of business and management there is still little research done on the possibility if the Generation Y members (born between 1980 and 2000), which are the managers off the future, need a different approach in education and training to be prepared for the future. The authors will explain how a new didactical approach in business and management called “Gyroscopic Management” can prepare these new managers to be of added value for the business. This specific approach was the start in 2007 of a specific (international) HRQM Bachelor study programme at Arnhem Business School, HAN University in the Netherlands. During this study programme, students are confronting this specific training and didactical approach with characteristics as self-reliance, self-study, and Socratic dialogue, ethical and “gyroscopic” management. The programme has a clear vision and mission and didactical approach that triggers the above-mentioned elements. The approach focuses on the need for development of specific competencies like “Intercultural adaptability”, “International business awareness” and “Social entrepreneurship” as added to the existing competencies needed for a Bachelor level in business and management education. As researchers, lecturers and trainers, the authors used and researched this approach during many lectures, seminars, trainings and workshops in the last years at Universities in Romania and The Netherlands. The authors present the characteristics of the members of the new Y generation and relate them to main elements of gyroscopic management as practice and the results of this practice for students. For this, the authors did a so-called “Grounded action research”, from 2009 until 2012, among students of business and management studies. Further, the research was supported by focus groups over the same period. The authors have the opinion that this research is important because the new generation of managers seems to need different didactical approaches in education and training that fit better to their characteristics. The authors believe that this research can bring therefore added value to the field of management in the future.

Keywords: Generation Y, Intercultural Adaptability, International Business Awareness, Social Entrepreneurship, Gyroscopic Management

JEL Classification codes: M12, M16, M53

SUB-SECTION: MARKETING

PREPAID TELECOM CUSTOMERS SEGMENTATION USING THE K-MEAN ALGORITHM

Bacila Mihai-Florin, Radulescu Adrian, Marar Liviu Ioan

The scope of relationship marketing is to retain customers and win their loyalty. This can be achieved if the companies' products and services are developed and sold considering customers' demands. Fulfilling customers' demands, taken as the starting point of relationship marketing, can be obtained by acknowledging that the customers' needs and wishes are heterogeneous. The segmentation of the customers' base allows operators to overcome this because it illustrates the whole heterogeneous market as the sum of smaller homogeneous markets. The concept of segmentation relies on the high probability of persons grouped into segments based on common demands and behaviours to have a similar response to marketing strategies. This article focuses on the segmentation of a telecom customer base according to specific and noticeable criteria of a certain service. Although the segmentation concept is widely approached in professional literature, articles on the segmentation of a telecom customer base are very scarce, due to the strategic nature of this information. Market segmentation is carried out based on how customers spent their money on credit recharging, on making calls, on sending SMS and on Internet navigation. The method used for customer segmentation is the K-mean cluster analysis. To assess the internal cohesion of the clusters we employed the average sum of squares error indicator, and to determine the differences among the clusters we used the ANOVA and the post-hoc Tukey tests. The analyses revealed seven customer segments with different features and behaviours. The results enable the telecom company to conceive marketing strategies and planning which lead to better understanding of its customers' needs and ultimately to a more efficient relationship with the subscribers and enhanced customer satisfaction. At the same time, the results enable the description and characterization of expenditure patterns for services that are continuously growing. Also, the study demonstrates this analysis model is efficient for a large customer base.

Keywords: market segmentation, profiling segments, telecommunication services, k-mean cluster, relationship marketing

JEL Classification codes: M31

CONCEPTUAL MODEL OF MARKETING STRATEGIC PLANNING SPECIFIC TO PUBLIC ORGANIZATIONS

Barbu Andreea Mihaela, Ionescu Florin Tudor

In public services, the political component of the marketing environment has a major importance, as all decisions adopted within central administration influence both the objectives and measures implemented by units of local government and other public service providers. Any discontinuity in the activity of such entities might result in neglecting the real needs of citizens and slowing the reform process in the public sector. Therefore, all initiatives of public organizations must have a unitary goal and integrate harmoniously within a single process. A tool from the management-marketing literature that both contributes to this purpose and leads to an increased customer satisfaction and organizational performance is strategic marketing planning.

This paper presents, firstly, requirements and particularities of this process in the public sector, focusing on the need for bottom-up planning, meaning from the functional levels of public service organizations, to the corporate level, where strategic decisions are taken. To achieve this goal, there should be included in the planning process the clients and other audiences, which can provide useful information about the services they want, the quality or the accessibility thereof, and news about the services they need in the future.

There are also mentioned the factors that can influence the quality of strategic marketing planning in public services domain: the importance of marketing within the organization, marketing knowledge of employees in marketing departments and/or of management personnel, the efficiency of activities within the organization, and the manager's marketing vision.

In the final part of the paper there are presented the stages of the conceptual model of strategic marketing planning in public services field: (1) accepting the idea of bottom-up planning, (2) avoid or eliminate discrepancies between measures taken at high levels and executions carried out at operational levels, (3) formation of work teams, setting tasks of members and appointment of a coordinator, (4) data collection, (5) establishment of strategic alternatives, based on information gathered from the market, (6) choosing the optimal strategy, which will lead to achieving the objectives set in an earlier phase and (7) establish and implement marketing programs.

Keywords: marketing, strategic planning, public services, conceptual model, political factor

JEL Classification codes: M31

ANALYSIS OF MARKETING TOOLS AND ACTIVITIES WITHIN EDUCATIONAL SERVICES ORGANIZATIONS, IN ORDER TO INCREASE THEIR EFFICIENCY

Barbu Andreea Mihaela

Romanian education, which is an important pillar for human resource forming process and the basis for economic development, suffered a lot of changes in the last decades. The main factors that have influenced the undergraduate and university training programs are the political and social-cultural ones. Educational services organizations are facing various challenges as: creating and maintaining a good institutional image, managing all types of resources efficiently, motivating the academic personnel, satisfying the community needs and supporting the public policy. The marketing tools and activities help these entities to improve the educational programs and adapt them to the individual needs of the clients, to keep under control the production costs, which are limited by the small public budget and to perform and promote these services efficiently, leading to an increased organizational performance.

The paper begins by presenting the current situation of higher education in Romania, underlining the fierce competition among the universities, the increased market potential and the financing sources. It continues by mentioning the advantages of strategic marketing planning for universities, as superior results and effectiveness, improved decision making and multiple benefits for the people involved. The paper reveals also the characteristics of segmenting and positioning on higher education market and the specific of marketing mix. Thereby, educational product is more easily adapted to customer needs when it is designed in collaboration with existing and future students, their parents, with other universities in the field or even with graduates. Students themselves can contribute to the increase the quality of their education. Price may be a factor of choice when future student chooses to pursue a university course, especially in those situations where the price does not include only the payment of annual fees for education. Distribution takes into account school location, or method of providing educational services. The educational institution can achieve a corporate identity on the market through the undertaken promotional activities.

Keywords: educational services, marketing tools, marketing activities, marketing mix, efficiency

JEL Classification codes: M31

PERCEIVED RISK AS A MODERATOR IN THE CAT MODEL TO EXPLAIN E-COMMERCE ADOPTION

Berteia Patricea Elena

Ever since Cox and Rich (1964) argued that perceived risk is a major behavioral determinant, a lot of literature has emerged trying to establish how it really influences consumer behavior. Nowadays, a real point of interest for marketing academics, as well as for practitioners, is the impact that perceived risk has on consumer adoption of e-commerce. Previous studies have proved that perceived risk can be a barrier for e-commerce usage (Bhatnagar, et al., 2000; Liebermann & Stashevsky, 2002). Moreover, perceived risk came forward as an important factor affecting attitudes toward e-commerce (Jarvenpaa, et al., 1999) and, as a consequence, the intention to adopt Internet as a new shopping channel (Vijayasathay & Jones, 2000; Featherman, 2001; Pavlou, 2003; Featherman & Fuller, 2003; Featherman & Pavlou, 2003; Li & Huang, 2009). For a long

period of time, TAM (Davis, 1989) was used to explain e-commerce adoption; however, recently Kulviwat, et al.(2007) proposed a new model – Consumer Acceptance Technology (CAT) - that incorporates not only a cognitive component, but also an affective one. This work in progress aims to apply the CAT model using as a moderator variable perceived risk. This study is expected to show that CAT can have a better prediction power when the perceived risk variable is introduced in the model with its two dimensions: cognitive and affective. By separating perceived risk and including it in the new model we may better understand the influences that the research variables have on adoption behavior. This research is expected to provide a theoretical extension of the CAT model and an improvement of its predictive validity.

