

**ABSTRACTS**  
**of the International Conference**  
***European Integration – New Challenges***  
**9<sup>th</sup> edition**  
**EINCO 2013**  
**May 24 -25, 2013, Oradea, Romania**

Scientific editor:  
Associate Prof. Dr. Adriana GIURGIU

Edition prepared by:  
Associate Prof. Dr. Adriana GIURGIU  
Ec. Cătălin-Lucian ZMOLE

Scientific co-editors:  
Prof. Dr. Gheorghe ZAMAN, CMA  
Prof. Dr. Alina-Daciana BĂDULESCU  
Prof. Dr. Valentina VASILE  
Associate Prof. Dr. Maria-Madela ABRUDAN  
Associate Prof. Dr. Nicoleta-Georgeta BUGNAR

**Organized in partnership with:**

*Asociația Facultăților de Economie din România /  
The Association of the Faculties of Economic Sciences of Romania (AFER),*

*Asociația Generală a Economistilor din România /  
The General Association of the Economists of Romania (AGER),*

*Academia Română, Institutul de Economie Națională /  
The Romanian Academy, The Institute of National Economy (IEN)*

*Academia Română, Institutul Național de Cercetări Economice /  
The Romanian Academy, The National Institute of Economic Researches (INCE),*

*The Leadership Institute, USA (Li),*

*Centrul de Cercetare pentru Competitivitate și Dezvoltare Durabilă /  
The Research Centre for Competitiveness and Sustained Development (CCDD),*

*Centrul de Documentare Europeană din cadrul Universității din Oradea /  
European Documentation Centre Oradea, University of Oradea (EDCO),*

*Societatea Academică de Management din România /  
The Romanian Academic Society of Management (SAMRO)*

**under the patronage of the “Jean Monnet” European Modules:**

*“European Economic Integration”,  
“International Trade and European Trade Policy”  
and  
“EU Sustainable Economic Development and Competitiveness”.*

**Editura Universității din Oradea**  
**ISSN: 1844 – 5519**

**This volume comprises the abstracts of the scientific papers accepted by the Scientific Committee of the 9<sup>th</sup> Edition of the International Conference “*European Integration – New Challenges*” EINCO2013, May 24 – 25 2013, Oradea, Romania**

The publication of the papers in the Journal “The Annals of the University of Oradea. Economic Sciences” - Tom XXII, 2013, ISSN 1582-5450 (in electronic format on CD-ROM), ISSN 1222-569X (in printed format) a journal listed CNCSIS category B+ and indexed in RePec, Doaj, EBSCO and CABELLS PUBLISHING SERVICES international data bases and respectively on the site of the journal:<http://anale.steconomieuoradea.ro>, in electronic format, with free access to full text, will be made after the Conference, as a result of a *peer review* type evaluation process.

***The abstracts of the papers published in this volume are exclusively engaging authors.***

#### **EINCO 2013 Programme committee**

##### **Editor-in-Chief:**

Dr. Adriana GIURGIU, University of Oradea, Romania

##### **Associate Editors:**

Dr. Maria-Madela ABRUDAN, University of Oradea, Romania;

Dr. Alina-Daciana BĂDULESCU, University of Oradea, Romania;

Dr. Nicoleta-Georgeta BUGNAR, University of Oradea, Romania;

Dr. Ioan-Gheorghe ȚARĂ, University of Oradea, Romania.

##### **Members:**

Academician, Mircea Malita, Member of the Romanian Academy, Romania;

Dr. Gheorghe Zaman, Correspondent Member of the Romanian Academy, Romania;

Dr. Ahmet Aktas, University of Akdeniz, Alanya, Turkey;

Dr. Ismet Ates, Adnan Menderes University, Turkey;

Dr. Mihaela Belu, The Bucharest University of Economic Studies, Romania;

Dr. Dorel Paraschiv, The Bucharest University of Economic Studies, Romania;

Dr. Gordon Biggs, Moray College UHI Millennium Institute, Scotland, Great Britain;

Dr. Luminita Chivu, The Romanian Academy, Romania;

Dr. Jose Cifuentes, Honrubia, University of Alicante, Spain;

Dr. Constantin Ciutacu, The Romanian Academy, Romania;

Dr. Dezhi Liu, Shijiazhuang University of Economics, China;

Dr. Marin Dinu, The Bucharest University of Economic Studies, Romania;

Dr. Anca-Otilia Dodescu, University of Oradea, Romania;

Dr. Danut Tiberius Epure, "Ovidius" University of Constanta, Romania;

Dr. Sergei F. Feostikov, Moscow Academy of Business, Blagoveschensk Branch, Russia;

Dr. Xavier Galiegue, University of Orleans, France;

Dr. Dongheng Hao, Shijiazhuang University of Economics, China;

Dr. Valeriu Ioan-Franc, The Romanian Academy, Romania;

Dr. Zoran Ivanovic, University of Rijeka, Croatia;

Dr. Kormos Janos, University of Debrecen, Hungary;

Dr. Eugeniusz Kwiatkowski, University of Lodz, Poland;

Dr. Rajesh Kumar, Osmania University, India;

Dr. Eszter Lang, University of Debrecen, Hungary;

Dr. Nicola Mattoscio, "G. D'Annunzio" University of Chieti – Pescara, Italy;

Dr. Piero Mella, University of Pavia, Italy;

Miguel Angel Moreno San Juan, The Leadership Institute, Arlington, USA;

Dr. Guido Montani, University of Pavia, Italy;

Dr. Andras Nabradi, University of Debrecen, Hungary;

Dr. Giuseppe Paolone, "G. D'Annunzio" University of Chieti, Pescara, Italy;

Dr. Ryszard Piasecki, University of Lodz, Poland;

Dr. Marilen Pirtea, West University of Timisoara, Romania;

Dr. Nicolae Pop, The Bucharest University of Economic Studies, Romania, Dr. H.C of the University of Oradea;

Dr. Ioan Popa, The Bucharest University of Economic Studies, Romania;

Dr. Ion Popa, The Bucharest University of Economic Studies, Romania;

Dr. Michael Stoica, Washburn University, USA;  
Dr. Gabriela Tigu, The Bucharest University of Economic Studies, Romania;  
Dr. Jean-Emmanuel Tyvaert, University of Reims Champagne-Ardenne, France;  
Dr. Adriana Tomescu, University of Oradea, Romania;  
Dr. Valentina Vasile, The Romanian Academy, Romania.

#### **Honorary Committee**

Academician, Mircea Malita, Member of the Romanian Academy, Romania – Dr. H.C of the University of Oradea;  
His Excellency, Jonathan Scheele – Dr. H.C of the University of Oradea;  
Dr. Gheorghe Gh. Ionescu – Dr. H.C of the University of Oradea;  
Aldo Poli – Dr. H.C of the University of Oradea;  
Franco Antiga – Dr. H.C of the University of Oradea;  
Dr. Constantin Rosca – Dr. H.C of the University of Oradea;  
Dr. Gheorghe Olah – University of Oradea.

#### **Scientific Committee:**

Dr. Babaita Carmen, West University, Timisoara, Romania;  
Dr. Batrancea Ioan, Babes – Bolyai• University, Cluj-Napoca, Romania;  
Dr. Liviu Begu, The Bucharest University of Economic Studies, Romania;  
Dr. Nicolae Bibu, West University, Timisoara, Romania;  
Dr. Rodica Boier, "Gh. Asachi" Technical University, Iasi, Romania;  
Dr. Sorin Briciu, "1 Decembrie 1918" University, Alba Iulia, Romania;  
Dr. Smaranda Adina Cosma, University Babes-Bolyai, Cluj Napoca, Romania  
Dr. Cristiana Cristureanu, "Dimitrie Cantemir" Christian University, Bucharest, Romania;  
Dr. Emilian M. Dobrescu, Romanian Academy, Bucharest, Romania;  
Dr. Cosmin Dobrin, The Bucharest University of Economic Studies, Romania;  
Dr. Luigi Dumitrescu, "Lucian Blaga" University of Sibiu, Sibiu, Romania;  
Dr. Liliana Feleaga, The Bucharest University of Economic Studies, Romania;  
Dr. Niculae Feleaga, The Bucharest University of Economic Studies, Romania;  
Dr. Nicoleta Farcane, West University, Timisoara, Romania;  
Dr. Xavier Galiegue, University of Orleans, France;  
Dr. Elena Hlaciuc, "Ștefan cel Mare" University, Suceava, Romania;

Dr. Nicolae Istudor , The Bucharest University of Economic Studies, Romania  
Dr. Marie-Noelle Jubenot, University of Reims Champagne-Ardenne, France;  
Dr. Ovidiu Megan, West University, Timisoara, Romania;  
Dr. Tatiana Mosteanu, The Bucharest University of Economic Studies, Romania – Dr. H.C of the University of Oradea;  
Dr. Emanoil Muscalu, "Lucian Blaga" University of Sibiu, Sibiu, Romania;  
Dr. Valentin Munteanu, West University, Timisoara, Romania;  
Dr. Doina Mureșanu, Université du Québec en Abitibi-Témiscamingue, Canada;  
Dr. Carmen Năstase, "Ștefan cel Mare" University, Suceava, Romania;  
Dr. Răzvan Liviu Nistor, "Babes-Bolyai" University, Cluj Napoca, Romania;  
Dr. Marin Opritescu, University of Craiova, Romania;  
Dr. Marius Pantea, West University, Timisoara, Romania;  
Dr. Nicolae Petria, "Lucian Blaga" University of Sibiu, Sibiu, Romania;  
Dr. Ciprian Marcel Pop, University Babes-Bolyai, Romania;  
Dr. Nicolae Al. Pop , The Bucharest University of Economic Studies, Romania – Dr. H.C of the University of Oradea;  
Dr. Gheorghe Popescu, "Babes-Bolyai" University, Cluj Napoca, Romania;  
Dr. Mariana Predișcan, West University, Timisoara, Romania;  
Dr. Gabriela Prelipcean, "Stefan cel Mare" University, Suceava;  
Dr. Teodora Roman, "Alexandru Ioan Cuza" University of Iași, Iași, Romania;  
Dr. Ovidiu Rujan, The Bucharest University of Economic Studies, Romania;  
Dr. Cristi Spulbar, University of Craiova, Romania;  
Dr. Gabriela Stanculescu, The Bucharest University of Economic Studies, Romania;  
Dr. Ioan Talpos, West University, Timisoara, Romania;  
Dr. Adriana Tiron Tudor, Babes – Bolyai• University, Cluj Napoca, Romania  
Dr. Ioan Trenca, "Babes-Bolyai" University, Cluj-Napoca, Romania;  
Dr. Constantin Tulai, "Babes-Bolyai" University, Cluj-Napoca, Romania;  
Dr. Jean-Emmanuel Tyvaert, University of Reims Champagne-Ardenne, France;  
Dr. Olimpia Ban, University of Oradea, Romania;  
Dr. Mihai Berinde, University of Oradea, Romania;  
Dr. Marcel Boloș, University of Oradea, Romania;

Dr. Elena Botezat, University of Oradea, Romania;  
Dr. Andra Catarig, University of Oradea, Romania;  
Dr. Emil Chirilă, University of Oradea, Romania;  
Dr. Dorin-Cristian Coita, University of Oradea, Romania;  
Dr. Adrian Florea, University of Oradea, Romania;  
Dr. Ioana Horea, University of Oradea, Romania;  
Dr. Ioana Meșter, University of Oradea, Romania;  
Dr. Liana Meșter, University of Oradea, Romania;  
Dr. Ioan Dan Morar, University of Oradea, Romania;  
Dr. Mirabela Pop, University of Oradea, Romania;  
Dr. Ioana Pop-Cohuț, University of Oradea, Romania;  
Dr. Steliana Sandu, The Romanian Academy, Romania;  
Dr. Klaus-Bruno Schebesch, University of Bremen, Germany;  
Dr. Monica Sim, University of Oradea, Romania;  
Dr. Naiana Țarcă, University of Oradea, Romania;  
Dr. Daniela Zăpodeanu, University of Oradea, Romania;  
Gordon T. Biggs, Moray College, Scotland, Great Britain;  
Wiktor Pozniak, College of Europe, Poland;  
Egidio Rangone, "G. D'Annunzio" University of Chieti, Pescara, Italy.

#### **EINCO 2013 Editorial Review Board**

**Lecturer Dr. Cristina-Laura ABRUDAN** (University of Oradea, Faculty of Economic Sciences, Department of International Business, Romania), **Lecturer Dr. Leonard Călin ABRUDAN** (University of Oradea, Faculty of Economic Sciences, Department of International Business, Romania), **Lecturer Dr. Carmen ACATRINEI** (Bucharest University of Economic Studies, Romania), **Associate Prof. Dr. Daniela-Tatiana AGHEORGHIESEI (CORODEANU)** ("Alexandru Ioan Cuza" University of Iași, Faculty of Economics and Business Administration, Department of Management, Marketing and Business Administration, Romania), **Associate Prof. Dr. Emre Ozan AKSOZ** (Anadolu University, Turkey), **Associate Professor Dr. Alina ALMĂȘAN** (West University of Timișoara, Faculty of Economics and Business Administration, Department of Accounting and Audit, Romania), **Lecturer Dr. Sorin Gabriel ANTON** ("Alexandru Ioan Cuza" University of Iași, Faculty of Economics and Business Administration, Department of Finance, Money and Public Administration, Romania), **Professor Dr. Laura ASANDULUI** ("Alexandru Ioan Cuza" University of Iași, Faculty of Economics and Business Administration, Department of Accounting, Economic Informatics and Statistics,

Romania), **Lecturer Dr. Diana-Elisabeta BALACIU** (University of Oradea, Faculty of Economic Sciences, Department of Finance-Accounting, Romania), **Professor Dr. Ionel BARBU** ("Aurel Vlaicu" University of Arad, Romania), **Associate Prof. Dr. Ghiorghe BATRINCA** (Constanta Maritime University, Romania), **Associate Professor Dr. Daniel Laurențiu BĂDULESCU** (University of Oradea, Faculty of Economic Sciences, Department of Economics, Romania), **Professor Dr. Carmen BĂLAN** (Bucharest University of Economic Studies, Faculty of Marketing, Department of Marketing, Romania), **Assistant Prof. Dr. Dorin-Paul BĂC** (University of Oradea, Faculty of Economic Sciences, Department of Economics, Romania), **Lecturer Dr. Ciprian Beniamin BENEĂ** (University of Oradea, Faculty of Economic Sciences, Department of International Business, Romania), **Lecturer Dr. Corneliu-Cristian BENȚE** (University of Oradea, Faculty of Economic Sciences, Department of Finance-Accounting, Romania), **Professor Dr. Nicolae BIBU** (West University of Timișoara, Faculty of Economics and Business Administration, Romania), **Professor Dr. Jovanka BILJAN** (University St. Kliment Ohridski, Sofia, Bulgaria), **Associate Prof. Dr. Mihaela BÎRSAN** ("Ștefan Cel Mare" University of Suceava, Vice-Dean of the Faculty of Economic Sciences and Business Administration, Member of the Department of Economics, Business Administration and Tourism, Romania), **Associate Prof. Dr. Grația Dana BOCA** (Technical University Cluj Napoca, North Center Baia Mare, Romania), **Associate Prof. Dr. Simona-Aurelia BODOG** (University of Oradea, Faculty of Economic Sciences, Department of Management-Marketing, Romania), **Researcher Dr. Alina BOTEZAT** (Romanian Academy - Iași Branch, Romania), **Lecturer Dr. Carmen BOGHEAN** ("Ștefan Cel Mare" University of Suceava, Faculty of Economic Sciences and Business Administration, Department of Economics, Business Administration and Tourism, Romania), **Lecturer Dr. Florin BOGHEAN** ("Ștefan Cel Mare" University of Suceava, Faculty of Economic Sciences and Business Administration, Department of Accounting, Finance and Business Informatics, Romania), **Associate Prof. Dr. Laura BRANCU** (West University of Timișoara, Faculty of Economics and Business Administration, Romania), **Lecturer Dr. Vasile BRĂȚIAN** ("Lucian Blaga" University of Sibiu, Faculty of Economics, Department of Finances and Accounting, Romania), **Lecturer Dr. Grația BRĂNZĂ** (Constanța Maritime University, Romania), **Dr. Adrian Cătălin BUCUR** ("Agora" University, Oradea, Romania), **Associate Prof.**

**Dr. Esra Burcu BULGURCU GÜREL** (Muğla Sıtkı Koçman University, Turkey), **Lecturer Dr. Ștefan BUNEA** (Bucharest University of Economic Studies, Faculty of Accounting and Management Information Systems, Department of Accounting, Audit and Economic and Financial Analysis, Romania), **Professor Dr. Vasile BURJA** ("1 Decembrie 1918" University of Alba Iulia, Romania), **Lecturer Dr. Simona BUTA** ("Ștefan Cel Mare" University of Suceava, Faculty of Economics and Public Administration, Romania), **Lecturer Dr. Andra-Teodora CATARIG** (University of Oradea, Faculty of Economic Sciences, Department of International Business, Romania), **Associate Professor Dr. Vasile-Aurel CĂUȘ** (University of Oradea, Faculty of Sciences, Department of Mathematics, Romania), **Assistant Professor Dr. Eduard Gabriel CEPTUREANU** (Bucharest University of Economic Studies, Faculty of Management, Department of Management, Romania), **Assistant Professor Dr. Sebastian Ion CEPTUREANU** (Bucharest University of Economic Studies, Faculty of Management, Department of Management, Romania), **Associate Prof. Dr. Carmen CHASOVSCI** ("Ștefan Cel Mare" University of Suceava, Romania), **Lecturer Dr. Irina Ștefana CIBOTARIU** ("Ștefan Cel Mare" University of Suceava, Faculty of Economic Sciences and Business Administration, Department of Accounting, Finance and Business Informatics, Romania), **Associate Prof. Dr. Denisa ČIDEROVÁ** (University of Economics in Bratislava, Faculty of Commerce / Fakulta obchodu Vysoké školy ekonomickej v Bratislave, Vice-Dean for International Relations, Slovakia), **Professor Dr. Laura Mariana CISMAS** (West University of Timișoara, Faculty of Economics and Business Administration, Romania), **Lecturer Dr. Cristinel CONSTANTIN** (Transilvania University of Brașov, Faculty of Economic Sciences and Business Administration, Director of the Department of Marketing, Tourism and International Relations, Romania), **Lecturer Dr. Anca CONSTANTINESCU-DOBRA** (Technical University of Cluj-Napoca, Romania), **Associate Prof. Dr. Smaranda Adina COSMA** (Babeș-Bolyai University, Cluj-Napoca, Romania), **Lecturer Dr. Lavinia Denisa CUC** ("Aurel Vlaicu" University of Arad, Romania), **Lecturer Dr. Dan-Cristian DABIJA** (Babeș-Bolyai University, Faculty of Economics and Business Administration, Department of Marketing, Cluj-Napoca, Romania), **Lecturer Dr. Marius DEAC** (Christian University "Dimitrie Cantemir" Bucharest, Romania), **Professor Dr. Alexandrina DEACONU** (Bucharest University of Economic Studies, Vice-Dean of the Faculty of

Business Administration, Taught in Foreign Language, Bucharest, Romania), **Lecturer Dr. Laura DIACONU (MAXIM)** ("Alexandru Ioan Cuza" University of Iași, Faculty of Economics and Business Administration, Department of Economics and International Relations, Romania), **Associate Prof. Dr. Marius Sorin DINCĂ** (Transilvania University of Brașov, Romania), **Associate Prof. Dr. Gheorghîța DINCĂ** (Transilvania University of Brașov, Romania), **Assistant Prof. Dr. Ana-Maria DINU** (Christian University "Dimitrie Cantemir" Bucharest, Faculty of International Business and Economics, Romania), **Lecturer Dr. Ioana Teodora DINU** (National University of Political Studies and Public Administration, Bucharest, Romania), **Lecturer Larisa-Loredana DRAGOLEA** ("1 Decembrie 1918" University of Alba Iulia, Faculty of Sciences, Department of Economics and Business Administration, Romania), **Lecturer Dr. Maria Cristina DRAGOMIR** (Constanța Maritime University, Romania), **Assistant Prof. Dr. Laurențiu DROJ** (University of Oradea, Faculty of Economic Sciences, Department of Finance-Accounting, Romania), **Professor Dr. Liliana DUGULEANA** (Transilvania University of Brașov, Romania), **Associate Prof. Dr. Alexandra-Viorica DULĂU** (Babeș-Bolyai University, Faculty of Economics and Business Administration, Department of Modern Languages and Business Communication, Cluj-Napoca, Romania), **Lecturer Dr. Mădălina DUMITRU** (Bucharest University of Economic Studies, Faculty of Accounting and Management Information Systems, Department of Accounting, Audit and Economic and Financial Analysis, Romania), **Lecturer Dr. Valentin DUMITRU** (Bucharest University of Economic Studies, Faculty of Accounting and Management Information Systems, Department of Management Information Systems, Romania), **Associate Prof. Dr. Dorel DUSMANESCU** (Petroleum and Gas University of Ploiești, Romania), **Professor Dr. Nicoleta FĂRCANE** (West University of Timișoara, Faculty of Economics and Business Administration, Department of Accounting and Audit, Romania), **Associate Prof. Dr. Sergei Vladimirovich FEOKTISTOV** (Moscow Academy of Business, Blagoveschensk Branch, Russia), **Professor Dr. Constantin FILOTE** ("Ștefan cel Mare" University of Suceava, Romania), **Associate Prof. Dr. Victoria FIRESCU** (University of Pitești, Faculty of Economic Sciences, Department of Accounting, Romania), **Lecturer Dr. Bogdan Narcis FIRTESCU** ("Alexandru Ioan Cuza" University of Iași, Faculty of Economics and Business Administration, Romania), **Associate Prof. Dr. Radu FLOREA** ("George Bacovia"

University, Bacău, Romania), **Associate Prof. Dr. Ramona FLOREA** ("George Bacovia" University, Bacău, Romania), **Lecturer Dr. Gabriela FOTACHE** ("George Bacovia" University, Bacău, Romania), **Professor Dr. Ioan FRUJA** (University of Agricultural Sciences and Veterinary Medicine of Banat Timișoara, Faculty of Agricultural Management, Doctoral School, Romania), **Associate Prof. Dr. Mariana GAGEA** ("Alexandru Ioan Cuza" University of Iași, Romania), **Lecturer Dr. Elena Mariana GLĂVAN** (Bucharest University of Economic Studies, Faculty of Accounting and Management Information Systems, Department of Accounting, Audit and Economic and Financial Analysis, Romania), **Associate Prof. Dr. Mihaela Liliana GONDOR** ("Petru Maior" University of Târgu Mureș, Romania), **Lecturer Dr. Cătălina GORGAN** (Bucharest University of Economic Studies, Faculty of Accounting and Management Information Systems, Department of Accounting, Audit and Economic and Financial Analysis, Romania), **Associate Professor Dr. Eugenia GRECU** ("Politehnica" University of Timișoara, Faculty of Management in Production and Transports, Department of Management, Timișoara, Romania), **Associate Professor Dr. Ștefan Iuliu GRIGORESCU** (Bucharest University of Economic Studies, Faculty of Accounting and Management Information Systems, Department of Accounting, Audit and Economic and Financial Analysis, Romania), **Associate Professor Dr. Raluca Gina GUȘE** (Bucharest University of Economic Studies, Faculty of Accounting and Management Information Systems, Department of Accounting, Audit and Economic and Financial Analysis, Romania), **Lecturer Dr. Andrea HAMBURG** (University of Oradea, Faculty of Economic Sciences, Department of International Business, Romania), **Prof. Dr. Cristian Valentin HAPENCIUC** ("Ștefan Cel Mare" University of Suceava, Faculty of Economics and Business Administration, Director of the Department of Economics, Business Administration and Tourism, Romania), **Associate Professor Dr. Camelia HAȚEGAN** (West University of Timișoara, Faculty of Economics and Business Administration, Department of Accounting and Audit, Romania), **Lecturer Dr. Ioana-Claudia HOREA** (University of Oradea, Faculty of Economic Sciences, Department of International Business, Romania), **Lecturer Dr. Tao HUANG** (Jiangxi University of Finance and Economics, Nanchang, China), **Lecturer Dr. Andreea-Oana IACOBUTA** ("Alexandru Ioan Cuza" University of Iași, Faculty of Economics and Business Administration, Department of Economics and International Relations, Romania), **Prof. Dr. Altin**

**IDRIZI** ("Aleksander Xhuvani" University of Elbasan, Fakulteti Ekonomik, Head of Finance and Accounting Department/Departament Financë – Kontabilitet, Elbasan, Albania), **Assistant Prof. Dr. Mihaela IFRIM** ("Alexandru Ioan Cuza" University of Iași, Faculty of Economics and Business Administration, Department of Economics and International Relations, Romania), **Professor Dr. Liviu ILIEȘ** (Babeș-Bolyai University, Faculty of Economics and Business Administration, Department of Management, Cluj-Napoca, Romania), **Lecturer Dr. Adrian IOANA** (University "Politehnica" of Bucharest, Faculty of Science and Engineering Materials, Romania), **Lecturer Dr. Oana Raluca IVAN** ("1 Decembrie 1918" University of Alba Iulia, Faculty of Sciences, Department of Economics and Business Administration, Romania), **Lecturer Dr. Raluca LĂDARU** (Bucharest University of Economic Studies, Faculty of Agrifood and Environment Economics, Department of Agrifood and Environment Economics, Romania), **Professor Dr. Ramona LILE** (Rector of the "Aurel Vlaicu" University of Arad, Faculty of Economic Sciences, Department for Economic Disciplines, Romania), **Lecturer Dr. Mihaela KARDOS** ("Petru Maior" University of Târgu Mureș, Faculty of Economic, Juridical and Administrative Sciences, Romania), **Associate Prof. Dr. Androniki KAVOURA** (Technological Educational Institute of Athens, Greece), **Lecturer Dr. Rozalia Iuliana KICSI** ("Ștefan cel Mare" University of Suceava, Romania), **Associate Prof. Dr. Gábor Dávid KISS** (University of Szeged, Faculty of Economics and Business Administration, Hungary), **Associate Prof. Dr. Balazs KOTOSZ** (University of Szeged, Hungary), **Lecturer Dr. Paula LAZAR** (Bucharest University of Economic Studies, Romania), **Assistant Prof. Dr. Sebastian LAZĂR** ("Alexandru Ioan Cuza" University of Iași, Faculty of Economics and Business Administration, Department of Finance, Money and Public Administration, Romania), **Associate Prof. Dr. Oana LUCA** (Technical University of Civil Engineering of Bucharest, Faculty of Civil, Industrial and Agricultural Engineering, Romania), **Lecturer Dr. Mariana LUPAN** ("Ștefan Cel Mare" University of Suceava, Vice-Dean of the Faculty of Economic Sciences and Business Administration, Member of the Department of Economics, Business Administration and Tourism, Romania), **Lecturer Dr. Ondřej MACHEK** (University of Economics Prague, Faculty of Business Administration, Department of Business Economics, Czech Republic), **Associate Prof. Dr. Adriana MANOLICA** ("Alexandru Ioan Cuza" University of Iași, Faculty of Economics and Business Administration,

Department of Management, Marketing and Business Administration, Romania), **Lecturer Dr. Eugenia-Ramona MARA** (Babeş-Bolyai University, Faculty of Economics and Business Administration, Department of Finances, Cluj-Napoca, Romania), **Professor Dr. Nicu MARCU** (University of Craiova, Faculty of Economics and Business Administration, Romania), **Lecturer Dr. Codruta MARE** (Babeş-Bolyai University, Faculty of Economics and Business Administration, Department of Statistics-Forecasting-Mathematics, Cluj-Napoca, Romania), **Associate Prof. Dr. Mirela Clementina MATEI** (Petroleum and Gas University of Ploieşti, Romania), **Assistant Professor Dr. Andrei MAXIM** ("Alexandru Ioan Cuza" University of Iaşi, Faculty of Economics and Business Administration, Department of Management, Marketing and Business Administration, Romania), **Associate Prof. Dr. Valentin MAZAREANU** ("Alexandru Ioan Cuza" University of Iaşi, Faculty of Economics and Business Administration, Romania), **Lecturer Dr. Georgeta-Madalina MEGHISAN** (University of Craiova, Faculty of Economics and Business Administration, Romania), **Lecturer Dr. Flaviu MEGHISAN** (University of Piteşti, Faculty of Economic Sciences, Romania), **Associate Prof. Dr. Costică MIHAI** ("Alexandru Ioan Cuza" University of Iaşi, Faculty of Economics and Business Administration, Department of Economics and International Relations, Romania), **Associate Professor Dr. Gabriela MIRCEA** (West University of Timișoara, Faculty of Economics and Business Administration, Department of Business Information Systems, Romania), **Lecturer Dr. Claudia Olimpia MOISA** ("1 Decembrie 1918" University of Alba Iulia, Romania), **Professor Dr. Marius MOTOCU** (Vice-Rector of the "Bogdan Vodă" University, Cluj-Napoca, Faculty of Economics, Department of Finance-Accounting-Informatics, Romania), **Professor Dr. Snezana MOJSOVSKA SALAMOVSKA** (University "St.Kliment Ohridski", Faculty of Economics, Head of the Department of Management, Marketing and Business, Bitola, Macedonia), **Lecturer Dr. Navid MOLLAEE** (Tehran Institute of Technology, Business Management Department, Iran), **Associate Prof. Dr. Alunica MORARIU** ("Ștefan Cel Mare" University of Suceava, Romania), **Lecturer Dr. Adrian MOROȘAN TARAN** ("Lucian Blaga" University of Sibiu, Faculty of Economics, Department of Finances and Accounting, Romania), **Associate Prof. Dr. Valentin Partenie MUNTEANU** (West University of Timișoara, Faculty of Economics and Business Administration, Romania), **Professor Dr. Carmen NĂSTASE** ("Ștefan Cel Mare" University of

Suceava, Dean of the Faculty of Economics and Public Administration, Romania), **Associate Prof. Dr. Olimpia NEAGU** ("Vasile Goldiș" Western University of Arad, Romania), **Associate Prof. Dr. Mariya NEYCHEVA** (Burgas Free University, Burgas, Bulgaria), **Professor Dr. Valentin NIȚĂ** ("Alexandru Ioan Cuza" University of Iaşi, Faculty of Economics and Business Administration, Department of Management, Marketing and Business Administration, Romania), **Assistant Prof. Dr. Murat ORTANCA** (Celal Bayar University, Manisa, Turkey), **Lecturer Dr. Iulian PANAIT** ("Hyperion" University of Bucharest, Faculty of Economic Sciences, Bucharest, Romania), **Lecturer Dr. Mioara Florina PANTEA** ("Aurel Vlaicu" University of Arad, Faculty of Economic Sciences, Department of Economic Disciplines, Romania), **Lecturer Dr. Anca PĂCALĂ** (University of Oradea, Romania), **Lecturer Dr. Doina PĂCURARI** ("Vasile Alecsandri" University of Bacău, Faculty of Economic Sciences, Romania), **Professor Dr. Carmen PĂUNESCU** (Bucharest University of Economic Studies, Faculty of Business Administration, Romania), **Lecturer Dr. Mirela PĂUNESCU** (Bucharest University of Economic Studies, Faculty of Accounting and Management Information Systems, Department of Accounting, Audit and Economic and Financial Analysis, Romania), **Associate Prof. Dr. Mihai-Olimpiu PĂREAN** (West University of Timișoara, Romania), **Lecturer Dr. Andreea Gabriela PONORICĂ** (Bucharest University of Economic Studies, Faculty of Accounting and Management Information Systems, Department of Accounting, Audit and Economic and Financial Analysis, Romania), **Lecturer Dr. Anamaria Mirabela POP** (University of Oradea, Faculty of Economic Sciences, Department of International Business, Romania), **Associate Prof. Dr. Corina POP SITAR** (Technical University of Cluj Napoca, North Centre of Baia Mare, Romania), **Assistant Prof. Dr. Adela POPA** (University of Oradea, Faculty of Economic Sciences, Department of Management-Marketing, Romania), **Lecturer Dr. Adriana Florina POPA** (Bucharest University of Economic Studies, Faculty of Accounting and Management Information Systems, Department of Accounting, Audit and Economic and Financial Analysis, Romania), **Associate Prof. Dr. Mirela POPA** (Babeş-Bolyai University, Faculty of Economics and Business Administration, Department of Management, Cluj-Napoca, Romania), **Associate Professor Dr. Doina POPESCU** (Bucharest University of Economic Studies, Faculty of Management, Department of Management, Romania), **Associate Prof. Dr. Maria Magdalena POPESCU** ("Carol I" National Defense University, Bucharest, Romania),



**Associate Prof. Dr. Valentin RADU** (Valahia University of Târgoviște, Romania), **Associate Prof. Dr. Angela ROMAN** ("Alexandru Ioan Cuza" University of Iași, Faculty of Economics and Business Administration, Romania), **Lecturer Dr. Remus ROȘCA** (University of Oradea, Faculty of Economic Sciences, Department of Management-Marketing, Romania), **Lecturer Dr. Corina RUSU** (Christian University "Dimitrie Cantemir" Bucharest, Faculty of Economic Sciences Cluj-Napoca, Romania), **Lecturer Dr. Sergiu RUSU** ("Aurel Vlaicu" University of Arad, Romania), **Professor Dr. Marian SACARIN** (Bucharest University of Economic Studies, Faculty of Accounting and Management Information Systems, Department of Accounting, Audit and Economic and Financial Analysis, Romania), **Lecturer Dr. Elena Monica SABĂU** (Bucharest University of Economic Studies, Romania), **Lecturer Dr. Claudia-Diana SABĂU-POPA** (University of Oradea, Faculty of Economic Sciences, Department of Finance-Accounting, Romania), **Lecturer Dr. Irina-Iulia SALANȚĂ** (Babeș-Bolyai University, Faculty of Economics and Business Administration, Department of Management, Cluj-Napoca, Romania), **Lecturer Dr. Dinu-Vlad SASU** (University of Oradea, Faculty of Economic Sciences, Department of Management-Marketing, Romania), **Researcher Dr. Tomina-Gabriela SĂVEANU** (University of Oradea, Faculty of Economic Sciences, CCCDD, Romania), **Lecturer Dr. Oana-Maria SECARĂ** (University of Oradea, Faculty of Economic Sciences, Department of Management-Marketing, Romania), **Assistant Prof. Dr. Ioana Cristina SECHEL** (Babeș-Bolyai University, Faculty of Economics and Business Administration, Cluj-Napoca, Romania), **Associate Prof. Dr. Janetta SÎRBU** ("Bogdan Vodă" University of Cluj-Napoca, Dean of the Faculty of Economics, "Management & Economics" Department, Cluj-Napoca, Romania), **Associate Prof. Dr. Nicoleta SÎRGIHI** (West University of Timișoara, Romania), **Professor Dr. Cristi SPULBĂR** (University of Craiova, Faculty of Economics and Business Administration, Romania), **Lecturer Dr. Daniela STANCIU** (West University of Timișoara, Faculty of Economics and Business Administration, Department of Marketing and International Business Relations, Romania), **Lecturer Dr. Aurelia STĂNESCU** (Bucharest University of Economic Studies, Faculty of Management, Department of Management, Romania), **Lecturer Dr. Oana Georgiana STĂNILĂ** (Bucharest University of Economic Studies, Faculty of Accounting and Management Information Systems, Department of Accounting, Audit and Economic and Financial Analysis, Romania), **Professor Dr. Ovidiu STOICA** ("Alexandru Ioan

Cuza" University of Iași, Faculty of Economics and Business Administration, Department of Finance, Money and Public Administration, Romania), **Professor Dr. Marta-Christina SUCIU** (Bucharest University of Economic Studies, Romania), **Lecturer Dr. Carmen SZABO** (University of Sheffield, School of English Literature, Language and Linguistics, United Kingdom), **Associate Prof. Dr. Andrea SZEKELY** (University of Szeged, Hungary), **Research Assistant Dr. Alina Camelia ȘARGU** ("Alexandru Ioan Cuza" University of Iași, Faculty of Economics and Business Administration, Department of Finance, Money and Public Administration, Romania), **Associate Prof. Dr. Liana ȘTEFAN** (West University of Timișoara, Faculty of Economics and Business Administration, Department of Marketing and International Business Relations, Romania), **Associate Professor Dr. Cleopatra ȘENDROIU** (Bucharest University of Economic Studies, Faculty of Accounting and Management Information Systems, Department of Accounting, Audit and Economic and Financial Analysis, Romania), **Lecturer Dr. Cristina Alexandrina ȘTEFĂNESCU** (Babeș-Bolyai University, Faculty of Economics and Business Administration, Department of Accounting and Audit, Cluj-Napoca, Romania), **Associate Professor Dr. Diana Alexandra TĂRNĂVEANU** (West University of Timișoara, Faculty of Economics and Business Administration, Department of Business Information Systems, Romania), **Associate Professor Dr. Cosmin TILEAGA** ("Lucian Blaga" University of Sibiu, Faculty of Economics, Department of Management, Marketing and Business Administration, Romania), **Associate Prof. Dr. Mihaela TULVINSCHI** ("Ștefan Cel Mare" University of Suceava, Faculty of Economic Sciences and Business Administration, Department of Accounting, Finance and Business Informatics, Romania), **Associate Prof. Dr. Naiana Nicoleta ȚARCĂ** (University of Oradea, Faculty of Economic Sciences, Department of Management-Marketing, Romania), **Associate Professor Dr. Claudia Elena ȚUCLEA** (Bucharest University of Economic Studies, Faculty of Commerce, Department of Tourism and Geography, Romania), **Associate Professor Dr. Minodora URSACESCU** (Bucharest University of Economic Studies, Faculty of Management, Department of Management, Romania), **Associate Prof. Dr. Ioana VADASAN** (West University of Timișoara, Romania), **Assistant Prof. Dr. Mariana VANCEA** (University of Oradea, Faculty of Economic Sciences, Department of Economics, Romania), **Associate Prof. Dr. Joop VINKE** (HAN University of Applied Sciences, Arnhem

Business School, Netherlands), **Associate Prof. Dr. Utku YAPICI** (Adnan Menderes University, Turkey), **Lecturer Dr. Monica ZAHARIE** (Babeş-Bolyai University, Faculty of Economics and Business Administration, Department of Management, Cluj-Napoca, Romania), **Associate Prof. Dr. Andreea ZAMFIR** (Bucharest University of Economic Studies, Faculty of Management, Romania), **Assistant Prof. Dr. Deniz ZÜNGÜN** (Ahmetli Meslek Yüksekokulu V.H.S., Manisa, Turkey).

#### **EINCO 2013 Organizing Committee**

##### **Conference Chair:**

Dr. Adriana GIURGIU

##### **Conference Co-Chairs:**

Dr. Maria-Madela ABRUDAN - Section *Head Management, Marketing, Economic Informatics and Cybernetics*  
Dr. Alina-Daciana BĂDULESCU - Section *Head Economics, Business Administration, Tourism and Statistics*  
Dr. Nicoleta-Georgeta BUGNAR - Section *Head International Business, European Integration, Foreign Languages and Business Environment*  
Dr. Ioan-Gheorghe ȚARĂ - Section *Head Finance, Banking, Accounting and Audit*

##### **Conference Technical, Logistic and Administrative Support:**

Dr. Maria-Madela ABRUDAN - *Responsible for Foreign Participants and Visa Information*  
Dr. Nicoleta-Georgeta BUGNAR - *Financial Manager*  
Dr. Anamaria-Mirabela POP - *Responsible with the English proofreading of the Conference website and Call for papers related materials*  
PhD candidate Adrian NICULA - *Responsible with the Conference Logistic and Administrative issues*  
Cătălin-Lucian ZMOLE - *Responsible with the Conference website and technical questions regarding the on-line registration and paper submission*

##### **Conference Committee Members:**

Dr. Nicolae BIBU – Chief of the SSMAR Timișoara West branch - Responsible for the organization of the EINCO 2013 sub-Section *sManagement I and Management II*  
Miguel MORENO – Director International & Government Training of the Leadership Institute USA - Responsible for the EINCO 2013 Training on "*Transformational Leadership. The science of succes*"

Dr. Constantin ROȘCA – Executive Director of the AFER - Responsible for the EINCO 2013 *Editorial Review Board Members*  
Dr. Valentina VASILE – Deputy Director of the IEN (Romanian Academy, INCE) - Responsible for the organization of the EINCO 2013 sub-Section *s EU Sustainable Economic Development and Competitiveness*  
Dr. Gheorghe ZAMAN – Director of the IEN (Romanian Academy, INCE), President of the AGER - Responsible for the organization of the EINCO 2013 sub-Section *s International Business*  
Dr. Leonard Călin ABRUDAN - Secretary of the Sub-Section *International Business*  
Dr. Diana-Elisabeta BALACIU - Secretary of the Sub-Section *Accounting*  
Dr. Olimpia-Iuliana BAN - Chair of the Sub-Section *Tourism*  
Dr. Daniel Laurențiu BĂDULESCU - Chair of the Sub-Section *Business Administration*  
Dr. Dorin-Paul BĂC - Secretary of the Sub-Section *Tourism*  
Dr. Ciprian-Beniamin BENEĂ  
Dr. Corneliu-Cristian BENȚE - Secretary of the Sub-Section *Banking*  
Dr. Mihai BERINDE - Chair of the Sub-Section *EU Sustainable Economic Development and Competitiveness*  
Dr. Simona-Aurelia BODOG - *Secretary of the Sub-Section Management II*  
Dr. Victoria BOGDAN - Chair of the Sub-Section *Accounting*  
Dr. Elena-Aurelia BOTEZAT - Chair of the Sub-Section *Management I*  
Dr. Andra-Teodora CATARIG - Secretary of the Sub-Section *The Impact of Foreign Languages on the Business Environment*  
Dr. Emil CHIRILĂ - Chair of the Sub-Section *Corporate Finances*  
Dr. Dorin-Cristian COITA - Chair of the Sub-Section *Marketing I*  
Dr. Alexandru CONSTĂNGIOARĂ - Secretary of the Sub-Section *Management I*  
Dr. Horia-Trandafir DEMIAN - Chair of the Sub-Section *Economic Informatics and Cybernetics*  
Dr. Laurențiu DROJ - Secretary of the Sub-Section *Corporate Finances*  
Dr. Ioana-Claudia HOREA - Chair of the Sub-Section *The Impact of Foreign Languages on the Business Environment*  
Dr. Adrian FLOREA - Chair of the Sub-Section *Economics*  
Dr. Ioana-Teodora MEȘTER - Chair of the Sub-Section *Economic Statistics and Modelling*  
Dr. Liana-Eugenia MEȘTER - Chair of the Sub-Section *International Business*  
Dr. Dan-Ioan MORAR - Chair of the Sub-Section *Public Finances*  
Dr. Anamaria-Mirabela POP

- Dr. Ioana-Crina POP-COHUȚ  
Dr. Adela-Laura POPA - Secretary of the Sub-Section *Marketing II*  
Dr. Claudia-Diana SABĂU-POPA  
Dr. Dorina-Nicoleta POPA - Chair of the Sub-Section *Audit*  
Dr. Sorina-Ioana PETRIȘ - Secretary of the Sub-Section *Public Finances*  
Dr. Remus ROȘCA  
Dr. Dinu-Vlad ȘASU  
Dr. Tomina SĂVEANU  
Dr. Oana-Maria SECARĂ  
Dr. Monica-Ariana SIM  
Dr. Adriana-Mirela TOMESCU - Chair of the Sub-Section *Management II*  
Dr. Naiana-Nicoleta ȚARCĂ - Chair of the Sub-Section *Marketing II*  
Dr. Mariana VANCEA - Secretary of the Sub-Section *Business Administration*  
Dr. Daniela-Marioara ZĂPODEANU - Chair of the Sub-Section *Banking*  
PhD candidate Nicoleta Alina ANDREESCU  
PhD candidate Mărioara BELENEȘI  
PhD candidate Adriana-Florina BORZA  
PhD candidate Afrodită BORMA  
PhD candidate Lavinia-Florentina CHIRILĂ  
PhD candidate Mihail COCIUBA  
PhD candidate Felicia CONSTANTIN
- PhD candidate Mariana FARCAȘ  
PhD candidate Adrian-Ioan FELEA  
PhD candidate Andreea-Florina FORA. - Secretary of the Sub-Section *EU Sustainable Economic Development and Competitiveness*  
PhD candidate Dana-Simona GHERAI  
PhD candidate Roxana HATOS  
PhD candidate Edina KULCSAR  
PhD candidate Mirabela-Constanța MATEI  
PhD candidate Adrian NEGREA  
PhD candidate Adrian NICULA - Secretary of the Sub-Section *Economic Informatics and Cybernetics*  
PhD candidate Diana Claudia PERȚICAȘ - Secretary of the Sub-Section *Economics*  
PhD candidate Ana PRUNEA  
PhD candidate Luminița RUS  
PhD candidate Carmen SCORȚE - Secretary of the Sub-Section *Audit*  
PhD candidate Simona SILAGHI  
PhD candidate Ramona SIMUȚ - Secretary of the Sub-Section *Economic Statistics and Modelling*  
PhD candidate Sebastian ȘIPOȘ-GUG  
PhD candidate Teodora TARCZA - Secretary of the Sub-Section *Marketing I*  
PhD candidate Adelina VENIG  
Lioara MUDURA



## TABLE OF CONTENTS

<b>SECTION: INTERNATIONAL BUSINESS AND EUROPEAN INTEGRATION .....</b>	<b>31</b>
<b>SUB-SECTION: EU SUSTAINABLE ECONOMIC DEVELOPMENT AND COMPETITIVENESS .....</b>	<b>31</b>
THE SUSTAINABLE DEVELOPMENT STRATEGY OF BAI A MARE CITY .....	31
<i>Cristian Anghel, Cristian Vele, Rita Toader, Rada-Florina Hahn .....</i>	<i>31</i>
A MODERN REGIONAL ECONOMY – MEASURING “KNOWLEDGE-BASED ECONOMY” AND PREPAREDNESS FOR THE “SMART GROWTH” .....	31
<i>Daniela Antonescu .....</i>	<i>31</i>
THE YOUTH EMPLOYMENT CRISIS: TRENDS, CHARACTERISTICS AND NEW CHALLENGES.....	32
<i>Mariana Balan .....</i>	<i>32</i>
GOVERNANCE, CULTURE AND DEMOCRACY: INSTITUTIONS AND ECONOMIC DEVELOPMENT OF EU MEMBER STATES .....	32
<i>Attila Bartha .....</i>	<i>32</i>
CRITICAL FACTORS IN HRD PROJECTS’ IMPLEMENTATION: EVIDENCE FROM PUBLIC UNIVERSITIES IN ROMANIA.....	33
<i>Laura Brancu, Valentin Munteanu, Delia Gligor.....</i>	<i>33</i>
SOCIAL CRISIS – AN IMPEDIMENT TO SUSTAINABLE DEVELOPMENT.....	34
<i>Irina-Cosmina Capmare.....</i>	<i>34</i>
EUROPEAN UNION (EU) FUNDS ABSORPTION – ROMANIA .....	34
<i>Irina-Cosmina Capmare.....</i>	<i>34</i>
REGIONAL DEVELOPMENT AND INNOVATION IN ROMANIA. CHALLENGES AND PERSPECTIVES .....	35
<i>Lavinia Florentina Chirilă .....</i>	<i>35</i>
COMPARATIVE ANALYSIS OF RURAL DEVELOPMENT POLICY 2007-2013 IN ESTONIA, LATVIA AND LITHUANIA .....	36
<i>Mihai Dinu.....</i>	<i>36</i>
RECENT EVOLUTION OF ROMANIAN INDUSTRIAL COMPETITIVENESS IN THE EUROPEAN CONTEXT.....	36
<i>Adrian Ioan Felea .....</i>	<i>36</i>
STAKEHOLDER ENGAGEMENT BETWEEN MANAGERIAL ACTION AND COMMUNICATION.....	37
<i>Patrizia Gazzola, Gianluca Colombo .....</i>	<i>37</i>
REFLECTIONS ON THE COMPETITIVENESS OF REPUBLIC OF MOLDOVA IN THE POST-CRISIS ECONOMIC PERIOD .....	38
<i>Corneliu Gutu .....</i>	<i>38</i>
CONCEPTUAL DELIMITATIONS ON SUSTAINABLE DEVELOPMENT .....	39
<i>Ionel-Alin Ienciu, Irimie Emil Popa .....</i>	<i>39</i>
THE RURAL DEVELOPMENT POLICY IN ROMANIA – PRESENT AND PERSPECTIVES .....	39
<i>Nicolae Istudor, Irina Elena Petrescu, Dan Cosmin Petrache.....</i>	<i>39</i>