Keywords: perceived risk, consumer technology acceptance model, cognitive behavior

JEL Classification codes: M31

PERCEIVED RISK IN PSYCHOLOGY AND BUSINESS ADMINISTRATION

Bertea Patricea Elena

Perceived risk has been defined in psychology as the judgment made by people when asked to characterize and evaluate hazardous activities and technologies. The origins of psychological research regarding risk perception are to be found in studies about probability assessment, utility assessment and decision making. Nevertheless, the most important paradigm that dominated risk research in psychology has been the psychometric paradigm that aims to explain how people react to risky activities. As far as Business administration is concerned, several business areas deal more with objective risk, than they do with subjective, perceived risk. In Accounting, Finance, Information Systems and Management we have the means to calculate real probabilities and to assess an objective risk. A very common case we find in Management where managers' risk perceptions are investigated in relation with investment decisions. An even more familiar domain with the concept of perceived risk is Marketing, where specialists explore the consumers perceptions regarding several types of risk (product risk, shopping channel risk etc.

Keywords: perceived risk, psychology, business administration, psychometric paradigm

JEL Classification codes: M31

STRATEGIC MARKETING AND QUALITY OF LIFE

Caescu Stefan Claudiu, Constantinescu Mihaela, Ploesteanu Mara Gabriela

Theme

The strategic marketing phase is one of systematic and continuous analysis of market needs in which the concepts of high performance products or services are developed, further provide the qualitative difference to customer, and which target different categories of consumers, ensuring long-term competitive advantages while increasing their personal welfare and the one society in general.

Objectives of the Research

The main purpose of our article is to make a documentary study of strategic marketing and quality of life concepts, wanting to emphasize the link between the two, the evolution stages of the concept quality of life and their integration into the concept of quality of life marketing.

Research Methodology

In order to achieve that goal, a documentary study was conducted, that took into account the conceptualization of the term quality of life marketing.

Results

The link between quality of life and marketing is even more obviously given by the new paradigm of it - relationship marketing. This focuses on building long term relationships with clients, based on their level of satisfaction felt in relation to company's products and services. Starting from this philosophy of relationship marketing, we can say that marketers are inclined towards a subjective definition of quality of life, depending on individual needs and their level of satisfaction

Implications

The term of quality of life has been introduced in the marketing literature in the last decade and is defined as a marketing practice designed to improve the welfare of clients while maintaining the welfare of other stakeholders of the company. This concept comes as a sequel of the concerns of the relational marketing specialists to provide a high quality offer to customers and add value to all other stakeholders interested in the smooth running of the company (suppliers, distributors, shareholders, employees, general public and various public bodies interacting with the company).

Authors' Contribution

The documentary study presents the content of strategic marketing and quality of life concepts and their integration in the concept of quality of life marketing.

Keywords: strategic marketing, quality of life, marketing strategies, relationship marketing, quality of life marketing

JEL Classification codes: M31

ATTENDING LIVE PERFORMING ARTS EXPERIENCES. WHY AND HOW IS THE DECISION TAKEN?

Ciceo Andreea

Across the last years, researchers around the world have shown a greater inclination towards the arts marketing, acknowledging its importance for the well being of arts organizations. Researches have been conducted for all kind of subjects trying to understand better both phenomena: the audience and the provider. However, these studies have their own particularities as they refer to certain cultures. Therefore, we need to look into our own yard and see whether or not such interests have been raised. Unfortunately, researches conducted in this area, in Romania, are very few. That is why the knowledge regarding the live performing arts audience is actually non-existent and from this fact comes the need of discovering more about this unknown. This paper attempts to make one of the first steps in this direction by exploring the audience's motivations to attend live performing arts events and, moreover, the buying decision process. Why do audiences choose to attend live performing arts events? How they decide for it? Which are the sources of information they use? What makes a live performing arts event be a pleasant experience? Or rather an unpleasant one? These are all questions to which this paper provides answers. The way the author have chosen to answer these matters is by conducting a qualitative research that has the aim to explore the universe of this subject and to denote insights for a better understanding. The best method was considered to be the focus group for its advantage of bringing together people who have something in common – namely their frequency in live performing arts events, and facilitate communication between them in order to discover the needed information. Thus, it has been discovered that audiences' motivations are mainly related to social and esteem needs, that is to say people attend these kind of events from their desire to spend their time in a pleasant manner with the people they like or because attending is „trendy” and makes one look more like a cultivated person. However, their motivations are second by the sources of information they use, namely personal sources (e.g. family or friends) because they seem to be more trustful than others, as well as experiential sources, meaning consumer's own experience that makes him a true expert in choosing. Whatever they have chosen, the live performing arts event may or may not raise their expectations. The reasons for this stand both in the performance itself and the audiences' behavior. In conclusion, this paper aims to encourage the further discovery of the performing arts sector from the marketing perspective.

Keywords: arts marketing, arts consumer, motivation, buying decision process

JEL Classification codes: M31

HOW FAR WOULD YOU GO FOR LUXURY? AN EXPLORATORY STUDY AMONG ROMANIAN FEMALE STUDENTS THAT CONSUME LUXURY

Ciornea Raluca, Pop Marius Dorel, Bacila Mihai Florin, Drule Alexandra Maria

The main purpose of the paper is to identify actions that Romanian female students consuming luxury have been taken and would be willing to take in order to obtain the desired luxury products, deepening the "compromise" dimension. Although not based on previous studies, as is the only one of its kind in the luxury domain, the study took into account the "sugar daddy" and the "extreme saving" phenomena, mentioned in few books and considered to exist among young female luxury consumers. The research is based on primary data collection, where a questionnaire-the data gathering tool-was applied among female students under 30 years, resulting 273 luxury consumers. The results that were obtained using the statistical program SPSS 19, showed that a small percent of the respondents mentioned that have made compromises to have luxury goods and services, like telling lies, engaging in relationships or have been financially supported by someone. The lack of past compromises for the other consumers is mainly due to the inconsistency between compromises and their moral and ethical standards, respectively to the low importance(desire) given to luxury. However, some of those who mentioned the previous reasons believe that in future there is a certain probability to make some compromises for luxury, especially for luxury cars, homes or clothing. In addition, many of those who have made compromises in the past are also willing to make in the future. But, in order to obtain luxury products, most consumers are willing to save or to get a job, seeing savings as a form of compromise. The authors contribution is given by the originality and uniqueness of the subject discussed, as there are no similar studies in the luxury domain both in Romania and at international level. Although the study has as a limit the use of a sample from a single city, we believe that the research is significant for the luxury sector, contributing on the one hand to outlining of the general profile of Romanian luxury consumer by identifying aspects related to consumer behavior, and secondly by identifying a new segment of Romanian luxury consumers, without high income but willing to take various actions in order to have luxury products.

Keywords: luxury consumer, consumer behavior, compromise, luxury products, luxury
JEL Classification codes: M31

STRATEGIC MARKETING PLANNING IN SPORTS – A PERSPECTIVE OF QUALITY OF LIFE IMPROVEMENT

Constantinescu Mihaela, Caescu Stefan Claudiu, Ploesteanu Mara Gabriela

Strategic marketing planning requires that the marketing objectives strategies for a specific product-market configuration be in full correlation with the directions and the resources allocated at the corporate level or at the strategic business unit one. Such a correlation is more than necessary under the current market conditions, when the economic crisis affects both consumer behavior and corporate decisions. This article focuses on the particularities of strategic marketing planning in sport, given the fact that the vast majority of sports organizations in Romania, although very active on the reference market, do not have a marketing activity correlated with the medium and long term market needs. One of these needs refers to quality of life improvement, knowing that sport activities have positive influence on many dimensions of quality of life, such as health, education, social inclusion, relaxation and leisure. The improvement within the population participation in sport (both as an active participant and as a spectator), the increased duration of leisure and the development of private financing have led to the creation of a large market, where marketing plays a central role. Therefore the marketing management process must also be implemented within the sports organization, in order to make it easier in building and maintaining a relationship with the customer, especially if the organization wants a customer orientation strategy. Such an orientation includes identifying the current needs as well as the future ones in terms of target audience, to offer a series of sports products and services that bring their significant contribution to improving the quality of life. In this paper are highlighted the influences that consumer requirements concerning quality of life have on all components of marketing

management process, starting with sports organization mission statement, up to establish strategies for the marketing mix (product, price, distribution and promotion).

Keywords: strategic marketing planning, quality of life, sports marketing, marketing management
JEL Classification codes: M31, I31

IS THE WEBSITE MARKETING STRATEGY CORRELATED WITH THE COMPANIES OUTCOMES? EVIDENCE FROM ROMANIAN IT INDUSTRY

Constantinescu-Dobra Anca

With a constant yearly growth of more than 20% over the last five years and adding up to 10% of the GDP, the Romanian Information Technology (IT) sector has an important potential for development. Emphasizing on websites marketing in this sector could enhance more profitability. Even though this tool is considered to be much depersonalized, the users like getting a sense of the company behind the website. Having a wide range of information facilitates this understanding. In a very competitive environment, the IT managers have to realize that the overall site is what represents their organization to users. Prospectors look at product pages and read the site content when they are evaluating an organization as a possible vendor, business partner, employer, investment opportunity. Therefore, websites marketing is one of aspects that need to be constantly reevaluated in an ever-changing word of communication.

Given this facts, the present study identifies the extent to which the most valuable IT Romanian companies practice webpage's marketing. Specifically, we examine the content, in-time communication tools, navigability and style of the websites in correlation with their outcome and size. Moreover, the paper analyzes the differences between websites characteristics of Romanian IT SMEs and large companies from top 100, according to their turnover. The specific objectives in order to investigate the websites marketing of Romanian IT companies are:

- To evaluate the websites marketing policies of the software developer, hardware and IT distributors;
- To analyze in depth the Romanian IT companies websites performance in correlation with their profit, turnover and number of employees;
- To assess the differences between websites policy of SMEs and large companies from Romanian IT industry;

This study is exploratory and consists in a qualitative assessment of websites from top 100 software, hardware and IT distributor companies. The sample consists of 93 functional websites. The corporate website of each company was analyzed and subsequently codified on 97 variables clustered in four dimensions: content, handling, interactivity and layout. The results outline the fact that firms engage in websites marketing activities to a relatively high extent. There is a strong correlation between websites content and companies' turnover, profits and number of employees. Moreover, a positive correlation was revealed between interactivity and turnover.

The research outcomes reflect high disparity between Internet marketing policy of software, hardware and distributors.

Keywords: websites marketing, SME, IT industry, Romania
JEL Classification codes: M31, M15

EMPIRICAL RESEARCH ON THE IMPACT OF LOCATION AND SERVICE ON THE RETAIL BRAND IMAGE

Dabija Dan-Cristian, Babut Raluca

Developing and consolidating store image in the consumer's psyche is undoubtedly an essential psychographic goal of decision makers from a retail enterprise. Regardless of the tools used to draw customers—assortment and particularly the unit's own brands, assisted service or friendly and competent, attentive and carefully dressed personnel always eager to help customers, the selection of a proper location near the customer's workplace or domicile or very close to other units—the retail enterprise must undertake sustained efforts to properly understand the consumer's wishes and fancies.

Moreover, the food or non-food retail enterprise will have to adapt itself to the customer's ever-changing desires and, in the end, will have to take the necessary measures to make him/her return to the store, purchase again and develop retail brand associations. In order to attain this goal, the store will naturally seek to imprint a proper, strong, even unique image on the consumer's mind. As the literature (Keller, 1993) highlights, in order for a consumer to form an opinion in time about a particular brand, s/he must first perceive the brand, get to know it and undergo positive experiences with it.

The current research advances a model designed to emphasize the contribution made by a store's location and assisted service to shaping the store image. After the model's theoretical concepts are operationalised, the data are validated by means of the reliability analysis. Finally, pertinent interpretations are provided through the existing correlations between the identified dimensions.

The empirical research was conducted on a sample of 1800 Romanian consumers and reveals, for the selected retail formats, notable differences between the two characteristics of the retail brands in terms of their significance and impact on the store image. Finally, the research outlines several managerial implications that are relevant in taking future decisions concerning the best course of action to be taken with the aid of these two elements of the retail marketing mix.

Keywords: retail marketing, retailers attributes, location, service, store image

JEL Classification codes: M3, M31

AN ASSESSMENT OF THE RELATIONSHIPS BETWEEN THE CULTURAL HERITAGE, TRAVEL & TOURISM, AND SUSTAINABLE DEVELOPMENT IN THE CENTRAL AND EASTERN EUROPEAN COUNTRIES

Dugulan Diana, Popescu Ioana Cecilia, Veghes Calin

The cultural heritage, including, according to the UNESCO definition, the assembly of monuments, groups of buildings, and sites which are of outstanding universal value from the historical, aesthetic, ethnological or anthropological point of view, represents an important asset that can be engaged and capitalized in order to support the sustainable development. Meeting the needs of the present without compromising the ability of the future generations to meet their own needs in order to provide a better quality of life for everyone, now and for generations to come, has become a concern and, in the same time, a priority for all the stakeholders of the society.

Turning to the best account of the cultural heritage also represents an important driver for the sustainable development of the travel and tourism industry, as the cultural sites, institutions, goods and services, appropriately capitalized, represent significant attractions for the international and domestic tourists. The integration of the principles of sustainable development in the current functioning of the travel and tourism industry led to the development and implementation of the concept of sustainable tourism.

The paper explores in a distinctive manner the relationships between the cultural heritage and the travel and tourism industry, respectively the cultural heritage and the sustainable development based on a set of related statistical indicators, and the specific secondary data, expressing the extent of the cultural heritage, the development of the travel and tourism industry, and the attained level of sustainable development in ten Central and Eastern European countries, members of the European Union. There are two major research questions the paper aims to answer: (1) How significant is the relationship between the cultural heritage and the development of the travel and tourism industry? (2) Is there a noteworthy connection between the cultural heritage and the sustainable development in the selected countries?

Keywords: cultural heritage, travel and tourism, sustainable development, Central and Eastern Europe

JEL Classification codes: M83, M31

VISUAL POLLUTION: A NEW AXIOLOGICAL DIMENSION OF MARKETING?

Enache Elena, Morozan Cristian, Purice Suzana

Everyone's belief is that marketing plays a fundamental role in all economic or uneconomic areas of business. However, what becomes very clear is that, in addition to the many positive aspects that it generates, marketing produces unwanted effects as well.

The paper tries to prove the relationship between marketing and axiology (its value and its perception on the people), on the one hand, and one of its most obvious effects - visual pollution, which already starts to be in the attention of those who can counter it, on the other hand.

Value, as a concept, is a result of a long and laborious research, both economic and uneconomic (philosophical, psychological, etc.). The visual pollution and the ecological architecture are recent approaches and it cannot be said that there is a very rich experience or a proper literature in this domain. But the interest is growing undoubtedly.

The authors consider that the demarche of the paper, to sit marketing, value and pollution alongside, is at the beginning of the road and certainly will arouse the interest of further research.

The paper is the result of an office research of secondary sources of information. They are limited and also limiting, the domains being studied separately. The result of the paper is the noting on the fact that marketing can be extremely harmful. We agree with the idea that marketing supports businesses and the economy of an area, but it is better to be aware that the pollution it produces is increasingly significant so the rules by which marketing plays must be rewritten.

If the authorities, the business itself and those involved in education will focus and will exactly understand their role in a sustainable development of the society, than the aim will be achieved.

We believe that the authors' concerns, which are dedicated to the idea that by means of marketing one should not destroy but build, will be of public interest as well.

Keywords: axiology, value, pollution, marketing, ecology

JEL Classification codes: M31, Q56

SOLVING CUSTOMER COMPLAINTS: A STUDY OF MULTIPLE COMMERCIAL SETTINGS

Gurau Calin

Theme: Many reports stress the importance of solving customer complaints in order to maintain customer satisfaction, but also to learn from mistakes and further improve the customer service. However, relatively few empirical studies have been conducted regarding the effect of complains handling activities on customer satisfaction and on company-customer relationships.

Objectives of research: This paper attempts to identify the main elements of the complaints handling strategy that are considered essential for customers, and their effect on customer satisfaction.

Literature analysis/previous research: Previous studies define a complaint as a conflict between a consumer and a business organisation in which the fairness of the resolution procedures, the interpersonal communication and behaviour, and the outcome of the complaint resolution process are the principal evaluative criteria used by the customer. In our opinion, a complaint is not necessary a conflict, however, it can create a conflict between a customer and a business organisation, when the answer to the consumer's complaint is not satisfactory. Therefore, the way in which business organisations deal with consumer complaints can significantly influence the consumers' level of satisfaction and loyalty.

Research methodology: The empirical analysis of primary data collected through face-to-face interviews with 150 French customers provides a detailed picture of the specific elements of complains handling which are perceived as important in four different settings defined in relation to the perceived importance of the product or service, and the emergency of the experienced problem.

Results: The identified elements of the complaint-handling procedure have a variable importance from one element to the other, and in the context of various complaint situations. This finding highlights the fact that, depending on each situation, the factors that will determine customer's

satisfaction, and that will shape the final perception of the complaint service, will be different. On the other hand, the study presents and discusses the effect of various dimensions of the complaints handling strategy on the customer satisfaction.