APPLYING THE KUZNETS CURVE IN CASE OF ROMANIA.....	40
<i>Marie-Noëlle Jubénot</i> .....	40
CONVERGENCE AND DIVERGENCE IN EUROPEAN UNION: EVIDENCE FOR BETA CONVERGENCE AMONG NEW EU MEMBER STATES .....	40
<i>Ioana Sorina Mihuț, Mihaela Luțaș</i> .....	40
EMPIRICAL STUDY REGARDING THE DETERMINING FACTORS OF THE ROMANIAN COMPANIES COMPETITIVENESS .....	41
<i>Nicoleta-Claudia Moldovan, Oana-Ramona Lobonț, Cristina-Ana Nicolescu</i> .....	41
ENVIRONMENTAL MONITORING AND SUSTAINABLE DEVELOPMENT.....	42
<i>Mihaela Nicoară</i> .....	42
STUDY ON THE PLACE OF ROMANIA IN THE HEALTH SYSTEM OF THE EUROPEAN UNION .....	43
<i>Ileana Nisulescu, Elena Cristina Pana</i> .....	43
ESTIMATING QALYS IN THE WESTERN REGION OF ROMANIA – THE CASE WITH INTERVENTION .....	43
<i>Marius Pantea, Delia Gligor</i> .....	43
ROMANIA'S ECONOMY AFTER THE EUROPEAN UNION ACCESSION .....	44
<i>Mihai Olimpiu Părean, Ioana Vădăsan</i> .....	44
IS THERE ANY RELIABLE COMPASS FOR TRACKING EU MEMBER STATES COMPETITIVENESS?.....	45
<i>Angela Cristina Popa</i> .....	45
A SNAPSHOT OF THE TECHNOLOGICAL COMPETITIVENESS OF COUNTRIES. ....	45
<i>Angela Cristina Popa</i> .....	45
SMART FABRICS: A CASE STUDY IN INDUSTRIAL REVIVAL.....	46
<i>Adriana Radan (Ungureanu)</i> .....	46
OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT IN ROMANIA IN VIEW OF THE ECONOMIC DEVELOPMENT OF SOCIETY .....	47
<i>Gilda Rusu-Zagăr, Ionel Iorga, Catalin Rusu-Zagăr, Sorin Ovidiu Anghel</i> .....	47
EFFICIENCY OF PUBLIC R&D EXPENDITURES IN ROMANIA .....	47
<i>Steliana Sandu, Bogdan Ciocanel</i> .....	47
WORLD TRADE ORGANIZATION – REFORM IT OR CHANGE IT?.....	48
<i>Maria Gabriela Sterian</i> .....	48
A CROSS-COUNTRY ANALYSIS OF THE BANKS' FINANCIAL SOUNDNESS: THE CASE OF THE CEE-3 COUNTRIES .....	48
<i>Alina Camelia Șargu, Angela Roman</i> .....	48
ANALYSIS OF LABOUR MARKET IN ROMANIA AND THE EUROPEAN UNION .....	49
<i>Diana Tănase, Florin Franț, Venera Manciu, Adrian Tănase</i> .....	49
SOME CRITICAL ASPECTS CONCERNING THE INSTITUTIONAL SYSTEM OF EUROPEAN UNION .....	50
<i>Claudia Simona Cleopatra Timofte, Adrian-Ioan Timofte</i> .....	50
INTEGRATED LOCAL INNOVATIVE ENTREPRENEURSHIP FOR HERITAGE INTERPRETATION AND VALUING. COMPARATIVE ANALYSIS AND POLICY RECOMMENDATION FOR ROMANIA.....	50
<i>Valentina Vasile, Gheorghe Zaman, Marius Surugiu</i> .....	50
STATE AID POLICY IN THE EUROPEAN UNION, STUDY CASE:ROMANIA .....	51
<i>Adelina Venig</i> .....	51

<b>SUB-SECTION: INTERNATIONAL BUSINESSES .....</b>	<b>53</b>
THE EFFECT OF ILLICIT TRADE IN NARCOTICS ON GLOBAL ECONOMY .....	53
<i>Khaled Alasmari .....</i>	<i>53</i>
PAKISTAN MEASURES IN CONTROLLING NARCOTICS TRADE .....	54
<i>Khaled Alasmari .....</i>	<i>54</i>
INVESTORS' DIVIDEND PREFERENCE ON THE ROMANIAN EQUITY MARKET: A CROSS-SECTIONAL EMPIRICAL INVESTIGATION.....	54
<i>Andrei Anghel, Cristiana Tudor.....</i>	<i>54</i>
TECHNICAL AND FUNDAMENTAL ANOMALIES. PARADOXES OF MODERN STOCK EXCHANGE MARKETS.....	55
<i>Elena-Dana Bako, Ioana-Cristina Sechel.....</i>	<i>55</i>
GERMAN NEGOTIATING AND COMMUNICATION STYLES, AND THEIR CULTURAL BIAS .....	56
<i>Ciprian-Beniamin Benea, Adina Săcăără-Onița.....</i>	<i>56</i>
BUSINESS ETHICS IMPLEMENTATION IN THE ORGANIZATIONAL CULTURE OF COMPANIES .....	56
<i>Mihai Berinde, Nicoleta Alina Andreescu.....</i>	<i>56</i>
THE ABUSE OF DOMINANT POSITION - RESTRICTING COMPETITION PRACTICE. CASE STUDY: ENI.....	57
<i>Mihai Berinde, Andreea-Florina Fora.....</i>	<i>57</i>
MEDICAL BRAIN DRAIN - A THEORETICAL APPROACH .....	58
<i>Irina Boncea .....</i>	<i>58</i>
POLAND'S OUTWARD FOREIGN DIRECT INVESTMENT .....	59
<i>Bogdan Buczkowski .....</i>	<i>59</i>
ECO-INDUSTRIAL PARK - A TOOL FOR SUSTAINABLE DEVELOPMENT .....	59
<i>Nicoleta-Georgeta Bugnar, Liana-Eugenia Meșter.....</i>	<i>59</i>
PARADOXES OF MODERN STOCK EXCHANGE MARKETS.....	60
<i>Gheorghe Ciobanu, Ioana-Cristina Sechel.....</i>	<i>60</i>
WEAK EFFICIENCY AND LINEAR REGRESSION OF CENTRAL AND EASTERN EUROPEAN MARKETS .....	60
<i>Azat Davtyan.....</i>	<i>60</i>
NEW DIMENSIONS OF BENEFITS AND RISKS TO BUSINESSES IN THE EUROPEAN UNION MARKET .....	61
<i>Ana-Maria Dinu, Ovidiu Adrian Rujan.....</i>	<i>61</i>
CAN BUSINESS EDUCATION CHANGE MANAGEMENT PRACTICES IN NON- WESTERN SOCIETIES?.....	62
<i>Jim Finlay, Abdul-Nassar Kassar, Mark Neal .....</i>	<i>62</i>
THE ANALYSIS OF THE REAL ESTATE INVESTMENTS IN THE CURRENT ECONOMIC ENVIRONMENT.....	62
<i>Anca Maria Hristea.....</i>	<i>62</i>
THE ROLE OF INDUSTRIAL PARKS IN ECONOMIC DEVELOPMENT .....	63
<i>Liana-Eugenia Meșter, Nicoleta-Georgeta Bugnar.....</i>	<i>63</i>
E.U. ADVANCEMENT WITHIN THE WORLD TRADE: AN OVERVIEW OF THE LAST YEARS.....	64
<i>Daniela Nedelescu-Ionescu, Ovidiu-Adrian Rujan.....</i>	<i>64</i>

CONCEPTS AND METHODOLOGIES REGARDING THE IMPROVEMENT OF ROMANIAN FOREIGN TRADE (I).....	64
<i>Adrian Negrea</i> .....	64
CONCEPTS AND METHODOLOGIES REGARDING THE IMPROVEMENT OF ROMANIAN FOREIGN TRADE (II).....	65
<i>Adrian Negrea</i> .....	65
GLOBAL LOGISTICS, COMPETITIVENESS AND THE NEW INCOTERMS .....	66
<i>Ioana Popa, Mihaela Gabriela Belu, Dorel Mihai Paraschiv</i> .....	66
EDUCATION AND COMPETITIVENESS IN THE GLOBALIZATION ERA .....	66
<i>Ioana Popa, Mihaela Gabriela Belu, Dorel Mihai Paraschiv</i> .....	66
AN OVERVIEW OF THE EUROPEAN PRIVATE EQUITY INDUSTRY .....	67
<i>Tudor Popescu</i> .....	67
THE GLOBALIZATION INDEX. CONSIDERATIONS REGARDING THE POSITIONING OF ROMANIAN'S AND BULGARIAN'S ECONOMIES IN INTERNATIONAL RANKINGS .....	67
<i>Gabriela Prelipcean, Angela-Nicoleta Cozorici</i> .....	67
THE HUNGARIAN CRISIS: AN AUSTRIAN SCHOOL EXPLANATION .....	68
<i>András Tóth</i> .....	68
AN ANALYSIS OF PRE AND POST ACCESSION ECONOMIC INDICATORS OF ROMANIA. CHALLENGES AND POSSIBLE SOLUTIONS .....	69
<i>Gheorghe Zaman</i> .....	69
CULTURAL HERITAGE ENTREPRENEURSHIP QUALITY CRITERIA AND SUSTAINABLE LOCAL DEVELOPMENT .....	69
<i>Gheorghe Zaman, Valentina Vasile</i> .....	69
THE END OF IMF – TURKEY RELATIONSHIP .....	69
<i>Deniz Züngün, Murat Ortanca, Mustafa Kirli, Serkan Cura</i> .....	69
<b>SUB-SECTION: THE IMPACT OF FOREIGN LANGUAGES ON THE BUSINESS ENVIRONMENT</b> .....	<b>71</b>
L'OFFRE D'EMPLOI ENTRE LA VISÉE D'INFORMATION ET LA VISÉE DE CAPTATION .....	71
<i>Andra-Teodora Catarig</i> .....	71
L'INTERCOMPREHENSION DANS LE CONTEXTE ENDOLINGUE .....	71
<i>Felicia Constantin, Rodica Bogdan</i> .....	71
KOOPERATIVES LERNEN IM UNTERRICHT AN WIRTSCHAFTSSTUDENTEN. EIN SCHRITT AUF SYNERGIEBILDUNG ZU .....	72
<i>Andrea Hamburg</i> .....	72
RECEPTION OF SPOKEN ENGLISH. MISHEARINGS IN THE LANGUAGE OF BUSINESS AND LAW .....	73
<i>Ioana-Claudia Horea</i> .....	73
AROUSING NON-PHILOLOGICAL STUDENTS' INTEREST IN LEARNING A FOREIGN LANGUAGE.....	73
<i>Ioana-Claudia Horea</i> .....	73
BENEFITS OF ENGLISH LANGUAGE LEARNING - LANGUAGE PROFICIENCY CERTIFICATES – A PREREQUISITE FOR THE BUSINESS GRADUATE .....	74
<i>Anamaria-Mirabela Pop, Monica-Ariana Sim</i> .....	74
ECONOMY, ECONOMICS, ECONOMIC, ECONOMICAL.....	75
<i>Monica-Ariana Sim, Anamaria-Mirabela Pop</i> .....	75



L'ÉTUDE DES LANGUES MODERNES ET LA RESPONSABILITÉ POUR LA MIGRATION QUALIFIÉE.....	76
<i>Daniela Stanciu, Liana Ștefan .....</i>	76

**SECTION: ECONOMICS, BUSINESS ADMINISTRATION, TOURISM AND ECONOMIC  
STATISTICS .....** 77

**SUB-SECTION: BUSINESS ADMINISTRATION .....** 77

SOCIAL CAPITAL FRAMEWORK AND ITS INFLUENCE ON THE ENTREPRENEURIAL ACTIVITY.....	77
<i>Mihaela Raluca Badea .....</i>	77
INSTITUTIONAL AND LEGAL PREMISES OF THE CORPORATE GOVERNANCE IN LARGE, LISTED ROMANIAN COMPANIES .....	78
<i>Alina Badulescu, Anca Pacala.....</i>	78
SOCIAL RESPONSIBILITY OF ROMANIAN COMPANIES: CONTRIBUTION TO A “GOOD SOCIETY” OR EXPECTED BUSINESS STRATEGY?.....	78
<i>Daniel Badulescu, Nicolae Petria .....</i>	78
MODERN INDICATORS DERIVED FROM VALUE CREATION AND DISCOUNTED CASH FLOW METHODS.....	79
<i>Simona Cican, Ioan Lala – Popa, Cecilia-Nicoleta Aniș .....</i>	79
INVESTMENT FUNDS IN ROMANIA .....	80
<i>Crina Angela Copil.....</i>	80
CORPORATE GOVERNANCE COMMITTEES IN EUROPEAN UNION EMERGING ECONOMIES.....	81
<i>Mihaela Dumitrașcu, Andra Gajevszky.....</i>	81
SOME CONSIDERATIONS REGARDING THE MANIFESTATION OF FISCAL FRAUD IN ROMANIA .....	81
<i>Serju Dumitrescu, Marioara Avram.....</i>	81
INNOVATION IN THE CREATIVE INDUSTRIES – CASE STUDY OF AN EVENT PLANNING COMPANY .....	82
<i>Adina Filculescu, Ramona Cantaragiu .....</i>	82
DOES CIVIL SOCIETY CREATE SOCIAL ENTREPRENEURS? .....	83
<i>Oana Gauca, Shahrazad Hadad .....</i>	83
THE DRIVERS OF PRODUCTIVITY .....	83
<i>Piero Mella.....</i>	83
THE AUTHENTICITY AND TRACEABILITY OF FOOD – CONSUMERS PROTECTION FORM.....	84
<i>Emilia Pascu.....</i>	84
THE ANALYSIS OF PERFORMANCES OF THE ENTREPRISE THROUGH INDICATORS OF THE VOLUME OF ACTIVITY .....	85
<i>Fănuța Pop , Codruța Făt.....</i>	85
ENTREPRENEURIAL ACTIVITY IN ROMANIA – A TIME SERIES CLUSTERING ANALYSIS AT THE NUTS3 LEVEL.....	85
<i>Sebastian Sipos-Gug, Alina Badulescu .....</i>	85
THE FINANCIAL DISCIPLINE A FACTOR OF ECONOMIC GROWTH .....	86
<i>Dorică Stanciu .....</i>	86

COMPANIES' FINANCIAL STATUS AND THE BUSINESS TURNOVER ON EMERGENT MARKETS: THE ROMANIAN CASE .....	87
<i>Petru Ștefea, Mioara Florina Pantea</i> .....	87
MERGERS AND ACQUISITIONS WAVES FROM THE EUROPEAN UNION PERSPECTIVE.....	87
<i>Mariana Vancea</i> .....	87
<b>SUB-SECTION: ECONOMIC STATISTICS AND MODELLING.....</b>	<b>89</b>
A MODEL TO MINIMIZE MULTICOLLINEARITY EFFECTS.....	89
<i>Olivia Baci, Ilie Parpucea</i> .....	89
WHAT INFLUENCES STUDENTS' EXPECTATIONS IN WHAT REGARDS GRADES? .....	89
<i>Codruța Mare, Irimie Emil Popa, Georgeta Span</i> .....	89
ENVIRONMENTAL PROTECTION IN ROMANIA THROUGH EUROPEAN STRUCTURAL FUNDS – A SPATIAL ECONOMETRICS APPROACH .....	90
<i>Codruța Mare, Georgeta Span, Irimie Emil Popa</i> .....	90
HUMAN CAPITAL: CAUSE AND EFFECT OF THE ECONOMIC GROWTH. AN EMPIRICAL ANALYSIS .....	91
<i>Olimpia NEAGU</i> .....	91
STABILITY, BIFURCATIONS AND CHAOS IN UNEMPLOYMENT NON-LINEAR DYNAMICS.....	91
<i>Carmen Pagliari, Nicola Mattoscio, Iacopo Odoardi, Fabiana Tenerelli</i> .....	91
MODELLING EDUCATIONAL SUPPLY OF UNIVERSITIES IN ROMANIA DURING 2013-2020.....	92
<i>Florin Marius Pavelescu, Valentina Vasile</i> .....	92
ANALYSIS OF THE TREND GROWTH OF GDP AND LIFE SATISFACTION IN THE EMU.....	92
<i>Thomas Wiese</i> .....	92
<b>SUB-SECTION: ECONOMICS .....</b>	<b>95</b>
A TERRITORIAL ANALISIS OF THE ECONOMICALLY ACTIVE POPULATION IN ROMANIA DURING 2000-2011 .....	95
<i>Carmen Boghean, Mihaela State</i> .....	95
DYNAMICS OF CHANGES IN ROMANIA KNOWLEDGE ECONOMY .....	96
<i>Camelia Burja</i> .....	96
CONCEPTUAL DELIMITATIONS OF DIRECT COMMUNICATION, MASS COMMUNICATION AND MASS MEDIA.....	96
<i>Daniel Burtic</i> .....	96
AGING POPULATION AND PROMOTING THE „ACTIVE AGING” IN THE EUROPEAN UNION. THE SOCIAL SYSTEMS SUSTENABILITY DIRECTLY CORRELATED WITH AGE .....	97
<i>Livia Chisăgiu</i> .....	97
BETTING MARKETS: OPPORTUNITIES FOR MANY? .....	98
<i>Emiliano Colantonio</i> .....	98
EXTERNAL FACTORS FOR THE MONETARY POLICY TRANSMISSION MECHANISM.....	98
<i>Horațiu Dan</i> .....	98

THE ASSET PRICE CHANNEL AND ITS ROLE IN MONETARY POLICY TRANSMISSION .....	99
<i>Horățiu Dan</i> .....	99
THE PRACTEAM MODEL REGARDING SCHOOL TO ACTIVE LIFE TRANSITION. STUDENTS' EXPECTANCIES .....	100
<i>Anca Dodescu, Roxana Hatos, Adriana Borza, Tomina Săveanu</i> .....	100
PRODUCTIVITY AS REGISTERED TRANSFERS BETWEEN ECONOMIC ENTITIES. A THEORETICAL INTUITIVE APPROACH .....	100
<i>Alexandru Jivan</i> .....	100
SPECIFIC APPROACHES OF PRODUCTIVITY IN SERVICES. VALUES OF SEVERAL COMPARATIVE INDICATORS .....	101
<i>Alexandru Jivan, Maria Toth</i> .....	101
EVOLUTION OF ENVIRONMENTAL TAX REVENUES IN POST-COMMUNIST EUROPEAN MEMBER COUNTRIES .....	102
<i>Simona Mașcu</i> .....	102
RESTRICTION OF CREDIT AFTER THE CRISIS OR A DIFFERENT ALLOCATION OF RESOURCES? THE ITALIAN CASE .....	103
<i>Nicola Mattosio, Emiliano Colantonio, Iacopo Odoardi, Antonella Perrucci</i> .....	103
IMPACT OF ECONOMIC CRISIS ON PUBLIC SERVICES OF SOCIAL VALUE IN ROMANIA .....	103
<i>Anda Ioana Milin, Ramona Ciolac, Bianca Radac, Fruja Ioan</i> .....	103
APPROACH OF RDI SYSTEM IN EUROPEAN UNION IN THE LAST DECADE .....	104
<i>Mirela F. Nicolov</i> .....	104
ANALYSIS OF THE INTELLECTUAL DEVELOPMENT AND EVOLUTION OF RESEARCH SYSTEMS IN EUROPEAN RESEARCH AREA IN THE LAST DECADE .....	105
<i>Mirela F. Nicolov</i> .....	105
THE MAIN DEFICIENCIES IN THE IMPLEMENTATION OF THE SECTORAL OPERATIONAL PROGRAMME HUMAN RESOURCES DEVELOPMENT .....	105
<i>Sorina Păuțu, Mădălin Dogaru</i> .....	105
VIEWS OF ROMANIAN ECONOMISTS ON THE CYCLICAL FLUCTUATIONS IN ECONOMY .....	106
<i>Ruxandra Ioana Pitorac</i> .....	106
VOLUNTEERING AMONG STUDENTS IN ROMANIA AND HUNGARY CROSS-BORDER AREA .....	107
<i>Sorana Mihaela Săveanu, Tomina Gabriela Săveanu</i> .....	107
THE THEORY OF THE FIRM AND THE EVOLUTIONARY GAMES .....	108
<i>Nicoleta Sîrghi</i> .....	108
A VIEW UPON THE HISTORY OF THE PEASANT ASSOCIATION .....	108
<i>Alexandra Stanca Pop</i> .....	108
BEHAVIORAL ASPECTS IN THE INSURANCE MARKET .....	109
<i>Mihaela Andreea Stroe</i> .....	109
A NEW CHALLENGE IN EU: EFFECTIVE FINANCIAL EDUCATION .....	110
<i>Marta-Christina Suci, Maria Liana Lacatus</i> .....	110
THE ECONOMY IN BIHOR COUNTY IN THE CONTEXT OF THE GLOBAL FINANCIAL AND ECONOMIC CRISIS .....	110
<i>Florica Ștefănescu, Delia Bekesi</i> .....	110

"NEW" AND "OLD" IN ECONOMIC NEOLIBERALISM .....	111
<i>Daniela Zirra</i> .....	111
<b>SUB-SECTION: TOURISM</b> .....	<b>113</b>
SUSTAINABLE TOURISM AND ITS FORMS – A THEORETICAL APPROACH .....	113
<i>Dorin-Paul Băc</i> .....	113
THE EVOLUTION OF TOURISM IN THE NORTH – WEST DEVELOPMENT REGION (DURING 2009 – 2011) .....	113
<i>Afrodita Borma</i> .....	113
THE FACTORS APPEARANCE AND DEVELOPMENT OF RURAL TOURISM .....	114
<i>Ionel Barbu</i> .....	114
EXPLORATORY RESEARCH REGARDING ROMANIANS' PERCEPTION ABOUT THE REGIONAL BRAND "MARAMUREȘ" .....	115
<i>Alexandra M. Drule, Alexandru Chiș and Adina G. Dunca</i> .....	115
APPROACHES TO ANALYZE THE QUALITY OF ROMANIAN TOURISM WEB SITES .....	115
<i>Ramona Lacurezeanu, Liana Stanca, Alexandru Chiș</i> .....	115
CONSUMERS' PERCEPTION ON INNOVATION IN THE TOURISM VALUE CHAIN .....	116
<i>Anamaria Răvar, Maria-Cristina Iorgulescu</i> .....	116
WHAT MOTIVATES CULTURAL TOURISTS? AN ANALYSIS OF BUCHAREST INHABITANTS' MOTIVATION TO VISIT THE CENTRE REGION .....	117
<i>Anamaria Răvar, Cristina Mahika</i> .....	117
THE PERFORMANCE OF TOURISM AS A TOOL OF DEVELOPMENT FOR BRASOV REGION .....	117
<i>Liana Ramona Sălăgean</i> .....	117
EFFECTS OF CUSTOMER ORIENTATION, LEARNING ORIENTATION AND INNOVATIVENESS ON HOTEL PERFORMANCE - EVIDENCE FROM CLUJ COUNTY .....	118
<i>Roxana Stegorean, Anamaria Petre, Corina Gavrea</i> .....	118
<b>SECTION: FINANCE, BANKING, ACCOUNTING AND AUDIT</b> .....	<b>121</b>
<b>SUB-SECTIONS: ACCOUNTING</b> .....	<b>121</b>
THE CONCEPT OF PERFORMANCE - HISTORY AND FORMS OF MANIFESTATION .....	121
<i>Camelia Avram (Boitoș), Luminita Rus</i> .....	121
ACCOUNTING IN KNOWLEDGE-BASED ECONOMY. THE CASE OF THE ROMANIAN ICT INDUSTRY. ....	122
<i>Victoria Bogdan, Dorina Popa, Mărioara Beleneși</i> .....	122
THE IMPACT OF ACCOUNTING INFORMATION ON MANAGERIAL DECISIONS - EMPIRICAL STUDY CONDUCTED IN THE HOSPITALITY INDUSTRY ENTITIES IN ROMANIA .....	122
<i>Sorin Briciu, Carmen Scorțe, Ioana Meșter</i> .....	122
AN ANALYSIS OF THE PERCEPTION OF CHARTERED ACCOUNTANT TRAINEES REGARDING ACCESS TO THE ACCOUNTING PROFESSION AND PROFESSIONAL TRAINING NEEDS .....	123
<i>Ștefan Bunea, Marian Săcărin, Maria Mădălina Gîrbină</i> .....	123

THE RELEVANCE OF ACCOUNTING INFORMATION GENERATED BY THE APPLICATION OF IAS 29 RELATED TO SHAREHOLDERS CAPITAL .....	124
<i>Ovidiu Bunget, Alin Dumitrescu, Delia Deliu</i> .....	124
ECONOMIC VALUE ADDED AND STAKEHOLDERS' INTERESTS .....	125
<i>Vasile Burja</i> .....	125
SOME DISCLOSURE ASPECTS REGARDING CONSOLIDATED FINANCIAL STATEMENTS.....	125
<i>Andreea Cîrstea, Alexandra-Carmen Baltariu</i> .....	125
BUSINESS MODELS FOR TAX AND TRANSFER PRICING PURPOSES .....	126
<i>Alexandra Corlaci</i> .....	126
HARMONIZATION OF NATIONAL REGULATION AND INTERNATIONAL FINANCIAL REPORTING STANDARDS – PARTICULAR CASE OF NONCURRENT ASSETS..	127
<i>Andreea-Ioana Coste, Szilveszter Fekete Pali-Pista</i> .....	127
CAN ASSET REVALUATION BE MANIPULATIVE? - A CASE STUDY .....	127
<i>Sorana Adina Crişan</i> .....	127
LEGAL TREATMENT IN THE MANAGEMENT OF FOREST RESOURCES.....	128
<i>Tatiana Dănescu, Ioana Călean, Lucian Sîrb</i> .....	128
METHODOLOGICAL ASPECTS OF AGRICULTURAL ENTERPRISES' INCOME CALCULATION.....	129
<i>Ildikó Dékán Tamásné Dr. Orbán</i> .....	129
NEW CORPORATE REPORTING TRENDS. ANALYSIS ON THE EVOLUTION OF INTEGRATED REPORTING .....	129
<i>Ioana Dragu, Adriana Tudor-Tiron</i> .....	129
IMPACT OF ETHICAL VALUES PROMOTED BY PROFESSIONAL ACCOUNTANTS ON THE ORGANIZATIONAL CULTURE.....	130
<i>Greti Daniela Ţogoe, Dorel Mateş, Mileva Valentina Mănescu Dragotoiu</i> .....	130
ACCOUNTING TREATMENTS ON FORESTRY SPECIAL FUNDS AND SPECIFIC PROBLEMS IN ROMANIA.....	130
<i>Teodor Hada, Radu Mărginean</i> .....	130
DIAGNOSIS OF FINANCIAL POSITION BY BALANCE SHEET ANALYSIS - CASE STUDY.....	131
<i>Teodor Hada, Radu Mărginean</i> .....	131
PUBLIC SECTOR COMBINATIONS: A NEW CHALLENGE FOR IPSASB.....	132
<i>Ina Mitu, Adriana Tiron Tudor</i> .....	132
IFRS IN THE SMALL AND MEDIUM-SIZED ENTITIES.DIFICULTIES AND OPPORTUNITIES OF THE IFRS FOR SMES.....	132
<i>Ioana Moş</i> .....	132
THE PATTERNS OF EU STOCK MARKETS. IS THERE A SIGN OF CONVERGENCE?.....	133
<i>Diana Mureşan</i> .....	133
FAIR VALUE VERSUS HISTORICAL COST IN FORECAST OF INCOME FOR BANKING COMPANIES .....	134
<i>Traian Cristin Nicolae, Mitică Pepi</i> .....	134
THE COMMUNICATION PROCESS OF THE FINANCIAL REPORTING .....	134
<i>Cristina Nicolaescu; Ioana Moş</i> .....	134
THE BEHAVIOUR OF ROMANIAN ACCOUNTANTS FROM TIMIS COUNTY: CREATIVE OR NON-CREATIVE .....	135
<i>Anca Schmidt, Ovidiu Megan</i> .....	135

THE IMPACT OF ACCOUNTING INFORMATION ON MANAGERIAL DECISIONS – THEORETICAL APPROACHES.....	135
<i>Carmen Scorțe, Mariana Farcaș</i> .....	135
<b>SUB-SECTIONS: AUDIT ..... 137</b>	
THE EFFICIENCY OF FOREIGN INVESTMENTS IN THE FINANCING OF AUDITED ENTITIES.....	137
<i>Sorin Berinde, Adrian Groșanu</i> .....	137
THE IMPACT OF CORPORATE GOVERNANCE ON THE RESTRUCTURING OPERATIONS OF AUDITED ENTITIES .....	137
<i>Sorin Berinde, Paula Ramona Răchișan</i> .....	137
CONVERGENCE OF INTERNATIONAL AUDIT STANDARDS AND AMERICAN AUDIT STANDARDS REGARDING SAMPLING.....	138
<i>Anca Oana Chiș, Tatiana Dănescu</i> .....	138
ROLE OF INTERNAL AUDITING IN RISK MANAGEMENT IN THE PUBLIC SECTOR AND LOCAL ENTITIES – CASE STUDY BIHOR COUNTY .....	139
<i>Dana Simona Gherai, Diana Elisabeta Balaciu</i> .....	139
STUDY ON THE PERCEPTION OF THE ORGANIZATIONAL PERFORMANCE IN ACCOUNTING AND AUDIT FIRMS .....	139
<i>Liliana Feleagă, Nicolae Feleagă, Mihaela Dumitrașcu</i> .....	139
CHALLENGES OF FINANCIAL AUDIT - THE IMPACT OF INTRODUCING UNIQUE REGULATION OF FINANCIAL MARKETS IN ROMANIA .....	140
<i>Mitică Pepi, Traian Cristin Nicolae</i> .....	140
AN EMPIRIC STUDY ON THE ROLE AND UTILITY OF THE FINANCIAL AUDIT IN ROMANIA.....	141
<i>Oana Iuliana Pop (Grigorescu), Oana Raluca Ivan, Alina Puțan</i> .....	141
USING DEPENDENCY STRUCTURE MATRIX IN OPTIMAZING FINANCIAL AUDIT PROCESS .....	141
<i>Adriana Florina Popa, Daniel Vilsanoiu, Florin Dobre Georgiana Oana Stanila</i> ..	141
CHALLENGES OF INTERNAL AUDIT IN THE CURRENT CRISIS .....	142
<i>Adriana Florina Popa, Ludovica Breban, Leonica Bochis</i> .....	142
<b>SUB-SECTIONS: BANKING ..... 143</b>	
ROMANIAN BANKS LIQUIDITY MANAGEMENT .....	143
<i>Maria Batrancea, Andrei Moscviciov, Catalin Sabau, Anamaria Popa</i> .....	143
FINANCIAL CRISIS IN BANKS .....	144
<i>Maria Batrancea, Andrei Moscviciov, Anamaria Popa, Csegedi Sandor</i> .....	144
SERVICE QUALITY: A CASE STUDY OF BANCA ROMANEASCA.....	144
<i>Corneliu Bențe</i> .....	144
THE QUALITY OF BANKING SERVICES - A BASIC PREMISE OF A BANK SUSTAINABILITY .....	145
<i>Corneliu Bențe</i> .....	145
IS ADEQUATE THE METHOD OF LOAN LOSS PROVISIONING? – EVIDENCE FROM ROMANIA .....	146
<i>Gheorghe Chitan</i> .....	146
THE IMPACT OF FINANCIAL LIBERALIZATION ON ROMANIAN BANKING SYSTEM EFFICIENCY .....	146
<i>Maria-Lenuța Ciupac-Ulici, Daniela-Georgeta Beju</i> .....	146

THE NEED TO REFORM THE BANKING SYSTEM – A PREMISE FOR THE IMPLEMENTATION OF THE BASEL III ACCORD.....	147
<i>Daniela Cosma</i> .....	147
FINANCIAL DEVELOPMENT, INSTITUTIONS AND ECONOMIC POLICY – PANEL DATA EVIDENCE.....	148
<i>Ioannis Filippidis</i> .....	148
ASPECTS REGARDING THE CURRENT ECONOMIC CRISIS AND ITS INFLUENCE ON THE FINANCIAL SECTOR.....	148
<i>Roxana Heteş, Alexandru Avram</i> .....	148
THE FRAMEWORK RESULTING FROM THE BASEL III REGULATIONS.....	149
<i>Marius M. Motocu</i> .....	149
TESTING THE LONG RANGE-DEPENDENCE FOR THE CENTRAL EASTERN EUROPEAN AND THE BALKANS STOCK MARKETS.....	149
<i>Andreea Maria Pece, Emilia Anuta Ludusan (Corovei), Simona Mutu</i> .....	149
A TALE OF TWO CYCLES IN DEVELOPING AND ADVANCED ECONOMIES: A COUNTRY CASE STUDY COMPARISON.....	150
<i>Stanislav Percic, Constantin-Marius Apostoaie, Dan Chirleşan</i> .....	150
THE COMPARATIVE RISK AND PERFORMANCE ANALYSIS OF HUNGARIAN AND ROMANIAN EXCHANGE INDICES.....	150
<i>Tibor Tarnóczy, Edina Kulcsár</i> .....	150
COMPARATIVE ANALYSIS OF THE BANK’S CAPITAL ADEQUACY ACCORDING TO THE BASEL AGREEMENT.....	151
<i>Ramona Tesu</i> .....	151
BASEL I, II, III: CHALLENGES TO THE BANK’S CAPITAL ADEQUACY.....	152
<i>Ramona Tesu</i> .....	152
A MACROPRUDENTIAL SUPERVISION MODEL. EMPIRICAL EVIDENCE FROM THE CENTRAL AND EASTERN EUROPEAN BANKING SYSTEM.....	153
<i>Ioan Trenca, Peter Balogh, Simona Mutu</i> .....	153
AN INQUIRY INTO CONTAGION TRANSMISSION AND SPILLOVER EFFECTS IN STOCK MARKETS.....	153
<i>Ioan Trenca, Nicolae Petria, Eva Dezsi</i> .....	153
<b>SUB-SECTIONS: CORPORATE FINANCES.....</b>	<b>155</b>
VENTURE CAPITAL IN HUNGARIAN ACADEMIC SPIN-OFFS.....	155
<i>Patrícia Dr. Becsky-Nagy</i> .....	155
WEATHER DERIVATIVES: THE MOST COMMON PRICING AND VALUATION METHODS.....	155
<i>Horia Mircea Botos</i> .....	155
PROFITABILITY - CAPITAL STRUCTURE TRADE OFF: CASE OF PUBLICLY ROMANIAN COMPANIES.....	156
<i>Boţoc Claudiu</i> .....	156
PREDICTION OF CORPORATE BANKRUPTCY IN ROMANIA THROUGH THE USE OF LOGISTIC REGRESSION.....	156
<i>Daniel Brîndescu, Ionuţ Goleţ</i> .....	156
CATASTROPHIC EVENTS MODELING.....	157
<i>Cristina Ciumaş, Ramona Alexandrina Coca</i> .....	157

PROPOSAL OF A COMMON SCORING SYSTEM FOR SELECTION OF EU FUNDED PROJECTS DEVELOPED BY ROMANIAN COMPANIES .....	158
<i>Laurentiu Droj</i> .....	158
SENSITIVITY ASSESSMENT MODELLING IN EUROPEAN FUNDED PROJECTS PROPOSED BY ROMANIAN COMPANIES .....	158
<i>Laurentiu Droj, Gabriela Droj</i> .....	158
PROFITABILITY AND SOURCES OF GENERAL MANUFACTURERS IN 2009-2011 .....	159
<i>Adrienn Herczeg</i> .....	159
ECONOMIC AND FINANCIAL INSTABILITY PERIODS INDUCED THROUGH THE BANKING SYSTEM .....	160
<i>Rodica-Oana Ionita</i> .....	160
THE INFLUENCE OF CORPORATE SPECIFIC FACTORS UPON FINANCING DECISIONS .....	160
<i>Viorel-Dorin Lăcătuș, Viorela-Ligia Văidean, Ionuț-Constantin Cuceu</i> .....	160
CORPORATE GOVERNANCE CODES OF BEST PRACTICE OF TOP ROMANIAN BANKS.....	161
<i>Marilen Pirtea, Ana-Cristina Nicolescu</i> .....	161
PERFORMANCE ASSESSMENT OF MAJOR U.S. AIRLINES VIA CASH FLOW RATIOS .....	161
<i>Armen Stepanyan</i> .....	161
THE ROLE OF SAVINGS RATE IN DEEPENING MACROECONOMIC IMBALANCES IN CHINA .....	162
<i>Mihaela Șarlea, Ștefan George Manța, Viorela Ligia Văidean</i> .....	162
MODEL AND RATING ANALYSIS IN THE HOSPITALITY INDUSTRY .....	163
<i>Angela Todea (Mariș), Cătălin Sabău, Sandor Csegedi, Anca Nichita</i> .....	163
IMPLICATIONS OF THE FINANCIAL SYSTEM ON THE CAPITAL STRUCTURE OF THE ENTERPRISE .....	163
<i>Carmen Toderașcu (Sandu), Valentina Diana Rusu</i> .....	163
INFORMATION SCENARIOS OVER THE RISK IN INSURANCE .....	164
<i>Mariana Rodica Țirlea, Miranda Petronella Vlad</i> .....	164
<b>SUB-SECTIONS: PUBLIC FINANCES .....</b>	<b>165</b>
ANALYSIS OF ROMANIAN ECONOMIC STABILITY IN TERMS OF EVOLUTION OF THE BUDGETARY DEFICIT AND OTHER MACROECONOMIC INDICATORS, IN THE PERIOD 2005-2012.....	165
<i>Abrudan Leonard Călin</i> .....	165
THE CURRENT STATUS OF ACADEMIC EDUCATION FINANCING IN ROMANIA .....	165
<i>Marioara Avram, Cristina-Petrina Drăgușin</i> .....	165
RATIOS METHOD - A WAY OF MEASURING THE LOCAL GOVERNMENT PERFORMANCE .....	166
<i>Ioan Bătrâncea, Liviu Bechiș, Larissa Bătrâncea, Ioan Stoia</i> .....	166
BUDGET AND BUDGET EXECUTION IN THE NORTHWEST REGION OF ROMANIA .....	167
<i>Ioan Bătrâncea, Liviu Bechiș, Larissa Bătrâncea, Ioan Stoia</i> .....	167
COMPARATIVE ANALYSIS OF GLOBAL TERTIARY EDUCATIONAL SYSTEMS..	167
<i>Cristina Ciumaș, Ștefan Manța, Mihaela Șarlea</i> .....	167



THEORETICAL ASPECTS OF FINANCIAL LIBERALIZATION PROCESS .....	168
<i>Maria-Lenuța Ciupac-Ulici, Ciprian George Ardelean, Ioan Alin Nistor.....</i>	<i>168</i>
MEANS OF ESTABLISHING CHURCH PROPERTY AND FUNDING SOURCES ...	169
<i>Mircea Cricovean.....</i>	<i>169</i>
CIVIL LIABILITY OF DOCTORS AND THEIR INSURANCE (MALPRACTICE).....	169
<i>Viorica Irina Gârbo.....</i>	<i>169</i>
INDIRECT TAXES ÎN EUROPEAN UNION .....	170
<i>Adrian Inceu, Paul Zai, Ramona Mara.....</i>	<i>170</i>
STUDY ABOUT THE USAGE OF AGRICULTURAL INSURANCE BASED ON INDEXES IN ROMANIA.....	171
<i>Anca-Petruța Nan .....</i>	<i>171</i>
EXPERT SYSTEMS - DEVELOPMENT OF AGRICULTURAL INSURANCE TOOL.	171
<i>Anca-Petruța Nan, Diana-Aderina Moisuc.....</i>	<i>171</i>
EMPIRICAL STUDY REGARDING SUSTAINABILITY OF ROMANIAN PENSION SYSTEM .....	172
<i>Delia Oprean, Lucia Podoabă.....</i>	<i>172</i>
EMPIRICAL STUDY REGARDING PRIVATE AND VOLUNTARY PENSIONS FUNDS FROM ROMANIA .....	173
<i>Delia Oprean, Lucia Podoabă.....</i>	<i>173</i>
TRANSPARENCY OF LOCAL BUDGETS IN THE NORTH-WEST REGION OF ROMANIA .....	174
<i>Mirela-Oana Pinte, Sorin Adrian Achim, Viorel Lacățuș .....</i>	<i>174</i>
"THE KNOWLEDGE TRIANGLE" IN A KNOWLEDGE-BASED SOCIETY .....	174
<i>Mircea-Iosif Rus.....</i>	<i>174</i>
THE PRO AND CONS OF THE NEW TREATY ON STABILITY, COORDINATION AND GOVERNANCE IN THE ECONOMIC AND MONETARY UNION.....	175
<i>Ioan Talpoș, Alexandru Avram .....</i>	<i>175</i>
<b>SECTION MANAGEMENT, MARKETING, ECONOMIC INFORMATICS AND CYBERNETICS .....</b>	<b>177</b>
<b>SUB-SECTION: ECONOMIC INFORMATICS AND CYBERNETICS.....</b>	<b>177</b>
ORDERS MANAGEMENT BY USING OF SMART PHONES .....	177
<i>Horia Demian.....</i>	<i>177</i>
WINE ADVISOR EXPERT SYSTEM USING DECISION RULES .....	177
<i>Elena Claudia Dinuca, Mihai Istrate.....</i>	<i>177</i>
OPPORTUNITIES TO IMPROVE THE MANAGEMENT METHODS OF ROMANIAN ORGANIZATIONS .....	178
<i>Gabriela Gheorghe .....</i>	<i>178</i>
ERP ASSIMILATION: AN END-USER APPROACH.....	178
<i>Luminita Hurbean, Ana-Maria Negovan .....</i>	<i>178</i>
STUDY REGARDING THE USE OF MICROSOFT EXCEL SOFTWARE IN THE MARKETING ACTIVITY OF THE BIHOR COUNTY COMPANIES .....	179
<i>Naiana Țarcă, Valerica Mareș, Marius Daniel Mareș .....</i>	<i>179</i>
STUDY REGARDING THE CHARACTERISTICS OF THE BIHOR COUNTY COMPANIES' WEBSITES .....	180
<i>Naiana Țarcă, Anca Șule.....</i>	<i>180</i>

<b>SUB-SECTIONS: MANAGEMENT I AND MANAGEMENT II .....</b>	<b>181</b>
INTEGRATED INFORMATICS SYSTEM FOR PUBLIC MANAGEMENT .....	181
<i>Cristian Anghel, Cristian Vele, Rita Toader, Florina Hahn .....</i>	<i>181</i>
ASPECTS OF THE ASSOCIATION OF EFFECTIVE TEAM RELATED VARIABLES IN THE MANAGEMENT OF INTERCULTURAL WORK TEAMS IN MULTINATIONAL COMPANIES .....	181
<i>Nicolae Bibu, Laura Brancu, Daniela Has.....</i>	<i>181</i>
EUROPEAN UNION ENLARGEMENT AS A CULTURAL SHOCK. THE ROLE OF INTERCULTURAL TEAMS' MANAGEMENT IN INCREASING EUROPEAN COHESION.....	182
<i>Nicolae Bibu, Mihai Lisetchi.....</i>	<i>182</i>
GLOBAL TRENDS IN ENTREPRENEURSHIP USING 4 R'S MODEL .....	183
<i>Gratiela Dana Boca, Lindita Mukaj.....</i>	<i>183</i>
MANAGEMENT CONTROL SYSTEMS: A REVIEW OF THEIR COMPONENTS AND THEIR UNDERLYING INDEPENDENCE .....	183
<i>Florin Boghean, Carmen Boghean .....</i>	<i>183</i>
COMMUNICATION STRATEGY ABOUT BUSINESS MODELS: STAKEHOLDERS PERSPECTIVE.....	184
<i>Alexandru Bojoagă, Ioan Petrișor.....</i>	<i>184</i>
MANAGING CHANGE IN ECONOMIC EDUCATION THROUGH A LEARNING BY DOING PROGRAM (PRACTEAM) .....	185
<i>Elena-Aurelia Botezat.....</i>	<i>185</i>
THE CONSEQUENCES OF ORGANIZATIONAL CHANGE ON THE HUMAN FACTOR IN THE TEXTILE INDUSTRY .....	185
<i>Monica Chira, Liviu Marian .....</i>	<i>185</i>
COST OF QUALITY AND TAGUCHI LOSS FUNCTION .....	186
<i>Cosmin Dobrin, Ana-Maria Stănciuc.....</i>	<i>186</i>
ETHICAL ASPECTS OF ENVIRONMENTAL MANAGEMENT.....	187
<i>Ștefan Dragoș Cîrstea .....</i>	<i>187</i>
ENTREPRENEURSHIP CURRICULUM IN ROMANIAN UNIVERSITIES .....	187
<i>Claudia Cordea.....</i>	<i>187</i>
A STUDY ON THE CULTURAL DIFFERENCES BETWEEN PUBLIC AND PRIVATE HOSPITALS FROM BUCHAREST .....	188
<i>Ovidiu-Iliuta Dobre.....</i>	<i>188</i>
APPLYING THE EFQM EXCELLENCE MODEL AT THE GERMAN STUDY LINE WITH FOCUS ON THE CRITERION "CUSTOMER RESULTS".....	189
<i>Liviu Ilieș<sup>1</sup>, Diana Pitić<sup>2</sup>, Diana Brătean<sup>3</sup>.....</i>	<i>189</i>
DEFINING ASPECTS OF HUMAN RESOURCE MANAGEMENT STRATEGY WITHIN THE GENERAL STRATEGY OF THE MODERN ORGANIZATION .....	189
<i>Emanoil Muscalu, Silvana Nicoleta Muntean.....</i>	<i>189</i>
KNOWLEDGE WORKERS – THE MODERN WORKERS PROTOTYPE IN PRESENT AND FUTURE ORGANIZATION .....	190
<i>Emanoil Muscalu, Alexandra Stanit.....</i>	<i>190</i>
PERFORMANCE BENEFITS OF HARMONIZING ORGANIZATIONAL STRATEGY WITH STRATEGY AT SUPPLY CHAIN LEVEL .....	191
<i>Florian Gyula Laszlo.....</i>	<i>191</i>