Implications: The findings of this study indicate the specific elements that should be improved by companies in order to enhance the quality of the complaint-handling process in various transactional situations.

Contribution of author/authors: The present paper compares the importance of the various dimensions already identified by researchers in relation to four different situations defined by the variation of two subjective dimensions: the importance associated by the customer to the product and the emergency level of the product/service failure.

Keywords: customers' complaints, customers' satisfaction, multiple commercial settings

JEL Classification codes: M31

ANALYSIS OF MARKETING MIX IN METALLUGY (MMM)

Ioana Adrian

This paper presents an algorithmic analysis of the marketing mix in metallurgy. It also analyzes the main correlations and their optimizing possibilities through an efficient management. Thus, both the effect and the importance of the marketing mix, for components (the four P -sâ€•) are analyzed in the materials' industry, but their correlations as well, with the goal to optimize the specific management. The analysis of the correlations between the 4 P -sâ€• (the four components of the marketing mix) and their management in metallurgy are also very important. The analysis of the main correlation between the 4 marketing mix components in a case of a product from the materials' industry highlights the importance of management in order to optimize that product. In order to obtain an optimal marketing mix for a product from the materials' industry, the technological optimization management must focus on both functional and constructive betterments. The functional betterments need constructive betterments and constructive betterments generate functional betterments. An important component of the marketing mix for a product in the metallurgical industry is the quality and the cost control activity. The technological optimization in the metallurgical industry is based on functional and constructive betterments. The optimization of the biunivocal correlation between them (need-determination) assures the efficiency of the marketing mix of that product.

Keywords: Marketing Mix, Management, Correlations, Metallurgy

JEL Classification codes:

AN EXPLORATORY RESEARCH OVER THE CHINESE PRODUCTS ON THE ROMANIAN MARKET

Ioanas Elisabeta, Aldea Roxana

In this paper we studied the influence on the Asian products over the consumer decision making. We observed that because of the economic crisis most of the people are buying products made in China, although they now that the quality and the price are lower. The factors that change the habits and the consumer behavior decision making are: the lower wage, the small number of work places and the prices of the products. Regarding the low price of Chinese products quality, some times arouses suspicions. Romania is a parts of the European Union and on the market there are various products made in European countries but also products made in China. People with low wages from the last step of social classes are prone to buy lower prices products. Other consumers on the contrary became more sensitive and they prefer to pay more than to buy products made in China. The quality prevails over the price and sometimes over the quantity although the money to spend are dwindled.

The crisis affected consumer behavior, consumers have become more attentive to the country of origin and the disposable income for shopping. In order to validate some of the ideas the authors undertook a quantitative online research. The research had as purpose to identify the main influences of the decision making when the consumer buys Chinese products. The chosen

investigation was the selective survey, the research technique was the exploratory interrogation and the research instrument – structured in online questionnaire. After research we found that the economic crisis caused consumer behavior change as a result of diminishing the income buyers, the consumer is placed in a position to buy products of questionable quality at low prices, mostly from China. Lower purchase price often makes Chinese goods represent an attractive option for consumers. On the other hand, the quality of Chinese products has proven to not comply with the quality expectations of the consumers, based on the use of products manufactured in other countries. Romanian consumer has been shifted his chooses because of the very low income and at the same time the culture purchasing pattern. For this reason, this research focuses on the changing buying behaviour in the period of economic crisis.

Keywords: Asian products, economic crisis, consumer's purchase decision, Romanian consumer

JEL Classification codes: M31, N15, N35

D.P.M. METHOD - A PERFORMANCE ANALYSIS INSTRUMENT OF A STRATEGIC BUSINESS UNIT

Ionescu Florin Tudor

Considering the uncertain economic conditions, the market dynamics, the fundamental changes in the attitudes and aspirations of the consumers along with the strong growth of the political role and interventions in the economy, currently characterizing both Romania and other countries of the world, it can be said that the need for strategic planning was never so acute as now. The strategic planning process is an ongoing organizational activity by which managers can make decisions about their present and future position. A number of analytical portfolio tools exist to aid managers in the formulation of the strategy. The use of these tools within the broader context of the overall strategic planning process allows managers to determine the obstacles and opportunities existing in the company's environment and to define and pursue appropriate strategies for growth and profitability. The present paper aims to highlight from a theoretical standpoint the D.P.M. method, its strategic consequences, advantages and disadvantages.

After conducting this analysis I have found that restricting the business portfolio analysis to the D.P.M. matrix is not a very wise decision. The D.P.M. matrix among with other marketing tools of business portfolio analysis have some advantages and disadvantages and is trying to provide, at a time, a specific diagnosis of a company's business portfolio. Therefore, the recommendation for the Romanian managers consists in a combined use of a wide range of tools and techniques for business portfolio analysis. This leads to a better understanding of the whole mix of product markets, included in portfolio analysis, the strategic position held by each business within a market, the performance potential of business portfolio and the financial aspects related to the resource allocation process for the businesses within the portfolio. It should also be noted that the tools and techniques specific to business portfolio analysis do not give accurate answers, despite the appearances created by the analysis stage, where the businesses are plotted rigorously. However, their main virtue is simplicity, as these highlight the managers' need for further investigations.

Keywords: matrix, strategic business unit, portfolio, profitability, competitive position, strategic directions

JEL Classification codes: M 31

BARTER-BASED TRADE – THE ENGINE OF THE ECONOMIC RECESSION

Lancranjan Andrei

Through this paper I would like to identify the main reasons that encourage firms to make barter. I would also like to find out who are the more likely to do this exchange and what are the main objects or services which are the subject of barter. This kind of exchange was present in ancient economies like the ones of the Egyptians or Indians. Even though there was no currency, an account unit was present, generally gold. I am attracted by this subject because the barter economy didn't disappear totally when the currency based trading began growing. In my opinion, a

healthy economy should have a strong currency economy, but the businesses should seek partners willing to make barter. This kind of trading makes both partners happy – they get what they want, they don't have to pay any money and they reduce their stock.

If all economic agents would understand the benefits of being a barter trade practitioner than the economic growth would appreciate faster. This research is a small incentive for business owners to grow their deals even more. It's very likely that after gathering some knowledge and finding out all the benefits of barter trading more and more company owners would like to do swap goods for any kind of needed service or product. The working hypothesis is that respondents are aware and make barter in proportion of 80%.

Keywords: economy, barter trade, recession, economic growth

JEL Classification codes: M31, F19

DEVELOPING AND PROPOSING A CONCEPTUAL MODEL OF THE FLOW EXPERIENCE DURING ONLINE INFORMATION SEARCH

Lazoc Alina

Information search is an essential part of the consumer's decision making process. The online medium offers new opportunities and challenges for information search activities (in and outside the marketing context). We are interested in the way human information experiences and behaviors are affected by this.

Very often online games and social web activities are perceived as challenging, engaging and enjoyable, while online information search is far below this evaluation. Our research proposal implies that using the online medium for information search may provoke enjoyable experiences through the flow state, which may in turn positively influence an individual's exploratory information behavior and encourage his/her pro-active market behavior.

The present study sets out to improve the understanding of the online medium's impact on human's exploratory behavior. We hypothesize that the inclusion of the online flow experience in our research model will better explain exploratory information search behaviors. A 11-component conceptual framework is proposed to explain the manifestations of flow, its personal and technological determinants and its behavioral consequence in the context of online information search.

Our research has the primary purpose to present an integrated online flow model. Its secondary objective is to stimulate extended research in the area of informational behaviors in the digital age. The paper is organized in three sections. In the first section we briefly report the analysis results of the most relevant online flow theory literature and, drawing on it, we are trying to identify variables and relationships among these. In the second part we propose a research model and use prior flow models to specify a range of testable hypothesis. Drawing on the conceptual model developed, the last section of our study presents the final conclusions and proposes further steps in evaluating the model's validity. Future research directions include improving the model and hypotheses testing.

Keywords: flow experience of online search, structural and conceptual modeling, behavioral outcome

JEL Classification codes: M30, M31, M39, D83, L86

ELABORATING A MEASUREMENT INSTRUMENT FOR THE FLOW EXPERIENCE DURING ONLINE INFORMATION SEARCH

Lazoc Alina, Caraivan Luiza

Flow is a construct imported in marketing research from social sciences in order to examine consumer behavior in the online medium. The construct describes a state of deep involvement in a challenging activity, most frequently characterized by high levels of enjoyment, control and concentration. Researchers found that the degree to which online experience is challenging can be defined, measured, and related well to important marketing variables. As shown by our extensive literature review, flow measurements include antecedents, dimensions and consequences of flow.

The present paper represents a detailed description of the construct's operationalization in the context of online information search. In this respect, our main goal is to produce a basic instrument to evaluate the flow experience of online search, in order to capitalize on the premises of an interactive, complex informational medium – the World Wide Web – and on the consequence of an exploratory informational behavior of users. The instrument is conceived to offer a primal possibility to collect data.

The composition, source and significance of the 11 scales used to measure the multiple factors of the flow experience during online search are detailed in this study with the aim to ensure the compliance with scientific rigors and to facilitate correct reports of data related to the reliability and validity of measurements.

For further research, we propose factor analysis to test the resulted instrument and to ensure that the measures employed are psychometrically sound. Factor analysis refers to a wide range of statistic techniques used to represent a set of variables in concordance with a reduced number of hypothetical variables called factors. Factorial analysis is used to solve two types of problems: reducing the number of variables to increase data processing speed and identifying hidden patterns in the existent data relations.

However, we expect our scales to perform different in the context of information search with second generation web tools and suggest further qualitative research concerning web determinants of flow.

Keywords: operational definitions, multi-dimensional construct, scale development

JEL Classification codes: M30, M31, M39, D83, L86

ROMANIAN MOBILE TELECOMMUNICATIONS CLIENTS' CONSUMPTION BEHAVIOUR WITHIN THE CURRENT ECONOMIC-FINANCIAL CRISIS

Marcu Nicu, Meghisan Georgeta-madalina

The paper will analyze the consumption behaviour of the Orange mobile telephony company's clients towards its services' characteristics within the current economic financial crisis, taking into consideration the following elements: the low tariffs (for calls/ subscriptions/ other services), the quality of calls/ of sound, the network coverage within the territory, the company's reputation, the negotiated offer, the quality and availability of the customer care service, the diversity of the auxiliary services, the range and prices of the mobile telephones, the costs that pay those who make calls towards this network, the loyalty programs, the usage of a last generation technology, the friends have subscriptions in the same network and the promotional offers. For a thorough research we will divide the operator's clients into natural persons clients and legal persons clients, each group having its specificities. The data gathering method was the questionnaire sent by post office to all the Orange Romania branches (a total of 225 branches). We received a number of 64 responses, what means a responses rate of 28.4%, which were analyzed using the SPSS informatics program focusing on the correlation analysis and factor analysis. The main results emphasize the fact that the fight to attract clients becomes more and more powerful. The very competitive market leads to the growth of the importance of the price in choosing a provider. The operators' short term gains from the clients that prefer low prices represent a long term risk of image. Choosing some services packages is sometimes very difficult due to the complexity of the offer. The clients expect the service to work, be simple and easy to use. They want to benefit from rapid and efficient assistance if errors occur and the operator respects the clauses of the contract. The results obtained through this study, allowed us to make an opinion on the perspective that the operators have on the mobile telecommunications market from Romania. The authors' contribution consist in making a research in a specialised field covering both the natural persons clients and the legal persons clients of the mobile telephony operators from Romania.

Keywords: consumer behaviour, mobile telecommunications industry, economic-financial crisis

JEL Classification codes: M31, G01

NEW APPROACHES TO CUSTOMER BASE SEGMENTATION FOR SMALL AND MEDIUM-SIZED ENTERPRISES

Meleanca Raluca-Cristina

The primary purpose of this paper is to explore current praxis and theory related to customer segmentation and to offer an approach which is best suited for small and medium sized enterprises. The proposed solution is the result of an exploratory research aiming to recognize the main variables which influence the practice of segmenting the customer base and to study the most applied alternatives available for all types of enterprises. The research has been performed by studying a large set of secondary data, scientific literature and case studies regarding smaller companies from the European Union. The result of the research consists in an original approach to customer base segmentation, which combines aspects belonging to different well spread practices and applies them to the specific needs of a small or medium company, which typically has limited marketing resources in general and targeted marketing resources in particular.

The significance of the proposed customer base segmentation approach lies in the fact that, even though smaller enterprises are in most economies the greatest in number compared to large companies, most of the literature on targeting practices has focused primarily on big companies dealing with a very large clientele, while the case of the smaller companies has been to some extent unfairly neglected. Targeted marketing is becoming more and more important for all types of companies nowadays, as a result of technology advances which make targeted communication easier and less expensive than in the past and also due to the fact that broad-based media have decreased their impact over the years. For a very large proportion of smaller companies, directing their marketing budgets towards targeted campaigns is a clever initiative, as broad based approaches are in many cases less effective and much more expensive.

Targeted marketing stratagems are generally related to high tech domains such as artificial intelligence, data mining and marketing analytics and presuppose the availability of sophisticated computer software and specialized personnel. The methodology proposed in this paper takes into consideration the fact that, due to financial and time-related constrains, smaller companies need a more practical and straightforward solution for segmenting their customer base. The simplicity of the solution, however, should not come at the expense of its efficiency. The original contribution of this paper resides precisely in the fact that it aims to offer the best of two worlds: the simplicity and cost-effectiveness of plain methods which can be used without the aid of specialized software and the high return on investment given by the use of artificial intelligence algorithms such as clustering.

The main implications of this paper relate to the fact that it draws attention to how targeted marketing can be performed successfully by companies with restricted budgets by providing an actionable set of guidelines which can be put into practice by smaller enterprises using limited efforts and resources.

Keywords: segmentation, customer base, small and medium sized enterprises, cluster analysis, targeted marketing

JEL Classification codes: M31

COMMUNICATION BY MEANS OF THE NEW SOCIAL NETWORKS

Morozan Cristian, Enache Elena, Purice Suzana

In our days, the electronic communication media is important because the communication forms based on interactivity lead the participants in the act of sending and receiving information to become more than simply issuers, listeners or viewers, integrating them into a dynamic system.

In this approach, the study paper aims to prove the relationship between personal development and that of society determined by the new interactive communication instruments. At the individual level, training, education, health, interpersonal relationships are easier to be acquired and amplified. Also, the local communities, companies, educational institutions or non-profit organizations increasingly approach themselves to the citizens, receive their problems and try to solve them efficiently. On the other hand, the expansion of the modern means of communication

became possible by the steadily decreasing costs of information and of the appropriate management technologies.

Virtual communities may, however, only partially replace the traditional communities and the direct physical interaction between people, because online connections are made between people, not between places. Moreover, a high degree of interconnection involves the spreading of ideas, links and various discoveries or improvements of some already existing equipment and processes. The content of this study paper is created using secondary sources of information – with limited and also limiting feature – in an office research, the areas of analysis being studied separately. The result of the study paper is to evidence the fact that the interest for the interactive electronic communication is increasing.

We support the idea that such communication contributes to business development in a particular field, in the social sector, but it is better to be aware of its less desirable effects from which we can notice the loss of privacy, the identity theft, the aggressive promotion etc.

In our opinion, in this study paper we only partially achieved to highlight the increasingly strong relationship between communication, interactivity and electronic media and, therefore, we hope that this demarche will be continued in other research.

Keywords: interactive communication, social networks, virtual communities, multimedia, target

JEL Classification codes: D83, L86

CONSIDERATIONS REGARDING THE USE OF MODERN MANAGEMENT METHODS IN PLANNING THE MARKETING ACTIVITY WITHIN THE SMALL AND MEDIUM-SIZED ENTERPRISES

Olteanu Valerica, Curmei Catalin Valeriu

This paper aims to highlight, from a marketing perspective, the manner and conditions in which small and medium-sized enterprises can use modern management methods in planning the marketing activity. Using modern methods of management are particularly important for managers of these organizations and especially for marketers. Thus, the following methods play a significant role within the marketing activities' development for marketing specialists, namely: management by objectives, management by budgets, management by projects, and management by product. The high degree of understanding and using the above methods is, in the current economic environment, one of the determinants of the market success of small and medium-sized enterprises. In the current context, the adoption of the management by objectives is not a facultative option for the small and medium-sized enterprises, but rather a binding one in the context of adopting and practicing an efficient marketing with significant results on the development of marketing programs comprised within them. Similarly to the management by objectives, the use of the management by budgets within the small and medium-sized enterprises has a series of features required by their smaller size, features that should be considered by marketers. Regarding the use of management by projects, this method has to constitute the foundation for the elaboration of marketing programs developed within the small and medium-sized enterprises, thereby allowing shaping an action that can be accompanied by success in achieving the goals comprised within the marketing programs. Finally, the role of the management by product is extremely important in the marketing activity within the small and medium-sized enterprises, especially in the operationalization of concepts such as strategic marketing and tactical marketing. This paper thus outlines from a marketing point of view the main issues aiming at understanding and using modern management methods in the marketing activity planning process within SMEs.