ANALYSIS OF THE IMPACT OF THE SUPPLY CHAIN PERFORMANCE ON THE OVERALL ORGANIZATIONAL PERFORMANCE .....	191
<i>Florian Gyula Laszlo</i> .....	191
ASPECTS REGARDING THE ROLE OF INFORMATION TECHNOLOGIES IN THE ASSURANCE OF SUPPLY CHAIN MANAGEMENT PERFORMANCE .....	192
<i>Radu O. Ilieș, Horațiu C. Sălăgean, Bogdan L. Bâlc, Mihai Gherman</i> .....	192
CULTURAL DIMENSIONS AND WORK MOTIVATION IN THE EUROPEAN UNION .....	193
<i>Mirabela Matei, Madela Abrudan</i> .....	193
ECONOMY, MANAGEMENT AND EDUCATION BEYOND TWENTIETH CENTURY .....	194
<i>Liviu Mihăescu, Diana Mihăescu</i> .....	194
NEW APPROACHES OF THE CONCEPTS OF HUMAN RESOURCES, HUMAN RESOURCE MANAGEMENT AND STRATEGIC HUMAN RESOURCE MANAGEMENT .....	194
<i>Anca-Ioana Munteanu</i> .....	194
THE NEED OF RETHINKING THE PUBLIC ADMINISTRATION SYSTEM IN THE CONTEXT OF THE GROWING POWER OF THE CIVIL SOCIETY .....	195
<i>Florentina Neamțu</i> .....	195
STAKEHOLDERS, THE DETERMINANT FACTORS IN DEVELOPMENT AND OPERATIONALIZATION OF E-GOVERNANCE IN ROMANIA .....	196
<i>Florentina Neamțu</i> .....	196
INTEGRATED DOCUMENT MANAGEMENT SOLUTION FOR THE LOCAL GOVERNMENT .....	197
<i>Răzvan Liviu Nistor, Ioana Mureșan, Mircea Moca</i> .....	197
THE IMPACT OF THE WORK ENVIRONMENT ON THE ACTIVITY OF THE EMPLOYEES WITH LOW QUALITY RELATIONSHIPS.....	197
<i>Ioan Pastor</i> .....	197
RELATIONSHIP MARKETING STRATEGIES IN THE KNOWLEDGE SOCIETY .....	198
<i>Florin Radu Pinte</i> a .....	198
THE INTERDEPENDENCE BETWEEN MANAGEMENT, COMMUNICATION, ORGANIZATIONAL BEHAVIOR AND PERFORMANCE .....	198
<i>Maria Daniela Pipaș</i> .....	198
THE MEASUREMENT AND EVALUATION OF THE INTERNAL COMMUNICATION PROCESS IN PROJECT MANAGEMENT .....	199
<i>Alexandra-Mihaela Pop, Danut D. Dumitrascu</i> .....	199
NEW PERSPECTIVES ON STRATEGIC MANAGEMENT PROCESS .....	200
<i>Zenovia Cristiana Pop, Anca Borza</i> , .....	200
CLUSTER POLICIES IN THE EUROPEAN UNION – ENGINES FOR SUSTAINABLE ECONOMIC DEVELOPMENT AND COMPETITIVENESS.....	201
<i>Ion Popa, Cristina Vlășceanu</i> .....	201
EMOTIONS IN THE ORGANIZATIONAL ENVIRONMENT .....	201
<i>Mirela Popa, Irina Iulia Salanță</i> .....	201
STRATEGIC LANDMARKS IN OBESITY PREVENTION IN ROMANIAN CHILDREN AND ADOLESCENTS .....	202
<i>Dana Popescu-Spineni, Sabina Popescu-Spineni, Daniela Manuc</i> .....	202

FORCES THAT ENHANCE OR REDUCE EMPLOYEE RESISTANCE TO CHANGE .....	203
<i>Mariana Predișcan , Daniela Braduțanu , Roxana Nadina Roiban .....</i>	<i>203</i>
PERFORMANCE IMPROVEMENT STRATEGIES USED BY MANAGERS IN THE PRIVATE SECTOR .....	203
<i>Patricia Rațu, Leonina-Emilia Suciu.....</i>	<i>203</i>
FACTORS AND REASONS THAT CAN MAKE USERS TO INCREASE THE USAGE OF SMARTPHONE SERVICES .....	204
<i>Teodora Roman, Silviu Vasilache.....</i>	<i>204</i>
ANALYSIS OF THE RELATIONSHIP AMONG TRAINING, SKILLS AND CONTENTEMENT OF THE EMPLOYERS.....	204
<i>Teodora Roman, Emil Maxim, Adriana Manolică.....</i>	<i>204</i>
MARAMUREȘ WORKFORCE COMPARED TO THE REST OF THE NORTH-WEST REGION.....	205
<i>Simona Sabou.....</i>	<i>205</i>
AGRICULTURE IN MARAMUREȘ COMPARED TO THE REST OF THE NORTH-WEST REGION .....	206
<i>Simona Sabou.....</i>	<i>206</i>
APPROACHES TO QUALITY MANAGEMENT AT EUROPEAN LEVEL .....	207
<i>Horațiu-Cătălin Sălăgean, Radu Ilieș, Mihai Gherman, Bogdan Cioban.....</i>	<i>207</i>
STUDY ON PACKAGING WASTE PREVENTION IN ROMANIA.....	208
<i>Lucia-Monica Scorțar.....</i>	<i>208</i>
ORGANIZATIONAL DEVELOPMENT IN THE FIELD OF POSTAL SERVICES .....	208
<i>Janetta Sîrbu.....</i>	<i>208</i>
HOW TO DEAL WITH CORPORATE SOCIAL RESPONSIBILITY RELATED TO EMPLOYEES.....	209
<i>Ciprian-Dumitru Stoian.....</i>	<i>209</i>
HUMAN RESOURCE MANAGEMENT - FROM FUNCTION TO STRATEGIC PARTNER.....	210
<i>Ramona Todericiu, Anca Șerban.....</i>	<i>210</i>
ORGANIZATIONAL CULTURE AND STRATEGY. HOW DOES IT WORK? AN EMPIRICAL RESEARCH.....	210
<i>Cristian-Liviu Vele.....</i>	<i>210</i>
MONTE CARLO SIMULATION: IMPORTANT MANAGEMENT TOOL IN EVALUATING DECISIONS UNDER RISK. CASE STUDY: LAUNCH A NEW PRODUCT OF SHOES .....	211
<i>Vincentiu Vereș, Maria Mortan .....</i>	<i>211</i>
<b>SUB-SECTION: MARKETING.....</b>	<b>213</b>
THE PUBLIC SERVANTS ` PERCEPTIONS REGARDING THE COMMUNICATION PROCESS WITHIN LOCAL PUBLIC ADMINISTRATION – A QUALITATIVE APPROACH.....	213
<i>Florina Maria Bențe .....</i>	<i>213</i>
THE IMPACT OF MARKETING EXPERIMENTS ON THE RELATIONSHIP BETWEEN SOFTWARE PRODUCERS AND THEIR RETAILERS .....	213
<i>Axenia Bianca Boitor, Andreea Herțanu .....</i>	<i>213</i>
WHAT CAUSES SERVICE QUALITY PROBLEMS IN PERFORMING ARTS? .....	214
<i>Andreea Ciceo.....</i>	<i>214</i>

CONSUMERS' ATTITUDE TOWARDS VIDEO GAMES AND THEIR USE AS AN ADVERTISING METHOD: A PRELIMINARY STUDY .....	215
<i>Alina Ghirvu</i> .....	215
FACTORS RESPONSIBLE FOR CONSUMER'S ATTITUDE TOWARDS ADVERGAMES .....	216
<i>Alina Ghirvu</i> .....	216
MISSION STATEMENTS IN HIGHER EDUCATION: CONTEXT ANALYSIS AND RESEARCH PROPOSITIONS.....	216
<i>Camelia Gordan, Marius Dorel Pop</i> .....	216
INCORPORATING MARKET ORIENTATION IN HIGHER EDUCATION INSTITUTIONS.....	217
<i>Camelia Gordan, Marius Dorel Pop</i> .....	217
FACTORS INFLUENCING CUSTOMERS' BEHAVIOUR TOWARDS TRUSTED SERVICE PROVIDERS: AN INVESTIGATION OF FOUR SERVICE SETTINGS.....	218
<i>Călin Gurău</i> .....	218
SCHEMA CONGRUITY – A BASIS FOR EVALUATING AMBIENT ADVERTISING EFFECTIVENESS .....	218
<i>Maria Alina Jurca, Ioan Plăiaș</i> .....	218
MARKETING REQUIREMENTS FOR DEVELOP A BRAND IN AUTOMOTIVE INDUSTRY .....	219
<i>Liliana Adela Zima</i> .....	219
METHODOLOGICAL CONSIDERATIONS REGARDING THE SEGMENTATION OF HOUSEHOLD ENERGY CONSUMERS.....	220
<i>Alexandru Maxim</i> .....	220
MARKETING PERFORMANCE IN ROMANIAN SMALL AND MEDIUM-SIZED ENTERPRISES - A QUALITATIVE STUDY.....	221
<i>Sorina-Diana Mone, Marius Dorel Pop, Nicoleta-Dorina Racolta-Paina</i> .....	221
SEGMENTATION OF SME PORTFOLIO IN BANKING SYSTEM (CONSIDERATIONS) .....	222
<i>Simona Namolosu, Iuliana Cetina</i> .....	222
THE EFFECTS OF AMBIENT SCENT ON CONSUMER BEHAVIOR: A REVIEW OF THE LITERATURE .....	222
<i>Meda Roxana Olahut, Ioan Plaias</i> .....	222
GLOBAL COMPETITION AND ROMANIA'S NATIONAL COMPETITIVE ADVANTAGE .....	223
<i>Nicolae Al. Pop, Florin Draghescu, Vlad Roșca</i> .....	223
INNOVATION, CUSTOMER ATTACHMENT SOURCE IN RETAIL SERVICES EMPIRICAL RESEARCH IN DIY RETAIL.....	224
<i>Adina Săniuță<sup>1</sup>, Mihaela Roman<sup>1</sup>, Carmen Petrișoia<sup>1</sup>, Nicolae Al. Pop<sup>2</sup></i> .....	224
THE IMPACT OF GLOBALIZATION IN THE INDUSTRY OF COSMETICS.....	224
<i>Oana-Maria Secară, Dinu-Vlad Sasu</i> .....	224
PRIVATE INFORMATION REVEALED BY ROMANIAN FACEBOOK USERS - AN EXPLORATORY ASSESSMENT .....	225
<i>Călin Vegheș, Mihai Orzan, Carmen Acatrinei, Diana Dugulan</i> .....	225
HOW MUCH CAN WE TRUST PUBLIC OPINION POLLS?.....	226
<i>Timotei Vierașu</i> .....	226



## SECTION: INTERNATIONAL BUSINESS AND EUROPEAN INTEGRATION

### SUB-SECTION: EU SUSTAINABLE ECONOMIC DEVELOPMENT AND COMPETITIVENESS

#### THE SUSTAINABLE DEVELOPMENT STRATEGY OF BAIJA MARE CITY

**Cristian Anghel, Cristian Vele, Rita Toader, Rada-Florina Hahn**

*Faculty of Science, Technical University of Cluj-Napoca, Romania*

*cristiananghel77@gmail.com*

*Cristian.Vele@cubm.utcluj.ro*

*Rita.Toader@cubm.utcluj.ro*

*Florina.Hahn@cubm.utcluj.ro, fflloorina@yahoo.com*

**Abstract:** *The paper presents a series of subsequent tools that provide the support for the complex tools regarding the important aspects of local and territorial development, such as strategic planning, sustainable development strategies, integrated development plans. The reference point of this research is represented by the management process in the public administration in the city of Baia Mare for which there are, in the general economy of the paper, the most complex resources for an empirical research. The Baia Mare Urban System presented in this paper has all the characteristics of a model structure of polycentric development that has elaborated/formulated a development overview on long and medium-term with all the strategic, tactical and operational elements that support the development within a well defined territory. The approach on both components (institutional, territorial) has a complex character but at the same time, a unitary one. The promotion of polycentric and balanced territorial development as an essential element for the territorial cohesion realization represents one of the priorities of Europe Strategy 2020. In this context, the formation and consolidation of the development poles as basic elements for the creation of polycentric networks must be supported by integrated politics at local and regional level. The study cases outlined in the paper represent models for the use of different public management tools in concrete situations that cover most of the fields approached in local administration.*

**Keywords:** *sustainable development, Europe Strategy, urban system*

**JEL classification:** *J11, R11, R23.*

#### A MODERN REGIONAL ECONOMY – MEASURING “KNOWLEDGE-BASED ECONOMY” AND PREPAREDNESS FOR THE “SMART GROWTH”

**Daniela Antonescu**

*The Institute of National Economy, Romanian Academy, Bucharest, Romania*

*daniela.antonescu25@gmail.com, daniela.antonescu@ien.ro*

**Abstract:** *For the next programming period, the strategic objectives of cohesion policy are: smart, sustainable and inclusive growth. Science, knowledge and innovation are key factors that will help Europe to move towards strategic objectives, and along the way to tackle, it's pressing societal challenges for 2014-2020 periods. Also, the future Cohesion Policy funds will involve greater effort for obtaining a regional environment that sustains innovation and research through support for capacity building. Romanian's regional economy has*

*importantly transformed itself in recent years, especially after integration in European Union, but is far from being a “knowledge-based economy”. In this context, the article presents how we can measure “smart growth” and what is possible regional development strategy for the future programming period taking into account the present conditions and the perspective of Europe 2020.*

**Keywords:** smart growth; innovation; knowledge

**JEL Classification:** R11; R12; F02

## **THE YOUTH EMPLOYMENT CRISIS: TRENDS, CHARACTERISTICS AND NEW CHALLENGES**

**Mariana Balan**

*The Institute of National Economy, INCE, Romanian Academy, Bucharest, Romania  
mariana\_prognoz@yahoo.com*

**Abstract:** *Youth employment crisis has special peculiarities on countries/regions from the quantitative and qualitative dimensions. Today, nearly one in five is between 15 and 24 years. Worldwide, there are over 1.2 billion young people, of which the vast majority living in developing countries. The crisis of youth employment is an important aspect of the employment crisis worldwide. Main problems derives not only from the level and duration of unemployment among young people, but also the decreasing quality of jobs available for them. The paper presents a demographic analysis of the evolution and distribution among young people and main challenges related to their insertion on the labor market. Also, the paper presents some characteristics of the youth employment crisis in its quantitative and qualitative dimensions across different regions and countries, and analyses the new emerging challenges, such as educated unemployment and the increasing “detachment” of youth from labour markets.*

**Keywords:** youth employment, long term unemployment, job quality

**JEL Classification:** E24, J21, J62, J81.

## **GOVERNANCE, CULTURE AND DEMOCRACY: INSTITUTIONS AND ECONOMIC DEVELOPMENT OF EU MEMBER STATES**

**Attila Bartha**

*Center for Social Sciences, Hungarian Academy of Sciences and International Business School, Budapest, Hungary  
bartha.attila@tk.mta.hu, abartha@ibs-b.hu*

**Abstract:** *This paper intends to understand the major institutional factors related to the economic development of the European Union (EU) countries in the last two decades. It provides some contributions to the institutionalist debate of the present crisis of the European Union, and within it, the Economic and Monetary Union (EMU). The two main issues of the empirical research are the effect of the different institutions on economic growth and the relative importance of institutions compared with the traditional macroeconomic components of economic development. The institutionalist traditions of comparative political science and political economy as well as institutional economics define the framework of interpretation. The analysis sheds some light on the relationship between economic development and the different institutional dimensions, namely the legal environment, political institutions, public policy institutions (governance) and the informal institutions, the cultural components of the economic-political behaviour. The empirical research examines the development pattern of the European Union countries between 1993 and 2011 as well as the relationship between economic development and institutional quality in that period by descriptive and explanatory statistical methods. The results reveal strong*



*relationship among the different aspects of institutional quality in the EU countries; within Europe we cannot observe a Singaporean type contradictory constellation between the quality of democratic institutions and public policy effectiveness. The path of European development has been drawing a conspicuously strong correlation among the different institutional dimensions: the high quality of democratic institutions, the respect of the rule of law and property rights and the effective governance are going hand in hand with the growth-supporting components of the culture. In cultural terms, the high level of trust, respect and self-determination as well as the lack of obedience ensure the most successful long-term growth pattern in Europe. Another important finding is that the EMU countries are conspicuously heterogeneous in their institutional quality and the Mediterranean members of the Euro area are institutionally closer to the non-EMU-member Central-Eastern European countries than the core EMU countries. Concerning the economic policy consequences, the heterogeneity of the informal institutions fundamentally challenges the effectiveness of the approach of stronger harmonisation by stricter formal rules and stricter sanctions against the norm-breaking Euro area members.*

**Keywords:** economic development; European Union; Euro area; institutions; culture, democracy

**JEL classification:** O43; O52; P16

## **CRITICAL FACTORS IN HRD PROJECTS' IMPLEMENTATION: EVIDENCE FROM PUBLIC UNIVERSITIES IN ROMANIA**

**Laura Brancu, Valentin Munteanu, Delia Gligor**

*Management Department, Faculty of Economics and Business Administration, West University of Timisoara, Timisoara, Romania*

*laura.brancu@feaa.uvt.ro*

*valentin.munteanu@feaa.uvt.ro*

*delia.gligor@feaa.uvt.ro*

**Abstract:** *For Romania, European Integration came with new challenges for the entire society, especially for investment project promoters, including public higher education institutions. Investments in human capital development and education have an important role in a country's economic development and growth but, in spite of the large number of human resources development public projects being financed, major problems were identified in their implementation process, particularly factors from the macro-economic and institutional environment. Most of the current interest in this area is centered on identifying and analyzing these key factors since their understanding might lead to ensuring an improvement of the implementation process and to a project's success. In this context, our paper's objective is to provide a set of critical success factors for HRD projects' implementation process by developing a framework for external environment factors' analysis from a public project management perspective. Taking into consideration the current impact of the external environment' factors upon projects in Romania, in this paper we chose to focus our attention only on the critical success factors of the external socio-economic, institutional, technological and cultural environment, that affect the implementation phase of a project. We started with an analysis of the Romanian context that allowed us to develop a conceptual framework. We then realized a survey on a sample of three Romanian public universities which implemented projects in human capital development by developing and applying a questionnaire to 112 persons involved as management in projects in order to identify the key factors from the external environment that affect a project's implementation process. Results show that the most significant factors, with a negative impact, are political and economical ones while technological and cultural factors are perceived as factors with a positive influence. Our conclusions have a high*

*informational content and can be useful for those involved in policy making and building institutional capacity in terms of human resources development.*

**Keywords:** *project management, human resources development project, critical factor, PESTC analysis, implementation management.*

**JEL classification:** *C83, I25, O15, O22.*

## **SOCIAL CRISIS – AN IMPEDIMENT TO SUSTAINABLE DEVELOPMENT**

**Irina-Cosmina Capmare**

*National Institute for Economic Research, Romanian Academy, Bucharest, Romania  
icapmare@gmail.com*

**Abstract:** *This paper is about social crisis and sets to give a dimension for this non-effective current. The paper is addressed to all persons interested in this domain, especially for those that work in this sector (non-governmental sector, third sector) and that need to have a better perspective on the situation. 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 bad influence of the social crisis on sustainable development. My research includes both quantitative and qualitative dates; the ideas are embraced by my own convictions on the topic and tend to express also my beliefs on the matter. The added value of the paper is provided by the elements brought together: the topic, which, as common as can be, has a critical importance for the economy, blended with new information related to European Union Funds abortion and statistic dates regarding the work market in our country. The paper starts with an introduction that offers general information about the topic, a short background on the next headlines. As follows, each headline surprises with punctual elements of social crisis: determinant causes, solutions found, institutions involved, conclusions. The results of the paper shows that institutions in Romania are concerned about this situation and fight to bring out the best solutions, even if community is not totally prepared to accept it. Besides Romanian institutions, we have the support of the European Commission, through the European Union Funds. The Commission brings also the know-how of the other European Union Countries that confronted with these situations and, in better conditions know, sets here good practices within the projects they finance. This paper should be read and acknowledged as a base for the social economy development and it aims to create an interest for more persons in contributing to the strategic growth of the country and people.*

**Keywords:** *social crisis; social exclusion; sustainable development; European Union*

**JEL classification:** *Z13; J14; J61; F22*

## **EUROPEAN UNION (EU) FUNDS ABSORPTION – ROMANIA**

**Irina-Cosmina Capmare**

*National Institute for Economic Research, Romanian Academy, Bucharest, Romania  
icapmare@gmail.com*

**Abstract:** *This paper is about European Union funds in Romania and tries to give relevant information on this aspect. The paper is addressed to all persons interested in this domain, especially for those that work in this sector (non-governmental sector, public institutions, etc) and that need to have a better perspective on the situation. 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 importance of European Union funds and how they differ from one country to another, the situation of absorption in Romania with dates regarding the level of absorption. My research includes both quantitative and qualitative dates; the ideas are embraced by my own opinions on the*

topic and expresses also my beliefs on the matter. The added value of the paper is provided by the elements brought together: the situation of European Union absorption in Eastern European countries and in Romania, the rage of absorption for each Operational Program and relevant conclusions. The paper starts with an introduction that offers general information about the topic, a short background on the next headlines. As follows, each headline surprises with punctual elements of European Union funds and absorption: determinant causes, solutions found, institutions involved, conclusions. The results of the paper shows that in the next period there are big chances for absorption to growth due to the identified problems. Lack of experience and non-qualified persons, low quality management lead to unsatisfactory results. Institutions in Romania are concerned about this situation and fight to bring out the best solutions. This paper should be read and acknowledged as a study for the European Union funds' absorption and it aims to create an interest for more persons in contributing to the strategic growth of the country by implementing co-financed projects.

**Keywords:** European Union; funds absorption; structural funds; sustainable development

**JEL classification:** Z13, F15, F36

## **REGIONAL DEVELOPMENT AND INNOVATION IN ROMANIA. CHALLENGES AND PERSPECTIVES**

**Lavinia Florentina Chirilă**

Doctoral School of Social Sciences, Department of Economics, Faculty of Economics,  
University of Oradea, Oradea, Romania  
lavinia\_cipleu@yahoo.com

**Abstract:** Regional innovation is considered one of the most important drivers of development at present. Innovation is the tool that can help regions develop regardless of their natural resources and potential. The main purpose of the paper is to foster the innovation at regional level in Romania in order to determine and highlight the need of further measures to increase regional innovation and regional development of Romanian regions in the current context of getting out of the economic crises. Romania is subject of discrepancies not only at European level but at national level as well in terms of economic development and regional innovation. The research undertaken in the present paper is a qualitative research and follows the model proposed by the Group of Applied Economics in the study called Manual of regional competitiveness assessment, and in the study called Romania's reindustrialization: policy and strategy, study commissioned by the Ministry of Economy, Trade and Business, and uses regional indicators of the eight Romanian development regions in order to measure the Competitiveness Index based on three Indexes, namely Economic, Social and Innovation Index. The data used was collected from Romania's National Institute of Statistic, National Centre of Prognosis and from the Eurostat database. The general objective is to enhance the great role of regional level in innovation and to sensitize the policy makers about the need to introduce a regional level in order to enforce regional innovation, the main way of improving regional competitiveness and regional development. The main findings reveal that the Romanian regions that invested more in innovation have a positive evolution in terms of economic growth over time so it is for the best of a region to invest in innovation, an aspect that should be taken into consideration by policy makers and private sector when planning the investments within a region.

**Keywords:** Innovation index, Economic index, regional innovation, regional development, regional competitiveness.

**JEL classification:** P25, R11, R58.

## COMPARATIVE ANALYSIS OF RURAL DEVELOPMENT POLICY 2007-2013 IN ESTONIA, LATVIA AND LITHUANIA

Mihai Dinu

Bucharest University of Economic Studies, Bucharest, Romania  
mihai.dinu@ymail.com

**Abstract:** In this article will be carried out an analysis of the manner in which the three Baltic countries were able to implement rural development Policy at EU level. For rural development policy at EU level through EAFDR was allocated a budget of 96,3 billion € for the period 2007-2013. The total amount of funds for the three countries compared in this article is 3,54 billion €. The article begins with a comparative study on some characteristics of the national economy and the agricultural sector, such as population, GDP, GDP per capita, the total area, the area used for agriculture, the number of farms, number of persons engaged in agriculture, the importance of agriculture to the economies of those countries, will continue with the presentation of the amount of funds allocated for each axis and measure in the rural development programmes for the period 2007-2013 and another chapter will refer to the degree of access of funds from the EAFRD and shall end with a number of conclusions concerning the capacity of States to access EU funds. The three countries have experience in implementing EU funds considering that benefited from rural Development Plans in 2004-2006 and SAPARD. The main objective of this paper is to identify the amount and degree of accessing funds from EU rural development in Estonia, Latvia and Lithuania in the year 2012. The Estonian Rural Development Plan 2007–2013, Rural Development Programme for Latvia 2007–2013 and Rural Development Programme for Lithuania 2007 – 2013 cover the entire territory of these three states which is under convergence region. The data sources used in this article are from official statistical institutions such as Eurostat (European Commission), Central Statistical Bureau of Latvia, The Lithuanian Department of Statistics, Official Statistics Portal and Statistics Estonia.

**Keywords:** agriculture, axes, EAFDR, measure, rural development

**JEL classification:** Q18, R11, R58

## RECENT EVOLUTION OF ROMANIAN INDUSTRIAL COMPETITIVENESS IN THE EUROPEAN CONTEXT

Adrian Ioan Felea

Economics Departmnet, Faculty of Economic Sciences, University of Oradea, Romania  
adi\_f11@yahoo.com

**Abstract:** Competitiveness is a key concept and a constant concern of the contemporary society. This article is meant to evaluate Romania's industrial competitiveness level. The first part of the article, referes to the importance of the constant concern regarding the national competitiveness concept, and also regarding it's branches and economic sectors. The second part of the article reveals the set of applied indicators used to describe the sectoral competitiveness in the context of sustainable development. This indicators refer to the following: GDP (I1); GDP annual growth rate (I2); Employment rate (I3); Work force productivity (I4); Exports (I5); Total gas emmissions (I6); Energetic intensity (I7); Sustainable energy resources percent of total primary energy (I8); Waist disposable performance (I9); Research, development and innovation expenses as a percent of GDP (I10); Engineers and exact science specialists percentage (I11); Professional training degree (life long learning) (I12) TIC training degree (I13) Generated FDI stock / received FDI stock (I14). The application developed in this article is meant to present the results of the conducted evaluations, regarding the economic competitiveness indicators used in the field of anian industry, and in the last part of the paper reveals the conclusions and recommendations of

the analysis. The application was developed using the data bases presented by the Romanian National Institute of Statistics and Eurostat.

**Key words:** competitiveness, industrial competitiveness, applied indicators

**JEL Code:** F23; R11

## **STAKEHOLDER ENGAGEMENT BETWEEN MANAGERIAL ACTION AND COMMUNICATION**

**Patrizia Gazzola, Gianluca Colombo**

*Department of Economics, Insubria University, Varese, Italy*

*Institute of Management, University of Lugano, Lugano, Switzerland*

*patrizia.gazzola@uninsubria.it*

*gianluca.colombo@usi.ch*

**Abstract:** *This paper is aimed at designing a research programme to improve the communication with the stakeholder through the analysis of the managerial actions in order to create shared value. At the core of this research we propose to observe the relationships between management actions and the strategic conversations. Thus the dialogue and the communication become the key tool for strategic change. Two fields of analysis are proposed: the dialogue between stakeholders and among the scholars of share value creating. Our hypothesis is that enterprises are formed and changed through sequences of thoughts and actions, in which the medium is always conversational. Thus dialogue becomes the privileged method of intervention in strategic change. This dialogue is always constructive because it proceeds through positive feedbacks and feed-forwards. A dialogue is aimed at including the stakeholders and their arguments, in a relationship oriented to the mutual understanding. A good relationship with potential customers, NGOs, citizens, governments and other stakeholder is not some vague objective that's good to achieve, if possible. It is a determinant key of competitiveness. But it is necessary to recognize that traditional Corporate Social Responsibility (CSR) fails the challenge by separating stakeholder engagement from business. In this way shared value creating becomes part of the culture of the company and as such it is fully integrated into strategy, thus finding its natural place in the value chain. The creation of long-term value is only possible through the implementation of a strategy to develop economic and social conditions simultaneously. For a company it is a strategic decision to fund the creation of value that binds to improving the quality of life of employees and the communities in which it operates. In the first part of the paper we introduce some basic concepts, the terminology and the model of the relationships between managerial actions, communication processes and stakeholder engagement. In the second part of the paper, to better understand the link between stakeholder engagement and shared value creating we consider one company that has distinguished itself, one time for scandals, now for shared value creating: Nestlé. The paper shows how implementing a shared value approach is an opportunity not only to contribute to good works, but also to redefine core business strategies, simultaneously creating value for society and for shareholders.*

**Keywords:** *creation of value; stakeholder engagement; communication; strategy; CSR; managerial actions*

**JEL classification:** *M14 ; M16*

## REFLECTIONS ON THE COMPETITIVENESS OF REPUBLIC OF MOLDOVA IN THE POST-CRISIS ECONOMIC PERIOD

Corneliu Gutu

Academy of Economic Studies of Moldova, Republic of Moldova  
cgutu@ase.md, cgutu@mail.com

**Abstract:** *In the recent decades, the study of the competitiveness of countries has become very relevant, which led to the development of a number of models to measure the competitiveness of a country. The present paper studied the issues of increasing the competitiveness of countries within the context of the post-crisis economic period. The competitiveness is a broad concept, embracing a diverse range of factors, macroeconomic and political inputs; it means the ability of a nation's citizens to achieve a high and rising standard of living. In the recent years, the national competitiveness and the favourable business environment are broadly associated with the economic development. Being competitive is particularly vital for the small open economies, since, on their road to increasing the living standards, they are relatively more dependent on the international trade and foreign direct investment. Therefore, there are an increasing number of attempts to measure the country's competitiveness, both on the national and global level. The countries of the Eastern and Central Europe, including the Republic of Moldova, and the data for 2008-2012 were chosen for the analysis. On the other hand, the increase of the competitiveness of Eastern European countries was accompanied as well by the transformation of the relative competitive advantages and the qualitative improvement of the commodity structure of the foreign trade. The exports structure of the above mentioned countries is similar to the exports structure of the countries from the EU-15, which has increased the share of high technology products. However, the trends that were carried out are uneven in those countries. Thus, the accumulated experience in enhancing the competitiveness will definitely be useful to other countries, including the Republic of Moldova, which will go through all the stages of European integration in the foreseeable future. Among the best known and mostly used models for the measurement of the competitiveness is the one from the World Economic Forum (WEF). As a national partner of the World Economic Forum, we conducted a comprehensive study in order to determine the competitiveness level of the Republic of Moldova using the WEF method and the Global Competitiveness Index calculation in the regional context. The evaluation of the competitiveness of the Republic of Moldova in the global context varied notably over the period: in 2008 Republic of Moldova was ranked on the 97 position; in 2012 it improved by 10 positions. The objective of the present research was to reveal the factors behind the discrepancies in evaluating a country's competitiveness. Thus, it analyses the econometric dependence of the competitiveness and the dynamics of macroeconomic factors associated with economic growth and standards of living, economic structure, the openness and innovativeness of the economy, as well as the extent and forms of the state regulation of the economy, the level of transparency and efficiency of the government institutions.*

**Key words:** *competitiveness, competitive advantages, competitive disadvantages, the pillars of competitiveness, foreign direct investment.*

**JEL Classification codes:** *F 40, F 41, F 42, F 47.*

## CONCEPTUAL DELIMITATIONS ON SUSTAINABLE DEVELOPMENT

**Ionel-Alin Ienciu, Irimie Emil Popa**

*Accounting and Audit Department, Faculty of Economics and Business Administration, Babeş-Bolyai University, Cluj Napoca, Romania*

*alin.ienciu@econ.ubbcluj.ro,*

*irimie.popa@econ.ubbcluj.ro*

**Abstract:** *Sustainable development is a model for resource use meant to satisfy human needs, without polluting the environment, so that these needs can be satisfied not only in the present, but in the future as well. It is a concept of nowadays with no generally accepted definition, placing environment first and foremost, aiming at implementing the environmental policies in all structures and at all economic levels. Within the present study we have aimed at creating a conceptual delimitation on sustainable development, sustainability and socialresponsibility, concepts of present interest, that tend to become a mystery for the academic community and practitioners by their variety and complexity of approaches. During our scientific endeavor we believe that social responsibility is the foundation of sustainable development. Sustainable development is a concept used especially at macro-economic level, while social responsibility is used at entity level and incorporates the economic, environmental and social dimension, which has a voluntary character and tries to respond to the information needs of the society and other stakeholders. Sustainability at the entity's level is the goal or final objective of sustainable development – satisfaction of present needs without compromising the possibility for future generations to satisfy their own needs, while social responsibility is an intermediate phase of sustainability wherein entities try to balance the economic, social and environmental dimension. Thus, we can state we include ourselves within social corporatism, slightly close to social institutionalism, which is characteristic to developed countries, giving a particular importance to social contract and relations between entity and society. We believe that in Romania, a POSDRU funded project should be regarded as a legal person with social values, which must be based on sustainable development and to promote, besides legal liability of automatically deriving legal contract, social responsibility, which resulting from its relationship with society in which it is implemented, and within these relations, environmental protection represent a major social responsibility of any kind of project.*

**Keywords:** *sustainable development, social responsibility, sustainability, conceptual approach, environmental economy, POSDRU funds*

**JEL Classification:** *M19*

## THE RURAL DEVELOPMENT POLICY IN ROMANIA – PRESENT AND PERSPECTIVES

**Nicolae Istudor, Irina Elena Petrescu, Dan Cosmin Petrache**

*The Bucharest Academy of Economic Studies, Bucharest, Romania*

*nicolae.istudor@ase.ro*

**Abstract:** *This paper is an overview of the implementation of the Common Agricultural Policy in Romania, through the European funds accession for rural development. A viable solution for the problems that the Romanian agriculture is facing, deepened further in the context of the current situation on the financial crisis can represent the funds for agriculture and rural development. Rural development is the second pillar of the Common Agricultural Policy since 2000 with the development of the strategic document entitled Agenda 2000. As such, for the period 2014 - 2020 should be given a special attention for promoting a balanced rural development program for all our regions, under a concept of rural development that refers to economic and social integration of Romanian villages, while ensuring the favorable environment for attracting foreign capital on favorable terms, to support investment and development programs of agricultural production. Thus, it is very*

important to perform analyzes of European funds for rural development and diagnostic analysis of the Romanian rural area so that future common agricultural policy to allow fair and equitable distribution of funds to sectors and regions facing development gaps. Local farms to receive raw materials in the structure, quantity and quality desired, should benefit from European funds to enable the development of processing and marketing activities in an integrated farming system. Thus, the newly created full amount will remain in the same unit and would create the conditions for competitive competitions able to stimulate development sector and provide products at reasonable prices, thereby stimulating consumption and at the same time offer. In agricultural production, integration aims to increase economic efficiency in this area, as agricultural production itself is not bringing added value to the efforts in this regard. The paper aims to make a number of proposals and solutions for completing future rural development strategies.

**Keywords:** Rural development; Romania; Common Agricultural Policy; European funds for rural development; diagnostic analysis; Agenda 2000

**JEL Classification:** Q01; Q56; O52; P25; R11; R51; R58

## **APPLYING THE KUZNETS CURVE IN CASE OF ROMANIA**

**Marie-Noëlle Jubénot**

Faculty of Economics and Management, University of Reims Champagne-Ardenne, Reims, France

mn.jubenot@univ-reims.fr

**Abstract:** The Romanian economy experienced a contrasting trend in recent years. Some of its features are similar to those of other Central and Eastern European Countries, that have joined the European Union in May 2004 and 2007, but some of them are very specific. Indicators of convergence and catching-up seem to show a GAP between Romania and other European countries, and even other CEEC. Indicators of convergence and catch-up are usually used to analyse the effectiveness of EU policies applied in all European countries. Apparent Romanian lag may be the result of too important weight of the rural sector in the economy. This sector is characterised, for example, by too many farms and very small agricultural holdings that induces a certain loss in productivity, also by low income and poverty. This result is consequence of both the story and original policy choices. This paper consists of two parts. In the first one, we detail the specificities of new member states and particularly Romanian. The second part allows analysing the link between the agricultural sector and development. Notably, the Kuznets curve can be used as a tool in order to better understand the mechanism of this link. The Kuznets hypothesis is applied to the case of Romania and allows us to draw some conclusions about the recent developments.

**Keywords:** agriculture, Kuznets curve, convergence, inequality, development

**JEL classification:** P20, Q18

## **CONVERGENCE AND DIVERGENCE IN EUROPEAN UNION: EVIDENCE FOR BETA CONVERGENCE AMONG NEW EU MEMBER STATES**

**Ioana Sorina Mihut, Mihaela Luțas**

Department of Political Economy, Faculty of Economics and Business Administration, Department of Economics, "Babeș-Bolyai" University, Cluj-Napoca, Romania

ioana.mihut@econ.ubbcluj.ro

mihaela.lutas@econ.ubbcluj.ro

**Abstract:** Convergence may be considered a central issue of the current economic literature, and not only, concentrating upon income distribution within different economies,



but also focusing on different aspects of polarity and inequality that characterize especially the emerging economies. Testing convergence within economies may serve as a useful instrument for the validation of the economic growth models. While convergence was considered a defining element of the neoclassical growth models, the majority of the new endogenous growth models argue in favour of divergence across different economies. Testing convergence among European Union is even more challenging due to the high degree of heterogeneity that characterizes these economies. The recent accessions with ten new countries in 2004 and with another two in 2007 were considered only the first step towards assuring a sustainable convergence and finally adopting a common currency-the euro. A series of empirical studies concentrated upon testing convergence among EU, using as benchmark the real convergence quantified by the level of GDP/capita as an indicator for the living standards of every economy. The most popular approach rely on Beta and Sigma convergence, the first one being an indicator of the GDP/capita dispersion between different economies, and the later one being an estimator of the reverse relationship between GDP/capita and its initial level. The main purpose of this paper is to test Beta converge among the new EU member states, in order to obtained more information about the fact whether the poor countries are trying to catch-up with the more developed ones. Also Beta convergence indicator embodies useful information about conditional and un-conditional convergence, two leading hypothesis within the neoclassical and endogenous growth models. For Beta convergence hypothesis to be valid it should be taken into consideration a "catch-up" mechanism over a longer period of time and a set of elements that are inter-correlated with the main objective of reducing disparities among economies. However we also have to take into consideration the fact that these elements may be influenced by temporary shocks that may have a decisive impact upon their short time performance.

**Keywords:** Beta convergence, real convergence, emerging economies, growth models.

**JEL classification:** O11

## **EMPIRICAL STUDY REGARDING THE DETERMINING FACTORS OF THE ROMANIAN COMPANIES COMPETITIVENESS**

**Nicoleta-Claudia Moldovan, Oana-Ramona Lobont, Cristina-Ana Nicolescu**

*West University of Timisoara, Faculty of Economics and Business Administration, Timisoara, Romania*

*nicoletamoldovan2004@yahoo.com*

*lobont\_oana@yahoo.com*

*cristina\_nicolescu81@yahoo.com*

**Abstract:** The complexity of the concept of competitiveness lies in the fact that the term is used in various levels of aggregation, allowing the generation of its different meanings at microeconomic, mezzo-economic and macroeconomic level. This study is focused on the concept of company competitiveness, on the relevant factors in order to analyze and explain the advantage of competitiveness for a company in regard to another, as well as the dimension and intensity which it uses the sponsors' capital, the organizational capital, the human capital, the innovational capital and the capital represented by the customers portfolio. Secondly, using the questionnaire method as a research method, the objective of this paper is to provide some empirical evidences designed to assess the factors determining the Romanian company competitiveness on the competitive market. By using an initial dataset of 300 companies, which are part of the 14 fields of activity provided in the activity classification of the national economy, Reviewed NACE 2, we have made their classification on size classes, taking into account as classification criteria the number of employees, the annual net turnover and the value of the total assets held, then testing the opinions of the managers from the selected sample concerning the factors determining the competitiveness of the companies they manage. According to the results, the analysis of the

sample structure reflects the control of microenterprises followed by the small and medium sized enterprises. The manner of administration and organization and the quality of the employed human factor are influenced by the company dimension and position held on the market. We consider that the managers of the small size companies, as well as the ones from the provided sample, rely on a preponderant intuitive management, they deal the administered businesses based on the spur of the moment inspiration, make decisions subjectively not starting from objective economic criteria, being concerned only with the management of the current problems. Since they aren't the beneficiaries of a managerial education, they don't possess the necessary competences to focus on the elaboration of certain strategies by which to provide competitiveness and performance on the long-term. However, the managers' training and competence influence on the identification and use of the factors which are able to provide the company development.

**Keywords:** *company competitiveness; sponsors' capital; organizational capital; human capital; innovational capital; capital represented by the customers portfolio.*

**JEL classification:** D22; L25; O12.

## **ENVIRONMENTAL MONITORING AND SUSTAINABLE DEVELOPMENT**

**Mihaela Nicoară**

*Dimitrie Cantemir Christian University Bucharest, Faculty of Economic Sciences Cluj-Napoca, Romania  
mihaela.nicoara@cantemircluj.ro*

**Abstract:** *The interest of any individual to achieve progress and growth and the entrepreneur's desire to make a profit at all costs, show that humans have a consumptive and destructive nature, that is, man has often forgotten that he is part of the natural system, so that imbalances have been created, leading on the long-term to the deterioration, degradation and destruction of the natural environment, the effects being already felt worldwide. Educating and training people is an essential element that must be included in all programs regarding ecology and sustainable development, the only way to ensure a future. In order to eliminate the repercussions of climate change, population growth, poverty, water crisis, drought, depletion of resources, loss of biodiversity and to ensure social progress, economic and human development, clear actions are necessary, summarized in specific and measurable objectives, that are subject to some of the national strategies. The ecological / integrated monitoring involves obtaining an accurate, overall image of the environment's quality state at a moment in time as well as the evolution tendency on the two basic components - the biotic and abiotic environment - in their interaction. Sustainable development allows a nation to plan, implement and monitor the progress of society in order to achieve long-term goals, to meet the needs of current generations, but without preventing future generations to meet their own needs. We need to establish specific projects that enable us move on to a high added value generating model, generated by the interest in knowledge and innovation, aimed at continuously improving the quality of life of humans and the relationships between them, in harmony with the natural environment. Given the fact that Romania has an economy based on intensive use of resources and the natural capital is facing the risk of damage that may become irreversible, the assimilation and practical application of all the principles and practices of sustainable development is required. To integrate all the objectives of sustainable development at the heart of economic activity one should consider the tax and legal regulations to bring changes in the way of production and consumption.*

**Keywords:** *environment, natural environment, artificial environment, ecosystem, ecology, ecologic balance.*

**JEL Classification:** E20

## STUDY ON THE PLACE OF ROMANIA IN THE HEALTH SYSTEM OF THE EUROPEAN UNION

Ileana Nisulescu, Elena Cristina Pana

Academy of Economic Studies Bucharest, Accounting and Management of Information  
nisulescu\_ileana@yahoo.com,

**Abstract:** *This study aims to present the concept of public health and the place of Romania in the health system of the European Union. The concept of public health grew rapidly throughout the European Union from a strict approach to health conditions in a comprehensive approach to the health of the population, living standards and a more healthy life, even amid economic crisis that affected the whole of Europe. Policy makers have made considerable efforts to ensure access to high quality medical assistance facing challenges rarely encountered in other parts of the world, such as aging population, the use of more effective drugs and some more advanced technology. In order to position Romania in the EU context, we used a comparative analysis, using a number of indicators, such as total health expenditures in GDP and per capita, and life expectancy at birth, number of hospital beds and number of doctors 100, 000. The result in most indicators showed that Romania is in an inferior position, except the indicator number of hospital beds. However, in this case we must take into account that we had data published by the World Bank in 2010, and the following year they abolished a total of 67 public sector hospitals. These conclusions are all the more disappointing, because throughout Europe during the crisis was drastically reduced the budget spending on health, which affected both the public and private health. In this regard wages were reduced, they stopped hiring in the public sector, and healthcare staff migrated in search of higher incomes and better working conditions. Successful experiences of the EU members countries have shown that some types of social policy and investment strategy in education in general and education for prevention and sanitary behavior in particular, lead to a long term positive impact on population health.*

**Keywords:** health care, the budget, doctors, life expectancy, hospital beds.

**Codes JEL:** F52, H51, I18

## ESTIMATING QALYS IN THE WESTERN REGION OF ROMANIA – THE CASE WITH INTERVENTION

Marius Pantea, Delia Gligor

Management Department, Faculty of Economics and Business Administration, West University of Timisoara, Timisoara, Romania  
maris.pantea@feaa.uvt.com  
delia.gligor@feaa.uvt.com

**Abstract:** *Currently, we are in the process of experimenting a diversification and refinement of the consumer's expectations, as well as a growing demand for innovative, quality products and customized services, exacerbated by rapid technological change affecting both them and the producers. It is also the case of health services that, with Romania's accession to the EU, must align to the European requirements. In the context of limited public resources and growing healthcare needs, socio-economic criteria are necessary for substantiating allocation decisions. With the continuous increase in costs of medical interventions but also the expansion of the range of treatment options available, there is a need to develop and use a range of tools to help establish treatment adopted in the context of justifying the benefits resulting from its implementation. In health, the greatest difficulty for the documentation of investment projects is the main overall effect measurement and evaluation - improving quality of life. Although treated in the literature in terms of specialized clinical trials, there is not currently a methodology to address the economic evaluation of investment projects in health. In this sense, our study's objective is to develop and test a*

framework to estimate the most appropriate indicator that assesses improvements in quality of life due to healthcare investment projects. We have started with an extensive literature review that allowed us to identify the most recommended indicator in this sense - quality adjusted life years (QALYs) and also to develop and test a conceptual framework. We then realized a survey on 131 medical professionals from the Western Region of Romania, for the two main medical causes of decease, and based on the information collected we calculated the QALYs following a medical intervention. The values obtained reflect the impact of healthcare interventions in terms of quality of life improvements and have a high informational content being useful for those involved in policy making and building institutional capacity in terms of public resources allocation.

**Keywords:** cost-benefit analysis, economic analysis, public healthcare, quality adjusted life year, quality of life.

**JEL classification:** D61, H43, I15, I18, I31, J17, O22.

## ROMANIA'S ECONOMY AFTER THE EUROPEAN UNION ACCESSION

Mihai Olimpiu Părean, Ioana Vădăsan

Department of Economics and Economic Modeling, Faculty of Economics and Business Administration, West University of Timișoara, Romania

mihai.parean@feaa.uvt.ro

ioana.vadasan@feaa.uvt.ro

**Abstract:** If, during the communism, Romania had an unusual position at the European level, after 1989 it had a different path, in comparison with other former communist states: the country had the harshest difficulties finding its European path, then it had the most important economic growth rate; in the same time, it has been the candidate state facing many economic and social issues, which have worsened during the crisis. In this paper, the authors present the evolution of the Romanian economy, by analyzing representative economic indicators, the dynamics of the national economy, after its accession to the European Union (EU). It is obvious that the country's evolution has been influenced by the decisions taken and implemented during the pre-accession period. At first sight, it is very difficult to economically separate the two periods of time. However, one can notice that, after the beginning of negotiations (February 2000), Romania's economic policies have been implemented in a more sustained rhythm, due to the surveillance coming from the European authorities. After seven years of economic growth, which contributed to a partial catching-up with the European average, Romania became member of the EU, having a precarious economic and social situation. Under those circumstances, it would have been normal to continue to implement economic reform policies. Unfortunately, the determination of national authorities has sharply diminished after 2007. The first years of Romania's membership have been characterized by important rates of economic growth, due, among other factors, to favourable international circumstances. This contributed to an increased trust on the part of Romania's population and government in the national economy (even too optimistic). This, together with the fact that Romania had an unhealthy economic growth, contributed, after the outbreak of the crisis, to some powerful shocks for the population and for the economy as a whole (a sudden and rapid economic fall, wage cuts unwitnessed in other European economies, increase of expenditures taxes). The Romanian authorities had to make external loans (from the International Monetary Fund, the EU and the World Bank). In spite of those measures, the Romanian economy did not straighten out. Due to reasons less linked to the economy, those funds did not reach the intended purpose. On the contrary, the Romanian economic and social environment had severely worsened. In the meanwhile, as the EU was facing its own issues, it had adopted firm measures to deal with it. Romania had to accept those measures (for instance, the Fiscal Treaty).