Keywords: marketing, SME, management, planning, methods

JEL Classification codes: M31

MARKETING AND INNOVATION: YOUNG PEOPLE'S ATTITUDE TOWARDS NEW PRODUCTS

Onisor Lucian-Florin

This paper explores the perceptions of young students, who are training in the field of economics, to the very new products and outlines the role that marketing plays in bringing to market products based on innovative technologies. The study is conducted in Romania and tries to highlight Romanian specific features about the relationship between marketing and innovation.

The goal is to outline in a clear and actual image of young people thoughts about new technologies insertion on the market. The pursued objectives are: motivation investigation of option for new products; determining predisposition to the radical or incremental innovations, assessing perceptions of the link between marketing and innovation.

Research have been made in this field on various areas of activity. At the level of the European Community there are several organizations which activate in the field of innovation research. Eurobarometer through its subdivision Innobarometer brings in the attention of the public on a regular basis, through a series of publications, the results of researches undertaken from the business perspective, and are concerning all areas of action.

Research aims to identify the impact that new technologies have on the consumers most open to innovation. This exploratory research is based on a direct gathering of information, using an online questionnaire. Data are processed using SPSS software package, and the results show the type and nature of links between variables to be examined by applying bivariate and multivariate correlation tests.

Analysis report provides descriptive, easy to follow, for all the situations covered and investigated in the questionnaire. The results show a clear output of the relationship between compromises that those open to using new technologies are making to obtain superior advantages from the newest products on the market. Research carried out by the author being the first one in this area, only manages to outline the general framework of marketing in the process of bringing new innovations to market. Other research focused on several areas of participants in the process of bringing innovations to market, like inventors, distributors, intermediaries and final consumers, will be undertaken in the future.

The study bring into the attention of all participants in economic exchanges that marketing tools can be used to accelerate or to stop different directions of development. Marketing strategies and techniques can be implemented centrally in the economic environment of a country or communities, with immediate impact in the development (subject to certain priorities) of the society as a whole. Marketing can facilitate all socio-economic activities, starting from helping people interested in obtaining patents, attract their results into the economic cycle (production), going through transfer of the products to consumers (distribution), continuing to explain and inform all parties involved (promotion) and ending with the recording and collection of profits (price) of any kind (tangible or intangible).

Although the literature treats for a long time and in various ways the relationship between marketing and innovation, research on this direction in Romania are relatively few undertaken. Identification and assessment of consumer perceptions is an important step in any development process, especially in processes with a high innovative component, and this study tries to highlight Romanian characteristics of the relationship between marketing and innovation.

Keywords: radical innovation, incremental innovation, marketing, young consumers, Romania

JEL Classification codes: M31, M21, O33, N70, L11, Q55

THE INTERDEPENDENCY OF ECOLOGICAL AND HEALTH ISSUES IN THE CHOICE OF ORGANIC FOODS

Pál Zsuzsa

In the last two decades the number of the studies on actual and potential consumer's behavior toward the organic foods has been increased considerably. The main issues investigated by these studies are concentrated among themes like motivation, purchasing intention, barriers of the

adoption, and their impact on the marketing strategy and operational tasks in an organization. Most of the studies in this field appeal to the one of the most influential behavioral intention model, namely to the theory of planned behavior. In an organic food context the researchers try to adopt this model including some specific aspects. In this paper, based on a brief literature review, we propose a conceptual model for the organic food buying intention. In our structure the two key purchasing drivers, the health and environmental concerns are interrelated, and the last one exert their impact on the buying decision through the health attitude. This paper presents the argument for this proposed model. The proposed model, after testing it, could serve as a way of harmonizing the different attribute and benefit-related messages to the consumers' motivations.

Keywords: consumer behavior, theory of planned behavior, organic food

JEL Classification codes: D12, M31

INVESTIGATING THE RELATIONSHIP BETWEEN PERCEIVED SACRIFICE AND B TO B CUSTOMER SATISFACTION IN THE INSURANCE INDUSTRY

Petrisoaia Carmen, Nicolae Al. Pop

The Romanian insurance market expanded rapidly during the last two decades. Presently, the Insurance Supervisory Commission (CSA) reports 43 insurance companies and 567 insurance brokers. In this extremely dynamic and competitive environment, it is compulsory to control key elements that generate and maintain customer satisfaction.

Therefore, the hereto paper concentrates on the influence exerted by perceived sacrifice over the business to business customer satisfaction in the insurance industry. More precisely, the objective is to investigate the impact of effort, time and money spent by the business to business customer over satisfaction.

The concept of satisfaction has been intensively explored in the literature due to the fact that both practitioners and academics understood that it held a great significance in determining and preserving customer relationships and therefore, long-term profitability. In the service sector, much research has been conducted in the business to consumer context, especially concentrated on the relationship between service quality and satisfaction, whereas the business to business setting received less attention.

In order to explore the relationship between perceived sacrifice and satisfaction, a descriptive research design was used. A questionnaire was created using multiple items for measuring satisfaction and perceived sacrifice and also a number of identification variables. The survey concerned companies that had had benefitted from the services of an insurance broker at least once. Copies of the questionnaire were sent by email to company managers from all the main industries. A total of 85 answers were collected. With the help of SPSS tool, the two measurement scales were tested for reliability and validity and a factor analysis was performed. The next step was to calculate the composite scores for each of the two variables and to carry out the simple linear regression analysis. Our linear model considers that perceived sacrifice is the independent variable, whereas satisfaction is the dependant one.

The calculated R² indicated that perceived sacrifice explained 25% of satisfaction's variation. We also carried out a multiple linear regression in order to investigate the impact of each of the three components and we found that unlike price and time, effort doesn't have an influence on satisfaction.

The results obtained allow a better understanding of the relationship between perceived sacrifice and satisfaction making management decisions more effective.

Keywords: satisfaction, perceived sacrifice, services, business to business, insurance broker

JEL Classification codes: M31, M39

ROMANIAN CUSTOMER-BASED EMPIRICAL RESEARCH ON AMBIANCE IN RETAILING

Pop Ciprian-Marcel, Dabija Dan-Cristian

A special role in increasing customer satisfaction and contentment with any retail store is played by ambiance or in-store management. Store ambiance is closely related to all decisions taken concerning the manner in which the management can organise the store, arrange gondolas and shelves, resort to lighting and specific scents (smells) or set temperature in different departments. For consumers, ambiance also means enjoying pleasant atmosphere during shopping, conveying a sense of adventure, arousing positive feelings which make the customer return to the store, increase the volume of purchase and even recommend the unit to other people.

The present study attempts to highlight the methods whereby a retailer manages to influence the customer by means on in-store management tools with a view to creating a favourable image in his/her mind. The research conducted on about 1800 customers in the Romanian food and non-food retailing reveals, through pertinent interpretation, the management strategies and actions that the enterprises of different retail formats should adopt in order to approach customers with beneficial results.

Keywords: in-store-management, ambiance, retail formats, physical evidence, food and non-food retailing

JEL Classification: M3, M31

PERCEPTION AND COMMUNICATION OF INNOVATION IN RETAIL TRADE (CASE STUDY APPLIED TO BRICOLAGE PRODUCTS)

Pop Al. Nicolae, Saniuta Adina , Roman Mihaela

Starting from the specific features of bricolage retail trade (which is part of the 'Do It Yourself' – DIY commercial format), this study aims to clarify the concept and structure of innovation in this field, and to present how innovation is perceived and communicated by sellers to customers. The initial literature review is followed by the design of a three-stage research, which consists of a variety of methods, techniques and tools of selective market research. The objectives are to establish the main forms of innovation in DIY trade, the perception and communication of innovation to the customer, and the internal marketing techniques which could deliver higher marketing advantages to the seller. This paper covers only the results of a pilot research conducted via qualitative exploratory research among 13 managers of the bricolage stores in Bucharest. Five hypotheses were tested and confirmed through research. All premises are ready for the scientific construction of research tools for the second and third stages of the study.

Keywords: perception, retail trade of DIY products, qualitative exploratory research, in-depth interview

JEL Classification codes: M31, O31

SMALL FARMERS FROM RURAL AREAS ATTITUDE ON ORGANIC FOOD

Roșca Mihai Ioan, Tanase Laura Daniela, Morar Mihai Gelu

This paper is one of the few marketing research done in rural areas of attitudes towards green products. Even if the subject is generally treated at the international level, Romania has an important specific is to be taken into account in the European area. Size of agricultural holdings and their degree of technology do not have the desired agricultural economic efficiency of modern economies. But by applying marketing techniques and by approaching customer needs, the agricultural sector in Romania can develop in another direction no longer going through the business model of major West European farmers. We are referring here to transition to a agriculture on small areas, intensively exploited and ecology and a system of distributed in the markets with a big search for such products. But he must know how people in rural areas see these green products and how they are trained to understand the concepts of green marketing and marketing organic products. These issues have been dealt with in the first part of the work. The

second part of this paper aims to describe the attitude of small agricultural producers towards organic products and the degree in which they are willing to go to such a production. Research is based on a survey an explorer in two rural areas of Romania one at the mountain and the other in lowlands and shows the degree of adaptation for small producers to new market requirements. Results have been contradictory. Some of them have confirmed the assumptions, namely the opening to such a grown for, and others have shown a much greater degree of the use of chemical compounds in agriculture than expected. Also the degree of taking the initiative in rural areas was an issue that came out at a level lower than expected. This is a worrying conclusion but worth being taken into account. This research gives the image concept in rural areas being the starting point for further research and strategies which to propose turning Romania into a net exporter of organic production.

Keywords: green marketing, bio food, rural market

JEL Classification codes: M31

MARKETING ACTIVITY IN ROMANIAN MICROCREDIT ORGANIZATIONS

Savescu Roxana Florenta

Microfinance is the solution that ensures the provision of loans and other basic financial services to those entrepreneurs who have limited access to the banking sector. These financial services provided by microfinance institutions allow small business owners to take advantage of their entrepreneurship skills by developing small businesses capable of generating additional income. As they mature, Romanian microcredit organizations become gradually aware of the importance of marketing in their current activities. The paper presents the results of a qualitative research on the experience and marketing practices in major microfinance institutions in Romania, highlighting at the same time the factors influencing decisions to invest resources in this area. The conclusions of the research reveal that microcredit organizations have a limited institutional capacity to develop complex marketing programs that drive marketing activities and resources to achieve the objectives of the organization. The approach here is one of a reactive management, the situations that pushes microcredit organizations into engaging in some marketing activities and using various instruments being determined by changes in the structure and level of market development and competition or by the availability of funds for current activity. Although marketing interventions should be considered important on all markets, the truth is that different types of markets (emerging, developing, mature markets) require certain marketing activities. The proposed marketing mix contains 8 elements (“8 P”) that ought to be optimally combined within the marketing strategy, in order to get the expected response from the target group: product, price, placement, promotion, processes, procedures, personnel, partnership.

The topic chosen for this paper answers a need for know-how in the Romanian microcredit organizations, in terms of their marketing activity. From a scientific point of view, the paper has a pioneering role, representing the first steps taken in Romania towards the in-depth study of the field of microfinance and of marketing in the microcredit industry.

Keywords: marketing, microfinance, microcredit organizations, marketing mix, market

JEL Classification codes: M31

RECOMMENDATIONS REGARDING THE INSTITUTIONALIZATION OF MARKETING RESEARCH ACTIVITY IN ROMANIAN MICROCREDIT ORGANIZATIONS

Savescu Roxana Florenta

As they mature, microcredit organizations in Romania are becoming aware of the importance of marketing in their current activities. Although marketing interventions should be considered important on all types of markets, the reality is that micro-credit companies in Romania have a limited institutional capacity to develop and implement marketing programs. This implies that marketing efforts should be focused and marketing needs should be prioritized, according to the appropriate level of market development (developing markets, growth markets and mature

markets). The paper presents the results of an exploratory marketing research study regarding the marketing activity performed by microfinance institutions in Romania. The purpose of the research was to identify courses of action to institutionalize marketing research in the current activity of the subjects analyzed. It has been our intention to give a very practical dimension to the recommendations regarding the marketing information useful for microcredit organizations and categories of marketing research needing to be conducted regularly, making them applicable within the specific Romanian environment.

Given the fact that on a national level scientific concerns about microfinance in Romania, in general or about marketing in the field of microfinance in particular are almost nonexistent, this thesis can be regarded as an innovation. This conclusion comes both from the investigation of existing literature and from the author's interviews with managers of microfinance institutions who have argued that this was the first time when Romanian academic institutions got interested in this sector. Potential beneficiaries of the results of this study are: managers of microcredit organizations interested in the development and sustainability of the institutions they manage; various national and international organizations interested in designing technical assistance programs in the areas identified as being necessary; academic institutions, interested in improving the offer of educational services in the field of microfinance; researchers, interested in developing practical tools for the development of the microfinance sector, in general; the general public, who comes in contact with an area less or not at all known until now.

Keywords: marketing, marketing research, microfinance, microcredit organizations, market

JEL Classification codes: M31

THE PERCEPTION ON ECOLOGICAL PRODUCTS – A RESEARCH ON THE URBAN CONSUMER

Tanase Laura Daniela, Rosca Mihai Ioan, Jurcoane Alexandra

This paper is about the consumers of organic products. The work is important because in Romania, although consumption data show a small percentage consumption of organic products, in words it is still high. The difference consists between the definition and the perception of the concept of ecological products in respondents' eye.

This work aims to study the consumer perception of such niche products from a narrow perspective and that of products certified or not. Trying to prove that there are differences in behaviour between the two groups.

Problem arising in this field is that there are many concepts of period of environmentally-friendly. Marketing and criterion by which to do all the market report shows green products from the point of view as they are legal certificates. Only that in Romania, there are two different segments of shoppers. Those who buy green products certified and those who buy green products certified. These latter, which many call the peasant market supplies, are an interesting group of future investigation for this type of sale. This paper comes as a complete research done in this market and brings attention to a new variable of analysis for motivational research.

This research is an exploratory research that proposed method is very common in research of this kind. We held three focus group meetings divided by a selection questionnaire.

The first group of 7 persons included only persons who have declared that they have bought certified products and the second group of 9 persons included only people who bought uncertified products. The third group also of 9 persons included people in both categories. So we could identify what some say about others when they are face to face and also when they are not.

The results are as expected. We can say says there difference between the two groups in terms of motivation choosing those types of products, the same reasons are for buyers and their family, taste and the appearance of a child in the family. However there are differences in what way those products are defined. If some consider as only those who are eco-certified, having confidence in the certification scheme more tightly, the other group has more confidence in their long term relationships with suppliers-manufacturers, and also in the taste of the products.

This research was necessary as part of a wider analysis that aims to build a model of purchase and consumption of organic products.

Keywords: green marketing, bio food, consumer research, Romania

JEL Classification codes: M31

A THEORETICAL SPOTLIGHT OVER THE ROMANIAN AGRICULTURAL PRODUCTS

Tarcza Teodora

This paper aims at identifying and classifying new types of agricultural products, especially in Romania, but not only. As we well know, all the countries all over the world have their own history, traditions, economic structure, and a certain type of agriculture, adapted to their soil, climate, and nevertheless to theirs people needs. So, we know that certain countries used to cultivate certain agricultural products, while others are wellknown for others. Usually, we associate Spain with great wines, Belgium with delicious chocolate, Turkey with coffee, India with rice, Romania with grain, Russia with cereals, SUA ‘‘ tobacco, etc. \nThere are new researches in the agribusiness sector, the worldwide commerce is spreading and growing very fast, peoples’ needs are continuously changing and therefore consumers behaviour is a new, different one. Every country, as well as every small or medium sized agrocompany has to focus itself on a new type of Marketing strategy, in order to be a succesfull one. Agricultural and food products are the most important ones in a persons life, and that’s why we have to give them the right attention, starting with their production, pricing and selling, and nevertheless communicating and promoting their benefits. \n The paper is a short literature review of defining and classifying agricultural and food products in Romania, underlying the attention given by the European Union to the promotion of products bearing a protected designation of origin (PDO), Protected Geographical Indication (PGI) or traditional specialty guaranteed (TSG), organic farming products. \n

Keywords: agricultural and food marketing, basic needs, organic food, healthy product

JEL Classification codes: M31, Q13

ATTITUDES OF THE CONSUMERS REGARDING THEIR PERSONAL DATA: WHAT HAS CHANGED UNDER THE RECENT YEARS?

Veghes Calin, Orzan Mihai, Acatrinei Carmen, Dugulan Diana

The historical roots of the debates regarding the privacy are to be found in the conclusion issued, at the end of the 19th century, by the Pacific Railway Commission (1887), on the essential, for the citizen’s peace and happiness, ‘‘right of personal security’’, and the individual’s ‘‘right to be left alone’’, approached and explained by Louis Brandies (1890). Since then, many definitions have been given aiming to explain the content of privacy from different angles but all these attempts were rather difficult and succeeded to clarify things only partially, due to the various perspectives considered. The information age has made even more difficult not only the definition of privacy, but its defense in front of the many invading ways based mainly on the internet employment.