**Key words:** Romania's economy, European Union, economic growth, economic crisis.

**JEL classification:** F43, N14, O11, O52

## **IS THERE ANY RELIABLE COMPASS FOR TRACKING EU MEMBER STATES COMPETITIVENESS?**

**Angela Cristina Popa**

Academy of Economic Studies, Bucharest, Romania  
popacristina85@yahoo.com

**Abstract:** Competitiveness has a variety of definitions that lead to different indicators, each with its own particular application. Moreover, for any single concept of competitiveness, several measures may be constructed, depending on further specific assumptions. No single measure, or limited set of measures can provide all the information required to assess and manage an economy. In this paper we decided to construct two composite indices to assess two dimensions of competitiveness: one called simply economic robustness and the second one called price competitiveness. Almost all the time the decisions we make depend on what we measure, how we do our measurements and how we interpret them. To construct the composite indices we applied an exploratory factor analysis which is based on the idea that strongly correlated indicators refer to the same underlying (latent) dimension. Thus, a data set consisting of many indicators can be reduced into a single or a small number of composite variables (the so-called factor scores), each reflecting a significant part of the total variance. The indicators included in our analysis are: GDP per capita, domestic demand, private consumption, governmental consumption, gross fixed capital formation, harmonized index of consumer prices (HICP), Labor Cost Index (LCI), Industrial Production Index (IPI), export of goods and services, import of goods and services, real effective exchange rate (UCL based) and population and the data were collected for all EU Member States in the year 2010, as they are considered to track wealth and economic growth, indicate economic robustness and correlate with countries competitiveness. After constructing the composite indices, we tested their robustness throughout a pooled OLS (Ordinary Least Squares) regression on the GDP per capita, as the dependent variable. The outcomes proved to be significant and having the expected signs. The conclusions highlight that among countries that were characterized by high economic robustness in 2010 are Germany, Spain, France, Italy, Netherlands and United Kingdom, while among the countries that performed poorly we can mention Malta, Estonia, Bulgaria and Romania.

**Keywords:** factor analysis; price competitiveness index; economic robustness index; EU 27  
**JEL Classifications:** F41, F15,

## **A SNAPSHOT OF THE TECHNOLOGICAL COMPETITIVENESS OF COUNTRIES**

**Angela Cristina Popa**

Academy of Economic Studies, Bucharest, Romania  
popacristina85@yahoo.com

**Abstract:** It is well known that technology is a key factor for the economic progress and helps countries competing more successfully in markets for new goods and services. Technological competitiveness becomes this way closely related to the degree of innovativeness of a country. Although there are several indicators that measure directly the innovativeness of a country, there are still problems at the moment related to the availability of data. In this paper, we decided to assess the technological competitiveness of countries, based on a structural decomposition analysis of the patent shares on the world market. Unlike other authors who applied this methodology in their studies, we collected our data from the World Intellectual Property Organization (WIPO) Statistical Database, covering 12 years, from 2000 till 2011 and we took into consideration 35 technology subsectors in 33 countries (EU 27, China, Canada, Japan, US, Switzerland and Norway). This approach

*should highlight the countries' technological opportunities on the world level and measure their access towards sectors with high technological opportunities. Structural decomposition analysis points out the extent to which the shifts between technological sectors were induced by the changing technological environment on the world level. The analysis also shows the extent to which a country has an advantage/disadvantage from its past specialization pattern, having had a priori patenting activities in sectors that are now offering high opportunities and the extent to which the country deliberately moved into high opportunity technology sectors, or at least out of the industries with declining opportunities. The outcomes showed that technological development of countries on the world market played an important role for the patenting activity, being highly related to a well-developed infrastructure and pointed out that there are still a lot of European countries facing problems related to the technological infrastructure and technological capabilities. Countries that managed to keep their market shares high and also to increase their market shares over the years, while taking advantage of high opportunity sectors at the world level are the real leaders in terms of technological development. These countries are Japan, US, and China from the European states: Germany, France, Netherland, and Switzerland.*

**Keywords:** technological competitiveness; structural decomposition analysis; patent shares;  
**JEL Classifications:** O31, O33

## **SMART FABRICS: A CASE STUDY IN INDUSTRIAL REVIVAL**

**Adriana Radan (Ungureanu)**

*Doctoral Candidate, Department of International Economics and Business, The Bucharest University of Economic Studies, Bucharest, Romania  
adriana.radan@rei.ase.ro*

**Abstract:** *The movements on the world market suffered by the traditional textile industry bring us nowadays to reconsider the rebirth of the textile industry on new coordinates by the concentration of the latest technologies in order to satisfy the more and more demanding requests of the consumer. This paper tries to emphasize the idea that revitalization on a territory where there had been a strong development of a traditional textile industry in the past is possible now by configuring a new industry by means of some leader companies in their field of activity which create and develop new value sources with the advantages of the variant which integrates the latest interdisciplinary technologies, the so-called "key enabling technologies" (KETs), such as the microsystems, the smart materials, nano- and bio-technologies, and photonics. The KETs have a key role in creating the so-called industry of smart fabrics as it is shown in this summary case study for this very new born industry. All these technologies enable the appearance of some products fundamentally new of high interest, which furnish substantial economic advantages and involve industries with which they had no connection in the past. The main vectors in this effort of industrial transformation are the companies which are the best placed on the market of new industrial technologies generally called KETs, which combines the new ideas of economical organization through an intensive use of capital with the sustained effort of research-development, the usage of highly qualified labour force, and their geographical positioning at the points which best respond to their operational requirements. The competitive disadvantages of some countries with respect to the cheap labour force and the supply of raw materials essential for textile industry can be compensated by the re-orientation to the configuration of a new model of smart textiles and finally will contribute to re-launch the economic activity passing through recession, particularly in the areas more prepared from the point of view of high qualification and technical specialization.*

**Keywords:** KET; smart textiles; reindustrialization; competitiveness.

**JEL classification:** L67; O33; M16.

## **OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT IN ROMANIA IN VIEW OF THE ECONOMIC DEVELOPMENT OF SOCIETY**

**Gilda Rusu-Zagăr, Ionel Iorga, Catalin Rusu-Zagăr, Sorin Ovidiu Anghel**

*INCDPM Alerxandru Darabont, Bucharest, Romania*

*University Politehnica, Bucharest, Romania*

*gildarusuzagar@yahoo.com*

*ioneliorgai@yahoo.com*

*catalinrusuzagar@gmail.com*

*sorinoviduia@yahoo.com*

**Abstract:** *Health and safety at work has become one of the most substantial and important sectors in the EU social policy over the last years. In Romania, the implementation of health and safety management systems is performed by: a systematic approach to problems, training and awareness, effective and efficient tools for managing a company's specific issues as well as involvement at all its organizational levels. The article deals with the implementation of the management systems for health and safety at work, which complements the enterprises' existing organizational system and promotes enforcement of the legislation regarding health and safety at work. Creating a healthier and safer working environment is a goal that exceeds the resources and expertise of a single institution or a single country.*

**Keywords:** *management; security; health; work; best practices; prevention, awareness.*

**JEL classification:** *J28*

## **EFFICIENCY OF PUBLIC R&D EXPENDITURES IN ROMANIA**

**Steliana Sandu, Bogdan Ciocanel**

*The Institute of National Economy, INCE, Romanian Academy, Bucharest, Romania*

*IRECSON, Bucharest, Romania*

*sandu.steliana55@yahoo.com*

*Bogdan.ciocanel@irecson.ro*

**Abstract:** *At present, one of the major challenges for Romanian policy makers is improving the efficiency of public R&D and innovation spending, given the financial constraints imposed by economic crisis. The expenditures allocated to R&D and innovation activities have dramatically diminished in the last few years. Consequently, Romania presents one of the lowest shares of gross domestic expenditures in GDP within European Union, but, at the same time, one of the highest shares of public spending for R&D. This suggests the need to maximize the outcome of public R&D funding. Considering the aforementioned premises, this paper aims to depict the main types of public R&D expenditure channels, especially those related to the different National R&D and Innovation programs; the types and dimensions of the scientific and economic results; the implementing instruments and the management of these programs. Comparing different input and output indicators, the authors intend to offer a general overview on the R&D public spending efficiency, emphasizing the main blockages in turning the financial input into valuable R&D output. Based on a SWOT analysis we relieved the main strengths and weaknesses of the Romanian R&D and innovation policy, considered as a critical driving force towards improving the efficiency of public R&D spending. We used readily available indicators and statistics to measure the level of efficiency of public R&D spending and public R&D support for private R&D and to compare Romanian R&D efficiency with those of other EU countries. Based on literature, information, data and indicators for international comparisons, we selected for our analysis some European countries as best practice of R&D policies and management of public funds. Our research results might assist the Romanian policy makers in designing strategies for improving public funds allocation for R&D and Innovation.*

**Keywords:** Public R&D spending; Efficiency; National Programs; input and output; SWOT analysis; international comparisons.

**JEL Classification:** O31, O33.

## **WORLD TRADE ORGANIZATION – REFORM IT OR CHANGE IT?**

**Maria Gabriela Sterian**

Romanian-American University, Bucharest, Romania  
steriangabriela@yahoo.com

**Abstract:** The failure of Doha Round is a serious step backward for the WTO and the multilateral trading system. Some analysts already discussed in their research about the round as being already closed and they propose the developing of a new program within the organization. WTO still remains a very important institution due to its proven role in encouraging states not to take protectionist measures during the recent economic crisis, but the global trade governance reform must reflect all the changes and realities. The transition is being made toward a more regionalized and preferential global trade and the emergence of strong developing countries shape the whole multilateral trade negotiations. The important growth rates in emerging countries are translated also in strong demand for representation in global trade governance. Objectives: This paper aims to underline the role of multilateralism as form of international cooperation, the link with global economic governance and what concerns academic community in terms of having a reform of it. Prior Work: It has been tried to emphasizing the concepts already developed by known researchers in the field. Approach: The approach is a more theoretic one done in a comparative manner with emphasis on results and future research. The critical method approach is done with qualitative results. Results: The key results are related to pros and cons of reforming the World Trade Organization, as well as presenting the criticisms and proposals for having a second World Trade Organization. Implications: The implications are varied in terms of studying the concepts and addresses researchers in the field, but also lecturers and students. Value: The main added value is the compared approach of the traditional WTO as it derived from General Agreement on Tariff and Trade and the proposal for a new one and its formal relationship with the global economic governance.

**Keywords:** international trade, reform, legitimacy, Doha Round

**JEL classification:** F02, F13, F55, O19

## **A CROSS-COUNTRY ANALYSIS OF THE BANKS' FINANCIAL SOUNDNESS: THE CASE OF THE CEE-3 COUNTRIES**

**Alina Camelia Șargu, Angela Roman**

Faculty of Economics and Business Administration, "Alexandru Ioan Cuza" University of Iasi, Romania  
alina.sargu@feaa.uaic.ro  
aboariu@uaic.ro

**Abstract:** The European integration process has a direct impact on all the components of the macroeconomic environment. The existence of a well functioning and sound banking sector becomes of great importance for the integration process as the European Union economy is financed especially through this channel. The banking sectors of the new EU member countries have undergone through tremendous changes in the last decade, both from an ownership and also from a business strategy point of view, these changes having a direct impact on their financial soundness. Thus, the aim of our research is to empirically examine the financial soundness of the banks operating in Bulgaria, Czech Republic and Romania, three EU members countries from Central and Eastern Europe (CEE-3). In order



to achieve this we have employed a combine quantitative analysis based on the CAMELS framework (namely Capital Adequacy, Asset quality, Management soundness, Earnings, Liquidity, Sensitivity to market risk) and the Z-score, thus being able to underline simultaneously the financial soundness and the possibility of default for the banks from our sample. The analysed period is 2004-2011 providing us with an evaluation of the impact that the EU ascension and also the global financial crisis had on the financial soundness of the analysed banks. Our sample is composed from 40 commercial banks that operate in Bulgaria, the Czech Republic and Romania, that overall own over 75% of the total banking assets, making this study one of the most comprehensive undertaken to this date. The data that we have employed in our research is obtained from the Bureau Van Dijk Bankscope database and the annual financial statements of the banks from our sample. The paper through its original dual approach contributes to the academic debate by providing not only insight into the financial soundness of the banks operating in the CEE-3 countries but also underling their financial strength through the usage of the Z-score. Thus, the topic of the paper is focused on a subject of great importance for the European integration process.

**Keywords:** integration, financial soundness, CAMELS framework, Z score

**JEL classification:** G01; G21; O52

## **ANALYSIS OF LABOUR MARKET IN ROMANIA AND THE EUROPEAN UNION**

**Diana Tănase, Florin Frant, Venera Manciu, Adrian Tănase**

*Department of Business Engineering, Faculty of Engineering and Management, Eftimie Murgu University of Reșița, Romania*

*Department Max Weber, Faculty of Administrative Sciences, Eftimie Murgu University of Reșița, Romania*

*Department of Economics, Faculty of Economics, Eftimie Murgu University of Reșița, Romania*

*Department of Economics, Faculty of Economics, Eftimie Murgu University of Reșița, Romania*

*d.tanase@uem.ro, f.frant@uem.ro*

*v.manciu@uem.ro, a.tanase@uem.ro*

**Abstract:** The paper aims at analysing the labour market, one of the most complex forms of market in economy. The present work forwards a comparative survey regarding the labour market in Romania and in the other European Union member states. The paper starts by highlighting general aspects related to labour market and continues by the presentation of the European Union countries' ranking according to the labour market efficiency, top elaborated on the basis of the World Economic Forum data. Furthermore, the paper analyses labour productiveness, employment rate and unemployment rate both in Romania and in the other countries of the European Union. In the end the authors forward conclusions regarding the possibilities of increasing competitiveness on Romania's labour market.

**Keywords:** labour market; labour force; productiveness

**JEL classification:** J01, J21, J24

## **SOME CRITICAL ASPECTS CONCERNING THE INSTITUTIONAL SYSTEM OF EUROPEAN UNION**

**Claudia Simona Cleopatra Timofte, Adrian-Ioan Timofte**

*University of Oradea, Faculty of Law, Oradea, Romania*

*University of Oradea, Faculty of Environmental Protection, Romania*

*Clau\_timofte@yahoo.com*

*Adi\_timofte@yahoo.com*

**Abstract:** *In this paper we want to clarify and understand the decisional process in European which is related to the determination of the identity of the Union, answering to several questions concerning the implementation of the European Union into an organization, the different relations with other organizations and with the international law. In the family of the international organizations, the European Union has its own place because it realizes an economic integration project and a political one, a supranational but refusing the traditional categories of constitution and the international law. Qualifying as an international organization sui generis, EU developed a new legal order, deciding to create a supranational organization, formed by Member States and their citizens. The integration process is a permanent challenge opened to a new and developing process for solving all the internal and external problems of the EU. The States have an international "sensitivity" when the application of EU rules exceeds their obligations laid down in the Treaties to third countries and international organizations to which they have not exempted obligations. It was argued that the concept of "demos" or acting people is intrinsically linked to that of the nation-State. The issue of democratic deficit of the European Union is bound to four basic problems: the construction as a whole and therefore of the institutional system, under the principle of conferral, the Union shall act only within the limits that Member States have been conferred in the Treaties to attain the objectives that they set, The Treaty of Lisbon reinforces the legitimacy of the operation of the Union based on free and democratic will expressed by Member States. European construction is achieved through a democratic transfer of competences of the democratic States to a Commission subject to a weak democratic control, while the European Central Bank preserves absolute dominion over its monetary policy outside democratic control. The democratic deficit of the European Union must be judged in the light of the democratic ideal, which led to an ideal-type of political regime, being found itself in constant restructuring, with respect to the evolution of socio-political realities.*

**Keywords:** *decisional process, institutional, European Union, European External Action Service*

**JEL classification:** *K3, K33*

## **INTEGRATED LOCAL INNOVATIVE ENTREPRENEURSHIP FOR HERITAGE INTERPRETATION AND VALUING. COMPARATIVE ANALYSIS AND POLICY RECOMMENDATION FOR ROMANIA**

**Valentina Vasile, Gheorghe Zaman, Marius Surugiu**

*The Institute of National Economy, Romanian Academy, Bucharest, Romania*

*valentinavasile2009@gmail.com*

*gheorghezaman@ien.ro*

*mariussurugiu@yahoo.com*

**Abstract:** *Innovating in heritage interpretation could contribute to a new approach of local entrepreneurship development and international cooperation, with a higher involvement of youth, both as providers and as beneficiaries. Based on the new approach of cultural consumption, as knowledge based activity, in the paper are presented some aspects of socioeconomic potential of innovative heritage interpretation and valuing. Young heritage*

entrepreneurs could contribute to local regeneration and development, based on natural and atrophic potential, connecting thus cultural production to international markets and stimulating public-private-third sector cooperation. Values of tangible-intangible, movable-immovable and spiritual heritage assets become catalysts for regeneration and development by being revealed and communicated. Local heritage is valued, protected, communicated and used with ecologic, economic and social profit. The research is based on the questionnaires interpretation and comparative analysis in some south east European countries and policy recommendation for Romania are presented.

**Keywords:** Heritage entrepreneurship; youth employment; heritage assets; cultural consumption.

**JEL classification:** E21; J13; J21; L26; O31.

## **STATE AID POLICY IN THE EUROPEAN UNION, STUDY CASE:ROMANIA**

**Adelina Venig**

Faculty of Economics, University of Oradea  
adelina\_venig@yahoo.com

**Abstract:** This work is an approach to state aid policy, as part of European Union policy in the field of competition. The paper proposes to pursue the achievement of the specific objectives of: presentation of conceptual framework of "economic competitiveness", which contains the definitions formulated by the literature and the evolution of this concept from the perspective of economic theory and analysis of the forms that assume economic competition in the market economy; critical analysis of the role, importance and significance on state aid; economic analysis of granting state aid; analysis of the institutional framework of the state aid policy, aiming to give the existence of supranational control in this area from the European Commission, as well as the specific role fulfilled by the European Court of Justice, the European Parliament and the Council of the EU, the rules that are set out, The 'State aid rules' are set out by the European Commission and comprise various articles of the Treaty on the Functioning of the European Union, regulations, frameworks and guidelines - which set out what aid can be given. The European Commission governs member states' compliance with these rules and must be notified of all schemes involving State aid. State aid control stems from the need to maintain a level playing field for all companies active in the Single Market, irrespective of the Member State in which they are established. State aid control also contributes to avoiding contests between Member States where they try to outbid each other to attract investment. Preserving competitive markets is the best way for European citizens to get the products they want at competitive prices, and to foster innovation and growth. State aid is one of the few remaining ways in which Member States can hold up liberalization and protect companies from competition. As sectors become open to competition, the State aid rules start to become more important – this includes areas which have been the subject to State monopoly. Where in years past, sectors were national in nature, they have become cross-border: coal, transport, financial services and broadcasting are examples. The paper also contains an empirical analysis of State aid granted in the period 2008-2011 for Romania. State aid has been analyzed from multiple perspectives to pleasantly surprise to an extent as comprehensive place and their role as the grant of economic phenomenon.

**Keywords:** competition, state aid, European institutions, EU funds.

**JEL classification:** L 12, F35, N70



## SUB-SECTION: INTERNATIONAL BUSINESSES

### THE EFFECT OF ILLICIT TRADE IN NARCOTICS ON GLOBAL ECONOMY

**Khaled Alasmari**

*Department of International Business and Economics, Bucharest University of Economic Studies*

*haql@hotmail.com*

**Abstract:** *Illicit markets especially those dealing with narcotics constitute grievous issues to the world's economies, putting to test global safety, economic progress as well as security and many other aspects. Seemingly, illicit narcotics trade in the last decade – that is 2000 to 2011 underwent a significant boom, resulting from a wide spectrum of illegal drugs such as cocaine as well as heroin among many other hard drugs. In today's global society, several concerns are emerging on the rise of illicit narcotics trade accompanied with organized crime, chiefly as major hindrances to consistent global economic progress. Apparently, some of the effects of illicit narcotics trade are that; this trade gradually turns upside down business rules, opening way for new unruly market players besides reconfiguring influence in global economics as well as politics. Surprisingly, the revenue from illegal drugs in 2011 alone was roughly 10% of the global GDP. Hence, exaggerating local economies' incomes and triggering ceaseless conflicts among market players, while at the same time reducing legal business activities likewise disintegrating socioeconomic conditions. An empirical research method was adopted for this study, analyzing illicit trade in narcotics on the global arena as from 2000 to 2011 and its resultant effects. The research findings indicate that, illegal drugs trade particularly on the world economy besides growing at a high rate, it endangers the overall welfare of humans likewise the business environment. This is ostensibly because this trade has high chances of engrossing regional economies into illegal drugs business activities, causing them to neglect sustainable ethical businesses. Now, to effectively address negative economic issues related to illegal drugs trade, there is apparent need for integrated efforts from local as well as international authorities. Such efforts are chiefly to control not only the harmful effects resulting from the use of illicit narcotics, but also from the trade itself and to build sustainable economies. The findings of this study are crucial for regulatory authorities in the global economy, for them to adequately comprehend the effects of illicit trade in narcotics hence inform their decisions to take necessary measures. This paper is on the effect of illicit trade in narcotics on global economy, touching on issues like peace along with social cohesion as well as security and economic progress.*

**Keywords:** *trade; narcotics; global; illicit; drugs; development.*

**JEL Classification:** *F19*

## **PAKISTAN MEASURES IN CONTROLLING NARCOTICS TRADE**

**Khaled Alasmari**

*Department of International Business and Economics, Bucharest University of Economic Studies*

*Haql@hotmail.com*

**Abstract:** *Pakistan is one of the world's top producers of narcotics. Pakistan neighbors Afghanistan, the world's top producer of opium. Pakistan faces a task of controlling, cultivating, producing and trafficking narcotics within its territory (World Drug Report, 2005). Riddled with corruption, poverty, high unemployment rate amongst its population, the government of Pakistan has invested much resource in the fight to the social vice inflicting its population (Niazi et al, 2009). This paper seeks to identify and analyze the measures the Pakistan government has been implementing in curbing the problem. Strategies implemented by the government of Pakistan such as supply reduction by eradicating cultivation of opium poppy, reducing the demand through mass awareness campaigns, and cooperation with the international community in the fight against drugs. The effectiveness and challenges faced in the process have also been well analyzed, revealing whether any advancement is being made or not. Various agencies and departments put in place by the Pakistan's' government have also been reviewed, together with their responsibilities. The causes of such extensive abuse of narcotics in a society are reviewed, revealing in a way the susceptibility of Pakistan as a country to narcotics (Drug Abuse Control Master Plan, 2008). The usefulness of the information contained in this paper cannot be overemphasized. Governments facing a similar problem, or willing to install preventive mechanisms can benefit a lot from the information herein. The various agencies involved in narcotics control within Pakistan can also benefit from the information by getting an outsiders viewpoint of the conditions influencing Pakistan's case. The paper information is based on empirical data collected by various agencies in relation to abuse of narcotics in the world and specifically in Pakistan, and its neighbor Afghanistan. In conclusion, a review of the whole Pakistan case in regard to narcotics production, abuse, and trafficking has been done. Recommendations and improvements, and corrective measures to identified weaknesses have been presented for consideration.*

**Keywords:** *Narcotics; Trafficking; Drug; Opium; Cultivation; Abuse; Pakistan; UNDOC.*

**JEL classification;** *A19*

## **INVESTORS' DIVIDEND PREFERENCE ON THE ROMANIAN EQUITY MARKET: A CROSS-SECTIONAL EMPIRICAL INVESTIGATION**

**Andrei Anghel, Cristiana Tudor**

*Department of Finance, Insurance, Banking and Stock Exchange, The Bucharest, University of Economic Studies, Bucharest, Romania*

*Department of International Business and Economics, The Bucharest, University of Economic Studies, Bucharest, Romania*

*andrei.anghel@strade.ro*

*cristiana.tudor@net.ase.ro*

**Abstract:** *The literature on dividend policy and its relationship to stock returns relies on two important concepts: information asymmetry and agency theory both of which suggesting that there should be a positive relationship between dividend changes and stock returns. The Dividend irrelevance theory claims that dividend policy should not affect shareholders' wealth. In this paper, we investigate whether there is any preference among investors on the Romanian stock market for dividend paying stocks, as reflected by their abnormal return around certain key dates related to companies' dividend policies. To serve our purpose, we*

take three events related to the dividend policy for each of the 25 companies included in the BET-XT index, namely: 1. The announcement date of the proposed dividend for the year 2011; 2. The General Shareholders Meeting date, a date when dividend distribution becomes certain; 3. The Ex-dividend date. We define abnormal return as the difference between a company's return and a constructed index unaffected by dividend-related events. We cannot report that investors exhibit a preference for dividend paying companies during the investigated time period, but we find that among dividend paying companies there seems to exist a preference for the larger-dividend-paying companies and that this preference seems to manifest strongest between the announcement date and the General Shareholders Meeting date. We also analyze the relationship between dividend yields and the abnormal return for the dividend paying Romanian listed companies. We can report that for the period between dividend announcement and the General Shareholders Meeting there is a statistically significant positive correlation between the dividend yield and the subsequent stock return. We offer a possible explanation for the two seemingly contradictory findings which would be supported by a clientele effect combined with the different tax treatment of dividends as compared with capital gains, for institutional investors and retail investors.

**Keywords:** dividend policy, ex-dividend date, abnormal returns, dividend preference, Bucharest Stock Exchange

**JEL classification:** G14, G15, G35

## **TECHNICAL AND FUNDAMENTAL ANOMALIES. PARADOXES OF MODERN STOCK EXCHANGE MARKETS**

**Elena–Dana Bako, Ioana-Cristina Sechel**

*Babeş-Bolyai University, Faculty of Economics and Business Administration, Cluj-Napoca, Romania*

*dana.bako@econ.ubbcluj.ro*

*isechel@yahoo.com*

**Abstract:** This paper continues the series of researches about the paradoxes of modern stock exchange markets and their impact on the real economy, addressing this time the most important technical anomalies but also fundamental anomalies, which can be observed on the financial markets. As we mentioned in several previous articles, the paradoxes of stock exchanges are related to potential contradictions that arise in relation to a generally accepted truth. A lot of researches in the field of stock market investment focused on finding the answer to the question whether historical prices can be used to predict future prices for listed securities. Complex forecasting methods were created to clarify this aspect. Thus, technical analysis is a method of forecasting the price movements and trends of the market in the future, by studying the market graphs (including here both, the price of the listed instruments and the volume of transactions). The fundamental anomalies refer to the anomalies in trading financial instruments, and to the elements of fundamental analysis. The basic principle of fundamental analysis refers to the fact that the market price of any financial instrument is the result of supply and demand for that instrument. Both the supply and demand that finally determine the price of a financial instrument, are under the influence of various factors. Market's analysts monitor various economic indicators and examine the market reports, to detect changes that may occur in the economy. The fundamental analysis attempts to predict prices and the overall market development by analyzing some economic indicators, political or social factors which are likely to influence the stock exchange prices. Both technical and fundamental anomalies have a major impact on price formation for financial instruments which are traded on stock exchanges, and are able to offer to warned investors higher earnings.

**Keywords:** stock market paradox; technical anomalies, fundamental anomalies, trend lines.

**JEL classification:** G02; G12; G23;

## **GERMAN NEGOTIATING AND COMMUNICATION STYLES, AND THEIR CULTURAL BIAS**

**Ciprian–Beniamin Benea, Adina Săcară-Onița**

*International Business Department, Faculty of Economics, University of Oradea, Oradea, Romania*

*c\_benea@yahoo.com*

*oonita@yahoo.com*

**Abstract:** *The paper is about how cultural roots influence language and behavior. The people which it is focused are Germans, which – due to their culture have logical goals and are capable in finding extremely practical solutions. In a rapidly globalizing business environment, it is a keystone to understand other people think, and as a consequence how they act. Here cultural traits play the most important role in defining peoples' behavior. But language is a part of a people's culture; it is a social coagulant, which facilitates social interaction. One could not enter a society if he/she cannot speak the language of those with which he/she interacts. Furthermore, language is a soft element of the cultural tools and traits of a people; it expresses the way the people belonging to a peculiar culture, and which speak a peculiar language see the world, their relation to the environment in which they live and act, the way they use that environment, the way they use time, space, and social relations. The research is both theoretical, and empirical, looking at the cultural traits of the Germans both from inductive and from deductive perspectives. It is a qualitative research aiming at helping understand the roots of German negotiating behavior and the way Germans communicate in negotiations, and in their normal life. Furthermore, the paper will present some examples of the reasons for German behavior and negotiating style, and how the German language expresses their most peculiar characteristics: precision, and parsimony. The role of the "idea" in German thinking is presented, too; and connected to this how they see the Gesamtzkonzept of a peculiar negotiation, and how they relate to it all what they are looking in that peculiar negotiation. Of course, the roots of these peculiar traits of German language and negotiation style are to be found in Germany's history, geography, economy, and philosophy, all of them being explained in a manner which is aimed to the reader's enlightenment.*

**Keywords:** *German culture; German language; German negotiation style.*

**JEL classification:** *F00; F23; F44; F51.*

## **BUSINESS ETHICS IMPLEMENTATION IN THE ORGANIZATIONAL CULTURE OF COMPANIES**

**Mihai Berinde, Nicoleta Alina Andreescu**

*Department of International Business, Faculty of Economic Sciences, University of Oradea, Oradea, Romania*

*mihai.berinde@yahoo.com*

*nandreescu@uoradea.ro*

**Abstract:** *In this paper we have analysed the perception and implementation of the principles of business ethics for companies. This paper is a theoretical approach to ethical principles and the corresponding legislation, as well as an analysis of the degree of alignment of national legislation with the latest stipulations following the entry into force of the UK Bribery Act. This Act is currently recognized as a new and more comprehensive approach on the subject of ethics in international affairs. At the same time, this paper focuses on the study case regarding the comprisal of Business Ethics principles within the*



activity of Romanian companies. Therefore, a practical approach is achieved, with an applicability of the theoretical aspects, which are the subject of the first part of this paper. We analysed the need to implement Codes of Ethics and their advantages. Companies that do business with an organization that has implemented a Code of Ethics should be aware of its provisions and act accordingly, because it is a mandatory issue for all employees, and also in its relationships with the external stakeholders. A code of ethics is a tool, a means of transmitting the organizational culture to its members, conferring them a sense of common identity, like the membership of a team. The desire of any company is to improve ethical performance, and, in order to achieve this, they need to build up, day by day, protection and to introduce it into a daily routine activity. Both managers and employees need guidance on how to act in certain situations that raise ethical questions. The best way to solve these situations is through the existence of a code of ethics that both managers and employees can turn to for guidance at any time and reach the right directions. Completed in July 2010 and entering into force in 2011, the UK Bribery Act is the latest approach to corruption. This Act has been described as the toughest anti-corruption legislation in the world, blaming a behavior that is not acceptable in the global market. With the advent of this new law, many companies were forced to update their codes of ethics in order to meet the new challenges introduced by this law. In this context, our research is based on the study case of the way in which the best performing company in Romania, OMV Petrom, uses in its practice the ethical values that are compulsory at an international level.

**Keywords:** business ethics, UK Bribery Act, sanctions, code of ethics

**JEL classification:** F23, K42

## **THE ABUSE OF DOMINANT POSITION - RESTRICTING COMPETITION PRACTICE. CASE STUDY: ENI**

**Mihai Berinde, Andreea-Florina Fora**

*Department of International Business, Faculty of Economic Sciences, University of Oradea, Oradea, Romania*

*mihai.berinde@yahoo.com*

*andreea.fora@gmail.com*

**Abstract:** *The abuse of dominant position along with cartel, merger and state aid are practices restricting competition strictly regulated at EU level. These practices can have a disastrous effect on the internal market harming both competition especially consumers. These practices can have a disastrous effect on the domestic market harming both competition and especially consumers. This paper aims to analyze how the abuse of a dominant position is regulated in the European Union. The research methodology used is the study of literature, analysis of legislation, case study, and the collection and interpretation of statistical data. The Competition Law at European level is harmonized among European Union member states. The competition authorities of the EU Member States work together to detect and sanction the practice that is restrictive for competition. Improving legislation that regulates the abuse of dominant position has been an ongoing concern of competition authorities, which is why the EU currently enjoys a very well established procedure. The procedure governing the abuse of dominant position consists of a series of steps that must be taken gradually to have the desired result, i.e. restoring fair competition on a given market. The case study presented in this paper is indicative and shows very clearly the next steps for referral to an abuse of dominant position, with special reference to the outcome arising when applying the procedure correctly. The analysis of statistical data regarding the number of investigations opened and the number of decisions made by competition authorities on abuse of dominant position is relevant, outlining the evolution of the work performed by competition authorities. Throughout the period of ten years analyzed (January 2004 - February 2013) there were 1583 cases of violation of*

antitrust laws at European level. The percentage of investigations opened by the competition authorities of the Member States is 86%, much higher than the number of investigations opened by the European Commission (14%). Both the activity of the competition authorities and especially the importance of competition policy as well as the guardian position for consumer protection assumed by the Competition Council in each Member State of the European Union have to be underlined.

**Keywords:** abuse of dominant position; competition policy; European legislation; procedure; case study

**JEL classification:** K21; L41

## **MEDICAL BRAIN DRAIN - A THEORETICAL APPROACH**

**Irina Boncea**

Faculty of International Business and Economics, Bucharest University of Economic Studies, Bucharest, Romania  
irinaboncea@gmail.com

**Abstract:** Medical brain drain is defined as the migration of health personnel from developing countries to developed countries and between industrialized nations in search for better opportunities. This phenomenon became a global growing concern due to its impact on both the donor and the destination countries. This article aims to present the main theoretical contributions starting from 1950 until today and the historical evolution, in the attempt of correlating the particular case of medical brain drain with the theory and evolution of the brain drain in general. This article raises questions and offers answers, identifies the main issues and looks for possible solutions in order to reduce the emigration of medical doctors. Factors of influence include push (low level of income, poor working conditions, the absence of job openings and social recognition, oppressive political climate) and pull (better remuneration and working conditions, prospects for career development, job satisfaction, security) factors. Developing countries are confronting with the loss of their most valuable intellectuals and the investment in their education, at the benefit of developed nations. An ethical debate arises as the disparities between countries increases, industrialized nations filling in the gaps in health systems with professionals from countries already facing shortages. However, recent literature emphasizes the possibility of a “beneficial brain drain” through education incentives offered by the emigration prospects. Other sources of “brain gain” for donor country are the remittances, the scientific networks and return migration. Measures to stem the medical brain drain involve the common effort and collaboration between developing and developed countries and international organizations. Measures adopted by donor countries include higher salaries, better working conditions, security, career opportunities, incentives to stimulate return migration. Destination countries could fight against the exodus of physicians through self-sufficiency, financial compensations paid for the skilled workforce coming from developing countries and agreements forbidding the recruitment of health professionals from countries already suffering of scarce resources. International organizations’ contribution includes collaboration and actions oriented towards the adoption of an ethical guideline. As the medical brain drain is a global concern, its contraction requires global solutions.

**Keywords:** brain drain, medical brain drain, migration, health system

**JEL classification:** F22, J21, J24, O15

## **POLAND'S OUTWARD FOREIGN DIRECT INVESTMENT**

**Bogdan Buczkowski**

*International Trade Department, Faculty of Economics and Sociology, University of Lodz, Lodz, Poland*

*buczkowskib@uni.lodz.pl, andabali@wp.pl*

**Abstract:** *The paper contributes to the discussion of motives, determinants and effects of outward FDI of companies from emerging economies. We analyze the the scale, structure, geographical location and effects of Polish foreign direct investments as well as we prioritize their determinants. The interest of Polish companies in investing abroad has increased sharply over the last decade, due to the need to broaden the scale of business operations and geographical scope of their economic activities after the Poland's accession to the European Union.*

**Keywords:** *Poland; active internationalization of enterprises; outward foreign direct investment; FDI impacts; FDI determinants*

**JEL classification:** *F21*

## **ECO-INDUSTRIAL PARK - A TOOL FOR SUSTAINABLE DEVELOPMENT**

**Nicoleta-Georgeta Bugnar, Liana-Eugenia Meşter**

*University of Oradea, Faculty of Economic Sciences, Department of International Business, Oradea, Romania*

*nbugnar@uoradea.ro*

*lmester@uoradea.ro*

**Abstract:** *Local communities embracing the concept of Eco-industrial park are looking for some additional benefits for all the interested parties – both public and private: higher economic efficiency, the increase of competitiveness by applying last minute technologies, generation of additional revenues through positive regulations at the community level, the creation of jobs, solving the conflict between economy and environment, diminishing the demand on the county infrastructure, decreasing the effects of pollution, using energy from regenerating sources and replacement materials. Communities and enterprises creating Eco-industrial parks will have common grounds for industrial development, which is much more competitive, more efficient and much cleaner than traditional industrial parks. Moreover, the new business niches will be open to recruitment or new incubators. Eco-industrial parks represent a special category compared to industrial parks, a category which is different from the classical ones due to the fact that they are designed in such a way so that they promote the collaboration between companies in order to reuse recyclable materials and green energy sources. A long-term vision must reflect the focus on the creation of collaboration networks between firms and the fact that an Eco-industrial park should be a business community, not only a mathematical sum of companies located in the same geographical area. The quality, continuity and interconnection of economic flows within the firms of an Eco-industrial park are important characteristics for the success of Eco-industrial networks. The following discussion tackles the way in which an Eco-industrial park is set-up: creating and implementing an Eco-industrial park in accordance with the principles of circular economy or transforming an already existing industrial park into an Eco-industrial park. The quality, the continuity, the number of interconnected firms, the flows of resources and the relations between the firms are success factors within Eco-industrial networks. The successful cases – especially those in the USA or the Northern countries – have proved that Eco parks engage a multitude of entities, from regional/local authorities to non-governmental organizations; in these entities' action the objectives and actions of the firms; management overlap with those of the community management.*

**Keywords:** *eco-industrial park, resources, circular economy, local community , sustainable development*

**JEL classification:** *F21, F22*

## **PARADOXES OF MODERN STOCK EXCHANGE MARKETS**

**Gheorghe Ciobanu, Ioana-Cristina Sechel**

*Babeş-Bolyai University, Faculty of Economics and Business Administration, Cluj-Napoca, Romania*

*gheorghe.ciobanu@econ.ubbcluj.ro*

*isechel@yahoo.com*

**Abstract:** *In this article we propose an easy approach of stock exchanges and their impact on the real economy. The paradoxes of modern stock exchanges are commonly understood as opinions that contradict the generally accepted truth and therefore are considered absurdities or huge enormity by the majority of the population. The paradoxes are essentially based on logical arguments that sometimes can lead to contrary or contradictory conclusions (depends on the situation) of a truth already known and accepted. In connection with capital market, through this approach we try to highlight a few aspects that come out from everyday life, breaking the monotony of theoretical resolutions. We can associate anomalies in trading financial instruments with prove that financial markets are inefficient. They can be highlighted best on the developed financial markets. Through their specific, there are anomalies in a stock market that demonstrates either that the market is inefficient or that there are some discrepancies regarding certain asset price formation. If we talk about market inefficiency hypothesis, it is demonstrated that in that market, the efficiency of the market is not verified or partially verified. It has been shown that such anomalies tend to diminish or even disappear in time, thereby reducing or even eliminating the profit opportunities of the investors who speculate on them (Schwert, 2003, p 940). The stock exchange anomalies, especially those with a direct impact on the financial instruments price which are traded on stock exchanges, are likely to offer investors the opportunity to obtain above-average market gains, in term of a proper management. To assess whether or not the phenomenon can be considered as a stock market anomaly, it must be compared with a normal behavior or with a normal model. In addition to the main categories of stock market anomalies that we identified (calendar, technical or fundamental) a paradox of recent years in the investment in stock market is the high-frequency trading (HFT - high-frequency trading), this requires a ultra-fast trading of the securities, using special algorithms but also highly advanced technologies. The effects of very rapid extension of these practices are reaping huge profits in fractions of time increasing fraction of time here, and more than that the pronounced weakening of the link between the stock market and the real economy.*

**Keywords:** *stock market paradox; high-frequency trading, january effect, weekend effect.*

## **WEAK EFFICIENCY AND LINEAR REGRESSION OF CENTRAL AND EASTERN EUROPEAN MARKETS**

**Azat Davtyan**

*Department of Finance, Faculty of Economics and Business Administration, West University of Timisoara, Timisoara, Romania*

*azaartashes87@gmail.com*

**Abstract:** *The deepening of financial integration in the EU has accelerated in the last decade. The expansion of trade relations, intensification of investment flows and capital market development evidence strengthening of financial integration processes. Particularly, the large number of foreign companies listed on domestic equity market enhances financial*

integration. In this regard, the enlargement of stock markets of Central and Eastern European (CEE) countries and efficient capital allocation define further integration prospects. The stock market efficiency depends mainly on adequate pricing of capital and risk. The rational investment expectations and information efficiency positively impact trading strategies and eliminates the presence of undervalued and overvalued assets. This leads to the high competitiveness of stock market and decreases the likelihood of abnormal profits. Studies of stock market efficiency of CEE countries and the correlations of CEE capital markets with Western European markets have a significant importance owing to the ongoing financial integration and impact of financial crisis. I run two tests to check the capital market efficiency of CEE countries taking into account the perspectives of CEE countries to enter the euro area. The aim of this quantitative empirical research is twofold: first, it investigates the weak form of market efficiency for the period from 2<sup>nd</sup> of September 2005 to 31<sup>st</sup> of August 2011 by using the Augmented Dickey-Fuller and Kwiatkowski-Phillips-Schmidt-Shin unit root procedures. Second, it checks the existence of linear correlation between CEE countries and Western European markets. The results assume that the stock markets of some CEE countries follow a unit root. The linear regression model evidences different correlation patterns between CEE and EU old capital markets. Those findings can be used for deeper investigation of market efficiency by highlighting convergence processes of CEE countries with EU old member states. Also effective capital allocation channels, institutional foundations of markets and strengthening of corporate governance should be highlighted. Finally, the outcomes of my paper will be useful for researchers in the field of finance.

**Keywords:** stock markets; unit root; random walk; market efficiency; stock returns

**JEL classification:** G10; G14

## **NEW DIMENSIONS OF BENEFITS AND RISKS TO BUSINESSES IN THE EUROPEAN UNION MARKET**

**Ana-Maria Dinu, Ovidiu Adrian Rujan**

*The Faculty of International Business and Economics, "Dimitrie Cantemir" Christian University, Bucharest, Romania*

*The Faculty of International Business and Economics, The Bucharest University of Economic Studies, Bucharest, Romania*

*anadinu13@yahoo.com*

*ovrujan@yahoo.com, rujan.ovidiu@gmail.com*

**Abstract:** *The European Commission said that the economy of eurozone will decrease by 0.3% this year and will grow by 1.4% next year, with job cuts, shortage of investment and still tight lending conditions delaying the recovery. In the European Union as a whole, GDP expansion is projected at just 0.1% this year and 1.6% in 2014. The paper aims to identify the types of risks that a company faces when entering the European Union's market. Risk may be defined as an uncertain event that may have a negative effect on achieving objectives and risk management can be defined as the process that identifies analyses and accept or mitigate the uncertainty in business decision-making. Well designed and implemented, risk management programs are the source of competitive advantage for businesses in the European Union market and this way the operating costs can be reduced, quality and product reliability can be improved, staff productivity can increase. It is very important for any company to be aware of potential risks as this will help to assess, to prioritize and to protect against the risks that may arise. Some of the potential risk can destroy a business, while others can cause serious damage that can be costly and time consuming to repair. After the company have identified the risks, they must be prioritized in accordance with the companies assessment of their probability. The European Union expansion is ongoing and it is a major market place .Doing business on international level*

has always been about managing the unique risks which global markets pose. For many companies that intend to do business in Europe today, the risks are so varied and complicated that a risk management strategy is necessary and must be carefully tuned and revisited on a regular basis. There are many advantages when starting a business in the European Union. When participants and investors enter a new market should remain vigilant about risks.

**Key words:** risk, European Union, business, market, risk management.

**JEL classification:** G3

## **CAN BUSINESS EDUCATION CHANGE MANAGEMENT PRACTICES IN NON-WESTERN SOCIETIES?**

**Jim Finlay, Abdul-Nassar Kassar, Mark Neal**

*Marketing and Hospitality, Lebanese American University, Beirut, Lebanon*

*Information Technology and Operations, Lebanese American University, Beirut, Lebanon*

*London Business School, University of London, London, England*

*dr.jimfinlay@gmail.com*

*abdulnassar.kassar@lau.edu.lb*

*markneal100@gmail.com*

**Abstract:** *The purpose of this study was to determine the degree to which students from an American-style Business School in Lebanon expect the managerial behaviors that they are taught in the classroom to actually be applied by managers in the Lebanese workplace. Broadly categorized as accountability, gender equity, religious tolerance, consultation and transparency, the authors found little indication that such expectations existed. Even when they could be identified such as with racial equality, their relative strength was so weak that they were barely above neutral on a 10-point scale. What was perhaps most troubling was that expectation for the elimination of bribery and corruption actually declined as students matriculated through the curriculum. At least for the time being, it appears that Lebanese business students do not anticipate encountering American-style management practices, which have formed the core of the Business courses, when they enter the workforce.*

**Keywords:** *Accountability, Equity, Tolerance, Consultation, Transparency, Hegemony*

**JEL classification:** M16

## **THE ANALYSIS OF THE REAL ESTATE INVESTMENTS IN THE CURRENT ECONOMIC ENVIRONMENT**

**Anca Maria Hristea**

*The Department of Accounting, Audit and Economic Analysis, Faculty of Accounting and Management Information System, Academy of Economic Studies, Bucharest, Romania*  
*amhristea@yahoo.com*

**Abstract:** *Real estate investments are one of the most attractive business opportunities in the context of the contemporary economy, generally marked by economic recession and especially by monetary and financial instability. Last years international reporting concluded that deepening the global economic crisis determined an increase of the real estate request, while despite all expectations one did not assist a crash of the prices. Economic reality showed that real estate assets value (buildings, land) kept proportions with economic reality over time. A comparison between stock exchange market and the real estate market shows that while an movables investor (investments in stocks, bonds or life insurance) might lose completely his initial investment, the investments in real estate assets, such as buildings, would keep their quality as goods and would also keep a value to better resist shocks and thus allowing an increase of the capital. When appreciating the value of an investment the*

first things to analyze are the return, liquidity and risk criteria, which are essential in real estate investments too. Stimulating real estate market must be not only a wish but also a reality of global economy, since it can correct many of the aggregated indicators of a country. Containing scientifically detached from economic practice, this article is addressed to readers with interests in real estate investment. The language is usually referred particularly to the qualitative side of the real estate market approach. The feasibility of the real estate investments is being conditioned by their capacity to generate important profits, on the background of the reduction of the duration of recovery of their value. The economic instability from the last couple of years has generated fears and failures but, paraphrasing Johann Wolfgang von Goethe, courage is a mixture of genius, magic and power that helps us succeed in everything we set our mind to. The investments on the real estate market usually have a long period of recovery, compared to the placements at the stock market or to the commercial business. The structure of investments in the field of real estate is complex and depends on several factors: the fiscal and financial policies of a country, elements that are specific to the constructions sector, the fluctuations of the real estate market, the development degree of a nation, the free circulation of people, the evolution of the exchange rate etc. The international statistics show that the real estate sector represents one of the most profitable businesses from the last two decades. Even now the real estate sector seems to be profitable, especially for the speculators, in the measure in which there are financial sources and enough information about the market.

**Keywords:** real estate investment; return of investment; investment liquidity; real estate investment risk; fair value; real estate market.

**JEL classification:** D50; E22; M40; M42; R30; R31.

## THE ROLE OF INDUSTRIAL PARKS IN ECONOMIC DEVELOPMENT

**Liana-Eugenia Meşter, Nicoleta-Georgeta Bugnar**

University of Oradea, Faculty of Economic Sciences, Department of International Business,  
Oradea, Romania

lmester@uoradea.ro

nbugnar@uoradea.ro

**Abstract:** In an attempt to accelerate the process of reforming the economy, the central institutions focus on supporting the use of technology to modernize the industry that would lead to the diversification of activities and the achievement of sustainable industrial development. The imperfections of the market and of the institutional system hampers companies' access to information, knowledge, new technology and financing resulting in increased business risk and directly affecting the progress towards achieving development goals. Industrial parks may be considered as a solution to overcome these flaws in the attempt to accelerate the economic development by attracting innovative businesses that can generate jobs, higher incomes and therefore more resources to institutions. They can exploit the local potential in supporting knowledge-based business development and outline an environment where companies can interact with other supporting knowledge suppliers thus facilitating business and local development. The approach of the subject is theoretical starting from the need to support the economic activities by local social institutions fostering the access to information and technology and identifying some solutions that meet these needs - industrial parks. Even if industrial parks in Romania are still considered in draft form, some examples can be identified as functional and supporting the local development. Their functionality is given by the involvement of local authorities and the interest of the business environment in exploiting the economic potential of the region. The role of industrial parks in supporting the local development is measured in the number of new jobs created, the income received by local institutions by paying taxes and duties from firms benefiting from the infrastructure made available through their involvement in attracting investors; the more

*productive the industry and more efficient the production, the higher the company's results and therefore the benefits of local institutions.*

**Keywords:** industrial parks, economic development, productivity, efficiency

**JEL classification:** F21, F22

## **E.U. ADVANCEMENT WITHIN THE WORLD TRADE: AN OVERVIEW OF THE LAST YEARS**

**Daniela Nedelescu-Ionescu, Ovidiu-Adrian Rujan**

*Faculty of International Business, Bucharest University of Economic Studies, Romania*

*daniela.ionescu@vait.ro*

*ovidiu.rujan@ase.ro*

**Abstract:** *The expansion of global trade gained considerable force in the last decade, force that generated many transformations and changes. These transformations represent stronger improvements than expected, when compared with the preceding years, even if the trade growth remained below the average rate recorded in the '90s. Some of the improvements are supposed to be consequences of free trade areas expansion. In this sense the present paper aims to observe if the free trade agreements increased the members' international trade and how much a stronger union perform comparing to a weaker one. It analyses the effects of total trade made by the members of the main five free trade agreements: EU, NAFTA, ASEAN, MERCOSUR, and ANDEAN PACT, between 2000 and 2010. In order to analyse the effects of the total trade made by the members of these unions, the authors used data collected from the WTO International Trade Statistics published in 2009 and 2011. For each one of the five unions was built a distinct chart which illustrates the variation of exports and imports during the analysed period of time, as well as the trends of these operations over these years. Comparing all these charts they concluded that EU trade significantly increased as more countries joined the group, in contrast to the other groups which maintained their level along the time. Moreover they have noted a gap between the exports and imports performed by EU and the ones performed by the other unions. EU commercial exchanges were by far superior to the ones of the other areas and, in the same time, the EU trade fluctuations are broader than the ones of the other areas. Perhaps in the next period of time the commercial exchanges of UE and NAFTA will enhance with these areas whose potential has not been fully harnessed. On the other hand, creating a large common market the EU - NAFTA will most certainly constitute a guarantee for global economic stability and sustained economic growth.*

**Keywords:** *openness to trade; free trade agreements; expansion of global trade; EU enlargement; EU advancement;*

**JEL classification:** F1

## **CONCEPTS AND METHODOLOGIES REGARDING THE IMPROVEMENT OF ROMANIAN FOREIGN TRADE (I)**

**Adrian Negrea**

*Department of International Business, Faculty of Economic Sciences, University of Oradea, Romania*

*ngr\_adrian@yahoo.com*

**Abstract:** *The purpose of the current paper is to highlight possible engines that can boost Romanian foreign trade from a chronic deficit to a more balanced one. In the beginning, the main theories and models that tackle this subject will be presented. In this respect, the paper starts with Smith, Ricardo, Manoilescu and Heckscher-Ohlin, in order to see the historic thought of trade model development. Following these models, a more mathematical*



*approach will be made, using a thorough analysis at the product level. All the computations will be based on the combined nomenclature with its XXII classes, being the most exact determinant of traded goods. This paper uses the statistical indicators of Michaely and Lafay, in order to determine the specialization effect of the Romanian classes for a period of twenty one years, starting with 1991 and ending in 2012. This is the point where former, current and future specialized engines of potential trade growth can be established. It is crucial for a country to determine its potential in an open international arena, in order to take the necessary steps to encourage or discourage productive or non-productive areas of certain industry branches. Based on the results and on the previous methodology, a mix of theory with solid mathematical analysis, will gives the opportunity to draw up different sets of sustainable development formulas in order to obtain a higher concentration ratio regarding several classes from the combined nomenclature. For Romania to obtain higher gains from international trade, a more sustainable integration in the European Union, it has to stop its chronic balance of trade deficit. Looking at and analysing the potential development of a combined nomenclature class or classes, will help improving Romania's chronic deficit, offering a long term prospective of sustainable development, reducing its foreign debt, improving its balance of trade accounts, and transforming its import driven economy to a more competitive export oriented economy. Achieving these standards will ensure Romania's future development and accession to a more privileged seat in the European Union and in the international arena.*

**Keywords:** sustainable development, Michaely indicator, Lafay indicator, foreign trade, Romania, combined nomenclature

**JEL classification:** F10, F19

## **CONCEPTS AND METHODOLOGIES REGARDING THE IMPROVEMENT OF ROMANIAN FOREIGN TRADE (II)**

**Adrian Negrea**

*Department of International Business, Faculty of Economic Sciences, University of Oradea, Romania*

*ngr\_adrian@yahoo.com*

**Abstract:** *The aim of this paper is to emphasize the possible engines that can boost Romanian foreign trade from a chronic deficit to a more balanced one. In the beginning, we present the main theories and models that tackle the subject. In this matter, the paper starts with the analysis of neo-factors, Porter, the gravitational model, the input-output model, and the terms of trade in order to see the historic thought of trade model development. Following these models, a more mathematical approach is made, using a thorough analysis at the product level. All the computations are based on the combined nomenclature with its XXII classes, being the most exact determinant of traded goods. The paper uses statistic indexes as: Hirschman concentration index, elasticity coefficient, the degree of trade openness, in order to determine the specialization effect of the Romanian classes for a period of twenty one years, starting in 1991 and ending in 2012. This is the point where former, current and future specialized engines of potential trade growth can be established. It is crucial for a country to determine its potential in an open international arena, in order to take the necessary steps to encourage or discourage productive or non-productive areas of certain industry branches. Based on the results and on the previous methodology, a mix of theory with solid mathematical analyses, gives the opportunity to draw up different sets of sustainable development formulas in order to obtain a higher concentration ratio regarding several classes from the combined nomenclature. For Romania to obtain higher gains from international trade, a more sustainable integration in the European Union, it has to stop its chronic balance of trade deficit. Looking at and analysing the potential development of a combined nomenclature class or classes will help improving Romania's chronic deficit,*

*offering a long term prospective of sustainable development, reducing its foreign debt, improving its balance of trade accounts, and transforming its import driven economy to a more competitive export oriented economy. Achieving these standards can ensure Romania's future growth and accession to a more privileged seat in the European Union and in the international arena.*

**Keywords:** sustainable development, Hirschman concentration index, terms of trade, degree of trade openness, elasticity coefficient, combined nomenclature

**JEL classification:** F10, F19

## **GLOBAL LOGISTICS, COMPETITIVENESS AND THE NEW INCOTERMS**

**Ioan Popa, Mihaela Gabriela Belu, Dorel Mihai Paraschiv**

*The Department of International Business, Faculty of International Business and Economics, The Bucharest University of Economic Studies, Bucharest, Romania*

*ioan.popa.rei@gmail.com*

*mihaelabelu2000@yahoo.com*

*dorelpar@yahoo.com*

**Abstract:** *If in the first stages of the internalization of business, logistics had a minor influence in the international success of the company. In a globalized economy, strategy and the logistics costs are essential factors for competitiveness. Nowadays, logistics determines the place which a country or a company holds in the worldwide competitive hierarchy. The new Incoterms – 2010 – establish – in the field of commercial practices this reality: performance is now assessed in global terms (not national), competition is global, not international. Ultimately, the new Incoterms encourage/stimulate the orientation of firms towards increasing competitiveness by employing an appropriate logistics strategy; the degree to which firms will manage – as quickly as possible – to be integrated in this new trend will also be the measure of their competitive capacity in the newly emerged context. The category of global firms should not include just the large transnational corporations, but also the medium and small enterprises that operate exclusively or mainly on the global market. Within this plan there can be created and developed competitive advantages which are primarily based on the reaction speed to the changes in progress, the capacity to adapt to new things and the availability for intercultural communication. These last conditions represent characteristics of the Romanian business approach.*

**Keywords:** global logistics; competitiveness; incoterms; international business

**JEL classification:** F59, L81, F23

## **EDUCATION AND COMPETITIVENESS IN THE GLOBALIZATION ERA**

**Ioan Popa, Mihaela Gabriela Belu, Dorel Mihai Paraschiv**

*The Department of International Business, Faculty of International Business and Economics, The Bucharest University of Economic Studies, Bucharest, Romania*

*ioan.popa.rei@gmail.com*

*mihaelabelu2000@yahoo.com*

*dorelpar@yahoo.com*

**Abstract:** *The educational system is one of the important factors in creating and developing the competitive forces of a country. The higher education provides the socio-economic environment with two basic services: teaching and research. The duality marks an entire history for higher education, but nowadays a new dilemma has emerged: economic efficiency (the university as an economic provider of services) versus academic competitiveness (the university as a research forum). In addition, a new challenge seems to be altering the future of higher education, these stemming from the massive increase in the*

demand for university teaching services: elite higher education, thus efficient, highly competitive academically (competitiveness), or mass higher education, adapted to the demand, with the primary role of harnessing knowledge through professional training (effectiveness).

## **AN OVERVIEW OF THE EUROPEAN PRIVATE EQUITY INDUSTRY**

**Tudor Popescu**

*"Babes-Bolyai" University of Cluj-Napoca, Faculty of European Studies, Cluj-Napoca, Romania*

*tudor8019@yahoo.com*

**Abstract:** *Private equity is an alternative form of financing companies, besides classical methods (bank loan or bonds), which is done in exchange of a part of the share capital of the company. This funding is realized by investors interested in the company that also offer portfolio companies expertise in order to increase their value. Private equity is viewed as the most expensive form of financing because it is done against a stake in the company's share capital and gains from selling the shares at a higher price than the buying price. The operations can be divided into two main categories, regarding the owned stake in the company. There are venture capital investments, that are made in the early stages of company development, the involvement of investors is mainly consulting and the percentage of owned share capital is under 50%. The other category is buyout investments, that are made in more mature companies, the percentage owned is more than 50% and the involvement of investors goes to complete restructuring of the company. The article is structured in four parts. The first part is the introduction and presents the private equity activity. The second part is a brief presentation of the present state of the industry at a global level. The third part presents the European private equity market, with a focus on European fundraising, investments and divestments. The data is gathered from European Private Equity and Venture Capital Association ([www.evca.eu](http://www.evca.eu)) and represents the evolution of the market in the last five years, between 2007 and 2011. The last part represents the conclusions of the research. We present the state of the industry globally, with US representing more than half of total activity, followed by Europe and Asia-Pacific. The European market is dominated by the United Kingdom, with more than 40% of total activity, followed by France and Germany. The funds are raised primarily from pension funds and banks and are invested in different sectors, depending on the type of operations: venture capital or buyout. We also find that the preferred exit routes for investments are trade sale and secondary sale.*

**Keywords:** *private equity; venture capital; buyout; funds raised; investments; divestments; exit*

**JEL classification:** *G32, O16, O52*

## **THE GLOBALIZATION INDEX. CONSIDERATIONS REGARDING THE POSITIONING OF ROMANIAN'S AND BULGARIAN'S ECONOMIES IN INTERNATIONAL RANKINGS**

**Gabriela Prelipcean, Angela-Nicoleta Cozorici**

*Faculty of Economics and Public Administration, Stefan cel Mare University of Suceava, Romania*

*gabrielap@seap.usv.ro*

*angelac@seap.usv.ro*

**Abstract:** *Despite the current uncertain economic times, the globalization has continued to perform. One can see the interconnection between the economies around the world in the levels of developing the cross-border trade. The globalization has become an irremovable process, which was developed with a floating speed, but sometimes quite high, including*

*within its sphere in a direct or indirect way the set of the world states. This paper carries out an analysis and compares the effects of the economic openings in Romania and Bulgaria. The results have indicated the idea according to which, the level of economic opening has had a higher impact over the economy in Romania, as comparing to Bulgaria. The defining feature of this paper is related to the use of economic globalization index. The objective evaluation of both causes and consequences on globalization has represented a priority for the contemporaneous societies. The economic, social and political analysis has needed information, and the globalization index has represented an important tool in order to provide the realistic data. The globalization indexes have been used in various ways. Besides the academic analysis, these have been used in the analysis of the economic activity, in the mass-media, as well as in the political groups. This paper emphasizes the assessment of the level of globalization by assessing the importance given to the globalization index. The paper underline that a proper understanding of the globalization process requires interdisciplinary action. Despite some various methodologies, of the variables set or weights in order to study and measure the globalization in a significant way, new cooperation frames have proven to be necessary.*

**Keywords:** globalization; globalization index; globalization index's methodology; economic development.

**JEL classification:** F62 - Macroeconomic Impacts; F63 - Economic Development; O11 - Macroeconomic Analyses of Economic Development

## **THE HUNGARIAN CRISIS: AN AUSTRIAN SCHOOL EXPLANATION**

**András Tóth**

*Institute of Political Sciences, MTA TK, Budapest, Hungary  
tothandhu@gmail.com*

**Abstract:** *The Hungarian model was heralded as one of the most successful post-socialist way of integration into the globalised world economy and European economic area in the nineties. Currently, Hungary is suffering from a full-blown crisis 1996 onwards. Increasingly large number of Hungarians is losing their faith in political parties, institutions, democracy and in market economy. The government, elected in 2010 by supermajority and still enjoying a broad support despite the deepening recession, condemns the development path taken after 1989 and openly rejects the wrong model of the last 20 years. The government intends to build a new economic model following a model, which one can call a model of economic nationalism as the only way out of the crisis. The paper intends to portray, through the case of Hungary, how economy and politics is interconnected, and why political elites are choosing a credit fuelled development path. The paper intends to portray how a credit fuelled growth was induced by politics and ended up in tears. Moreover, the paper describes the consequences of pro-etatist shift in the public sentiment due to the alleged "market-failure", which was in reality a crisis, at first place, created for political purposes by political means. This article, based on the Austrian business cycle theory, argues that the tragedy of Hungary was that it went through a government inspired spending binge in the first half of the 2000s. The deficit spending of the government was accompanied by the expansion of credit by the commercial banks, mostly denominated in Swiss francs. The combined effect of deficit spending and credit expansion was the build-up of debt and loss of cost competitiveness. The 2008 crisis ended the credit fuelled development path and has started the long and painful period of deleveraging crisis. On the other hand, the Hungarian crisis is a post-Keynesian crisis. It had broken out when the state was already heavily indebted and the managerial state fully developed within the constraints of the capabilities of the Hungarian economy. The paper argues that Hungary has chosen the wrong path by opting for economic nationalism and blaming "markets" for the crisis.*

**Keywords:** macroeconomics, CEEC, economic crisis, Keynesian deficit spending, Austrian economics, Hungary

**JEL Classification:** A14

## **AN ANALYSIS OF PRE AND POST ACCESSION ECONOMIC INDICATORS OF ROMANIA. CHALLENGES AND POSSIBLE SOLUTIONS**

**Gheorghe Zaman**

*The Institute of National Economy, Romanian Academy, Bucharest, Romania  
gheorghezaman@ien.ro*

**Abstract:** *The paper is analysing in a comparative manner the main macroeconomic indicators of Romania in the pre and post accession to EU periods. The main objective of the research is to underline strong and weak points of Romania economic evolution before and after accession to EU. At the sometime, a special attention is paid to the topic of external disequilibria*

**Keywords:** accession to EU, external disequilibria, macroeconomics.

**JEL classification:** E20, R13, O11.

## **CULTURAL HERITAGE ENTREPRENEURSHIP QUALITY CRITERIA AND SUSTAINABLE LOCAL DEVELOPMENT**

**Gheorghe Zaman, Valentina Vasile**

*The Institute of National Economy, Romanian Academy, Bucharest, Romania  
gheorghezaman@ien.ro  
valentinavasile2009@gmail.com*

**Abstract:** *The paper is devoted to the analysis of the main characteristics of cultural heritage entrepreneurship related to sustainable local development introducing the notion of an abstract framework for cultural / based cluster competitiveness. The synergy between cultural heritage and tourism, conceived in a virtuous circle within cluster patterns, is supplemented with other core components such as landscape, industrial heritage, infrastructures and support services, including roads, hospitality assets for tourists, retail trade, tourism infrastructure, shopping entertainment, food industry, specialized local industries (manufactures, small workshops designer industry professionals). The other components of cluster are referring to touristic demand specificity, local governance structures and external factors of influence and exaptation processes based on an effective combination of different types of knowledge. Of on outstanding importance is the efficiency of public-private partnership implementation of local, regional, national and international levels.*

**Keywords:** *Heritage entrepreneurship, tourism, local governance, public-private partnership.*

**JEL classification:** L26, L83, M48.

## **THE END OF IMF – TURKEY RELATIONSHIP**

**Deniz Züngün, Murat Ortanca, Mustafa Kirli, Serkan Cura**

*Ahmetli Vocational School, Celal Bayar University, Manisa, Turkey  
The Faculty of Economics & Adm. Sci., Celal Bayar University, Manisa, Turkey  
Ahmetli Vocational School, Celal Bayar University, Manisa, Turkey  
The Faculty of Economics & Adm. Sci., Celal Bayar University, Manisa, Turkey  
zungund@hotmail.com  
murat.ortanca@cbu.edu.tr*

---

muskrl@hotmail.com  
curaserkan@hotmail.com

**Abstract:** IMF has been created to make international cooperation on financial matters stronger and for solving the problems of balance of payment. However, the IMF formed policies in order to solve problems of balance of payment till the 1980s, expanded its effectiveness much more by controlling the structural adjustment programs after the 1980s, and undertook the role as an international lender of last resort on crises caused by globalization trends. In developing nations, foreign and domestic deficit occurred due to infrastructural causes that have created economic instabilities portrayed through inflation and unemployment. Especially foreign debt problems sourced by the foreign trade deficit transformed into an economic crisis for these countries. Many countries affected by such economic crisis applied to IMF and its Stabilization Program with the aim of providing economic stability in the hopes of recovering. The important thing here to point out is that the economic programs used by countries during their economic crisis are supported by the IMF in reality. In this situation Mexico and Argentina can be given as a good example. IMF has undertaken the same mission in Turkey with seven stabilization programs put in practice and nineteen Stand-By Arrangements between them. But IMF has failed many times in Turkey just like in many developing countries. This is because IMF did not take into consideration economic and social structure of countries in stabilization programs put in practice. Today, Turkey has reached to an important point from the way of its relationship with IMF; more clearly, Turkey is determined to achieve its future without IMF. Turkey-IMF relationship in the framework of stand-by agreements in the past half century of our economic and political history has come to an ending point. After a period of 51 years of intense relations, Turkey decided to determine its calculations of credit limit by the way of advantages and disadvantages and continue its relations in this way. In this context, this study will try to prove therotically that Turkey will put in place to foreign credit support with the purposes of carrying out stabilized policies and protecting itself from financial shocks. Finally, Turkey will contact IMF with requirements of the rules and regulations that are in its advantage.

**Keywords:** IMF; Stabilization Program; Stand-By Arrangements; Turkey.

**Jel Classification:** E02, F55.

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

### L'OFFRE D'EMPLOI ENTRE LA VISÉE D'INFORMATION ET LA VISÉE DE CAPTATION

**Andra-Teodora Catarig**

*Department of International Business, Faculty of Economic Science, University of Oradea, Oradea, România  
acatarig@uoradea.ro*

**Abstract:** *One of the key steps in the process of labour force recruitment is drafting and advertising vacancies. Although today most of the recruitment process is conducted on the Internet, the supplements and pages devoted to economic information of the mainstream newspapers contain ads especially for hiring managers for large companies or public administration. In this paper we analyze the structure of these ads, the selection, organization and prioritization of the information provided as well as the language using a corpus extracted from the French daily magazine Le Monde and based on the methods and concepts provided by discourse analysis and textual linguistics. Whereas ads for vacancies are generally written in a simple and direct style, those relating to management positions are larger, have a well-defined structure and the language used is precious, sometimes even difficult to decipher for those who are not familiar with the language of the employing company. Even if they appear in the pages of newspapers, these ads are not written by journalists, but by representatives of head hunting firms or of the employing company. They can be defined as a mini-portrait of the ideal candidate intended both to inform and to capture and incite action. The ideal candidate's profile is shaped by listing several exceptional qualities and skills. The potential candidate is often presented as an expert, a strategist, an animator and/or a diplomat. The red thread of the text is the isotopy of quality, success and supreme competence. Both the employing company and the future employee have to be able to face any situation, no matter how complicated, and always obtain performance. To propose this type of texts in French language courses and seminars means not only to familiarize students with certain structures of the language but also to instil the idea that they should gain, during the years of study, skills and aptitudes that will guarantee their successful labour market integration.*

**Keywords:** *genre, isotopie, objectivité, offre d'emploi, recrutement, stratégie discursive.*

**JEL classification:** *J24, Y80.*

### L'INTERCOMPREHENSION DANS LE CONTEXTE ENDOLINGUE

**Felicia Constantin, Rodica Bogdan**

*Department of International Business, Faculty of Economic Science, University of Oradea, Oradea, România  
fconstantin@uoradea.ro  
rbogdan@uoradea.ro*

**Abstract:** *Porquier (1984) defines the exolingual communication as the communication between individuals who do not share a common language, in opposition to endolingual*

communication, which is the communication between individuals sharing the same native language. Calling in this opposition, our paper brings forward the problem of intercomprehension and incomprehension in the endolingual space. Intercomprehension is nowadays almost exclusively associated to plurilinguism and a series of curricula of foreign language simultaneous learning. It is considered that the exolingual situation is by excellence a state of communicational risk and its management is more difficult, for it does not guarantee the success in communication. Polarizing the research in this direction unfortunately casts a shadow on the opportunity of debates on intercomprehension in one's native tongue. And this is due, as Tyvaert (2008) showed, to the fact that "we should avoid pretending from linguistic intercomprehension what cannot be accomplished by intralinguistic intercomprehension". It is naturally acceptable that the lack of intercomprehension leads to incomprehension, therefore to the misinterpretation or annulment of communication between people speaking the same language. In the context of linguistic training of future economists, we consider that the lack of intercomprehension in one's native tongue often originates in the deficiencies of speciality knowledge. Therefore, we can state that an economist who does not understand an economic message in his native tongue cannot generate "endolingual intercomprehension". According to a recent study on a representative sample of students from the Faculty of Economic Sciences of Oradea, we have tried to prove the above hypothesis and to render the students sensitive regarding the study of foreign languages. The results entitle us to consider that the lack of intralinguistic intercomprehension (due to deficiencies in the speciality field) leads to incomprehension, diminishes the person's willingness to start a plurilingual communication, thus compromising the chance of an interlinguistic intercomprehension, so necessary to the contemporary geostrategic space.

**Keywords:** intercomprehension, endolingual communication, economic, foreign language

**Cod JEL:** Y8

## **KOOPERATIVES LERNEN IM UNTERRICHT AN WIRTSCHAFTSSTUDENTEN. EIN SCHRITT AUF SYNERGIEBILDUNG ZU**

**Andrea Hamburg**

Department of International Business, Faculty of Economic Sciences, University of Oradea, Oradea, Romania  
ahamburg@uoradea.ro

**Abstract:** The aim of following study is to present the idea, principles, working methods and practical applicability of cooperative learning, a relatively new didactic concept used successfully in educational institutions – universities included – of the United States, Canada and other countries. This didactic method fits for every educational cycle from the preschool level up to the university and is in total accordance with the principles of student-centred education. In contrast to other (traditional) didactic approaches it does not lay emphasis on competition but cooperation among individuals which at the first sight may appear outdated in present world based on fierce competition. However at a closer analysis one may realize that on the labour market general practice is working in teams and not as individual entities. Working as a team member for the sake of the whole group and at a higher level the company/institution, not having in mind just individual interests is not simple at all, this skill must be acquired and trained. With following five principles at its base: positive interdependence, individual and group responsibility, promoting interaction, social skills and permanent group evaluation cooperative learning teaches people how to work efficiently together by stimulating individual and group performance in a way leading to real synergy. After the concise presentation of these five principles the study offers a description of the steps to be undertaken in planning teaching units based on cooperative learning, stages in the teaching process including the presentation and analysis of efficient work techniques. In



*its final chapter it deals with aspects of practical applicability by presenting the author's own experience till now regarding the implementation of teaching units based on cooperative learning in educational institutions in Romania and abroad. Concluding the theoretical aspects and empirical findings presented in this study one may say, that this didactic approach is worth trying further implementation in higher education in our country.*

**Keywords:** kooperatives Lernen; positive Interdependenz; soziale Fertigkeiten; Zusammenarbeit; Interaktion; Synergie

**JEL classification:** A20; I20; I23; Z19

## **RECEPTION OF SPOKEN ENGLISH. MISHEARINGS IN THE LANGUAGE OF BUSINESS AND LAW**

**Ioana-Claudia Horea**

*Department of International Business, Faculty of Economic Sciences, University of Oradea, Oradea, Romania  
ihorea@uoradea.ro*

**Abstract:** *Spoken English may sometimes cause us to face a peculiar problem in respect of the reception and the decoding of auditive signals, which might lead to mishearings. Risen from erroneous perception, from a lack in understanding the communication and an involuntary mental replacement of a certain element or structure by a more familiar one, these mistakes are most frequently encountered in the case of listening to songs, where the melodic line can facilitate the development of confusion by its somewhat altered intonation, which produces the so called mondegreens. Still, instances can be met in all domains of verbal communication, as proven in several examples noticed during classes of English as a foreign language (EFL) taught to non-philological subjects. Production and perceptions of language depend on a series of elements that influence the encoding and the decoding of the message. These filters belong to both psychological and semantic categories which can either interfere with the accuracy of emission and reception. Poor understanding of a notion or concept combined with a more familiar relation with a similarly sounding one will result in unconsciously picking the structure which is better known. This means 'hearing' something else than it had been said, something closer to the receiver's preoccupations and baggage of knowledge than the original structure or word. Some mishearings become particularly relevant as they concern teaching English for Specific Purposes (ESP). Such are those encountered during classes of Business English or in English for Law. Though not very likely to occur too often, given an intuitively felt inaccuracy - as the terms are known by the users to need to be more specialised -, such examples are still not ignorable. Thus, we consider they deserve a higher degree of attention, as they might become quite relevant in the global context of an increasing work force migration and a spread of multinational companies.*

**Key words:** *verbal communication; mondegreens; teaching EFL; mishearings in ESP classes.*

**JEL classification:** Y80; Z00; K00.

## **AROUSING NON-PHILOLOGICAL STUDENTS' INTEREST IN LEARNING A FOREIGN LANGUAGE**

**Ioana-Claudia Horea**

*Department of International Business, Faculty of Economic Sciences, University of Oradea, Oradea, Romania  
ihorea@uoradea.ro*

**Abstract:** *Considering the degree of implication and the interest of non-philological students in learning foreign languages, they can be classified into several categories. From the categories found as best represented in the practice of teaching to economic students and*

not only, we identified that a valid target group for the approach of our current study would be the category proving not very much interest in, nor a propensity for, the foreign language, though quite interested in the other disciplines of specialty. The focus of the study is to find the most appropriate ways we, as teachers of languages to students at non-philological specialisations, can address the category aforementioned, as well as to identify more general and comprehensive aspects, of an administrative nature, that can effectively cause a mentality change beneficial to the typology indicated. We began with an overview of the typologies of students. We enumerated several reasons the target group may serve as arguments for their reluctance with respect to learning foreign languages with the same diligence and seriousness as any other of the specialization disciplines in their curricula. Then, we presented a series of factual exemplifications meant to dismantle their erroneously founded grounds. Next, we showed that the need of a shift in consideration of the foreign languages disciplines is becoming more and more evident and is felt to be most effective if performed at decisional levels. Traditionally, foreign languages have not been given the appropriate importance in the consideration, promotion and evaluation of academic disciplines at other specializations than the philological ones. Against the evidence of foreign languages having historically been allotted a rather secondary level of relevance, there is now a strong endeavour to raise awareness of their right place in the formation of the skills and competences necessary to a complete specialist, particularly in the economic fields nowadays. The study presents models of several beneficial changes that have occurred within the Faculty of Economics in Oradea, where the positive effects witnessed are proofs of the successful shift of an obsolete mentality. As several methods of practical class approach were merely overviewed in the final part of the study, extended analysis on such methods shall constitute the object of further research into the matter.

**Keywords:** foreign language learning; typology of non-philological students; awareness of language importance.

**JEL classification:** Y80; Z00; K00.

## **BENEFITS OF ENGLISH LANGUAGE LEARNING - LANGUAGE PROFICIENCY CERTIFICATES – A PREREQUISITE FOR THE BUSINESS GRADUATE**

**Anamaria-Mirabela Pop, Monica-Ariana Sim**

Department of International Business, Faculty of Economic Sciences, University of Oradea, Oradea, Romania  
mipop@uoradea.ro  
msim@uoradea.ro

**Abstract:** Learning a new language at any age is an enormously rewarding experience in many ways. Studying a foreign language helps students understand English grammar better and improves their overall communication and problem-solving skills. Beyond the intellectual benefits, knowledge of a foreign language facilitates travel, enhances career opportunities, and enables one to learn more about different peoples and cultures. In Romania, languages continue to struggle to gain the status of key learning area in many primary, secondary schools and even universities, while many countries in the European Union have adopted a policy which requires ‘mother-tongue plus two foreign languages’, introducing languages from the earliest years of primary education. This is due to the fact that contacts between people of different cultural and linguistic backgrounds have increased in the past few decades, a number of factors like advances in technology – the internet, telecommunications, travel – increasing international migration and the trend towards economic globalization contributing to it. As these trends continue into the future, the need for intercultural competence will be heightened. Due to growing economic relations between Romania and various countries of the world, knowing a foreign language gives one the much-needed edge. This paper attempts to provide language teachers and language

learners with accessible, concise information about the benefits of languages learning and the advantages of having a certificate proving proficiency in a particular foreign language, with emphasis on English. It draws on literature in a number of fields including second language acquisition, language education, presenting key arguments which are fundamental to supporting and promoting the benefits of languages. Also, it draws on the results of a research performed at the Faculty of Economics with 1st and 2nd year students. The research is based on the assumption that the language courses offered at the Faculty of Economics should provide students with internationally comparable proof of their language competence. This is extremely valuable for students who wish to obtain a language proficiency certificate which represents, in our opinion, a must for the Business graduate.

**Keywords:** English proficiency; language certificates; ESOL; IELTS; TOEFL.

**JEL classification:** Y091.

## **ECONOMY, ECONOMICS, ECONOMIC, ECONOMICAL**

**Monica-Ariana Sim, Anamaria-Mirabela Pop**

Department of International Business, Faculty of Economic Sciences, University of Oradea, Oradea, Romania

msim@uoradea.ro

mipop@uoradea.ro

**Abstract:** To speak and understand a language means - among many other things - knowing the words of that language. The average speaker knows, hears, understands and uses thousands of words daily. But does he use them appropriately? For this reason the paper is why this paper is about words and meanings. More specifically, it deals with the internal structure of complex words, i.e. derivatives. Therefore, the purpose of the paper is to enable students and potentially other individuals dealing with English language on business basis to engage in their own analyses of some aspects of the language, namely the family tree of the word economy. After having read the paper, the reader should become familiar with the necessary knowledge regarding differences between meanings, misuse and actual sense of words deriving from economy, be able to systematically analyze data and relate his own findings on theoretical language problems. English is used by hundreds of millions speakers and still there is always need for improving our knowledge continuously. Knowing and speaking approximate English may not be enough at an advanced level as in the case of students who prepare themselves for careers that involve proficient communication in a foreign language on specific business issues. This is where the idea of such a paper appeared: students of the Faculty of Economic Sciences talk about economy and all the other terms deriving from it, with approximate knowledge of their meaning, without even being aware that some 'minor' suffixes like -ic, -ical, -ics etc. really matter and do make a difference. Consequently, we started our teaching of Business English lecture in September 2012 with a working sheet based on the terms economic/ economical/ economics/ economy to assess students' awareness of these terms. The result was not a surprise as more than 90% misused economical instead of economic. That seemed a perfect introduction for students in economics. From that moment on, the building of their specific vocabulary could start.

**Keywords:** economy; economics; economic; economical; -ic/-ical adjectives

**JEL classification:** Y90

## L'ÉTUDE DES LANGUES MODERNES ET LA RESPONSABILITÉ POUR LA MIGRATION QUALIFIÉE

**Daniela Stanciu, Liana Ștefan**

*Université de l'Ouest de Timișoara, Faculté d'Économie et d'Administration des Affaires, Timișoara, Roumanie  
destanciu@yahoo.fr  
stefanliana@yahoo.fr*

**Abstract:** *Among the “vicious” or “secondary” personal mobility effects, the brain drain has become the most disturbing trend for the least developed countries barely out of communism. Its consequences on social and economic development have not yet been measured. We suggest a reflection on solutions (only few at present) that our university finds in order to adapt to the international transfer of human capital. Starting from the responses to questions about the aspirations and migration projects of students from the Faculty of Economics and Business Administration, aspiring entrepreneurs, we have been able to observe a radical change in attitude towards the historical migration. Although the migration phenomenon is considered as being natural in any tumultuous period of history, the current migration differs from the twentieth century one, because it is caused by the growing rate of unemployment and the inability of the people to create new jobs. Young people are sort of exiled because some do not want to leave the country as their precedecessors from the communist regime, but they are pragmatic and want higher salaries. In the case in which they leave the country, they do it having in mind the thought of returning at the moment they find an opportunity in Romania. The Romanian educational system displeases the young by its nature, too theoretical and less practical, by the scarcity of offers of internships in companies. The paradox is that few of the students go study for bachelor and master degrees abroad, although they acknowledge the superiority of the Western education system. The survey shows that while studying abroad, the majority of students get a job, also because the scholarship does not cover their living expenses. Students go abroad for a high quality of life, professional opportunities and for recognition of the individual value. They are attracted by lower corruption, possibilities of professional development and appreciation of their work by the employer. hose of them who decide to come back are justified by numerous opportunities to launch a new business, opportunity to exploit its expertise in order to change the Romanian society. Emotional connection with friends and family and not least patriotism are mentioned by almost all respondents, which is a surprise to a generation considered to be cosmopolitan. Knowledge of foreign languages and intercultural accommodation with the Western civilization through university studies, smooth the progress of migration, but they are not its cause.*

**Key words :** *globalisation, migration qualifiée, fuite des cerveaux, rapatriement*

**Classification JEL :** *F22*

## SECTION: ECONOMICS, BUSINESS ADMINISTRATION, TOURISM AND ECONOMIC STATISTICS

### SUB-SECTION: BUSINESS ADMINISTRATION

#### SOCIAL CAPITAL FRAMEWORK AND ITS INFLUENCE ON THE ENTREPRENEURIAL ACTIVITY

**Mihaela Raluca Badea**

*Doctoral School of Business Administration, Bucharest University of Economic Studies,  
Romania  
badearl@ yahoo.com*

**Abstract:** *The aim of this article is to understand the theoretical framework of the social capital concept, based on different approaches identified in the literature and highlight the direct influence social capital has on the entrepreneurial personality characteristics of individuals and organizations. The objectives of the paper focus first on conceptualizing the notion of social capital, by acknowledging the social capital structure and components, the sources of social capital and its role in building social economy; further on, the article explores the influence of social capital in the creation of innovation and economic growth, its dimensions in the entrepreneurial process and the definition of the instruments of measurement, including indicators of trust-generalized and institutional, number of social networks, associational activities-passive and active membership and civic norms. The paper gathers some of the outcomes of different researches conducted in the literature with respect to the positive relationship between social capital dimensions and entrepreneurship, through attracting the right potential of human capital and the required level of financial capital, reducing the transaction costs, identifying new market opportunities and leveraging the social networks, transfer and knowledge overflow and information channels, enabling the launch and the survival of business venture and help gain competitive advantage that would ensure sustainability and success. The case studies referenced in this article use various approaches of highlighting the social capital as a key enabler and not necessarily a generator of entrepreneurial activity, by analyzing the likelihood to launch new ventures based on the interactions with key partners and exchange of information, the sustainability and success of a start up or push/pull factors that determine an entrepreneur to enter the new ventures environment. The article is concluded by a high level introspection on how social capital is created in large corporations, what are the dimensions and the structure of this new “must have” capital form.*

**Keywords:** *Social capital; entrepreneurship; social networks; innovation; corporation*

**JEL classification:** *M10; M13; M14; M19.*

## **INSTITUTIONAL AND LEGAL PREMISES OF THE CORPORATE GOVERNANCE IN LARGE, LISTED ROMANIAN COMPANIES**

**Alina Badulescu, Anca Pacala**

*Department of Economics, Faculty of Economic Sciences, University of Oradea, Oradea, Romania*

*Department of Control Systems Engineering and Management, Faculty of Electrical Engineering and Information Technology University of Oradea, Oradea, Romania*

*abadulescu@uoradea.ro*

*apacala@uoradea.ro*

**Abstract:** *Corporate Governance has particular importance and relevance for the good management and governance of the companies. Even the disruption between the owners and the executives has been widely recognised since many decades, the frauds and manipulations we have witnessed in the 90s and later represent a turning point for both theoretical research and practical approaches in this matter. Moreover, for transition economies, the issue is much more relevant as many institutions involved in governance mechanisms have been emerged since then. As to reduce the differences between the interests of management and the shareholders' ones, several mechanisms of external and internal control can be imposed. The paper discusses main recent developments and evolutions with reference to legal aspects and institutional aspects, specifically the development of the stock exchange. Selected indicators concerning Bucharest Stock Exchange are analysed for the period 1995 (re-opening of the Stock Exchange after political transformations in the 90s), e.g.: number of companies, number of transactions with shares, capitalisation, number of issuing companies, number of new issuing companies. As for legal aspects, we have analysed both Romanian legislation and the Corporate Governance Code of the Bucharest Stock Exchange, and international reports on implementation of Corporate Governance in Romania, particularly OECD Report Corporate Governance in Romania (2001) and World Bank Report on the Observance of Standards and Codes (2004). Investigating the legal framework and the evolutions registered, we can conclude on the role of the above-mentioned mechanisms and on further developments and improvements necessary to enhance corporate governance mechanisms and ensure companies' compliance to these requirements. Moreover, as we will show, Bucharest Stock Exchange has known since its creation in 1995 times of development and consolidation, in terms of number and value of transactions, capitalization etc.*

**Keywords:** *corporate governance; stock exchange; legal aspects; Romania*

**JEL classification:** *G32; G34*

## **SOCIAL RESPONSIBILITY OF ROMANIAN COMPANIES: CONTRIBUTION TO A "GOOD SOCIETY" OR EXPECTED BUSINESS STRATEGY?**

**Daniel Badulescu, Nicolae Petria**

*Department of Economics, Faculty of Economic Sciences, University of Oradea, Oradea, Romania;*

*Department of Finance and Accounting, Faculty of Economic Sciences, "Lucian Blaga" University of Sibiu, Sibiu, Romania*

*daniel.badulescu@gmail.com*

*nic\_petria@yahoo.co.uk*

**Abstract:** *Starting with J. K. Galbraith who conceptualized what "good society" means and how it can be achieved, a long series of both theoretical and practical concerns has emerged. One way of implementing it is companies' social responsibility. Companies are parts of the society, involved in social, cultural and educational field, contributing to economic and social development by creating jobs, producing goods, providing incomes and*

resources for public communities, innovations and general progress. Moreover, the companies' social responsible actions cannot exclude the concern for major problems of the society, e.g. unemployment and social exclusion, equal chances or environmental issues. The social responsible companies involve themselves more and more in sponsorship and humanitarian mecenatum. At the same time, on the theoretical side, last decades testified of an effervescence of the researches on practices related to the concept of corporate social responsibility. Whilst so far corporate social responsibility is mainly promoted by a number of large companies, it is relevant in all types of companies and in all sectors of activity, from SMEs to multinational companies. A number of companies with good social and environmental records indicate that these activities can induce better performance and more profit. The paper investigates various issues concerning Romanian companies' CSR projects, attempting to reveal to what extent these actions really contribute to a "good society" or they are just business strategies to attract customers and make more profit. In its first part we introduce the subjects and briefly review the literature and main concepts, while in the second part we present main facts and figures related to CSR in Romania, along with the main types of companies' involvement in social and humanitarian area. We analyse the differences between behaviour of large companies versus small and medium sized companies, and also the most adequate forms of intervention (financially and legally) to ensure maximum efficacy and visibility of CSR actions. Finally we conclude on the importance of CSR within society but also on the risk that it could be converted in a business strategy or marketing tool, without any social impact.

**Keywords:** corporate social responsibility, good society, Romanian companies, business strategy

**JEL classification:** M14; A13; L21.

## MODERN INDICATORS DERIVED FROM VALUE CREATION AND DISCOUNTED CASH FLOW METHODS

**Simona Cican, Ioan Lala – Popa, Cecilia-Nicoleta Aniș**

Management Department, West University, Faculty of Economics and Business Administration, Timișoara, România

simona.cican@yahoo.com

ioan.lala@feaa.uvt.ro

anis\_cecilia@yahoo.com

**Abstract:** The manner in which resources are allocated, the generation of cash through present resources and the allocation of new liquidities derive from a company's cost-benefit analysis, which is part of management control. The modern financial theory changes the company management objective of maximizing profit with the objective of maximizing its value. The traditional return measures are considered to be insufficient to express the economic reality. Traditional cost-benefit indicators exclude opportunity costs, effects of inflation and risks. The financial experts claim firm value maximization as the main objective of a company's management. The emergence of modern return measures derived from firm value maximization reflects the changes in the economic environment, their emergence creating a dispute over the most appropriate approach regarding value creation. The fact that the data required for their calculation is taken directly from accounts makes them sensitive to accounting distortions. The emergence of modern cost-benefit indicators derived from value creation provides new perspectives on the return. Firm value can grow by generating a higher level of cash flow, by reducing financing costs and by extending the growth period. The value created can be measured by using both modern indicators derived from the theory of value creation and discounted cash flow methods. The value created can be calculated by using discounted cash flow models, which, moreover, are very complicated and take into account a lot of variables. The alternative to these methods is represented by

*modern cost-benefit indicators that have a more simple calculation methodology, and the forecast of calculation factors is narrower and easier to accomplish. In this article, we will present the connection between discounted cash flow methods and the indicators derived from value creation, based on the business finance theory, which says that firm value will increase if projects with positive net present value are accepted, while it will be destroyed if projects with negative net present value are accepted.*

**Keywords:** *modern return measures; economic value added; discounted cash flow model; the net present value; the internal rate of return; cash flow return on investment.*

**JEL Classification:** G32; M21.

## **INVESTMENT FUNDS IN ROMANIA**

**Crina Angela Copil**

*Social Sciens Doctoral School, Faculty of Economic Sciences, University of Oradea, Oradea, Romania  
crina.copil@gmail.com*

**Abstract:** *I chose this topic because my goal was to capture in detail all aspects of the evolution of investment funds under the influence of factors leading to globalization of the banking financial market. The main motivation was that I proposed to present in an original manner the concept of investment in mutual funds by the thoroughness of the following points: the different types of investment funds from Romania, the advantages, the risks and the specific costs of the investment in mutual funds and the effects of the financial crisis on the industry of the investment funds on the national level. The financial crisis and the risk of infecting the global economy affected the taste of risk of the investors and their request for the investment fund, determining the orientation of the investors to the funds with a lower risk – the diversified funds, the funds of bonds and the monetary funds. I considered important the theoretical approach of the concept of investments in investment funds because they are a barometer of the macro economical stability, in case the economical increase is positive on the macro economical level, the investments in investments funds are increasing too. In Romania the market of the mutual funds is at an incipient level, but with potential and perspectives of development. Due to the bankruptcy of FNI in the beginning of the years 2000 and due to the absence of a clear legislation regarding the calculation of the unitary value of the net asset and the control of the activity developed by the investment funds, the development of the industry of the investment funds had to fight against the crisis of credibility generated by these events. The convergence of the Romanian economy to the European standards will attract also a modification of the structure of the financial investments of the individuals, by an increase of the investments in funds. In the world the investment funds are preferred by the investors for their advantages, respectively the investment in instruments with larger capacity, the flexibility determined by the possibility of withdrawal in any moment without losing the cumulated gain, the administration of the portfolio by the professional administrators, the access to diversified placements with small sums, the reduction of the risk by the diversification, the strict regulation and surveillance of the activity of investments administration by the authorities surveying the financial markets. In the developed countries, the placements in administered investments can reach up to 40% of the financial assets of the families, and the deposits own a percentage of 40-50% of the assets, while in Romania the percentage of the investments administered from the total financial assets of the families is under 10%, and the placements in deposits represents over 80%. I consider that the founding of the subsidiaries of assets management in Romania by the banking financial groups contributed and will contribute in a great measure in the future to the increase of the degree of knowledge and acceptance of the investment in investment funds.*

**Keywords:** *investment funds, investors, efficiency, portfolio, placements, fund units.*



**JEL classification:** A11, E44, G11, G12, G21

## **CORPORATE GOVERNANCE COMMITTEES IN EUROPEAN UNION EMERGING ECONOMIES**

**Mihaela Dumitraşcu, Andra Gajevszky**

*Accounting Department, Faculty of Accounting and Management Informatics System  
University of Economic Studies, Bucharest, Romania  
red\_mille\_ro@yahoo.com  
gajevszkyandra@yahoo.com*

**Abstract:** *The aim of this research is to analyze the support committees of European Union emerging economies. The importance of good corporate governance is vital for an organization, especially in the emerging markets, fact that leads to a several perceived improvements of the entity, while being more trustable, open and transparent in relationship with all its stakeholders. In our demarche we started by choosing the emerging economies from European Union, which lead us to a sample consisting of the companies listed on Bucharest Stock Exchange, Sofia Stock Exchange, Warsaw Stock Exchange, Prague Stock Exchange, Budapest Stock Exchange, without taking into consideration a specific tier. In order to have a heterogeneous sample, we did eliminate the financial institutions from our research. This study is developed at European Union level and takes into consideration the following indices: BET® BUCHAREST EXCHANGE TRADING (Romania), SOFIX (Bulgaria), WIG 20 (Poland), PX (Czech Republic), BUX The Share Index of the Budapest Stock Exchange Co. Ltd. (Hungary). The data are extracted from the Annual Reports, Corporate Governance Codes, Comply or Explain Statement or the websites of the listed companies, from period 2007 - 2011. We choose this period, because we wanted to see the evolution of the corporate governance committees' implementation from the period when the last countries from our sample joined the European Union since nowadays. Our conclusion is that we can not discuss about good corporate governance practices. Even so, we can observe from our investigation that the trend in this regard is encouraging. Like future research, we thought at developing our study by comparing the emerging economies from European Union with those outside this area. It is an interesting field of investigation, as every country has different regulations.*

**Keywords:** *corporate governance, committees, emerging economies, transparency*

**JEL Classification:** G30, G34

## **SOME CONSIDERATIONS REGARDING THE MANIFESTATION OF FISCAL FRAUD IN ROMANIA**

**Serju Dumitrescu, Marioara Avram**

*University from Craiova-Faculty of Economics and Business Administration, Craiova, Romania  
codser2001@yahoo.com  
marioaraavram@yahoo.com*

**Abstract:** *In our paper we shall try to present two mechanisms of fiscal fraud used by economical agents and also found in the control actions performed by the fiscal organs at different commercial societies from Romania. The presented mechanisms refer to the fiscal fraud resulted from fictitious acquisitions of goods and services done by Romanian firms which have as beneficiaries other commercial societies which are fiscally registered in Romania. Being empirically examined, the fiscal fraud will be presented through the use of some figures which will describe the detailed operations step by step. For the cases we have chosen to present we will describe the real circuit of goods and money according to the documents. We will also refer to the possibility of identifying the risk of fiscal fraud that*

results from the reports provided by the economic agents for different state institutions. We will also consider the information provide by the books of prime entry and bookkeeping, documents which have to be written by the commercial societies according to the Law accountancy nr. 82/199, with further modifications and completions. The mechanisms of fiscal fraud in use can be identical with the ones presented in this paper or they can be different as „new elements” can appear; these „new elements” depend on the type of activity performed, the modifications the legislative framework, the performers’ creativity or other external or internal factors which are not identified by the fiscal organs. By identifying the fiscal fraud mechanisms and the way in which they function, the fiscal organs will be given the opportunity to take the necessary measures so that the fiscal resources of the state consolidated budget should not be affected by such operations. It is will known that we can speak of fiscal fraud and shadow economy in any country but ,according to the reports and statistics published by different international institutions, Romania’s shadow economy represent almost 30% from the Gross Domestic Product. The Romanian authorities should carefully think about this phenomenon as it requires strict measures to reduced it.