From a marketing perspective, the definition of privacy should focus on the personal data regarding the consumers, the extent to what this data is communicated to or is collected by others, and the subsequent data treatment, in terms of the processing and employment, by the entities managing this information. In this context, the privacy should be considered in connection with its particular area of application – the consumer’s private space – described by the amount of information regarding the demographics, psychographics and behavioral characteristics of the individuals, and the rights they should have to disclose or not their personal data, and to have this data protected through the appropriate laws and means.

The paper aims to assess, in a longitudinal approach, the attitudes of the consumers, and the specific differences, regarding their personal data in terms of their disclosure, the previous consent the consumers should express to the companies or public entities collecting them, and capturing,

processing, and further employment by the companies, based on the primary data collected in two surveys conducted in January 2010 and 2012.

Keywords: privacy, consumer private space, personal data

JEL Classification codes: M31

SUB-SECTION: ECONOMIC INFORMATICS

THE RISK ASSOCIATED TO THE KNOWLEDGE TRANSFER AT ORGANIZATIONAL LEVEL

Gheorghe Mirela

The purpose of this paper is to present the concept of knowledge transfer risk, the specific features of this type of risk in inter-organizational and intra-organizational environments. The motivation for this research originated from the necessity of an analysis of the risk involved in the process of knowledge transfer, in the present context of the knowledge based society. Knowledge, knowledge management, knowledge transfer, knowledge transfer risk, knowledge transfer security are concepts associated to the actual business trend characterized by the growing globalization phenomena, global competitiveness, ever changing dynamics and high data amounts that demand real-time decisions on any manager. The present paper offers an analysis of the risks that can occur in the process of knowledge transfer, risks which although seem to cover only the level of communication between two players (source and recipient), actually go beyond this border. The risk associated to the knowledge transfer delineates on each of its component: the actors involved (source and recipient), knowledge (through their complexity, specificity and ambiguity) and the context in which knowledge transfer occurs. Moreover, the risks can be particularized depending on the type of knowledge transfer, whether it is intra- or inter-organizational. The scientific research approach has as starting point the literature review in the field, underlining the ideas, perceptions of the specialists on the subject under study, and continues with an analysis framework to delimit the risk factors associated to knowledge transfer. Moreover, we consider the need to ensure the security of knowledge transfer as being an essential condition, in this context. More and more researchers, specialists and practitioners state that, in recent years, knowledge represents the most important source of competitive advantages for organizations. The used methodology relies on activities specific to descriptive research, starting from a theoretical approach relative to the concept of risk and uncertainty; it evolves into identifying the risk factors of the transfer knowledge in inter-organizational and intra-organizational environments in order to end with elements regarding information and knowledge security. The knowledge based society not only that cannot eliminate the traditional concept, but must accept the necessity for reconsidering and readapting it to a new dimension, the one of the knowledge transfer associated risk.

Keywords: knowledge risk, knowledge transfer, knowledge security, risk, uncertainty

JEL Classification codes: M20, M21

RISK MANAGEMENT IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT

Gheorghe Mirela

The objective of the present paper is to present the singularities of risk management in the context of the new requirements and strategies adopted by the European Union in order to ensure sustainable development at organizational level. The paper wishes to approach the complex problem of risk management, given the premise that risk needs to be tackled as a conscious and calculated assumption of reality. The motivation for this research originates from the necessity of having a holistic approach for the risk management process, which will allow risk analysis and evaluation at a strategic, operational, financial, environmental and social level. This integrating approach, the continuous and systematic analysis and evaluation of all risks will constitute a real fundament for the sustainable development of all organizations, generating an efficient management system for all possible risks and opportunities resulting from these risks.

The present research is based on the analysis of specialized literature, identifying the characteristics of the risk management process at conceptual level, in order to ensure the organization's sustainable development, the managers' perception regarding the importance of this process and the necessity for integration in the leading structures of the organization. The adopted research methodology is based on activities specific for descriptive research.

Modern management needs to be risk-sensitive, to follow the implementation and utilization of reliable and efficient systems, to elaborate action plans and security schemes which include ranking the objectives on operational levels, adaptable to the permanent changes. An efficient management system does not limit itself to a 'short time horizon', also but considers further perspectives. In these situations, proactive management turns into prospective management, its purpose being to identify the risks that might arise as a consequence of strategy or environment modifications. Today's organizations need to fully absorb the concept of sustainable development and risk management into their strategy, not only to minimize potential losses but also to exploit new business opportunities which result from the principles of sustainable economic development.

Keywords: risk management, sustainability, strategic risk, social risk, environmental risk

JEL Classification codes: M21, M15

THE COMMUNICATIONS INFRASTRUCTURE OF THE INFORMATION SOCIETY

Nicula Adrian

This paper aims to briefly present the term of „information society”, term used since the beginning of the 90's, which implies the usage of new information technology both to the individual and organizational level with high ease, in all spheres of activities with a significant economic and social impact, making changes in social, cultural, educational, economic, environmental, political, administrative and judicial dimensions, changes that influence the work, study and life conditions of all citizens.

The more and more widely usage of ICT makes any economy become more efficient, more transparent, ensuring increased competitiveness and sustainable development. In terms of how ICT influences economic growth, Romania ranks 47 of the 70 countries analyzed in the Digital economy rankings 2010: Beyond e-readiness. Based on a synthetic indicator, defined by 24 variables in four categories, in order to determine the status of the information society, proposed by Marius Guran, and using the statistical data provided by ANCOM, the paper analyzes the current situation in Romania, answering the question: How digital is Romania in terms of communication infrastructure? Thus the paper presents the communication infrastructure from the point of view of: fixed telephony and its penetration rate per 100 inhabitants and per 100 households, a stagnant rate in the last few years; mobile telephony which reached saturation in recent years; cable TV which shows us that the penetration rate is quite low in Romanian households, mainly due to the low number of subscribers in rural areas, and also that the usage of DTH technology is growing.

Keywords: Information society, communications, telecommunications ICT, measuring

JEL Classification codes: L96

INFORMATION TECHNOLOGIES IN INSURANCE SALES SUPPORT

Stofor Ovidiu-Ilie

Insurance system in Romania is carried out with a constant natural activity, evolving quite honorably these times. This is largely due to the difficulty with which insurance is sold in normal economic conditions when it comes to prosperity. Although psychologists, led by Maslow believes that the protection needs are basic needs, along with the physiological one, on the priority list regarding procurement, insurance needs are for some Romanians, of minimum or no importance, so that they are either pushed to the bottom of the list, or even, as it most often happens, they are non existent. Current economic conditions and climate, urges caution on most fields, especially in terms of individual properties, including, how somewhat forced, life and physical integrity which are still considered property, if this aspect is not debated in terms of Christian or other religious dogma. In other words, many Romanians see insurance as a product that “is not up their alley” including it in the luxury category. Furthermore, the media shows, sometimes amplify certain cases of doubt in relations between insurance company - customer. Appropriate marketing, allied with the information technology can improve the complete relationship between the two entities - the offeror and the consumer.

Through this study we aim to identify important issues that facilitate the sale of insurance, using information technology, given that the sales of these financial products through the “ancestral” methods are effective but not very efficient.

We will follow, byanchoring to the current reality, the insurance utility and how to use information technologies in support of marketing (sales). The study itself was done by observing the results in practical work, from an insurance agency, but also related to what the literature offers. Because this study is currently underway, there are certainly some limitations of accuracy of results, which are adjusted “on the fly”. Realizing a practical application to accompany the insurance consultant, manager and sales team, can increase business efficiency, while being able to better control the forecast, an aspect so painful to the sales man.

Keywords: insurance, insurance marketing, sales, informational technologies, Internet

JEL Classification codes: M15, M31

RESEARCHES REGARDING THE ONLINE PRESENCE OF THE BIHOR COUNTY COMPANIES

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In this paper is presented a survey of companies’ websites in Bihor county. The study aims at local companies whose scope of activity allows them to interact with the end-users – individuals and whose presence in the virtual environment is ensured by websites. Companies that own a website use it for different purposes: to communicate to the users information about the company, to promote its products and services offered, to offer potential clients the opportunity to purchase these products online, to interact with their clients. The website of a company ensure its constant presence and can be used as an instrument in the marketing strategy, as a meaning of identity development or growth of the brand exposure, as a support for relationships with potential buyers or as a way of achieving market research. But for the website to fulfill the purpose for which it was made it must give the needed importance to certain aspects. Research carried out reveals an intensified concern of the companies for creating their own websites, for communicating with potential clients from the virtual environment, but they do not give importance to issues related to updating the information, structure, appearance, purpose sites. Most companies use the website mainly for information. They give little importance to promotion, yet not realizing the benefits they might have. Less than one third of the websites analyzed offers the possibility of online orders.

Keywords: websites, Internet users, virtual environment, company’s promotion, loyal clients

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