**Keywords:** fiscal fraud, mechanisms, control, fiscal organs, fiscal resources

**JEL classification:** H 26

## **INNOVATION IN THE CREATIVE INDUSTRIES – CASE STUDY OF AN EVENT PLANNING COMPANY**

**Adina Filculescu, Ramona Cantaragiu**

*UNESCO Department for Business Administration, Faculty of Business Administration, The Bucharest University of Economic Studies, Bucharest, Romania*

*adinafilculescu@gmail.com*

*ramona\_cantaragiu@yahoo.com*

**Abstract:** *Creative industries have recently gained attention from economists and policy makers as they are said to contribute in a significant way to the economic and technological development of knowledge societies. In Romania there has not been too much talk about the way in which these industries are inserted in the larger chain of industrial innovation, nor about the particularities of their innovation processes which could provide interesting insights for the more traditional industries that are in need of a creativity boost. This paper seeks to fill this gap by offering a process view of business innovation in an event management company, which we argue has many of the characteristics encountered in organizations belonging to creative industries. Through an in-depth case study based on diary entries and interviews we uncover the way in which innovation is understood in this service sector and how this understanding is translated into repeatable business processes. Based on the review of the literature concerned with innovativeness in creative industries we have decided upon four important research themes: people, products, places and policies. By people we refer, first of all, to the entrepreneur who was asked to reflexively answer questions related to passions/interests, formal and non-formal knowledge and social capital in order to assess her entrepreneurial capacity for innovation. Also included in this category are the clients and the employees, which represent major players in the innovation process during different stages. Places are important because they are used in the definition of innovation: something new to someone somewhere, and also because they are regarded as a source of inspiration and a possible hindrance in the implementation of the desired event design. Products encompass the raw materials that are used in creating the flower arrangements and the general room décor as well as the technologies that stand behind them, while policies refer to national or local governmental mechanisms that seek to guide and fund innovation. These categories represent (f)actors that bring important contributions to the innovation process, while at the same time representing sources of major business risks for the event management company. The article follows the way in which these four*

items interact during the innovation process which was split into four stages: idea generation, negotiation of the idea, preparations for implementation and implementation of the idea. We conclude with the observation that innovation in event planning is human centered, the main referential system being based on the dyad company-client, a thing which has not been explicitly researched until now. Also we suggest that before trying to understand the way in which companies innovate, it is critical to undergo a thorough assessment of the entrepreneurs' perception of business risks.

**Keywords:** innovation; floral design; creative industries; small and medium enterprise; risk; entrepreneurship.

**JEL classification:** M19; O31.

## **DOES CIVIL SOCIETY CREATE SOCIAL ENTREPRENEURS?**

**Oana Gauca, Shahrazad Hadad**

UNESCO Department, Faculty of Business Administration, Bucharest Academy of Economic Studies, Bucharest, Romania

gaucaoana@yahoo.com

shahrazada1988@yahoo.com

**Abstract:** The purpose of this paper is to analyze whether civil society can enhance or stimulate on its own the creation of social entrepreneurs, by studying its traits and the various definitions attributed to it. The main question that the paper wants to answer to is <Does civil society create social entrepreneurs?> and the main approach used in this research paper is the theoretical one. By studying existing articles, research studies and books on the topic, the paper tries to emphasize the various dimensions that civil society can embrace, as pictured by various authors, as well as how these dimensions can relate to social entrepreneurs and the emergence of social businesses. The paper is not meant to be a breakthrough in the field, but rather to launch a question that is related to very important topics these days, social entrepreneurship, social innovation, social businesses and their connection to a very much debated topic-civil society. The paper is a work-in progress and wants to stimulate the research regarding the search of the sources of social entrepreneurship, in order to analyze them and better establish them as incubators for the future studies. It wants to be of use to whoever is researching the concepts illustrated above, as well as for people who want to get in touch with the new buzz words of the academic and entrepreneurial fields. The hereby paper stands, as previously stated, in a theoretical framework and the findings represent a mere analysis of the cause-effect relationship between the characteristics of the civil society and those of social entrepreneurs. However, we are of the opinion that it can be a very good starting point for the ones interested in the domain, to analyze more sources of social entrepreneurship or further refine the answer to the question addressed in this article.

**Keywords:** civil society, social entrepreneur, social change

**JEL classification:** L26

## **THE DRIVERS OF PRODUCTIVITY**

**Piero Mella**

University of Pavia, Department of Economics and Business

27100 Pavia – Italy

piero.mella@unipv.it

**Abstract:** The search for ever greater levels of productivity is due in general to man's natural tendency to minimize the amount of labour needed to produce the goods useful for maximizing the satisfaction of his needs for survival and progress. Labour in effect represents a necessary but "unpleasant" and strenuous activity to be minimized. As

*production requires labour, and labour is extremely strenuous, since the dawn of economic activity man has searched for ever higher levels of labour efficiency, expressed by the ratio between the volumes and quality of the goods produced or consumed and the effort required to produce or to consume them. In this search, working man soon realizes it is more efficient – thus, more convenient – to specialize in the production of a single good, a component of a good, or even a component of a component, giving rise to the first production processes and production systems, thereby reducing those segments of the processes that lead to time savings through learning. This need to increase the efficiency of production has become even more deeply felt when the production was carried out by business organizations. This paper will try demonstrate that productivity is the basis of all productive systems, which are viewed as transformers of utility and value, since the search for maximum productive efficiency is necessary to reduce production costs and thus to produce value.*

*After presenting a coherent frame of reference we shall examine the drivers of productivity and then move on to discuss the consequences of the continual growth in productivity and the non-economic aspects linked to the gradual improvement in productivity.*

**Keywords:** productive system; productivity; drivers of productivity; hypothesis of increasing productivity; employment; jobless economy

**JEL classification:** D24; L23; M11

## **THE AUTHENTICITY AND TRACEABILITY OF FOOD – CONSUMERS PROTECTION FORM**

**Emilia Pascu**

*Faculty of Touristic and Commercial Management, Christian University "Dimitrie Cantemir", Bucharest*

*pascu.emilia@ucdc.ro*

**Abstract:** *The quality of food is closely related with food safety, highlighted by their authenticity and traceability. Essentially the food it is a carrier of information, his quality reflecting off the capability of the body to decode them and so to provide a healthy lifestyle. Each individual, as well as the community, is preoccupied by the great problems of food, eating and the food behaviour, seeking the right solutions to the questions: what, how, when, and where do we eat to satisfy our physiological necessities. Food and food behaviour are essential determinants of our numerous pathologies, appreciating that many of the severe diseases may be prevented by lifestyle changes where the food is playing a key role. For authentic products, in this article there are presented information regarding benefits of traceability of products. The traceability of food products can be obtained by registering the ups and downs of the physical flux obtained during the production process. The objective of traceability is to obtain total control on products by individual and group identification to intervene in case of post-processing defects or any inconvenience. In traceability the "one step back, one step ahead" principle is applied. This means that any company has the obligation to have all the necessary information regarding the product, including the nature of raw and auxiliary materials and to possess information regarding the date and delivery destination. For the accomplishment of this wish, the individual identification of the goods, products, locations and place is indispensable. The traceability of the product is based on the identification code. It is monitored the changes that have occurred during the production processes, transport, storage and distribution flux.*

**Keywords:** Foods, consumer, safety, health, sustainable development

**JEL classification:** M10, Q01

## THE ANALYSIS OF PERFORMANCES OF THE ENTREPRISE THROUGH INDICATORS OF THE VOLUME OF ACTIVITY

Fănuța Pop , Codruța Făt

Department of Finance, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania

Department of Finance, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania

fanuta.pop@econ.ubbcluj.ro

codruta.fat@econ.ubbcluj.ro

**Abstract:** The activity of any economic entity is aimed at providing objects, works and services meant to fulfill certain social needs, as well as at achieving a certain level of profit which would enable the enterprise to maintain and/or develop in business. In order to reach these objectives, the offer of the enterprise should meet the demand of the market within which it activates in terms of: volume (how much it is demanded?), structure (what brands are demanded and what is their share in the total production?), rhythmicity (during what span of time?) and level of quality (does the offer of the entity meet the qualitative level demanded by clients?). The enterprise develops interconditioning relations with its external factors, namely clients, suppliers, the state, employees, shareholders, banks, the government and budgetary institutions; the degree to which their expectations are met reflects the efficiency of the activity undertaken. Among the main indicators of performance, one could cite the turnover and the added value that reflect the economic raise of the entity, conditions its strategic position and defines its place in relation to other competitors, within the branch of activity concerned. A high level of turnover and added value guarantees that the economic entity develops a profitable activity, that it is expanding and developing, a fact with consequences upon the main economic-financial indicators but also upon the efficiency of the activity of the economic entity. The main objectives of the present paper are to point out the dynamics of the indicators of volume of activity, of factors of influence and of their strategies of growth. In addition to that, the study tries to ground and analyse theoretical aspects by providing some practical examples based on real data obtained from an economic entity during the period 2008-2011, but also data published by the INSSE for the same period, in order to observe its evolution in relation to other evolutions from the sector concerned.

**Keywords:** turnover; volume indicators; methods of analysis; dynamics structure; strategies of growth; factors of influence.

**JEL classification:** L25 M11 O12

## ENTREPRENEURIAL ACTIVITY IN ROMANIA – A TIME SERIES CLUSTERING ANALYSIS AT THE NUTS3 LEVEL

Sebastian Sipos-Gug, Alina Badulescu

Faculty of Economic Sciences and Doctoral School of Social Sciences, University of Oradea, Oradea, Romania

sebastian.siposgug@gmail.com

abadulescu@uoradea.ro

**Abstract:** Entrepreneurship is an active field of research, having known a major increase in interest and publication levels in the last years (Landström et al., 2012). Within this field recently there has been an increasing interest in understanding why some regions seem to have a significantly higher entrepreneurship activity compared to others. In line with this research field, we would like to investigate the differences in entrepreneurial activity among the Romanian counties (NUTS 3 regions). While the classical research paradigm in this field is to conduct a temporally stationary analysis, we choose to use a time series clustering

analysis to better understanding the dynamics of entrepreneurial activity between counties. Our analysis showed that if we use the total number of new privately owned companies that are founded each year in the last decade (2002-2012) we can distinguish between 5 clusters, one with high total entrepreneurial activity (18 counties), one with above average activity (8 counties), two clusters with average and slightly below average activity (total of 18 counties) and one cluster with low and declining activity (2 counties). If we are interested in the entrepreneurial activity rate, that is the number of new privately owned companies founded each year adjusted by the population of the respective county, we obtain 4 clusters, one with a very high entrepreneurial rate (1 county), one with average rate (10 counties), and two clusters with below average entrepreneurial rate (total of 31 counties). In conclusion, our research shows that Romania is far from being a homogeneous geographical area in respect to entrepreneurial activity. Depending on what we are interested in, it can be divided in 5 or 4 clusters of counties, which behave differently as a function of time. Further research should be focused on explaining these regional differences, on studying the high performance clusters and trying to improve the low performing ones.

**Keywords:** entrepreneurship; cluster analysis; time series; regional clustering

**JEL classification:** L26; C38; R11

## THE FINANCIAL DISCIPLINE A FACTOR OF ECONOMIC GROWTH

Dorică Stanciu

Department of Economics, Faculty of Economic Sciences, University of Oradea, Oradea, Romania

dorica\_oradea@yahoo.com

**Abstract:** We have considered that the paper can be structured in five chapters meant to bring light, as much as possible, on the tight relation between financial discipline and economic growth, the role and place of financial discipline as an important factor of economic growth, in the same time having propositions which will generate a different approach of financial discipline and will contribute to a beneficial finality for the society. Currently, the economic growth is considered a synthetic expression of the chances to have a better life and, that is why it represents a major macroeconomic policy objective. The economic growth is interpreted as an ascending positive evolution of macroeconomic results. Economic growth consists in the quantitative increase of activities and their results considering the entire national economy, in a close relation with the factors contributing to this increase. The economic growth is expressed by the dynamics of macroeconomic indexes of the results of the activity in real terms, that is GDP, GNP and NI. For the macroeconomic dynamics is correlated with the demographic dynamics, the variation of macroeconomic indexes is frequently reported to the variation of total population. Thus, the economic growth is measured synthetically through the growth pace of GDP, GNP and NI per total and per inhabitant. In all developed countries, the weight of direct taxes in the volume of fiscal revenue represents from 70% in the EU to 85% in the USA, which shows the importance of the role this group of taxes has in forming budget revenues. The economic situation of a state can be positively or negatively influenced by direct taxes; they can hinder or give an urge to economic growth, achieving the regulating stimulation function of the development of economic processes. Considering Romania, one of the main economic problems is the insufficiency of investment resources allotted, these being the main factor contributing to economic growth, a situation when the increase of this allocation is appreciated as being one of the state's priority tasks.

**Keywords:** financial discipline; economic growth; fiscal policy; taxes; VAT.

**JEL classification:** E62; H21;

## **COMPANIES' FINANCIAL STATUS AND THE BUSINESS TURNOVER ON EMERGENT MARKETS: THE ROMANIAN CASE**

**Petru Ștefea, Mioara Florina Pantea**

*Department of Management, Faculty of Economics and Business Administration, West University from Timișoara, Timișoara, România*

*"Department of Economic Sciences, Faculty of Economic Sciences, Aurel Vlaicu" University from Arad, Arad, România*

*petru.stefea@upcmail.ro*

*miofp75@yahoo.com*

**Abstract** *The aim of this study is to test for the relevance of some financial ratios as descriptors of companies' financial status in explaining the evolutions of their business turnover. We are considering a data sample of 36 companies quoted on the Romanian capital market for a time span between 2007 and 2010. The predictive capacity of some significant financial ratios for the companies' business turnover is analyzed and a methodology for the evaluation of their financial status based on these ratios is advanced. We found that the predictive capacity of some relevant financial ratios for the dynamic of some quoted companies' turnovers is non-uniform across the two conventional sectors in which we have grouped these companies according to their field of activity. Based on these results, an synthetic indicator of the companies' financial status is constructed at the level of each individual sector and the non-linear correlation between this indicator and the business turnover is tested.*

**Keywords:** *financial ratios, financial status, quoted companies*

**JEL classification:** *M41*

## **MERGERS AND ACQUISITIONS WAVES FROM THE EUROPEAN UNION PERSPECTIVE**

**Mariana Vancea**

*Department of Economics, Faculty of Economic Sciences, University of Oradea, Oradea, Romania*

*mavancea@uoradea.ro*

**Abstract:** *The purpose of this paper is to analyze the mergers and acquisitions waves that marked the European Union and to emphasize specific characteristics of each period. Thus, we focused on the periods characterized by a significant increase in the number of operations, concentrated in a short period of time. United States have experienced six waves of mergers and acquisitions while in Europe they were less pronounced until the '60s, when increasing interdependence of economies favored concentration movement. The year 1986 marked the construction of the Single Market and for that reason the wave of mergers and acquisitions that Europe experienced in the late 80s (1987-1991) represented, in fact, the first truly European wave. The next M&A (mergers and acquisitions) wave took place in the late 90s (1997-2000), the last wave began around 2003 and ended quickly, in 2007, with the outbreak of the financial crisis. Thus, the objective of this paper is to reveal how the mergers and acquisitions activity in the EU evolved during these waves. At the European level, the introduction of Euro, globalization, technological innovation, deregulation and privatization, low interest rates, financial markets boom and existing liquidity led to an increase in mergers and acquisitions activity. We analyzed the evolution of M&As in the European Union, both of the national, community, and international ones. We compared M&A activity in new Member States and old Member States, and we presented some sectoral aspects. The data presented in the paper can shape the new profile of the global economy. Thus, the United States no longer have absolute supremacy in terms of mergers and acquisitions. EU firms have become important players in the global market of mergers*

*and acquisitions. This paper is based on a systematic, logical, and comparative analysis of scientific literature and of the statistic data provided by the European Commission and UNCTAD referring to mergers and acquisitions. Thus, we used as a research method the qualitative approach in order to analyse the European Union M&A activity.*

**Keywords:** *mergers; acquisitions; waves; European Union*

**JEL classification:** *G34*



## SUB-SECTION: ECONOMIC STATISTICS AND MODELLING

### A MODEL TO MINIMIZE MULTICOLLINEARITY EFFECTS

**Olivia Baciu, Ilie Parpucea**

*The department of Statistics, Mathematics and Forecasting, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania  
oli\_baciu@yahoo.com*

**Abstract.** *Multicollinearity implies near-linear dependence among regressors and is one of the diagnostics that harms enough the quality and the estimation of the regression models. Among the effects of multicollinearity can be mentioned that parameter estimates could lead to opposite signs or the variables turn out to having insignificant coefficients although it is known from theory or reality that the relationship exists. Also, when other variables are included or removed from the model this can affect the parameter estimates. Usually, multicollinearity is measured with the help of Variance Inflation Factor. A value greater than ten indicates severe multicollinearity in the model. Different approaches are known to reduce or eliminate multicollinearity effects but some of them are not always applicable due to data. The most used methods include addition of more data or elimination of the variable that is highly correlated with other independent variables or the use of the Ridge Regression. In addition to the well known and used models it is proposed here a new approach for the multicollinearity reduction. This method implies creating an index variable as a linear combination of the highly correlated ones. The index coefficients are selected under specific constraints imposed on the variables such that the new variable becomes highly correlated with the response variable but not with the independent ones. The best coefficients can be chosen out of the solution domain using an optimization program. In the new model, the highly correlated variables are replaced by the index one. The quality of the new model is improved by reducing or even eliminating the effects of multicollinearity. The regression model is expected to yield proper estimates. Also, VIF returns appropriate values, lower than ten. The method is exemplified on the BRD stock portfolio. Multicollinearity was eliminated, as showed by a value of one of the VIF and the model is expected to improve.*

**Keywords:** *multicollinearity, regression model, index variable*

**JEL classification:** *C20, C51, C58*

### WHAT INFLUENCES STUDENTS' EXPECTATIONS IN WHAT REGARDS GRADES?

**Codruța Mare, Irimie Emil Popa, Georgeta Span**

*Department of Statistics – Forecasting – Mathematics, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

*Department of Accounting and Auditing, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

*codruta.mare@econ.ubbcluj.ro*

*irimie.popa@econ.ubbcluj.ro*

*georgeta.span@econ.ubbcluj.ro*

**Abstract:** *After a period of studying a certain subject, students form an opinion about it and begin having certain expectations. These expectations and the degree in which, in the end, they fulfil, contribute to the reputation of the university. Consequently, a continuous evaluation of the quality of the educational process is needed. The present research presents a part of a more complex study made on a sample of master students in Audit and*

*Financial Management in Romania. The goal was to evidence the main factors that affect students' expectations in what regards the grades they will obtain at the end of the semester. For this, a questionnaire of 20 questions was applied to 250 such students. After factor reduction procedures were applied, six most significant variables were kept in the analysis: the proportion of knowledge acquired, the perceived level of utility of the discipline in the professional career of the student, the proportion in which the subject could contribute to getting employed in the field it belongs to, the evaluation method and two variables evaluating through grades the didactic performance during the course and the overall performance of the tenure professor. The influence of these variables upon the grade expected by the student was assessed with the help of the OLS regression, both in the simple and multiple forms. Out of the six hypotheses formulated, only one proved to be false based on the simple regression analysis. When individually assessed, the evaluation method announced by the teacher at the beginning of the semester turned out to have no statistically significant influence upon students' expectations. For the rest of the variables, results were according to the assumptions made, i.e. all determine in a significant positive manner the students' opinion about the grade they will get. We have also constructed the multiple regression models. When putting all variables together, the significance changes. The level of difficulty of the evaluation method becomes significant, while from the rest of the variables only the proportion of knowledge acquirement still holds. The final conclusion is as expected: the higher the proportion of acquirement, the higher the grade expected at the end of the semester, while the more difficult the evaluation method, the lower the grade.*

**Keywords:** *academic performance; master program; education; OLS regression; evaluation expectations, students' grades.*

**JEL classification:** *A23; C12; C21; C31; I21.*

## **ENVIRONMENTAL PROTECTION IN ROMANIA THROUGH EUROPEAN STRUCTURAL FUNDS – A SPATIAL ECONOMETRICS APPROACH**

**Codruța Mare, Georgeta Span, Irimie Emil Popa**

*Department of Statistics – Forecasting – Mathematics, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

*Department of Accounting and Auditing, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

*codruta.mare@econ.ubbcluj.ro*

*georgeta.span@econ.ubbcluj.ro*

*irimie.popa@econ.ubbcluj.ro*

**Abstract:** *European Structural Funds have been created with the clear goal to redistribute money among European Union members in such a way as to help poorer regions diminish the gaps between them and the richer ones. The present study assesses this problem for the Structural Operational Programme Environment in Romania. Using spatial econometrics methods, we evaluate two issues on the sample of 42 Romanian counties. The first one is if any clusterization process takes place in what regards contracting funds through ESF for environmental protection projects. The second one is intended to test whether the main principle of the ESF is satisfied – helping the poor in a sustainable development process. Using the quartile maps and the spatial Moran's I autocorrelation coefficient we show different results for the clusterization topic. When considering the budget value of the projects implemented through SOP ENV, both as total and as eligible share, Romanian counties group based on a positive global spatial autocorrelation. This means that counties with approximately the same budget levels are neighbours. Transylvanian counties have gained the most out of the projects on environment. When the number of contracts is assessed, the distribution of the counties proves to be random and no global spatial autocorrelation was found. Moreover, the map analysis shows that, in general, there is a*

negative relationship between the value of the budget and the number of contracts. The spatial regression analysis shows the violation of the ESF principle. The coefficients of the GDP are positive. This implies a direct relationship between the richness of the county and the projects implemented through the SOP ENV. Thus, instead of being used by the poorer regions, money goes to the richer ones. The higher the GDP, the higher the value of the budget for the environmental protection programmes financed through European funds. The GDP also positively influences the number of contracts scheduled or signed, but the only at a 10% significance level.

**Keywords:** SOP ENV; sustainable development; environment; Romanian counties; spatial distribution; spatial regression model.

**JEL classification:** C31; Q56.

## **HUMAN CAPITAL: CAUSE AND EFFECT OF THE ECONOMIC GROWTH. AN EMPIRICAL ANALYSIS**

**Olimpia NEAGU**

"Vasile Goldis" Western University of Arad, Romania  
olimpian2005@yahoo.com

**Abstract:** From the birth of the human capital theory, economists were interested to find evidences showing the impact of the human capital on the economic output, discussing and debating more or less the effect of economic growth on the accumulation of human capital in the economy and the association between education and health. The paper aims to test several econometric models to explain the relationship between human capital and economic output. Using World Bank data, 17 countries with the fastest economic growth rate during 1960-2010 were selected. Four econometric models are tested to explain the accumulation of human capital as input and as effect of economic output. Correlation coefficients were calculated to highlight the association between education and life expectancy. The paper demonstrates that human capital, in his two components (education and health), in countries with a fast growth rate, are positively and strongly related to the economic output, in both senses, human capital being input and output of the economic growth. On the one hand, the economic growth adds to the resources available in the economy for improvements in health and education and, on the other hand, human capital is influencing significantly the economic output. Education and health are interrelated, being positively and strongly associated.

**Keywords:** human capital, education, health, economic growth

**JEL Classification:** J 24, I 25, I15, O40

## **STABILITY, BIFURCATIONS AND CHAOS IN UNEMPLOYMENT NON-LINEAR DYNAMICS**

**Carmen Pagliari, Nicola Mattoscio, Iacopo Odoardi, Fabiana Tenerelli**

Department of Economical-Quantitative and Philosophical-Educational Sciences, University of Chieti-Pescara, Italy  
cpagliari@unich.it  
mattoscio@unich.it  
iacopo.odoardi@unich.it  
fabiana.tenerelli@unich.it

**Abstract:** The traditional analysis of unemployment in relation to real output dynamics is based on some empirical evidences deducted from Okun's studies. In particular the so called Okun's Law is expressed in a linear mathematical formulation, which cannot explain the fluctuation of the variables involved. This paper deals with an introductory study about the role of non-linearity in the investigation of unemployment dynamics. The main idea is the

existence of a non-linear relation between the unemployment rate and the gap of GDP growth rate from its trend. The macroeconomic motivation of this idea moves from the consideration of two concatenate effects caused by a variation of the unemployment rate on the real output growth rate. These two effects are concatenate because there is a first effect that generates a secondary one on the same variable. When the unemployment rate changes, the first effect is the variation in the level of production in consequence of the variation in the level of such an important factor as labour force; the secondary effect is a consecutive variation in the level of production caused by the variation in the aggregate demand in consequence of the change of the individual disposal income originated by the previous variation of production itself. In this paper the analysis of unemployment dynamics is carried out by the use of the logistic map and the conditions for the existence of bifurcations (cycles) are determined. The study also allows to find the range of variability of some characteristic parameters that might be avoided for not having an absolute unpredictability of unemployment dynamics (deterministic chaos).

**Keywords:** Unemployment; Economic growth; Logistic map.

**JEL classification:** E24;C02.

## **MODELLING EDUCATIONAL SUPPLY OF UNIVERSITIES IN ROMANIA DURING 2013-2020**

**Florin Marius Pavelescu, Valentina Vasile**

The Institute of National Economy, INCE, Romanian Academy, Bucharest, Romania  
pavelescu.florin@yahoo.com,  
valentinavasile2009@gmail.com

**Abstract:** In this article we start from the idea that the design of tertiary education supply is one of the pillars of human capital development strategies and to support social mobility. As a result, modellers' indicators of higher education supply and prediction methods used internationally for its modelling are investigated. We reviewed a number of features of recent developments in higher education in Romania and implications arising in prediction methodology of students. Given the changes in the last 10-15 years of the number of students and of the specialization areas structure is proposed and operationalized a model of prediction of the number of students and graduates of bachelor in Romania in the period 2013-2020. However, there are proposed a series of measures and policy recommendations to increase the effectiveness of the university management in order to reduce early school leave and increase the training quality of students.

**Keywords:** tertiary education supply, predictions methods, youth employment; effectiveness of the university management

**JEL classification:** I21, C32, J21, H11

## **ANALYSIS OF THE TREND GROWTH OF GDP AND LIFE SATISFACTION IN THE EMU**

**Thomas Wiese**

Department of World Economy and International Relations, Faculty of Economics and Business Administration, University of Debrecen, Debrecen, Hungary  
thomaswiese@econ.unideb.hu

**Abstract:** This paper analyzed empirically the relationship between a deviation in the trend of GDP growth and happiness in euro area member countries. Recent studies indicate a paradox: rising income has not led to increases in long term levels of happiness. Therefore, the hypothesis that citizens adapt to the growth of GDP was tested. We calculated the trend component of seasonally adjusted GDP data and correlated these with annually reported life satisfaction data from the European Commission's Eurobarometer report. This approach

*enabled us to detect midterm adaptation effects on growth rates. The main idea was to explain why happiness indices were stable throughout long growth periods. Our method is new to the literature as to the best of our knowledge; no attempt has been made to explain life satisfaction in the selected countries with reference to the deviation of trend GDP growth. This adds a new method of tackling the question of why economic prosperity has had little or no influence on happiness levels. We found that country-wide differences in the relationship of trend GDP growth and happiness between euro area members exist. Portugal, Italy, Greece, Spain and Slovenia (PIGSS) showed a significantly positive relationship. For other euro member countries the hypothesis does not hold. This suggests that two different groups exist and if everything else is held constant, economic growth strategies should vary. Thus, the concept of a common currency with a monetary policy for both groups might be suboptimal.*

**Keywords:** *Happiness, Growth, Adaptation, European Monetary Union*

**JEL classification indices:** *C22 D03 D60 D90 E50 I31*



## SUB-SECTION: ECONOMICS

### A TERRITORIAL ANALYSIS OF THE ECONOMICALLY ACTIVE POPULATION IN ROMANIA DURING 2000-2011

**Carmen Boghean, Mihaela State**

*Economics, Business Administration and Tourism Department, Faculty of Economic Sciences and Public Administration, University "Stefan cel Mare", Suceava, Romania*  
carmenb@seap.usv.ro  
mihaelas@seap.usv.ro

**Abstract:** *The economically active population is part of the human potential of a country or a region and constitutes the available labour force involved in the production and provision of goods and services. The active population is one of the main production factors, but it is also accompanied by other, equally important factors: capital and nature. The economically active population can also be calculated as the sum encompassing the employed and the unemployed, and these conditions are sometimes hard to define, as the standards in this field are mainly related to the estimated degree of employment and even to the legitimacy of the activity being developed – if we take into account those individuals involved in the underground economy. A thorough outlook at the economically active population is conditioned by the analysis of the information related to the size and the structure of the active population in terms of several criteria, such as: age, residence, sex, level of education, national territorial units, etc. One of the criteria used for assessing the development level of a country is the occupational structure of the economically active population, i.e. the grouping of the active population in each of the three economic sectors: primary sector (agriculture, forestry, fishing and hunting), secondary sector (manufacturing and constructions) and the tertiary sector (services). The historical development of the size and structure of the economically active population is best revealed by an analysis of the time series that have alternated during the reference period 2000-2011, based on the information presented in the Labour Force Balance. The structuring of the active population by development region was based on the identification of the relative measurements of structure according to a number of social and economic characteristics. The analysis of the ratio of the economically active population to the total population as a general indicator needs to be accompanied by the analysis of the specific activity rates by group. Sustained development requires the involvement of all the policymakers in an joint effort to reduce the demographic decline that is affecting both our country and the other EU member states. This decline must be stopped by making investments in: health and science, as well as in labour force employment policies.*

**Keywords:** *economically active population, general activity rate, development regions, level of education.*

**JEL classification:** J21

## **DYNAMICS OF CHANGES IN ROMANIA KNOWLEDGE ECONOMY**

**Camelia Burja**

University „1 Decembrie 1918” of Alba Iulia, Faculty of Sciences, Romania  
cameliaburja@yahoo.com

**Abstract:** *By joining the European Union, the new member states have benefited from more opportunities for interaction and knowledge transfer, which boosted the transition to the knowledge economy. This paper deals with three areas that are the drivers of KE, education, research-development-innovation and information for a selection of European countries, which are the new EU member states (NMS). It focuses on identifying the current state of growth performance in Romanian economy in relation to some of the relevant KE indicators, the main tendencies manifested in the last years and their contribution to the KE development within the EU's developing countries group. The findings of the research reveal that the Romanian economy performance in KE terms has registered a positive dynamism, but this country is not on the efficiency frontier yet, being closer rather to the middle level of development from the new EU member states.*

**Keywords:** *Data envelopment Analysis, Knowledge economy, Economic growth, Economic performance*

**JEL classification:** *I25; O11*

## **CONCEPTUAL DELIMITATIONS OF DIRECT COMMUNICATION, MASS COMMUNICATION AND MASS MEDIA**

**Daniel Burtic**

University of Oradea, Romania, Faculty of Economic Sciences  
rve.daniel@gmail.com

**Abstract:** *In this paper we have tried to define the notion of communication and delimit the concepts of direct communication, mediate communication and mass media communication. Unlike usual approach, we have brought to light the economic elements of the communication process. In this respect, we have tried to show that both linguistic structure and the subsequent definitions of the communication notion contain an ample economic feature. The means of communication have always been important, whether we speak of agrarian, industrial or informational society. In the first stage, companies that provided transport services had to handle the agricultural products which were supposed to be carried to the markets or consumers. In order to carry out these services efficiently, roads were built to enable merchandise transport. During industrial age, the necessity of transport still remained crucial, but there was a slight change in products. This time energy was the main product which needed transporting. Whether we speak of the transport of coal, oil, gas or electrical power, the industry dependence on energy and, implicitly, on energy transporters is indisputable. This situation led to the building of main pipe lines for energy transport. Nowadays, informational society needs information transport. Of course, goods and energy are still being transported today, but our society will hardly do without communication main lines. In order to meet the existing needs in this respect, we witness a development of the communication infrastructure. Contemporary progress is strongly connected to network communication development. Whether we refer to internet, fiber or wireless networks, all of them transport each and every second huge amounts of information. Society, conquered by communication, discovers each passing day new elements and creative approaches through which the communication process between people can be catalyzed and maximized. In all these attempts, the communication process is only the means to achieve higher goals. These interests cause an increase in performance of the communication system. Whether we speak of local, national or global interests, the key factors for mass control are ontologically related to the communication system. This field has been explored by*



researchers over centuries, but not enough, because today's background and challenges are more complex than yesterday's. In the present paper we are placing ourselves somewhere between the collection of past experience and future uncertainty, marked by the passion and duty to explore. In the communication field, we are in a similar position to medical research; when we discover a treatment, we realize that new types of viruses have appeared which require new solutions. The working ground of mass media is extremely moving. Whether we speak of technology, finance, competition, interests, demand and supply or all of them, the cycle of changes happens more and more rapidly, almost stunning. The above mentioned ideas have motivated us in approaching this topic, which we invite you to study.

**Keywords:** communication; mass communication; mass media.

**JEL classification:** L82; D83.

## **AGING POPULATION AND PROMOTING THE „ACTIVE AGING” IN THE EUROPEAN UNION. THE SOCIAL SYSTEMS SUSTENABILITY DIRECTLY CORRELATED WITH AGE.**

**Livia Chisăgiu**

The Institute of National Economy, INCE, Romanian Academy, Bucharest, Romania  
Chisagiulivia58@yahoo.com

**Abstract:** Increasing longevity due to lower mortality rates at all ages, including the elderly population and the increasing of the life expectancy is already a fact in Europe. The effects of this trend combined with those of fertility decline led to increased aging population in the European Union. This is the reality that made necessary and possible the imposition of the concept and the initiative to promote "active aging" at European level in the context of this initiative taken by the United Nations, as well. A further important dimension of social pressure exerted by the aging of the population is synthetically reflected in the evolution of old age dependency rates. The average value of this indicator in the EU27 is projected to double: from 25.9% in 2010 to 52.6% in 2060 with the following meaning: the ratio between the number of contributors and the number of beneficiaries will grow from 4 contributors to one recipient, at a rate of only 2-1. The aging population and the increasing of the old age dependency rates in the EU Member States entails serious concerns about the sustainability of social systems directly correlated with age, such as the pension system, the health care services and the long-term care. Several Member States have reformed their pension systems in the recent past, for example by introducing a correlation between retirement age and life expectancy pension legislation, an approach which is fully consistent with the recommendations of the European Commission, representing an effective form of increasing the sustainability of the system. Another important sector resource-consuming is the health care services, whose costs depend on a number of factors acting on both the demand and supply. The key determinants of the demand are the population size and its structure, the state of health, the individual and national income, etc.. On the supply side, the determinants include the availability and the distance to the health care services, the technologic process, and the institutional construction. Another type of age-related expenditures are the expenditures made for "the long-term care services" which refers to providing a comprehensive set of services and assistance to a population skills limited, the ability to live independently in matters of daily life, for a long period of time.

**Key words:** Active aging; dependency rates; social systems correlated with age.

**JEL classification:** E24; E61; H51; H55

## **BETTING MARKETS: OPPORTUNITIES FOR MANY?**

**Emiliano Colantonio**

*Department of Economic-Quantitative and Philosophic-Educational Sciences, University of Chieti-Pescara, Italy  
colantonio@unich.it*

**Abstract:** *The paper deals with the opportunities to make risk free profits from sports arbitrage betting and bonuses. Different questions arise around the topic: how common are these chances? Can these really be considered as free risk investments? Can cooperation among bettors influence them? Answers involve betting markets, which have received much attention in the recent economic literature due the fact that betting has become a multi-billion dollar industry. Betting markets have experienced an extraordinary growth over the last years due to extensive deregulation, abolition of national monopolies and the advent of internet gambling. Part of published research has focused on agents behaviour (typically bookmakers and bettors) and markets inefficiency. A betting market is expected to be efficient, since it involves public information and numerous participants; it is usually quite large; it is characterized by limited transaction costs; it offers readily observable market expectations and outcomes; its odds and payoffs are fixed and they cannot be influenced by bettors. Despite of these characteristics, sports arbitrage opportunities happen regularly, hundreds of times every day in a betting market. Adjustment processes are usually rapid but not instantaneous. Specific software applications exist which show sport arbitrage situations in real time. Hence creating an income via sports arbitrage betting is possible, even if this can not be considered as a riskless investment. Suitable preparation and knowledge, enough time spent in the activity, adequate financial resources are indeed necessary. Essentially risk free profits can be made by bettors from bonuses (particularly deposit bonuses and risk free bets) offered by bookmakers, by means of the adoption of specific profitable cover strategy. Cooperation among bettors may help in realizing greater advantages both from sports arbitrage betting and from bonuses. Cooperation may allow bettors to share information and knowledge about the sports arbitrage betting. This may enhance the effectiveness and efficiency of this activity by reducing the so called "execution risk". Moreover, if some conditions take place, a bettor could achieve higher profits cooperating with other punters rather than using a bonus alone.*

**Keywords:** *betting markets; arbitrage; cover strategy.*

**JEL classification:** *D03; D84; L83.*

## **EXTERNAL FACTORS FOR THE MONETARY POLICY TRANSMISSION MECHANISM**

**Horațiu Dan**

*Economics and International Business Department, The Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania  
dan.horatiu.sorin@gmail.com*

**Abstract:** *This paper reviews and analyzes the effects that external (or exogenous) factors, defined as economic factors that cannot be controlled or influenced by the central bank, have on monetary policy and the monetary policy transmission mechanism. Adopting a theoretical research position, we aim at identifying the main external factors to monetary policy and discuss the ways in which these factors alter the economic environment and implicitly the monetary policy transmission mechanism. This is done by changing the way in which monetary transmission channels work and deliver monetary policy decisions throughout the economy, with the final goal of producing central bank desired outcomes with regard to economic variables like inflation, employment, or the production level. We will begin this article with a brief introduction on the topic of monetary policy, the monetary policy transmission mechanism and the potential external factors that may influence the monetary*

policy and the functioning of its transmission mechanism. The main external factors are identified as linked to fiscal policy, commodity prices, financial market volatility or other globalization related processes. After this introduction, we will proceed with the analysis of the nature and influences of each of the above mentioned external factors on monetary policy and its transmission, indentifying the potential ways in which they can change the structure and internal processes of the transmission channels. As we will see in the study and highlight in our conclusion, the external factors cause decisive changes in the way monetary policy is transmitted, and thus will strongly influence the decisions that central banks take in order to alter key economic variables. The profound understanding of how these non-central bank controlled factors influence the monetary policy transmission mechanism is a key requirement for central banks, as only by being able to predict, recognize and evaluate the effects of current or future external factors can they succeed in reaching their monetary policy objectives.

**Keywords:** external factors; monetary transmission.

**JEL classification:** E52; E59.

## **THE ASSET PRICE CHANNEL AND ITS ROLE IN MONETARY POLICY TRANSMISSION**

**Horațiu Dan**

*Economics and International Business Department, The Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*  
dan.horatiu.sorin@gmail.com

**Abstract:** This paper addresses the subject of the monetary policy transmission mechanism by focusing on the asset price channel, which is the monetary transmission channel responsible for the propagation of the effects induced by the monetary policy decisions made by the central bank that affect the price of assets. We will analyze the asset price channel by taking a close look at its structure, internal processes and the way it delivers monetary policy throughout the economy, ultimately influencing key variables such as the unemployment rate and the levels of consumption and production. After an introduction dealing with the entire monetary transmission mechanism, its role and purposes, we will focus on the particularities of the asset price channel and the two main ways in which it delivers monetary policy decision effects: through changes in Tobin's  $q$  value, which is the ratio between the market value of a given company and its replacement cost of capital, and through the effect of wealth, both of financial and housing nature, on consumption. In our study, we will consider theoretical aspects and observations, but also empirical evidence that highlights that the exact way in which the asset price channel functions may differ from one economy to another due to differences in the structures of the respective economies and differences in psychology and cultural values of consumers. The deep understanding of the asset price transmission channel is very important for any central bank, as this is the channel that governs key aspects of monetary policy transmission linked to the market value of assets and individual wealth. These values have, as we will see in more detail throughout the paper, an important impact on both consumption and investment, two economic actions that can help the economy, but can also prove to be a crucial element in starting and perpetuating an economic crisis.

**Keywords:** monetary transmission; asset price channel.

**JEL classification:** E52; E59.

## **THE PRACTEAM MODEL REGARDING SCHOOL TO ACTIVE LIFE TRANSITION. STUDENTS' EXPECTANCIES**

**Anca Dodescu, Roxana Hatos, Adriana Borza, Tomina Săveanu**

*Department of Economics, Faculty of Economics, University of Oradea, Oradea, Romania  
Research Center for Adult Education, Faculty of Economics, University of Oradea, Oradea, Romania*

*Career Services Center, University of Oradea, Oradea, Romania*

*adodescu@uoradea.ro*

*roxanahatos@gmail.com*

*aborza@uoradea.ro*

*tsaveanu@uoradea.ro*

**Abstract:** *The project “Practical training of economist’s students. Inter-regional partnership in the labor market between universities and the business environment” focuses on student’s transition from school to labor market. Concretely, it tries to highlight the general role of practical training – specifically the field related practical training set as a mandatory discipline in the curriculum, by identifying possibilities of interventions from supervisors. Starting with literature review regarding determinants of school to active life transition, the present contribution discusses the outline of the practical training set as a mandatory discipline in the curriculum. Within PRACTeam project the practical training itself is accompanied with a series of supplementary services (aptitude testing, counseling, career guidance, mentoring by a trained tutor, granting financial aid, awarding excellence over contests and internships). It represents an active partnership on the labor market meant to address directly students’ expectations regarding practical training, work, and entrepreneurship. At least two main benefits may be derived from the training and tutoring. First, as a dual type model of transition from school to active life, allowing students to become insiders in the labor market. Secondly, changes in supervisor’ patterns of interactions and behavior/attitudes toward work and employees may also occur, which in turn may improve the work. A pretest-posttest non-experimental design was applied for the PRACTeam evaluation. Using administered questionnaires and focus group method to students before and after they completed their practical stages we examined their attitudes and behavior towards elements of the dual model of transition. The paper concludes that a dual type model of transition from school to active life - that implies the education and practice occur simultaneously, successfully meets students’ expectancies and may be functional for improving permeability between professional and academic knowledge.*

**Keywords:** *transition from school to active life, youth insertion on labor market, practical training, PRACTeam model, youth unemployment, youth self-employment, youth entrepreneurship*

**JEL classification:** *J01, J08, J18, J21, J44, J64*

## **PRODUCTIVITY AS REGISTERED TRANSFERS BETWEEN ECONOMIC ENTITIES. A THEORETICAL INTUITIVE APPROACH**

**Alexandru Jivan**

*West University of Timișoara, Romania*

*alexandrujivan@gmail.com*

**Abstract:** *This paper aims at courageously building the design of a conceptual system of thinking economics, conceived as an alternative to the routine one. In this purpose, methodologically, the paper is, pointing out several of our main conceptions that are developed in our researches, also several recent set of ideas and most recent works in the economic literature concerning the topic of productivity. Part of a larger research, our*

*approach blame the common practice in economic life and, as well, in economics theoretical analyses concerning the conceiving and assessing productivity, as being almost exclusively quantitative and formal (ignoring important qualitative and causal aspects of the economic complex process). The organization and building of the paper is made in the logic of presenting the key concepts that are the pillars of the presented system of thinking, starting with the recent context of the New Long Crisis, with the requirements of the concept of knowledge society, with references to the European Union approaches, presenting our opinion concerning the value state and meaning, and finding them in the actual economic growth concept, which is presented as responsible for the entering in the New Long Crisis. Several roots from the genuine liberalism are invoked, in the more recent scientific environment of the service economy, which brought important new ideas and understandings concerning the general design of an economic activity (be it material or immaterial), the intellectual core of all human acts, the servicity approach, recovering the genuine conception on value and productivity. The debate results in pointing out several capital common misunderstandings which give occasion to (and even require) alternative approaches and conclusions, approaches which are conceived as (and can be) useful for developments in better directions that are solving problems on the very long time. The occasion is used also for reminding a most recent conception on an alternative economy.*

**Keywords:** productivity; value; growth.

**JEL classification:** D29; O49.

## **SPECIFIC APPROACHES OF PRODUCTIVITY IN SERVICES. VALUES OF SEVERAL COMPARATIVE INDICATORS**

**Alexandru Jivan, Maria Toth**

*Department of Economics and Mathematical Modelling, Faculty of Economics and Business Administration, West University, Timisoara, Romania  
alexandrujivan@gmail.com  
toth.maria86@gmail.com*

**Abstract:** *The paper proposes a synthesis of several specific approaches of productivity in services, in order to provide a better argued theoretical basis for a realistic assessment of the values of several comparative indicators. From a conceptual point of view, the paper will take as a base some definitions of productivity as a quantitative and industrial indicator, revealing certain aspects that need a widening of the area of approach, in the purpose of being suitable for immaterial activities. Based on the brief analysis of productivity, performance and servicity indicators, the research establishes correlations between them in the immaterial field. Elder and, as well, most recent analyses found in the field literature are used, from most rigorous sources, and they are supplemented with own approaches; such approaches are pointing out several most specific features that are specially set for services and intellect-intensive activities. Technical and financial aspects of common productivity are taken into account, as well as performance in realising various goals, non-economic here included, and the service components, in a complex approach. The presentation focus on nuance features in the quoted references, in the purpose of a fine defining of the indicators and approaches. Specific particularization is achieved based on the literature. Methodologically, the paper is approaching in an unorthodox manner, the plus of value issued from the human activity, i.e. being in a view coming from a fine analysis of the service performed by any economic activity, in a market system. The conceptual importance of these comparative indicators is concisely highlighted, and it consists mainly in the opening that can become a useful ground for practical applicative analyses, which actually are proposed in the future developments of the topic. The research results reveal the relationship between these comparative indicators as well as some conceptual differences*

between them. Their application can be made for material and immaterial economic activities, at different levels of economic entities concerned.

**Keywords:** productivity, performance, services

**JEL classification:** A13; D24

## **EVOLUTION OF ENVIRONMENTAL TAX REVENUES IN POST-COMMUNIST EUROPEAN MEMBER COUNTRIES**

**Simona Maşcu**

*Ph.D. Student at Doctoral School of the Bucharest University of Economic Studies,  
Academy of Economic Studies, Bucharest, Romania*

*mascu\_simona@yahoo.com*

**Abstract:** Human activities can have harmful effects on the environment, which may affect the ability of future generations to meet their own needs. Therefore, policymakers must decide which economic instruments should implement in order to achieve the sustainable development objectives. In Europe, effective action demands the collaboration of all economic agents on all member states in order to bring environmental taxation in line with the EU's climate change targets: reducing its greenhouse gas emissions by 20% in 2020 compared to 1990, raising the share of EU energy consumption produced from renewable resources to 20%, and 20% improvement in the EU's energy efficiency. After two decades of post-revolution economic problems and living-standards, some countries from Central and Eastern Europe took the first steps in designing extensive environmental fiscal reforms. The reform implemented in more advanced post-communist countries spread pretty quickly to upper-middle-income and middle-income countries. Through this article, I intended to present an in-depth analysis of energy taxation and an assessment of trends and status of the environmental tax revenues as a share of GDP levied by post-communist E.U. member countries: Bulgaria, The Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Romania, Slovakia, Slovenia by processing the information provided by Eurostat database. Each information is updated and accurate as possible, although that the use of economic instruments for environmental policy is rapidly changing. This article, which is only a work in progress, will conduct further research on a wide range of environmental tax issues. Potential projects will be submitted in publications, article, and conferences. They will cover: main drivers for the evolution of environmental tax revenue such as final; energy consumption, energy efficiency policies, renewable energy, Europe; Brent Oil Spot price; the situation of excise duties applied to the most important sources of energy in relation to the minimum energy tax provided by EU legislation in CEEC-10; assessments of the extent to which governments from EU-27 and CEEC-10 are using environmental taxes; and entropic degradation – consequences of economic growth.

**Keywords:** environmental tax policy; environmental fiscal policy; environmental tax revenues; new E.U. member countries.

**JEL classification:** H23; Q50; O57

## **RESTRICTION OF CREDIT AFTER THE CRISIS OR A DIFFERENT ALLOCATION OF RESOURCES? THE ITALIAN CASE**

**Nicola Mattoscio, Emiliano Colantonio, Iacopo Odoardi, Antonella Perrucci**

*Department of Economic-Quantitative and Philosophic-Educational Sciences, University of Chieti-Pescara, Italy*

*mattoscio@unich.it*

*colantonio@unich.it*

*iacopo.odoardi@unich.it*

*antonella.perrucci@unich.it*

**Abstract:** *The granting of credit, whose excessive diffusion was one of the causes of the economic and financial crisis of 2007, has suffered profound changes during the following period of economic recession. The granting of credit to households and businesses has been strongly influenced by the effects of the economic downturn, the banks' choices and the intervention of the supervisory authorities. The credit, however, is also an instrument of monetary policy through which governments and central banks try to stimulate the economic growth. There are, nevertheless, several and complex limitations to the actions of banks and other financial intermediaries, information asymmetries and structural limits of the credit market. Should also be considered that in many Countries the economic recession had a strong influence on the choices and opportunities for all economic agents, making it difficult to lay the foundations for economic recovery. In the previous years, the lowering of standards of borrowers and the presence of low interest rates, setting the conditions for the so-called housing bubble. The subsequent reactions, the general worsening of the economy, the lack of funding and liquidity, in addition to the strict rules imposed by the supervisory authorities, have led banks to tighten securely controls on the characteristics of borrowers, being also obliged to put more attention on the composition of the balance sheet. Under these conditions, have risen subjects that do not meet the requirements to receive funding, and at the same time increased the difficulty to repay loans and interest. In this paper a multidimensional scaling analysis is used to observe the situation of credit in the Italian regions before and after the outbreak of the crisis, considering the average values for nine variables and for two different period, before and after 2007. Searching for dissimilarity between areas of the Country, is highlighted a clear separation before the crisis and remained essentially unchanged between northern and southern regions. Furthermore the analysis of time series showed that the granting of credit has declined slightly, but above all has changed destination, from productive purposes and investments, to support consumption.*

**Keywords:** *Credit; Monetary policy; Multidimensional scaling.*

**JEL classification:** *E51; E52; E58.*

## **IMPACT OF ECONOMIC CRISIS ON PUBLIC SERVICES OF SOCIAL VALUE IN ROMANIA**

**Anda Ioana Milin, Ramona Ciolac, Bianca Radac, Fruja Ioan**

*anda\_milin@yahoo.com*

*ramonablaga2005@yahoo.com*

*biancaalinaradac@yahoo.com*

**Abstract:** *Public services market is closely linked to the involvement of the state in economic and social life. The extent and modalities of involvement varies from one country to another, from one period to another are influenced by many specific factors concrete. With the involvement of the state in economic and social life goals should be considered or -declared or not - -especially those interventions effects on the community and individuals. The paper starts from the idea that public service education, the health care and social*

services ensures the physical and intellectual integrity of the individual, regardless of his income level. In democratic societies are more and more talking about education as the means of personal development, a service available to all, regardless of social class, religion, gender, and access to health care is considered a basic right of the individual. Medical services should be seen as a means by which many social objectives can be achieved in the long term (equal opportunities, financial security during illness) not as simple care of the sick. The paper includes analysis related to: the structure of social protection in our country, the scope of these services, the relationship between social protection and poverty, the way and the degree to which social protection deepens or contribute to poverty reduction. The economic crisis triggered in Europe in 2008 that also affects Romania, negatively influenced the evolution of social funds in key areas of public interest, education, health and social care. This results from: decreasing share of social spending in the state budget, decreasing share of these expenses in the total family budget due to lower purchasing power and thus the obligation of individual to reduce or waive some costs of this kind, central and local government bodies inability to meet certain service requirements such at the level of the population and especially low-income population groups. Located in the crisis situation the state must seek solutions to keep social services at an appropriate level because the quantity and quality of these services have an impact upon quality of life and standard of living of many individuals. The results of the analysis indicates us a reduced benefit for this type of service, in our country, with negative effects over the entire society. The conclusions aim to support the fact that social policy from our country is insufficient in relation to the real needs of the population, being strongly influenced by domestic economic situation and the size of the global economic crisis.

**Keywords:** public administration, economic policy, market distortion, social protection

**JEL classification:** H50

## **APPROACH OF RDI SYSTEM IN EUROPEAN UNION IN THE LAST DECADE**

**Mirela F. Nicolov**

University of Oradea, Faculty of Economic Sciences, Oradea, Romania  
nicolovmirela@gmail.com

**Abstract:** Present paper present an approach of the Research-Development and Innovation System (RDI) in Europe during the last decade. After a short introduction is presented the European Union formation. Research, development and innovation (RDI) has been studied and analyzed since 2001 by the European Innovation Scoreboard (EIS). Will be presented in the present paper a summary of all the materials from EIS 2001 till IUS 2011. Study concerning RDI system in Europe was done from innobarometers from 2001 till 2010. EIS2007 presents for the first time the European innovation leaders. EIS presents innovative performance of Member States based on annual statistical data collected from national statistical sources of each member country of the European Union through the Community Innovation Survey by using Document Analysis on Innovation Community. Were taken into account, after this short presentation, the relevant composite indicators for European Union for the last decade to analyze the Research-Development and Innovation System in Europe. IUS2011 distinguish between three main types of innovation indicators. The main input factors in the analysis of external innovation performance of firms covers 3 dimensions of innovation. These indicators, based on the IUS2011, contain as follows: Human Resources with the evolution of new doctorate graduates, population completed tertiary education, youth with upper secondary level education, Research Systems, Finance and Support. All of these indicators belongs to the category of Enablers. Another indicators studied in the present paper are Firm activities, Linkages & entrepreneurship Intellectual Assets. From the category of Outputs there are Innovators and Economic effects. The composite indicators for



*EU Research Development and Innovation System were study for the period 2006-2011. Samples data were took from Pro Inno Europe database for simulations in August 2012.*

*The present study is part of Doctoral Grant “Implications for innovation, research and development role in the development of Romania’s economic competitiveness”, for the period 2010-2015 having Director: Prof. Dr. Alina Bădulescu in Oradea University, Faculty of Economic Sciences.*

**Keywords:** *Economic Development, Institutions and Growth, Europe, Institutional, Research Development and Innovation System*

**JEL classification:** *B25, O43, O52.*

## **ANALYSIS OF THE INTELLECTUAL DEVELOPMENT AND EVOLUTION OF RESEARCH SYSTEMS IN EUROPEAN RESEARCH AREA IN THE LAST DECADE**

**Mirela F. Nicolov**

*University of Oradea, faculty of Economic Sciences, Oradea, Romania  
nicolovmirela@gmail.com*

**Abstract:** *In the present paper will be presented an analysis of the open, excellent and attractive research systems based on the economic indicators taken from IUS2010, IUS2011 that uses the latest statistics from Eurostat and other internationally recognized sources as available at the time of analysis. The datas are taken from the Proinno Europe site: <http://www.proinno-europe.eu/inno-metrics/page/innovation-union-scoreboard-2011>, the last document introduced by European Commision for research developoment and innovation. International scientific publications per 1 million inhabitants (IUS 2010,IUS 2011) and 10% most cited scientific publications with values taken from IUS 2010 and IUS 2011 is analyzed too. By studying IUS 2011 and IUS 2010 we be made a conclusion for the period 2000 to 2010. In respect of the 10% most cited scientific publications, these values are analyzed in the period between 2000 and 2007. These datas are taken at European Union level only for the period 2004-2009. The evolution of doctoral graduates from non-EU countries which are represented as a percentage (%) of the total number of students, according to IUS 2011 is done too. A conclusion concerning the trend for the period 2005 to 2009 is made here too. Analysis of graduates of doctoral internships which belongs to ISCED 6 per 1000 inhabitants aged 25-34 years, based on data taken from the database IUS 2010 and IUS 2011 may represent the evolution of EU doctoral internship graduates during 2000-2010. Were reported in the EU only data from 2002 to 2009. It is done the analyse of the trend from 2002 to 2008. Intellectual development respectvelly publications made in public-private partnership to 1 million inhabitants which are assigned to countries where are research in companies and other private sector organization is done too. But we have here an analysis done only to European area. The analyse of scientific publications made in public-private partnership to 1 million in the period from 2003 to 2008 is done too. The present study is part of Doctoral Grant “Implications for innovation, research and development role in the development of Romania’s economic competitiveness”, having Director: Prof. Dr. Alina Badulescu in Oradea University, Faculty of Economic Sciences.*

**Keywords:** *Higher Education and Research Institutions, Economic Growth of Open Economies, Economic Development, Analysis of Education, Human Capital; Skills; Occupational Choice.*

**JEL classification:** *I25 ,I23, F43, F63, I21, J21, J22, J23, J24.*

## **THE MAIN DEFICIENCIES IN THE IMPLEMENTATION OF THE SECTORAL OPERATIONAL PROGRAMME HUMAN RESOURCES DEVELOPMENT**

**Sorina Păuțu, Mădălin Dogaru**

*Management, West University of Timisoara, Timișoara, România*

---

Finanțe, West University of Timisoara, Timișoara, România  
pautusorina@yahoo.com  
dogaru\_mdln@yahoo.com

**Abstract:** *The absorption of EU funds for Romania is a necessity in the nowadays context. The slow pace of absorption of these structural funds earmarked for Romania as EU member state is a deficiency with negative effects on the economic and social development of our country. Their low absorption shows deficiencies in their coordination and implementation at central level and also at the level of beneficiaries. Their coordinative authorities, in particular the Managing Authority of Structural Instruments, together with its subordinated institutions presents deficiencies in their coordination and implementation as having negative effects on their absorption. The main weaknesses identified on national level mainly consist in the lack of specialized personnel, in excessive bureaucracy and a mismatch of national legislation with the European one. The lack of transparency and change is specific to these structural funds, representing deficiencies that lead to beneficiaries' discouragement to implement projects financed from structural funds. In the Sectoral Operational Programme, the Human Resources Development Program is a leader in the rate of absorption but it also has the largest number of problems and deficiencies in implementation. Due to the deficiencies identified by the auditing European Commission of the Sectoral Operational Programme Human Resources Development, payments were suspended for a period of four months. Following this situation, it was necessary to implement the necessary corrective measures at the level of POSDRU, leading to its release. Taking action and removing the deficiencies at the POSDRU level, and also at the level of other operational programs, it is a necessity and a priority to increase the absorption of these funds. The main measures that need to be taken mainly consist of training the personnel involved in the management of these funds, reimbursements release funds to the final beneficiaries, creating a more transparent system of evaluation of proposals and a better correlation of national legislation with the European one. The challenge is to implement measures identified and increase the absorption of structural funds until the end of their deployment.*

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

**JEL classification:** *R11, R58*

## **VIEWS OF ROMANIAN ECONOMISTS ON THE CYCLICAL FLUCTUATIONS IN ECONOMY**

**Ruxandra Ioana Pitorac**

*Department of Economics and Economic Modeling, Faculty of Economics and Business Administration, West University of Timisoara, Romania  
ruxandrapitorac@gmail.com*

**Abstract:** *As part of a larger work, the objective of this article is to identify the Romanian economists concerned with the study of economic crisis and cyclical fluctuations and to critically and theoretically review the Romanian literature on this subject. The research is a qualitative one and it is based upon the studying of the specialized intern literature, the tools for this research were analysis and synthesis. The study of the Romanian economic thought, concerned with explaining the causes of cyclical fluctuations, has a special importance in understanding the economic system, in general, and in taking the right measures in mitigating the fluctuations and in economic recovery after a crisis period, in particular. The starting point of the theories regarding the cyclical fluctuations in Romania is 1929, when the economic crisis broke out, with serious effects on the development of Romania. An*

*extensive literature has been written on the economic crisis of 1929-1933, in which Romanian economists exposed their views on the causes that generated it and the solutions to get out of that state. The same thing happened during the crisis in 2008-2010. When its effects were felt in Romania, the national economists tried to explain the causes of economic crisis, as well as finding ways of recovery for the Romanian economy. The research reveals the fact that all the analyzed theories, regardless of the historical period, considered the causes of cyclical fluctuation, in general, and the causes of economic crises, in particular, as being endogenous. (technical progress, investment, consumption, production variation, overcapitalization) The presentation of the economists who were concerned by this research is not exhaustive but selective and the most representative were elected to the matter under discussion, based upon the impact of their research on the economic fluctuation theories. It is necessary to take into account the nature of the economic and social era of the historical period in which they were made, and the historical moment not only puts its mark on the theoretical generalizations but also determines their limits.*

**Keywords:** cyclical fluctuations, economic theories, crisis, Romanian economists

**JEL classification:** E32

## **VOLUNTEERING AMONG STUDENTS IN ROMANIA AND HUNGARY CROSS-BORDER AREA**

**Sorana Mihaela Săveanu, Tomina Gabriela Săveanu**

*Research Center on Social Transformations, Faculty of Social Sciences, University of Oradea, Oradea, Romania*

*Research Center for Adult Education, Faculty of Economics, University of Oradea, Oradea, Romania*

*soranasav@gmail.com*

*tsaveanu@uoradea.ro*

**Abstract:** *Considering the multiple benefits of volunteering, this paper analyses both the forms and the sources of volunteering among students. Community participation in all its formal or informal types, by producing collective goods is proven to be beneficial for the society. Nevertheless it has positive outcomes for the individuals involved in such activities by strengthening their social capital, empowering them and providing social skills needed for a better social integration. These effects are even more important for youth which are still in their formation stage. Consequently, by getting involved, volunteering in different activities, youngsters develop both values and competencies which promote awareness of social problems and future involvement in solving such issues. More, some of these values and skills may also facilitate their integration in the field work. As we consider that volunteering is particularly important for youth, in this paper we investigate the forms of participation among students in Romania and Hungary cross border area. The research objectives set in this analysis were to: (1) analyse the dimensions and structure of volunteering among students in this area, (2) investigate volunteering covariates, and (3) to elaborate a profile of students involved in such activities. The investigated covariates of volunteering were structured on: socio-demographical characteristics, educational participation, previous academic path, current academic integration, and employment. Although volunteering and associative participation are intertwined, in this investigation on students we consider the second as a particular form of volunteering. Analyses are presented separately were appropriate, yet the focus of this paper relies on volunteering. Our main findings reveal a significant difference between volunteering among students in Romanian and Hungarian universities. Among socio-demographical characteristics solely household endowment proved to influence volunteering. Academically engaged students, with good school achievement are the ones that volunteer. The profile of students that volunteer supports the common sense idea of*

“good students” involved in all areas of their life. The data analysed in this paper is derived from an international research conducted in Romania and Hungary cross border area, in which 2619 students from seven higher education institutions were questioned.

**Keywords:** volunteering, associative participation, non-profit organizations, higher education, academic integration, working students

**JEL classification:** D64, D71, H40, I21, L31, Z13

## THE THEORY OF THE FIRM AND THE EVOLUTIONARY GAMES

**Nicoleta Sirghi**

*Department of Economics, Faculty of Economics and Business Administration West University of Timisoara, Timișoara, Romania*

nicoleta.sirghi@feaa.uvt.ro

**Abstract:** The neoclassical theory of the firm deals with the pattern of perfect competition, within which the perfect information available to economic agents provides instant allocation of production factors and access to economic goods. The Austrian School (C. Menger, L. von Mises, Hayek, etc.) supported the idea of minimal state intervention on the markets, bringing important conceptual developments on the theory of the firm. Hirschleifer (1982) put forward the model of social and institutional functioning, arguing that the game theory is able to predict the outcome of the collective behavior and the human characteristics necessary for building the respective institutions. The evolutionary theory provides the firm and the entrepreneur the recognition of the functions of innovation, of generating and exploiting information and of organizing and coordinating production. The evolutionary perspective of the firm assumes the existence of a body of knowledge that is acquired through and builds up the organizational memory, subsequently found in routines, all choices being made based on these routines (Nelson and Winter, 2002). The evolution of the firm is considered to be similar to natural selection, but unlike the classic market selection, the evolutionists suggest the existence of a plurality of selection media. The present research is structured as follows: a brief introduction into the theories of the firm, the second part of the paper analyzes the theories of the firm from an institutional, neo-institutional and evolutionary perspective. In the third part of the paper the evolutionary games are described and analyzed from the evolutionary perspective of the firm. The last part of the paper represents a study of the “hawk-dove” game dynamic replicator. The final conclusions of the paper show that the evolutionary theory brings valuable contributions to the foundation of explanations regarding economic phenomena, indicating new directions for advanced economic research.

**Keywords:** theory of the firm, game theory, evolutionary theory, evolutionary games, dynamic replicator.

**JEL classification:** D21, D43, L13, C73, C71

## A VIEW UPON THE HISTORY OF THE PEASANT ASSOCIATION

**Alexandra Stanca Pop**

*Department of Political Economy, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

stanca\_pop@yahoo.com

**Abstract:** The whole social and economic life is based on some form of association. People live in societies, so the idea association appeared in the most natural way, at first in an unconscious form, moving later towards the conscious and organized association. Seeing that through the association they were able to defend their professional interests, fulfil their economic goals and meet their common needs, peasants adopted its formula with

confidence. The ways in which the association spread were diverse. Depending on the economic, social and moral circumstances and on the habits and goals of the various masses of peasants, there have been developed mainly one of the three forms: trade unions, cooperatives, and mutuality. The peasant associations helped the rural communities everywhere and were the object of interest of many theoreticians, who sought their roots, their forms, presented their principles and analyzed their results. One of them was Professor Nicolae Ghiulea, a Romanian economist and sociologist, fervent supporter of the association idea. Nicolae Ghiulea was among the most important representatives of the cooperative doctrine of the interwar period and was well-known for his prestigious academic career. He filled several administrative and social leading functions and had a rich publishing activity in the areas of statistical theory, social economy, cooperatives and sociology. This article sets out to present his view upon the history of the peasant association, as exposed in one of his books entitled „The peasant associations”. The author focuses on the various forms of peasant associations, their history and their practical results in interwar Romania, explaining why they were beneficial. At a closer look, peasant associations are still a viable solution to many current social issues, especially those concerning agriculture.

**Keywords:** peasant association; agrarian reform; cooperative; Nicolae Ghiulea

**JEL classification:** B31, J54, N54, O13, P13, P32, Q13, Q15

## BEHAVIORAL ASPECTS IN THE INSURANCE MARKET

Mihaela Andreea Stroe

Nicolae Titulescu University

stroeandreea@univnt.ro

Phd.Coordinator Prof.Viorel Cornescu; proiectului POSDRU/107/1.5/S/82514, cu titlul "Doctoratul în științe fundamentale - începutul unei cariere de vârf în cercetare"

**Abstract:** The insurance industry has an essential economic importance. In spite of the great progress, we have to emphasize that the existing theoretic models cannot entirely explain the mechanism of the insurance market and of its decisional process, especially in the case of the events with low probabilities. That is the point where the behavioral economists come with a larger view of the factors that influence the consumer decision explained through the Prospect Theory of Kahneman and Tversky, through the Cumulative Prospect Theory that represents an enhanced view of the Prospect Theory and Prelec function. The concept of utility is also detailed in some extent in this paper contributing to a larger perspective about decision in insurance market and its role in the development of insurance market. Prospect theory tries to emphasize the role of psychological effects upon the consumption decision showing that the economic agent does not have a rational behavior and is not risk averse in all situation. In this paper there are showed and debated some situation in which psychological effects like loss aversion, reference point, status-quo and framing effects can influence the decision of the consumer and are not consistent with the standard economic model. In addition to this aspects, Cumulative Prospect Theory enhance the fact that decision makers overestimate low probabilities and underestimate high probabilities, thus buying inadequate insurance in many situation. In this sense, in order to support this idea I tried to make a qualitative presentation of the model used on the insurance market using Prelec function which is the function related with the Cumulative Prospect Theory which can be used in the insurance context. The weak points of the theory of expected utility are explained through this new perspectives and nevertheless aspects like insensitivity to bad news concerning incomes, elasticity of price, displacements of status-quo and default, disposition effect and equity premium are taken into consideration. As example, I chose a Kunreuther experiment about insurance decision in which is underlined the fact that for moderate risk people buy insurance with premiums that exceed the expected loss. There are demands for low deductibles in the markets for extended guarantees and insurances

for mobile phones where was observed that the insurance underwriting rate increases with the probability of loss keeping the expected loss constant. It is better to mention that the theory and the model that are presented here comes as complementary to the economic standard theory not as a substitute.

**Key words:** Insurance market, Prospect Theory, Cumulative Prospect theory, consumer decision, estimated probabilities, expected utility  
**JEL:**D03.

## **A NEW CHALLENGE IN EU: EFFECTIVE FINANCIAL EDUCATION**

**Marta-Christina Suci, Maria Liana Lacatus**

Department of Economics & Economic Policies, DPPD Department, Faculty of Economics, Bucharest University of Economic Studies, Bucharest, Romania  
christina.suci@economie.ase.ro  
maria.lacatus@dppd.ase.ro

**Abstract:** The main aim of the paper is to highlight the importance of financial and business education in the context of the more and more complex and dynamic economic and social systems specific to the modern societies. Financial literacy is a need for people responsible for the way money are managed in a competent way (both their money and other people money with a special dimension on the local/regional and macroeconomic levels). The decisions people made in respect with the money have impact on both short-term and mostly long-term future. Their responsibility and the risks assumed increase as long as employers and government responsibility and assumed risks in this respect might decrease in some cases. The paper is mostly design as a theoretical paper based on literature review and critical research and critical thinking methods. Based on the literature review the paper had identified the most important principles of financial education and illustrates some of these principles such as: active long life learning; oriented based mostly on individuals needs; connected with the early economic education provided both by formal education institutions (schools) and by non formal and informal training programmes like the one provided by NGO (such as Junior Achievement, CREE etc.) where basic concepts on financial issues have an important role; risks oriented. These principles and mostly the ways and forms to provide financial education both within a formal and non-formal framework are debatable subjects and critical thinking and comparative analyses might be fruitful into this respect. In Romania, financial education is in the majority cases part of the school based curriculum. The Ministry of Education recommends that all the educational institutions interested in delivering financial education programs within their schools have to develop also a syllabus for an optional subject that might focus on financial issues. Banks are also interested to contribute to the financial education. They might help schools in conducting financial education programs and, additionally, they developed their own financial education programs. Local and regional institutions are also very important and mostly from the long-run perspective they might make the difference for a sustainable development strategy where investment in life long learning economics, business and financial education have a crucial role.

**Keywords:** economic education, financial education, financial literacy, competent money, school based curriculum, financial education programs.

**JEL classification:** A20, A21

## **THE ECONOMY IN BIHOR COUNTY IN THE CONTEXT OF THE GLOBAL FINANCIAL AND ECONOMIC CRISIS**

**Florica Ștefănescu, Delia Bekesi**

---

Department of Sociology, Social Work and Philosophy, Faculty of Social Sciences,  
University of Oradea, Oradea, Romania  
florica.stefanescu@gmail.com  
georgianabekesi@yahoo.com

**Abstract:** *This paper proposes an approach of the relationship local-global in terms of the response of local economy to the challenges of the present economic and financial crisis. We reviewed some ideas from the specialty literature on the topic of the paper and we developed a case study on Bihor economy. We proposed to check to what extent the local economy has relevance in a globalized world. For this purpose we used the method of studying documents and we realized a comparative study of national and economic development in Bihor during the financial and economic crisis (2008-2011). The analysis of socio-economic indicators for the period 2008-2011 in Bihor county shows a specific response of Bihor economy to the economic crisis, arising from the particular conditions that characterize this area. Even if there are elements of convergence with the general features of the global crisis, there are a number of features that enable a rethinking of the role of the local, of communities in future economic developments. Taking into account the economic and demographic particularities of Bihor county, the local authorities have developed strategies that enabled a superior utilization of local potential and the reduction of vulnerabilities. Thus, in order to attract local and foreign investors, a network of industrial parks has been developed, along with providing facilities to potential investors. Located in the border area, Bihor county benefited from European funding opportunities specific to these areas, in this case HU-RO, which involved joint projects with the Hungarian areas bordering Romania, which were heavily accessed with visible results especially in the plan of SMEs, infrastructure, culture, education and health. Special attention was paid to energetic strategy as Bihor County has significant geothermal resources. Being a multi-ethnic and multi-religious county, a cultural strategy was considered appropriate, having as main objective the increase of quality, diversity, attractiveness of cultural life, intercultural support, stimulation of cultural performance, and the maintenance and restoration of cultural sites. Another strategy was developed in tourism marketing, as the tourism potential of the county is high, but poorly capitalized because of road, rail and air infrastructure, which is more precarious than in most areas of the country. The conclusions of the paper favor the idea of decentralization encouragement which allows greater flexibility and adaptation to "the present time", especially in terms of policies and strategies that can be shaped and implemented.*

**Keywords:** *economic and financial crisis, globalization, anti-crisis measures, socio-economic indicators, local- economy.*

**JEL Classification:** *E32, F63, G01, H70*

## **"NEW" AND "OLD" IN ECONOMIC NEOLIBERALISM**

**Daniela Zirra**

Department of Commerce, Integration and Business Administration, Domestic and International Commercial and Financial Banking Relations Faculty, Romanian-American University, Bucharest, Romania  
daniela.zirra@gmail.com

**Abstract:** *In the evolution of economic history, the economic neoliberalism can be considered one of the most important. On the one hand, neoliberalism is a promoter of freedom in decision making process and competition. On the other hand, the market and its capability to supply information for the individuals and firms represents one of the central pillars for economic growth, development and profitability. Finally, we cannot ignore the diversity of neoliberal ideas, the number of promoters, and the global extension of neoliberalism. For these reasons, we consider that a short incursion in the history of*

*neoliberalism is also actual and necessary. In the recent evolution of the neoliberal doctrine we can mention several important stages in the 20th century. During the first stage – between the first and second decade - Mises revived the School of Vienna, in his attempts to combat the concepts strongly promoted in the economic theory by the socialist doctrine. The second stage, comprised between the third decade and the end of the fourth decade, was an unfavourable period, during which the concepts of liberal orientation were strongly criticized. The third stage of the neoliberalism evolution, as a doctrine, can be placed between the last part of the fourth decade and the end of the fifth decade, having as object of debate the criticizing of the concepts launched in the economic literature by John Maynard Keynes. The fourth stage meant the entry of neoliberalism in a shadow cone, which lasted from the beginning of the 1950's until towards the middle of the 1970's, due to the popularity "enjoyed" by keynesism. The failure to apply the keynesist theories, declared in the second half of the 1970's, meant the entry of neoliberalism in an extended stage of development, which lasted until towards the end of the first decade of the 21st century. After year 2008, there are voices stating that the neoliberal principles are unable to find the answer to the world economic crisis and that, in fact, their promotion to such a wide scale contributed to this negative evolution of the economy.*

**Keywords:** economic thought; neoliberal paradigm; economic neoliberalism.

**JEL classification:** B13; B25; B53.



## SUB-SECTION: TOURISM

### SUSTAINABLE TOURISM AND ITS FORMS – A THEORETICAL APPROACH

**Dorin-Paul Băc**

*Department of Economics, Faculty of Economic Sciences, University of Oradea, Oradea, Romania  
dbac@uoradea.ro*

**Abstract:** *From the second half of the twentieth century, the importance of the tourism industry to the world economy continued to grow, reaching today impressive figures: receipts of almost \$ 1,000 billion and direct employment for over 70 million people (WTTC 2012), without taking into account the multiplier effect (according to the same statistics of WTTC, if considering the multiplier effect, the values are: \$ 5,990 billion in tourism receipts, and 253.5 million jobs). We can say that tourism: has a higher capacity to generate and distribute incomes compared to other sectors; has a high multiplier effect; determines a high level of consumption of varied products and services. In this context, voices began to emerge, which presented the problems and challenges generated by the tourism activity. Many regions are facing real problems generated by tourism entrepreneurs and tourists who visit the community. Therefore, at the end of the last century, there were authors who sought to define a new form of tourism, which eliminated the negative impacts and increased the positive ones. As a generic term they used alternative tourism, but because of the ambiguity of the term, they tried to find a more precise term, which would define the concept easier. Thus emerged: ecotourism, rural tourism, Pro Poor Tourism etc.. All these forms have been introduced under the umbrella concept of sustainable tourism. In the present paper we will take a theoretical approach, in order to present some forms of sustainable tourism. During our research we covered the ideas and concepts promoted by several authors and academics but also some international organizations with focus on tourism. We considered these forms of tourism, as they respect all the rules of sustainable tourism and some of them have great potential to grow in both developed and emerging countries. The forms of sustainable tourism we identified are: ecotourism, pro-poor tourism, volunteer tourism and slow tourism. In the second part of this paper we presented both the pros and the cons of each of the identified forms.*

**Keywords:** *sustainable tourism; ecotourism; slow tourism; pro poor tourism; volunteer tourism*

**JEL classification:** *L83; Q56;*

### THE EVOLUTION OF TOURISM IN THE NORTH – WEST DEVELOPMENT REGION (DURING 2009 – 2011)

**Afrodita Borma**

*University of Oradea, Faculty of Economics, Oradea, Romania  
aborma@uoradea.ro*

**Abstract:** *Fourth year PhD candidate at the University of Oradea, under the guidance of Professor Mrs. Alina Bădulescu 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 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 regions of Romania. 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 evolution of tourism in developing regions of Romania. The research methodology that was used consisted in documentation from the specialised literature and statistical data collection from the site <http://www.insse.ro/cms/rw/pages/index.ro.do> in order to gather representative data on the evolution of national tourism for the 2009 – 2011, in each districts of North-West. The first part of the paper presents the foreign visitors who come to Romania, hence the largest number of foreign visitors and how it evolved from 2009 to 2011 the number of foreign tourists in Romania. The second part deals with the existing tourism potential in the North-West region and the opportunities offered by the region. The three part deals with the main touristic indicators in the six counties of North-West and the differences between them. The analysis is based on the comparison of main tourism indicators showing the tourist activity in the development regions of Romania, namely: the number of arrivals, number of nights and existing tourist capacity. The last part presents the steps that should be followed to overcome the losses caused by the crisis of 2008-2009 and to ensure a positive growth of the indicators analyzed.

**Keywords:** districts of North-West; tourism potential; touristic indicators;

**JEL classification:** L83

## THE FACTORS APPEARANCE AND DEVELOPMENT OF RURAL TOURISM

Ionel Barbu

Doctoral School of Social Sciences, Faculty of Economic Sciences, University of Oradea, Romania

[ionelbarbu@yahoo.com](mailto:ionelbarbu@yahoo.com)

**Abstract:** In this paper we try to show as well the main factors of the emergence and development of rural tourism in order to establish priorities in the joint action of local people, entrepreneurs, tourists and local and national administrations. In many countries, the tourism industry fall within government priority. Tourism has been identified as one of the primary industries with potential to support local communities in developing economic diversity. Rural tourism has developed due to revenue growth (it is mostly discretionary income), due to increased leisure life and diversification motivations and desires of tourists. Tourism development is favored by improving infrastructure, historical monuments and architectural restoration and promotion of environmental conservation. Rural areas have a special attraction for tourists because of the distinct characteristics associated with mystical, cultural, historical, ethnic and geographical. For progress together with profit for those involved, it requires several components: attractions, investment, appropriate infrastructure, services and diversified hospitality promotion. To run this set of factors need to join entrepreneurs and public administrations. From the literature we can draw a number of necessary conditions for the development of rural tourism and a number of motivations for its support. The public sector is responsible for policy formulation, research and planning, development of basic infrastructure, the development of certain landmarks, establishment and management of service delivery standards, establishing management measures and recovery planning and environmental protection, setting standards for training and improve employment, maintaining public health and safety. The private sector is responsible for the development of accommodation services, travel agency operations, the activity of commercial tourist enterprises, development of landmarks and advertising through specific marketing activities, all based on existing infrastructure provided by public administration. We believe that a revision of an important part of approaches that have appeared in the literature in terms of the concept of rural tourism, in terms of methods of analysis of tourism

activities and, not least, requiring the use modern techniques for foresight indicators by which to make assessments on these activities.

**Keywords:** rural tourism; development factors

**JEL classification:** M1; M19

## **EXPLORATORY RESEARCH REGARDING ROMANIANS' PERCEPTION ABOUT THE REGIONAL BRAND "MARAMUREȘ"**

**Alexandra M. Drule, Alexandru Chiș and Adina G.Dunca**

Marketing Department, Faculty of Economics and Business Administration, Babeș-Bolyai University, Cluj-Napoca, Romania

Z Tour, Travel Agency, Cluj-Napoca, Romania

alexandra.drule@econ.ubbcluj.ro

alexandru.chis@econ.ubbcluj.ro

adina\_dunca@yahoo.com

**Abstract:** In recent years, the expansion of touristic activities confirmed the importance of marketing activities in touristic regions. In tourism as well, globalization implies an unlimited number of options, and the traditional elements regarding competition and differences related to price or quality are no longer sufficient in efficiently differentiating the touristic region. A key factor in this sense is represented by the notion of place branding or, to be more precise, regional branding. Theoretical studies on this subject are relatively recent, and fewer compared with studies on traditional brands, for example. A practical research regarding a touristic region can thus provide a series of utile information that marketers can use in elaborating marketing strategies and, specifically, in the branding process. The study's main objective aimed at shaping the regional brand "Maramureș" using mainly projective techniques, scarcely used in studies of this kind in Romania, based on a sample of more than 200 respondents. The information obtained focused on the respondents' perceptions regarding the region of Maramureș as a touristic brand, the associations made, the values attributed to the region in terms of touristic potential, of touristic infrastructure, of weak and strong points of the touristic brand Maramureș, but also elements of the regional image and identity (at this point were considered certain associations with visual elements but also with its personality). By highlighting respondents' subjective and diverse opinions, it was aimed to point out some directions that would eventually guide a new approach of the brand for this touristic region. Also, the results of this study could represent a starting point for a program of regional development, funded through various local or European funds. Furthermore, based on the information obtained from respondents, it has been proposed a new logo of the region, as a first step in running a promotion campaign of Maramureș as touristic destination.

**Keywords:** regional brand; regional marketing; tourism destination; tourism brand's personality; Maramureș.

**JEL classification:** M31; M38; L83.

## **APPROACHES TO ANALYZE THE QUALITY OF ROMANIAN TOURISM WEB SITES**

**Ramona Lacurezeanu, Liana Stanca, Alexandru Chiș**

FSEGA, University Babes-Bolyai, Cluj-Napoca, Romania

ramona.lacurezeanu@econ.ubbcluj.ro

liana.stanca@econ.ubbcluj.ro

alexandru.chis@econ.ubbcluj.ro

**Abstract:** The decision to purchase the tourism product is influenced by the information provided to the tourist. The Internet information, which is the primary source, is used. The tourists choose the company based on the information provided. The main purpose of an

online agency is to sell vacations. On the other hand any online agency must respond to user needs even if they are not always commercial (obtaining impressions of a destination, documentary on cheap destinations, etc.). The purpose of our work is to analyze travel web-sites, more exactly, whether the criteria used to analyze virtual stores are also adequate for the Romanian tourism product. Following the study, we concluded that the Romanian online tourism web-sites for the Romanian market have the features that we found listed on similar web-sites of France, England, Germany, etc. In conclusion, online Romanian tourism can be considered one of the factors of economic growth.

**Keywords:** tourism; tourism on-line; ITC in tourism; quality of a web site; testing the consistency; usability rules.

**JEL classification:** L86, M15, M31

## **CONSUMERS' PERCEPTION ON INNOVATION IN THE TOURISM VALUE CHAIN**

**Anamaria Răvar, Maria-Cristina Iorgulescu**

Department of Tourism and Geography, Faculty of Commerce, Bucharest University of Economic Studies, Romania

anamaria.ravar@gmail.com

cristina.iorgulescu@yahoo.com

**Abstract:** In the current economic environment, innovation is considered critical by the majority of tourism companies that are increasingly willing to spend more to become more innovative. This tendency is visible in all segments of the tourism value chain: accommodation services, transportation, intermediaries – travel agencies and tour-operators – as well as entertainment and leisure facilities. The final aim of innovation in tourism enterprises is to increase customer satisfaction and thus secure the enterprises' competitive advantage on a continuously changing market. Thus, consumers' perception on innovation is relevant not only to academics and researchers, but especially to organisations in the business environment, which use customer feedback in order to develop innovative products which are better suited to the individual needs of tourists. The purpose of this article is to determine how consumers of tourist services perceive innovation in the various segments of the tourism value chain. The results will indicate the perceived intensity with which innovation is implemented in the tourism industry as well as the sectors in which innovation could bring additional benefits to tourists. To this aim, it was conducted a literature review on the main types of innovations in hospitality, airline transportation and travel intermediaries, as well as a pilot questionnaire-based study on 120 regular consumers of tourist services. Results indicate a discrepancy between the importance tourists give to innovation and the actual perceived level of innovation in the tourism value chain. Furthermore, the research shows the importance of innovation in different segments of the tourism value chain in the purchase decision of a tourism product. Unfortunately, results indicate that Romanian tourism operators' perceived innovativeness is lower in comparison with foreign tourism operators. The study is exploratory, representing a starting point into a more comprehensive research into the means through which innovation can be enhanced in the various sectors of the tourism industry.

**Keywords:** innovation; tourism; hotel industry; travel agencies; transportation; technology

**JEL classification:** L83; O14; M10

## WHAT MOTIVATES CULTURAL TOURISTS? AN ANALYSIS OF BUCHAREST INHABITANTS' MOTIVATION TO VISIT THE CENTRE REGION

Anamaria Răvar, Cristina Mahika

Department of Tourism and Geography, Faculty of Commerce, Bucharest University of Economic Studies, Romania

anamaria.ravar@gmail.com

cristinamahika@yahoo.com

**Abstract:** Cultural tourism is currently one of the main driving forces of the tourist phenomena, accounting for a significant part of the world's tourist flows. Cultural tourism may take many forms, according to the motivation behind tourists' impetus to travel to a certain destination. Cultural heritage and historical sites, dance, music and theatre performances, art galleries, museums and exhibitions, religious and worship sites and ethnic traditions are the main attractions for tourists motivated by knowledge seeking, self-development and the desire to experience other cultures. Although cultural motivations play an important role in the generation of tourist flows towards cultural tourism destinations, a tourism experience is rarely generated as a result of a single motivation. The act of choosing a specific destination and tourism product is influenced by multiple motivations, not only cultural but also connected to relaxation or family. Furthermore, tourism products are rarely homogeneous – a single holiday may include experiences with cultural content as well as leisure time, sports, adventure or entertainment. Thus, culture is not always the main motivation behind cultural tourism and may in fact be less central to the decision to travel than other factors. This is particularly true in the case of destinations which dispose of various cultural assets, but whose natural tourist resources – such as landscape, climate, access to the sea – also makes them attractive for other types of tourism. The aim of this article is to show that in the case of tourist destinations where cultural attractions represent the vast majority of the areas' tourist heritage, cultural motivations remains central to the decision to travel. Furthermore, we will seek to identify the main types of cultural attractions that motivate cultural tourism in Romania by investigating Bucharest inhabitants' perception of the Centre Region, a cultural destination par excellence in light of the latest statistics and developments. The article is based on the findings of an exploratory survey-based research carried out in the first three months of 2013 on more than two hundred tourists and potential tourists in Bucharest.

**Keywords:** cultural tourism; tourist motivation; Centre Region; cultural attractions; cultural destination

**JEL classification:** L83, M31, Z10

## THE PERFORMANCE OF TOURISM AS A TOOL OF DEVELOPMENT FOR BRASOV REGION

Liana Ramona Sălăgean

Faculty of Economic Studies „George Barițiu” University, Brașov, Romania

lianaugb@yahoo.com

**Abstract:** Tourism is a strategic economic activity in Brasov, its importance in the local and national economy being likely to grow in the next few years. Tourism is now one of the world's largest industries and one of its fastest growing economic sectors. This paper is aimed at analysing the tendencies in tourism over the past five years in Brasov, observing the evolutions and suggesting some viable solutions for this region to become and remain a successful tourism destination in the future. The measurement of tourism activity from the perspective of the consumption of visitors entails the estimation of the observation units – trip, visitor and travel party – and their corresponding characteristics. Tourism is a consumer of cultural and natural resources, direct and indirect services, being a source of services in

turn. A significant part of the Brasov region abounds in natural and anthropic tourism resources, which makes it possible that an increasing flow of both national and international travellers should be drawn by tourism development, while new towns may appear and flourish as tourism resort. In the case of Brasov region, the main reflection topic should be focused on the difference between the expected performance – the regional resources and the geographic position. As an absolute and also relative value in GDP, in the last few years, the Romanian tourism achieved performances which place it in the second half of the classifications related to Europe. The contribution of tourism activity to the general economic development in Romania shows that tourism may act as in impetus for the global economic system. This implies the specific demand of technologies, goods, and services produced by various economic branches should be met. Brasov area has a diversity of natural tourist resources and cultural assets of a great historical, architectural, and artistic value, those distinguish it from other areas. An accurate estimation of tourist potential elements requires a qualitative and quantitative system of criteria. Tourism favours the local utilization of several resources, of the labour market, for instance, contributing to its stabilization by diminishing the migration process towards the urban areas.

**Keywords:** tourism, system of indicators, accommodation, performance, analyse.

**JEL Classification:** M 10, M 20.

## **EFFECTS OF CUSTOMER ORIENTATION, LEARNING ORIENTATION AND INNOVATIVENESS ON HOTEL PERFORMANCE - EVIDENCE FROM CLUJ COUNTY**

**Roxana Stegorean, Anamaria Petre, Corina Gavrea**

Management Department, Faculty of Economics and Business Administration, Babeş-Bolyai University, Cluj-Napoca, Romania  
roxana.stegorean@econ.ubbcluj.ro  
anamaria.petre@econ.ubbcluj.ro  
corina.gavrea@econ.ubbcluj.ro

**Abstract:** This paper seeks to relate a strategy of diversification to innovativeness and to the performance of a hotel. Due to the more increased competition within the area of tourism e.g. hotel sector, the need of analyzing the variables mentioned in the title of the paper has become more and more obvious. The first part of the article regards the literature review for the three variables and thus, like an outcome four hypotheses are stated. The second part consists of developing findings for the studied region of Cluj County based on the presented research methodology. The results show that hotel performance is influenced by customer orientation and hotel innovativeness, while the latest one is associated in a positive manner with learning orientation. The three chosen variables could be considered real driven forces for competitiveness in the hotel sector. Thus, any management team should be aware of the results of this study and should create an appropriate environment within the organization able to sustain an expected performance level by focusing on the mentioned variables. Making a deeper analysis about the performance indicators, the results demonstrate the actual development stage of the hotel sector for Cluj County: above the national average, but with potential of growing, mainly from the perspective of efficiency. At this point, management should be aware about how significant could be innovativeness and learning orientation for creating or improving services and delivering processes. In the hotel sector it is very obvious that due to the increased role of employee the awareness is more valuable than in other sectors. Due to the most relevant market segment e.g. business tourism, the studied county is customer oriented and has a good mean value for sales goal achievement, also. In order to improve the profit goal achievement value, innovativeness and learning orientation have to be considered powerful instruments for management team. Taking into consideration the potential of growth in the Romanian hotel sector, we consider that the three chosen variables - customer orientation, learning orientation and innovativeness,

*should be further analyzed in respect with other performance indicators. Thus, we consider the study being valuable and relevant because it can be expanded not only to other regions - which gives it practical value, but also by including other performance indicators - for academic value.*

**Keywords:** *hotel; customer orientation; learning orientation; innovativeness; performance; competitiveness*

**JEL classification:** *L83; L25; M10*





## SECTION: FINANCE, BANKING, ACCOUNTING AND AUDIT

### SUB-SECTIONS: ACCOUNTING

#### THE CONCEPT OF PERFORMANCE - HISTORY AND FORMS OF MANIFESTATION

**Camelia Avram (Boitoş), Luminita Rus**

*"1 Decembrie 1918" University, Alba Iulia, Romania*

*"1 December 1918" University, Alba Iulia, Romania, University of Oradea, Faculty of Economics, Oradea, Romania*

*boitos\_camelia@yahoo.com*

*lumimar@gmail.com*

**Abstract:** Nowadays, a more and more overwhelming role comes to global performance considering the intense competition at every market level. The competition law governs any conducted activity, thus the weakest, without the capacity of adaptability being removed from the competition, also economic, social and environmental changes which, at a global level, led to changing the way of thinking and conducting the global economic activities. At present, performance plays a fundamental role in the survival of the entities found in a permanent adaptation to the market demands by implementing new and successful management strategies. These strategies must cope with the elements specific to contemporary economy, meaning a competitive, unstable and turbulent environment and, under these circumstances, viability of economic agents cannot be achieved without talking about performance. Modern economic entities must cope with the demands of the new global economy, such as global economic crises, economic liberalization, high growing pace of competition, so that they can achieve the predetermined objectives, having the maximum of effects with the minimum of effort, but at the same time one should not neglect the social and environmental factors, directly or indirectly involved in conducting the activity. In the conditions of an environment which denotes less stability, the entities must be capable of making strategical decisions necessary for maintaining a balance and for being able to address and implement strategies for future, strategies which allow maintaining the organisation healthcare unaltered. Thus, we cannot bring into discussion the competitiveness of an entity in the conditions of a turbulent, fluctuating and especially competitive environment without talking about performance. This scientific approach has started from the premise that any economic entity has the goal of getting performance in conducting the activity. Thus, we have tried to get inside the problems of defining the concept of performance, starting from its beginnings until present, following the path taken by this concept from defining it according to a series of criteria such as: profitability, productivity, flexibility, adaptability, growth, to defining it as the level of achieving the organizational objectives; to assessing it according to productivity and efficacy of the economic entity; to its contemporary approach as the creation of value. Moreover, we are trying the defining of performance according to efficiency, efficacy and economies. As a result, being performant means combining all three variables, their combination reflecting the level of performance of an entity.

**Keywords:** performance, efficiency, economies, efficacy, yield.

**JEL classification:** M41

## **ACCOUNTING IN KNOWLEDGE-BASED ECONOMY. THE CASE OF THE ROMANIAN ICT INDUSTRY.**

**Victoria Bogdan, Dorina Popa, Mărioara Beleneși**

*Department of Finance-Accounting, Faculty of Economic Sciences, University of Oradea, Romania*

*Department of Finance-Accounting, Faculty of Economic Sciences, University of Oradea, Romania*

*“1st December 1918” University of Alba Iulia, Romania, PhD student, and Department of Finance-Accounting, Faculty of Economic Sciences, University of Oradea, Romania*

*vicbogdan@yahoo.com*

*dorinalezeu@yahoo.com*

*mimibelenesi@yahoo.com*

**Abstract:** *The first objective of the paper is to carry out a retrospective of the literature written on the topic at the national level, yet especially at the international level regarding the aspects of accounting in knowledge based economy, starting from concepts such as knowledge, typology and the role of knowledge, knowledge based economy and the characteristics of accounting in knowledge economy. In order to review the literature in the field, we used the quality research with a descriptive-conceptual perspective of a fundamental type, according to the deductive method, starting from concepts and theories existing at the level of knowledge based economy and the accounting used in this new economy. The paper has also in view the drafting of a study at the macroeconomic level, regarding the evolution of ICT Industry in Romania in the last half of decade, a period in which the economy and its sectors have been seriously affected by economic imbalances. The study is framed within the area of quantitative research, in a preponderantly inductive approach, using interpretative methods for the understanding of the effects of economic conjunctures on the ICT industry, a knowledge-driven industry, as a component part of a knowledge-based economy. The collection of data has been made by accessing the webpage of the Institute of Computer Technology through an IT programme installed on a personal computer which has allowed the downloading of files in an intelligible format. The data presented in these have been retained and processed simple arithmetic calculus: data processing was made with tabular calculus. After collecting and processing the primary data, the results have been analysed quantitatively, both as absolute and relative sizes and as evolution in time, by graphically representing them. The second objective refers to the analysis of traditional accounting model versus the knowledge based accounting model, emphasising the limits of the traditional model and outlining several orienting directions for the knowledge based model.*

**Keywords:** *knowledge, knowledge based economy, accounting, ICT industry, Romania*

**JEL classification:** *M41, D83, O11*

## **THE IMPACT OF ACCOUNTING INFORMATION ON MANAGERIAL DECISIONS - EMPIRICAL STUDY CONDUCTED IN THE HOSPITALITY INDUSTRY ENTITIES IN ROMANIA**

**Sorin Briciu, Carmen Scorțe, Ioana Meșter**

*Faculty of Sciences, 1 Decembrie 1918 University, Alba Iulia, Romania,*

*Faculty of Economic Sciences, University of Oradea, Oradea, Romania*

*briciusorin@gmail.com*

*carmen.scorte@yahoo.com*

*imester@uoradea.ro*

**Abstract.** *Hospitality and tourism industry is booming, with multiple major challenges that managers of entities in this sector must face. Starting from these facts we want to outline a*

*picture of the managers' perception of the accounting information, especially of that provided by management accounting. Our research is an empirical one and it is based on a survey conducted between November 2012 and January 2013, using a questionnaire that consists of 38 questions administered online and on field to managers in the hospitality industry in Bihor county, Romania. The total population consists of 146 entities from Bihor county, authorized to operate in this sector, the sample comprised 91 tourism entities and the response rate to our questionnaire was 62.33%. A proportion of 62.63% of the surveyed managers said that the information provided by financial accounting is very useful in the decision making process and in what regards the management accounting, 65.63% of managers believe that the information provided is very useful for decision making. A proportion of 46.2% of managers consider that the usefulness of information provided by management accounting is affected to a great extent by the lack of a cost calculation system; at the level of the sample, there is a correlation between the managers' perception of the usefulness of accounting information and the formulation by them of some clear objectives of management accounting, a correlation that can be extended on the total population; we have identified another correlation between the frequency of using accounting information and two of the qualitative aspects of the information provided by management accounting (relevance and reliability) but our result couldn't be extended to the level of the total population. The study adds value to the literature regarding managerial accounting in the hospitality industry and tourism in Romania. In what regards the limitations of our research, these are related to the restricted area of application of the questionnaires (Bihor county), the large number of questions in the questionnaire that require maximum concentration of the respondents as well as managers losing patience while filling out the questionnaire.*

**Keywords:** accounting information; accounting management; managers; hospitality industry

**JEL classification:** M 41, L 83

## **AN ANALYSIS OF THE PERCEPTION OF CHARTERED ACCOUNTANT TRAINEES REGARDING ACCESS TO THE ACCOUNTING PROFESSION AND PROFESSIONAL TRAINING NEEDS**

**Ștefan Bunea, Marian Săcărin, Maria Mădălina Gîrbina**

*Department of Accounting and Economic and Financial Analysis, Faculty of Accounting and Management Information Systems, Academy of Economic Studies, Bucharest, Romania*

*stefanbunea@cig.ase.ro*

*sacarinm@gmail.com*

*mgirbina@cig.ase.ro*

**Abstract:** *In Romania, the certification of the quality of chartered accountant is accomplished by CECCAR(i). It is conditioned by the completion of the period of initial training. A part of this period is provided by the universities, while the other part is provided by CECCAR through the national 3-year internship programme. The objective of our survey was to analyse the way in which chartered accountant trainees perceive the access to the accounting profession, their own limitations in terms of competences, the need for professional training, and the benefits ensured by the professional training within CECCAR. Being a member of IFAC(ii), CECCAR has implemented the requirements of the international education standards. The results of the survey confirm that due to differences in their educational backgrounds trainees perceived certain barriers preventing their access to the accounting profession. They also considered that the training of chartered accountants should be provided by CECCAR rather than by the universities. The self-assessed competence level of trainees in fields such as accounting, taxation, or IT was appreciated as at least good, while the competences regarding organizations and businesses, international financial reporting, corporate governance, and financial markets*

were appreciated as modest. The need for professional training is assessed by trainees considering the immediate practice and not the expectations regarding future career development or future evolutions of accounting practices. The trainees in our survey do not consider necessary any investment in competences that they cannot use immediately at the level required by small and medium-sized businesses they work for. This implicates that results should be interpreted with caution and other factors (such as long term trends and expectations) should be considered in establishing the educational needs of future accountants.

**Keywords:** accounting education; access requirements; technical skills; personal skills; professional training needs

**JEL classification:** M41, I21, I25

## **THE RELEVANCE OF ACCOUNTING INFORMATION GENERATED BY THE APPLICATION OF IAS 29 RELATED TO SHAREHOLDERS CAPITAL**

**Ovidiu Bunget, Alin Dumitrescu, Delia Deliu**

*West University of Timișoara, Faculty of Economics and Business Administration*

**Abstract:** *The current economic environment evolves under globalization circumstances, and it stands for the markets' globalization trend. Under these circumstances, information has a primordial role. The content of the transmitted information has changed significantly. As part of the economic information, the accounting information evolved as well and its whole circuit has been continuously modernized in the rhythm of the global changes. Thus, it had to adapt to the swing of capital markets worldwide and to aim toward a unique international accounting language, for the taste and understanding of its users. Historically, Romanian accounting records have been heavily influenced by the use of information for tax compliance purposes. The primary function of financial/accounting details collection and recording process has been seen by many Romanian entities and management/staff within the entities (both State and private) as being for taxation compliance and taxation reporting purposes. As a result of this, the reported information has tended to reflect a “form over substance” disclosure, that is, greater importance is placed on having particular documents or recording something in a specific way, rather than in “accurately” reflecting the financial position of the enterprise at a point in time or indicating whether the results for the period are an appropriate representation of what has occurred. Romanian accounting laws and regulations are not as such at fault, with the regulations providing for and encouraging treatments that are consistent in many ways with international accounting principles. Issues have however arisen on how laws and regulations are applied and have tended to reflect the background and outlook of Romanian accountants. Up to 31 December 2003, Romania was considered to be a hyperinflationary economy, under the criteria of IAS 29 “Financial reporting in hyperinflationary economies”. For Romanian statutory reporting, IAS 29 was not applied. In looking at financial statements where there are significant non-monetary items, users should keep this in mind and consider if there have been any revaluation of tangible and intangible assets and on what basis. The objective of IAS 29 is to establish specific standards for entities reporting in the currency of a hyperinflationary economy, so that the financial information provided is meaningful. Our empirical analysis encompasses a hyperinflationary economy covering a wide variety of hyperinflationary conditions.*

**Keywords:** hyperinflation, IAS 29, monetary items, accounting information

**JEL Classification:** M40, M41

## ECONOMIC VALUE ADDED AND STAKEHOLDERS' INTERESTS

Vasile Burja

University „1 Decembrie 1918” of Alba Iulia, Faculty of Sciences, Romania  
vasileburja@yahoo.com

**Abstract.** *The value creation is the major objective of companies' functioning. It aims at meeting the general interests of stakeholders. The shareholders are directly interested by value added as they can recover the investments made and obtain the expected profit. Managers and the other employees are motivated through certain salary incentives to act for creating value. The general interest of national economy to increase the value created is due to the fact that this indicator is the main condition for raising the standard of living and quality of life. This is why, the analysis of economic value added created by companies and identification of factors which can influence it, is an important element in the process of substantiating the managerial decisions and investments options. There are different methods that can be used to measure the companies' performance in the process of value creation but sometimes they provide contrary or partially information. The paper presents the indicator Economic Value Added which can be used both to substantiate the strategic and operational decisions and assess the results of their implementation. The case study presented in the paper is a theoretical and practical tool to analyze this indicator and evaluate the influence factors that determined its manifestation. The findings highlight some directions to act for increasing the Economic Value Added according with the stakeholders' interests. The paper contributes in a theoretical and practical way to academic debate through proposing an analysis model which is based on the DuPont equation. Information provided by it, constitutes important arguments to shift the traditional view of appreciating performance with profit, in favour of adopting a value created oriented corporative philosophy, which concerns the cost of all capital sources. The management based on economic value added allows increasing performance through the re-modelling of the internal and external investment portfolio, and optimizing the financial structure by minimizing the weighted average cost of capital. However, it does not exclude traditional policy, based on maximum turning to account of internal reserves that influence economic results (decrease of costs, production increase, increase of inventory rotation speed etc.).*

**Keywords:** economic performance, Economic Value Added (EVA), cost of capital, stakeholders' interests

**JEL classification:** G11, G12, G31, M21

## SOME DISCLOSURE ASPECTS REGARDING CONSOLIDATED FINANCIAL STATEMENTS

Andreea Cîrstea, Alexandra-Carmen Baltariu

Faculty of Economic Science and Business Administration, Babeş-Bolyai University, Cluj-Napoca, Romania  
andreseverin@yahoo.com  
baltariu\_alexandra@yahoo.com

**Abstract:** *The purpose of this article is to analyze the current state of consolidated reporting practice harmonization concerning the choice of presenting the income statement, the changes in equity, the methods used for presenting the cash flow statement, the extant methods for evaluating and reporting goodwill, the extant methods in which jointly controlled entities are accounted in the consolidated financial statements, or the choice for recognizing investments in subsidiaries, jointly controlled entities and associates in the separate statements of the parent company. In order to achieve our goal we selected the first 10 groups, in order of their capitalization value, that were listed on each of the following capital markets: London Stock Exchange, NYSE Euronext (Paris Stock Exchange) and Deutsche*

Börse (Frankfurt Stock Exchange) and we analyzed, in a qualitative and in a quantitative manner, for a period of six years starting with 2007, their consolidated financial statements with the design to establish exactly which of the aspects stated in the International Financial Reporting Standards were being used for the items presented above. In order to complete the empirical research part of the paper that addresses from a comparative perspective the evaluation of the degree of material harmony between the reporting practices of groups listed on the three stock exchanges above-mentioned, we used statistical and mathematical methods represented by the I Index first described by Van der Tas. Taking into account the fact that since 2005 all listed companies on the European stock exchanges were required to adopt the international accounting standards for their consolidated financial disclosures, the degree of material harmony was studied only in reference to those requirements that presented two methods or possibilities of disclosure. Our findings suggest that the groups analyzed present a high degree of material harmonization with respect to the reporting practices considered, especially in the last three years.

**Keywords:** consolidated financial statements; disclosure; IAS/IFRS; accounting harmonization.

**JEL classification:** M41

## **BUSINESS MODELS FOR TAX AND TRANSFER PRICING PURPOSES**

**Alexandra Corlaci**

Accounting and Audit Department, Faculty of Economics and Business Administration,  
Babes-Bolyai University, Cluj-Napoca, Romania  
alexandracorlaci@yahoo.com

**Abstract:** In order to remain competitive, the multinational enterprises (MNEs) are forced by the globalization phenomenon (which manifestation has become more and more stringent) to analyze continuously their effectiveness. In this respect, the structure of the business represents an element which might have an important impact for the enterprises overall results. This is why, in the last decades, the MNEs granted special attention to business structures and put significant efforts in business restructurings, where the case, with the scope to keep the efficiency and to remain on the market. Generally, the operational business restructuring process follows one of the business model globally developed, namely manufacturer or sales business models. Thus, according to the functions performed, assets used and risks assumed, the entities within the group 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). Notwithstanding the above, there should be emphasized that the operational business restructuring has to be undertaken with maximal care, as it might have important fiscal impact. Having this regard, the purpose of the present investigation is to provide, from a tax and transfer pricing point of view, a systematic and structured analysis 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. Thus, by using the fundamental (theoretical) and qualitative research type, this paper is aiming to present the most important characteristics of each business model (general overview of each model, the principal risk assumed, the usual transfer pricing method used for the remuneration of intra-group transactions). The principal investigation techniques (research methods) used were the literature review and the analysis of international regulation in the taxation field. The present paper follows the positive research perspective.

**Keywords:** business restructuring, business model, manufacturer models, sales models, transfer pricing

**JEL classification:** H20, H25, M16

## **HARMONIZATION OF NATIONAL REGULATION AND INTERNATIONAL FINANCIAL REPORTING STANDARDS – PARTICULAR CASE OF NONCURRENT ASSETS**

**Andreea-Ioana Coste, Szilveszter Fekete Pali-Pista**

*Department of Accounting and Audit, Faculty of Economics and Business Administration, Babeş Bolyai University, Cluj-Napoca, Romania*

*Department of Accounting and Audit, Faculty of Economics and Business Administration, Babeş Bolyai University, Cluj-Napoca, Romania*

*andreea.coste@econ.ubbcluj.ro*

*szilveszter.fekete@econ.ubbcluj.ro*

**Abstract:** *In the scientific literature, accounting harmonization is a top topic because it helps to increase the comparability of financial statements. Also in Romania in the last 10 years becomes a topic that is very often debated. The harmonization is trying to reduce differences of financial reporting statements between countries or, in the other words, it is trying to bring to a common denominator of existing rules when appear conflicts of comparability between them. The purpose of this paper is to measure the harmonisation between national and international regulation for a significant element of financial position statement, such as noncurrent assets. This paper provides an empirical research of information that must be presented by entities which apply national accounting standards or international ones when financial statements are prepared, trying to measure the harmonization between the two referential. Thus, in trying to determine the harmonisation, we use the Jaccard coefficient in order to provide an overview of the degree of harmonization of accounting practice. When measuring the degree of comparability of Romanian accounting regulations with International Accounting Standards we analyzed noncurrent assets and impairment of assets using the Jaccard coefficient for accounting treatments and we calculated an average of similarities between the two regulations. Further, the results suggest that there is an average level of harmonization for the accounting treatment of noncurrent assets and for determining the impairment of the assets, the methods are the same. The study contributes to the development of accounting literature about the harmonisation between national regulation and international standards regarding the noncurrent assets and impairment of the assets, which together with the other elements define the activity of the business. In addition, the study provides an analysis of how the regulations treats noncurrent assets, during the life of the asset, namely: the recognition phase, the evaluation and the depreciation.*

**Keywords:** *Noncurrent assets, national and international regulations, accounting harmonisation measurement.*

**JEL classification:** *M 41*

## **CAN ASSET REVALUATION BE MANIPULATIVE? - A CASE STUDY**

**Sorana Adina Crişan**

*Faculty of Economics and Business Administration, Babeş-Bolyai University, Cluj, Romania  
scrisan@kpmg.com*

**Abstract:** *Asset revaluation can trigger different signals to investors depending upon company type, asset intensity and category and investors' expectations. In the same time, motivations behind asset revaluation decisions are diverse, being influenced by management incentives, credit covenants, faithful representation and various other reasons. In many cases the revaluation decision is imposed upon the company by auditors or the need to reduce information asymmetry. In Romania, one of the main decision drivers is the Fiscal Code, due to buildings taxation provisions. For companies that revalue their fixed assets for taxation purposes only (which is the case for most small companies in Romania), the primary concern is to reduce the fiscal impact – the preferred scenario in this case is*

most likely to be the one that reduces tax expenses. Our research aims to provide a full picture of the motivations behind the revaluation decision and point to the manipulation instruments made available to companies by the allowed alternatives in what regards (1) which assets to be revalued and (2) how to recalculate book values. By means of a case study we identify the options available to a revaluating company and show how each one can impact the financial statements and financial ratios, thus influencing financial statement users' perception. Our analysis is limited to fixed assets revaluation, as these are the ones revaluated by most Romanian companies. The comparative analysis shows that the decision to not revalue certain assets categories can lead to serious distortions of the faithful image. Financial ratios can be significantly impacted by the type of assets revalued, depending upon the revaluation direction (upward or downward) and the revaluation differences. In upward revaluation leverage ratios and solvency can improve, leading to a better position in relation to credit covenants. Equity is also positively affected. Alternatively, a decrease of assets' value will be reflected in a negative manner upon these indicators, which might be a serious reason for a company to not revalue, thus not preserving the true and fair value of assets in the financial statements. Companies can choose between two alternatives of recalculating book values and depreciation. The option taken can also influence the company's financial position. Our study shows that impact over profitability is lower and that profit tax is not affected in a significant manner even if an influence can be identified.

**Keywords:** assets' revaluation, fair value, financial statements, motivations

**JEL Classification:** M49

## LEGAL TREATMENT IN THE MANAGEMENT OF FOREST RESOURCES

**Tatiana Dănescu, Ioana Călean, Lucian Sîrb**

*"Petru Maior" University of Tîrgu Mures, Romania*

*"1 Decembrie 1918" University of Alba Iulia, Romania*

*Faculty of Economics and Business Administration, West University of Timișoara, Romania*

*tatiana.danescu@gmail.com*

*ioana\_c20@yahoo.com*

*luciansirb86@yahoo.com*

**Abstract:** Forestry plays a significant role in both our country's and global economy. Any entity, in the present case, forest entity, must operate under specific legislation and its own status. In this respect, the conduct of activities within the entities should be based on appropriate national and/or international legislation that represents the base line in linking the entities' interests with the objective requirements of economy. Thus, in establishing a legal framework to correspond to activity development of each type of society, a variety of regulations have been drafted along with repealing or modifying others. Currently, economic legislation comprises a wide range of regulations which are projected on the ways in which activity is developed within the forest entities and not only. Regulations in force, besides highlighting the forest entities' interests, also include all precautions in the conduct of forestry activities in ungrounded ways and the emergence of some adverse events.

**Keywords:** forest entities, legal framework, legal status of operation

**JEL classification:** M40



## **METHODOLOGICAL ASPECTS OF AGRICULTURAL ENTERPRISES' INCOME CALCULATION**

**Ildikó Dékán Tamásné Dr. Orbán**

*Institute of Accounting and Finance, Faculty of Applied Economics and Rural Development, University of Debrecen, Debrecen, Hungary  
orbani@agr.unideb.hu*

**Abstract:** *In the process of the European Union enlargement, experts felt an increasing need for the harmonization of existing systems and the adoption of practices used in the EU countries. Hungary intended to meet the requirements stated by the European Union by introducing, among others, the EU directives, the FADN (Farm Accountancy Data Network) agricultural data network, and the System of Agricultural Accounts as well. Despite the efforts towards rapprochement between accountancy systems and the harmonization of information systems, a judgement of enterprise performance and the practice of income calculation and profitability analysis show great differences in many aspects between the member countries. Considering that financing and profitability problems of enterprises are very important questions in the economy, I regard a comparison of income calculation methods of agricultural enterprises used in some EU countries essential. Regarding the above mentioned situation, the general aim of the paper is to introduce and compare analysing methods used in some EU countries, such as Great-Britain, the Netherlands and Hungary. In the course of comparing income calculation practices and methods in the European Union, first I have briefly examined the reporting system of these countries, and next the formats of profit and loss accounts follow together with the patterns of profit and loss calculation and income categories used in the FADN system for the analysis of agricultural activities in the different countries. After all, in the purpose of getting extra information I have taken into consideration the opportunity cost as well. After reviewing the elements, methods and systems about income calculations, I try to find answers to the following questions: Are there differences between practices of EU member states despite a seemingly unified European regulation system? If there are differences, will the shown incomes be of different volume? This paper is mainly a theoretical issue. The next step in the process of comparative analysis will be a following research which will take the international accounting standards into consideration.*

**Keywords:** *methodology, income, FADN, profit and loss statement*

**JEL classification:** *M41*

## **NEW CORPORATE REPORTING TRENDS. ANALYSIS ON THE EVOLUTION OF INTEGRATED REPORTING**

**Ioana Dragu, Adriana Tudor-Tiron**

*Accounting and audit department, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj- Napoca, Romania  
ioanadragu@yahoo.com  
adriana.tudor.tiron@gmail.com*

**Abstract:** *The objective of this paper is to present the new corporate reporting trends of the 21st century. Integrated reporting has been launched through a common initiative of the International Integrated Reporting Committee and global accounting organizations. However, the history of integrated reports starts before the initiative of the IIRC, and goes back in time when large corporations began to disclose sustainability and corporate social responsibility information. Further on, we claim that the initial sustainability and CSR reports that were issued separate along with the financial annual report represent the predecessors of the current integrated reports. The paper consists of a literature review analysis on the evolution of integrated reporting, from the first stage of international non-financial initiatives,*

up to the current state of a single integrated annual report. In order to understand the background of integrated reporting we analyze the most relevant research papers on corporate reporting, focusing on the international organizations' perspective on non-financial reporting, in general, and integrated reporting, in particular. Based on the literature overview, we subtracted the essential information for setting the framework of the integrated reporting evolution. The findings suggest that we can delimitate three main stages in the evolution of integrated reports, namely: the non-financial reporting initiatives, the sustainability era, and the revolution of integrated reporting. We illustrate these results by presenting each relevant point in the history of integrated reporting on a time scale axis, developed with the purpose of defining the road to integrated reporting at theoretical, empirical, and practical levels. We consider the current investigation as relevant for future studies concerning integrated reports, as this is a new area of research still in its infancy. The originality of the research derives from the novelty of integrated reporting, and the aim to explain its origin, which is important to know if we want to understand the present and the future of corporate reporting.

**Keywords:** non-financial information, sustainability and social responsibility, integrated reporting.

**JEL classification:** M41, M14

## **IMPACT OF ETHICAL VALUES PROMOTED BY PROFESSIONAL ACCOUNTANTS ON THE ORGANIZATIONAL CULTURE**

**Greti Daniela Țogoe, Dorel Mateș, Mileva Valentina Mănescu Dragotoiu**

*Faculty of Economic and Business Administration, West University, Timisoara, Romania*

*Faculty of Economic and Business Administration, West University, Timisoara, Romania*

*Faculty of Economic and Business Administration, University of Craiova, Romania*

*greti\_togoe@yahoo.com*

*dorel.mates@yahoo.com*

*tyna\_manescu@yahoo.com*

**Abstract:** This paper aims to point out the contribution of professional accountants to the sustainable development of organization and the way they generate sustainable organizational success through their direct involvement in creating organizational culture. Professional accountants can be considered value creators in organizations because of their commitment in developing and implementing strategies, policies, plans, structures and governance measures which set the framework for the creation of added value. The ethics and values of conduct in organizations are supported by professional accountants through their behavior and the actions they carry out. Thus, the quality of professional judgment becomes a differentiating factor for accounting professionals.

**Keywords:** organizational culture, ethical values, ethical behavior, accounting professionals.

**JEL classification:** M41, M49.

## **ACCOUNTING TREATMENTS ON FORESTRY SPECIAL FUNDS AND SPECIFIC PROBLEMS IN ROMANIA**

**Teodor Hada, Radu Mărginean**

*"1 Decembrie 1918" University of Alba-Iulia, Alba-Iulia, Romania*

*"1 Decembrie 1918" University of Alba-Iulia, Alba-Iulia, Romania*

*teohada@yahoo.com*

*marginean.radu23@yahoo.com*

**Abstract:** This study, theoretically and practically, presents the accounting system for forestry special purpose funds in Romania. In addition, the main problems Romanian forestry faces nowadays are highlighted in the content, given the legislative changes

expected in the near future. Accounting treatments specific to Romanian forestry regarding special funds, namely the conservation and regeneration fund, the accessibility fund, the environmental fund and the improvement fund are governed in the current law, mainly by the Forestry Code in Romania - Law 46/2008 supplemented by other specialized works used within the National Forest Directorate in Romania. Among the specific forestry regulations, special purpose funds are an area of interest in the current economic crisis being presented under several aspects: establishing the Fund, its utility and calculation method, its recording into accounting, or its specific tax implications. The main objective of this paper is to provide both a framework for analysis and presentation of the problems faced by forestry activity in Romania, and the accounting treatments specific to forestry activities, by illustrating the main entries made through financial and accounting documents. Given that we fully realize the environment's importance in our lives, we understand the very close relationship between the forestry business' enactment, its financing and its supervision. Special funds are the basis for financing forestry projects. Their study covers a gap in the specialized literature, providing specialists, practitioners and other stakeholders a framework. In the current economic and political context, the forestry problems, environmental issues in general are perceived to be more stringent. The solutions identified as a firm response to the existing problems are therefore of major importance, of which, in this study, we have identified and proposed several solutions. Practical examples have as grounds real data extracted from invoices, and the accounting items correspond to the National Forest Directorate.

**Keywords:** accounting, environmental issues, forestry, forestry funds, special purpose funds.

**JEL classification:** M41, G28, E62.

## DIAGNOSIS OF FINANCIAL POSITION BY BALANCE SHEET ANALYSIS - CASE STUDY

**Teodor Hada, Radu Mărginean**

"1 Decembrie 1918" University of Alba-Iulia, Alba-Iulia, Romania

"1 Decembrie 1918" University of Alba-Iulia, Alba-Iulia, Romania

teohada@yahoo.com

marginean.radu23@yahoo.com

**Abstract:** This study aims to elucidate and to exemplify an important technique for assessing the economic entities, namely the fundamental analysis of the balance sheet, in several significant aspects. The analysis of financial data reported in the balance sheet are, for an economic entity, the basis of a principle diagnosis by determining specific indicators of economic and financial analysis. This analysis aims to provide an insight into the company's financial position. The stated aim of this study is to highlight the usefulness and necessity of the Balance sheet analysis as the first step for the good financial management of an enterprise. The analysis in this paper is based on an updated and specific bibliography of economic and financial analysis, which, by using real data, interprets computed indicators on the main balance sheet items. Thorough analysis is then followed by financial stability assessment expressed by calculating and interpreting the Working Capital and finally by studying the rates of financial profitability (ERR, return on equity and return on assets). The case study research is dynamically conducted over a period of four years and it substantiates a diagnosis on the company's financial condition background and thus, we conclude that our analysis may reveal a true picture of the financial position and stability of an economic entity, resulting the importance and usefulness of studying the balance sheet.

**Keywords:** balance sheet analysis, economic and financial analysis, working capital analysis, financial rates of return

**JEL classification:** M41, G32;

## **PUBLIC SECTOR COMBINATIONS: A NEW CHALLENGE FOR IPSASB**

**Ina Mitu, Adriana Tiron Tudor**

*Department of Audit and Accounting, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

*ina.mitu@econ.ubbcluj.ro*

*adriana.tiron@econ.ubbcluj.ro*

**Abstract:** *The International Public Sector Accounting Standards Board (IPSASB) has released in June 2012 a Consultation Paper (CP) entitled “Public Sector Combinations” (PSCs) to initiate discussion on the possible accounting treatment for these events. The purpose of this paper is to examine and to provide an overview, regarding the reactions of various categories of preparers, users, auditors, standard-setters and other interested parties to this CP. The research involves a qualitative approach based on the detailed examination and the content analysis of twenty six comment letters that are collected from the official website of the IPSASB. To this end, we analyse the answers to seven specific matters for comment (SMCs) and nine preliminary views (PVs). This research shows that the proposals generally encounter favourable reactions by the different organizations around the world. Most of the respondents that provide general comments support the need for guidance in this area and provide specific comments for improvement. However, some differences of opinion between respondents have been detected. Furthermore, respondents from France are not satisfied with the provisions of the CP and suggest that the text should emphasize on amalgamations. Another three respondents are of the view that transactions between public sector entities (PSEs) cannot be likened to commercial transactions and recommend the IPSASB to explore more in depth public sector oriented situations. The results of this study indicate that for this standard to be successful, further investigations concerning the PSCs’ theoretical and practical implications are necessary. The importance of this topic, as well as the impact of the IPSASB on the government combinations accounting treatment impose the necessity of examining the feedback of worldwide organizations which are interested on this issue. Thus, this paper is original in that it addresses the problem of a possible accounting treatment for PSCs in the standard development process of IPSASB, emphasizing a significant gap in the literature regarding accounting treatment specific for these events.*

**Keywords:** *public sector combinations; IPSASB; Consultation Paper; comment letters.*

**JEL classification:** *L32; M41.*

## **IFRS IN THE SMALL AND MEDIUM-SIZED ENTITIES.DIFICULTIES AND OPPORTUNITIES OF THE IFRS FOR SMES**

**Ioana Moț**

*Accounting Department, Faculty of Economics and Business Administration, West University of Timișoara, România;*

*oana\_yoana@yahoo.com*

*Doctoral programme – Accounting - Scientific coordonator – Prof. Univ. Dr. Mateș Dorel*

**Abstract:** *Over the years, the accounting have to meet a series of transformations and adaptations to the new trend by globalization, harmonisation and integration, trying to unfold transformations carried out at European and international level. In the same way and SMEs have undergone a series of changes, moreover SMEs shall draw up financial statements often use only owner-managers or use only tax authorities or other government authorities. Financial statements elaborated only for these purposes are not necessarily financial statements general purpose. IASB (International Accounting Standard Board) has developed and published a separate standard devised to apply financial statements with general purpose and other financial reporting of the small and medium-sized entities (SMEs), entities*

private and public entities without liability, called IFRS for SMEs (The International Financial Reporting Standard for Small and Medium-sized entities). The International Financial Reporting Standard for SMEs has become an issue of wide interest and for Romania. Through the contents OMPF 3055/2009 is a harmonisation with European Directives and International Standards, fundamental purpose being upgrade the comparability of financial statements of the economic entity. In an effort to reduce the workload of SMEs has been provided the fact that IFRS for SMEs should be reviewed every three years and may be implemented by any entity, whether adopted or not full set of IFRS. We believe that IFRS for SMEs is different than the full set of IFRS, due simplification, which allows flexibility provisions and showing accounting required information for this class of entities, but in applying the standard simplified scheme for SMEs has revealed a series of opportunities and challenges. IFRS for SMEs allows a particular accounting policies on recognition and measurement principles, offers greater flexibility in developing their accounting rules than provisions of full IFRSs. Having regard to theoretical concepts discussed above, we carry out a case study, which shows the comparable presentation by applying of financial statements OMPF 3055/2009 and IFRS for SMEs in reporting financial assistance in Romania. According to studies, rules used in the preparation and presentation of financial statements present a yawning abyss regarding accounting standards and those applying them in practice, due to the existence of multiple accounting regulations, confusing and permanently changing. Through this article it soughts to point out the accounting rules used by entities in Romania, in financial statements presentation.

**Keywords:** financial statements, standard, SMEs, IFRS for SMEs, harmonisation, performance

**JEL classification:** M41

## THE PATTERNS OF EU STOCK MARKETS. IS THERE A SIGN OF CONVERGENCE?

**Diana Mureşan**

Babeş-Bolyai University, Faculty of Economics and Business Administration, Department of Accounting and Audit, Cluj-Napoca, Romania  
diana.muresan@econ.ubbcluj.ro

**Abstract:** This paper offers a preliminary analysis regarding the convergence of European stock markets. The sample consists of all 27 countries of European Union split in seven sub-groups related to income level, euro adoption and development level. The patterns analysed through this article are an important indication of expected convergence in EU stock markets. This study analyses the evolution and the trend of market capitalization and stocks traded and their correlation with some important determinants, namely inflation, capital formation, enrolment years, trade, FDI, government debt. Results show a negative correlation between initial level of market capitalisation and its growth rate and also of initial level of stocks traded and its growth rate. These results could be a sign of absolute convergence. Further research in this area is needed to see if there exists conditional convergence when heterogeneity among individuals is controlled for.

**Keywords:** market capitalization, stocks traded, convergence, stock markets, EU

**JEL classification:** G15, G30

## **FAIR VALUE VERSUS HISTORICAL COST IN FORECAST OF INCOME FOR BANKING COMPANIES**

**Traian Cristin Nicolae, Mitică Pepi**

*Department of Finance and Accounting , Faculty of Economic Sciences, University "OVIDIUS", Constantza, Romania*

*e-mail: traian.nicolae.profesor@gmail.com*

*e-mail: pepi.mitica@gmail.com*

**Abstract:** *The financial crisis began on 2008 has led to a debate about the pluses and minuses of fair-value accounting (FVA). This debate presents a new start for fair-value accounting going forward and standard setters' push to extend fair-value accounting into other areas. In our research, we found four important issues as an attempt to make sense of the controversies. First, much of the controversies results from confusions about the issues of fair-value accounting . Second, while there are legitimate concerns about implementations of fair-value accounting , it is less clear that these problems apply to the stipulations of fair-value accounting in the accounting regulations. Third, historical cost accounting (HCA) is not the remedy. Fourth, although it is difficult to avoid the fair-value accounting standards per se, implementation issues are a potential concern, especially with respect to litigations. Fair value accounting is used when reliable fair value estimates are available at a low cost and when they convey information about operating performance. The costs of constructing reliable fair value estimates are expected to be a key cross-sectional determinant of the choice between the two accounting practices - HCA and FVA . By shining a bright light into dark corners of a firm's accounts, fair value accounting precludes the dubious practices of managers in hiding the reality of accounts. Proponents of fair-value accounting argue that the market value of an asset or liability is more relevant than the historical cost at which it was purchased or incurred because the market value reflects the amount at which that asset or liability could be bought or sold in a current transaction between willing parties. A measurement system that reflects the transactions prices would therefore lead to better insights into the risk profile of firms currently in place so that investors could exercise better market In conclusion, we highlight several ways for future researches.*

**Keywords :** *Fair value accounting, Banks, IFRS, Earnings, Financial reporting.*

**JEL:** *G30, M41*

## **THE COMMUNICATION PROCESS OF THE FINANCIAL REPORTING**

**Cristina Nicolaescu; Ioana Moț**

*Faculty of Economics, Aurel Vlaicu University of Arad, Romania*

*Faculty of Economics and Business Administration, West University of Timișoara, Romania;*

*cristina\_nc2@yahoo.com*

*oana\_yoana@yahoo.com;*

**Abstract:** *An information has value through the financial reporting. Such are taken into account factors such as: the nature of the event referred to financial reporting, the adequacy of the presentation, the credibility and integrity of information, readability necessary to allow some conclusions on a reasonable impact on the financial statements, the investors risk profile and processing skills recovery opportunities. Communication is not an end in itself. Its existence can not be conceived outside support a general policy orientated goals undertaken by the organization. In this situation, organization and communication should be viewed as complementary tools and not as independent techniques. In the communication process, it must be designed in such a way as to contribute to the objectives of the entity. Communication is managed in accordance with the overall strategic plan of the specific activity of that entity. The financial communication tools are: accounting information and financial information. We can say that for accounting and its environment is interested*

accounting information and for financial analysis is interested financial information conducted with the help of financial indicators. In determining values for financial reporting information, should be considered category of users whom it is addressed as well as the purpose for which the information is used. Entering barriers to effective communication, due to lack of a common reference system or a difference in experience between the entity and its external environment leads to failure. This article aims to answer the question to what extent the current contents of financial reports for these factors and provide useful information to users. To demonstrate the communication within an entity will present research conducted for 4 business entity of 4 different counties. Communication is not an end in itself. Its existence can not be conceived outside support a general policy orientated goals undertaken by the organization. In this situation, organization and communication should be viewed as complementary tools and not as independent techniques. The conclusion is that the way in which financial information is transmitted by the annual financial statements depends not only on the quantity or quality of the information but also on the way we effectively communicate with all that it involves.

**Keywords:** communication; financial reporting; entity; accounting regulations; informations; financial statements.

**JEL classification:** M 41

## **THE BEHAVIOUR OF ROMANIAN ACCOUNTANTS FROM TIMIS COUNTY: CREATIVE OR NON-CREATIVE**

**Anca Schmidt, Ovidiu Megan**

*The Department for Accounting and Auditing, Faculty of Economics and Business Administration, West University of Timisoara, Timisoara, Romania*

*ancaschmidt@yahoo.com*

*ovidiu.megan@feaa.uvt.ro*

**Abstract:** Creativity and innovation are two very trendy concepts for the current period which is characterized by a very difficult economic context. The creativity and the innovation usually stimulate the competitiveness of economic organizations. But what about creativity in the field of accounting? Are the accountants creative? Is creativity benefit for the quality of accounting information? The aim of our study is to review study the accounting literature and practical experience of Timis county organizations in order to create a picture of Timis county accountants' behaviour. For the achievement of the proposed objectives the authors based their opinion on a research study by questionnaire realized at Timis county level.

**Keywords:** Financial accounting, creative accounting, management accounting, IFRS

**JEL classification:** M41

## **THE IMPACT OF ACCOUNTING INFORMATION ON MANAGERIAL DECISIONS – THEORETICAL APPROACHES**

**Carmen Scorțe, Mariana Farcaș**

*Faculty of Economic Sciences, University of Oradea, Romania - Faculty of Sciences Decembrie 1918 University, Alba Iulia, Romania*

*Faculty of Economic Sciences, University of Oradea, Romania - Universitatea de Vest, Timișoara, Romania*

*carmen.scorte@yahoo.com*

*marianafarcasise@yahoo.com*

**Abstract:** The hospitality industry is one of the most dynamic sectors of contemporary society with a pronounced role in the globalization process. Nowadays, hospitality industry does not only face the challenges of the economic crisis, but also the changes of the market, in consumer's behavior and in technological trends. Accounting, as a language of business,

*must keep pace with developments in the areas investigated, and the need to promote universally recognized concepts proves its usefulness more and more. When an entity's management team is facing difficult problems such as the economic and financial ones, a situation frequent in the hospitality industry given the complexity of these activities, a need is naturally felt, for a set of accounting principles which are not similar with the immutable laws of nature from physics and chemistry. The contribution of accounting to the fulfillment of the strategic objectives of the managers in hospitality and tourism industry is manifested also in the form of providing the information necessary for monitoring, for determining the degree of liability and the effect produced at various work places, which allows detection of internal reserves, of unnecessary and uneconomic spending and of losses. Also, accounting has developed the capability of knowing the economic and financial situation, so that it can provide, in optimal conditions, the information necessary to make the most appropriate decisions. Moreover, the purpose of accounting is to make the information and its methods a targeting tool, a "dashboard", an advisor, in order to determine the conditions in which the economic entity operates at both micro- and macroeconomic level. These were the reasons that led to the start of our scientific approach, aiming at a radiography of the impact of accounting information on managerial decisions in the hospitality industry in Romania. This article is primarily a theoretical one in which we intend to review the literature on the topic of accounting information in the hospitality industry and of management accounting practices in this sector.*

**Keywords:** accounting information; accounting management; managers; hospitality industry  
**JEL classification:** M 41.



## SUB-SECTIONS: AUDIT

### THE EFFICIENCY OF FOREIGN INVESTMENTS IN THE FINANCING OF AUDITED ENTITIES

**Sorin Berinde, Adrian Groşanu**

*Babeş-Bolyai University, Faculty of Business, Cluj-Napoca, Romania*

*Babeş-Bolyai University, Faculty of Economics and Business Administration, Cluj-Napoca, Romania*

*sorin.berinde@tbs.ubbcluj.ro*

*adrian.grosanu@econ.ubbcluj.ro*

**Abstract:** *The auditing of the financial statements is a certification service intended to offer the users more credibility regarding the quality of accounting information. This is the reason why the present study selected all the Cluj county entities that, according to the public information, between 2005-2012 were subject to financial audit in order to estimate, at this level, the influence of foreign investments in the financing structure. The information provided by the financial statements of these audited entities (with or without foreign participation in share capital) was analyzed for the calculation of the relevant indicators to determine the evolution of the equity financing, the recourse to external financing funds, the ratio of external funds and equity funds used for financing and the assessment of the efficiency of foreign capital invested at the level of these entities. In order to meet this objective, we considered the information from the financial statements of the concerned entities, published between 2008-2011. For the relevance of the study, we eliminated the audited entities that did not have financial statements published in all of the four financial years for various reasons (dissolution, liquidation, merger, or temporary suspension of activity) or had negative working capital. The financial statement information was analyzed in view of the calculation for each audited entity of the rate of financial autonomy, the debt ratio, the debt to equity ratio and of the rotation speed of equity. The audited entities were classified into 2 major categories: audited entities with a foreign participation in share capital and audited entities with the whole share capital financed by equity funds. We applied the simple average method at the level of the both audited entities categories for each of the four analyzed indicators. Furthermore, we performed an analysis from the static and dynamic point of view of the results. The conclusions that we reached are relevant for the emphasis of one of the two categories of audited entities for one or the other financing methods, for a specific proportion of the financing forms and for the assessment of the management of shareholders' capital in the analyzed time span.*

**Keywords:** *audited entities; financial statement; foreign investments; equity funds.*

**JEL classification:** *M41, M42*

### THE IMPACT OF CORPORATE GOVERNANCE ON THE RESTRUCTURING OPERATIONS OF AUDITED ENTITIES

**Sorin Berinde, Paula Ramona Răchişan**

*Babeş-Bolyai University, Faculty of Business, Cluj-Napoca, Romania*

*sorin.berinde@tbs.ubbcluj.ro*

*ramona.rachisan@tbs.ubbcluj.ro*

**Abstract:** *The study is based on public information provided by the National Trade Register Office regarding all audited entities within the county of Cluj. In accordance with the legal provisions, the audited entities must notify, in case they meet the legal requirements, if they contract financial audit jobs. The processed information refers to the connection of the*

*management's nature and the source of the capital for these entities with the frequency of the changes occurred in the structure of the entity and/or of the social capital. Operations of such nature, considered for the period 2005-2012, refer on one side to absorption mergers, dissolutions without liquidation followed by merger, partial divisions and transfer of the audited entity's headquarters in other counties (positive operations) and on the other side to operations of liquidation, insolvency, dissolution followed by liquidation, temporary suspension of activity for a maximum period of 3 years (negative operations). Positive operations are considered by authors to have as an impact the optimization of the indicators of financial position and/or performance, and the negative operations as those unlikely to meet the principle of activity continuity. The study aims to determine whether there is a correlation between a certain type of corporate governance on one side and the frequency of the two categories of changes in the structure of the activity and/or of the social capital. Conclusions are relevant for at least two reasons: the study is exhaustive, there have been taken into consideration all the audited entities in the county of Cluj and, moreover, the analyzed period is very expansive (the last seven financial years). On the other hand, from the previous studies it appears that within audited entities there is a higher preponderance of foreign management in comparison with a more moderate foreign investment. Relevant in this respect are the findings regarding the nature of the changes in the structure of the activity and/or of the social capital within the audited entities where there is an overlap between the foreign governance and the foreign investment.*

**Keywords:** corporate governance; audited entities; restructuring operations; foreign investment; social capital.

**JEL classification:** M41, M42

## **CONVERGENCE OF INTERNATIONAL AUDIT STANDARDS AND AMERICAN AUDIT STANDARDS REGARDING SAMPLING**

**Anca Oana Chiș, Tatiana Dănescu**

University 1 Decembrie 1918, Alba Iulia, Romania

Petru Maior University of Târgu- Mures, Târgu-Mureș, Romania

ancaoanachis@yahoo.com

tatiana\_danescu@yahoo.com

**Abstract:** Sampling is widely used in market research, scientific analysis, market analysis, opinion polls and not least in the financial statement audit. We wonder what is actually sampling and how did it appear? Audit sampling involves the application of audit procedures to less than 100% of items within an account balance or class of transactions. Nowadays the technique is indispensable, the economic entities operating with sophisticated computer systems and large amounts of data. Economic globalization and complexity of capital markets has made possible not only the harmonization of international accounting standards with the national ones, but also the convergence of international accounting and auditing standards with the American regulations. International Standard on Auditing 530 and Statement on Auditing Standard 39 are the two main international and American normalized referentials, referring to audit sampling. This article discusses the origin of audit sampling, mentioning a brief history of the method and different definitions from literature review. The two standards are studied using Jaccard indicators in terms of the degree of similarity and dissimilarity concerning different issues. The Jaccard coefficient measures the degree of convergence of international auditing standards (ISA 530) and U.S. auditing standards (SAS 39). International auditing standards and American auditing standards, study the sampling problem, both regulations presenting common points with regard to accepted sampling techniques, factors influencing the audit sample, treatment of identified misstatements and the circumstances in which sampling is appropriate. The study shows that both standards agree on application of statistical and non-statistical sampling in auditing, that sampling is

*appropriate for tests of details and controls, the factors affecting audit sampling being audit risk, audit objectives and population's characteristics.*

**Keywords:** *sampling, convergence, IAS 530, SAS 39*

**JEL classification:** *M42*

## **ROLE OF INTERNAL AUDITING IN RISK MANAGEMENT IN THE PUBLIC SECTOR AND LOCAL ENTITIES – CASE STUDY BIHOR COUNTY**

**Dana Simona Gherai, Diana Elisabeta Balaciu**

*Department of Finance – Accounting, Faculty of Economic Sciences, University of Oradea, Oradea, Romania and Phd. Student at Faculty of Economics and Business Administration, Cluj Napoca, Romania*

*Department of Finance – Accounting, Faculty of Economic Sciences, University of Oradea, Oradea, Romania*

*dana.gherai@yahoo.com*

*dianabalaciu@yahoo.com*

**Abstract:** *This exploratory study of the internal audit in the public sector in function, points out the need for the involvement of public sector entities, showing that in its role has traditionally focused mainly on evaluating internal control and not on the process of risk management and corporate governance. The objective of this study is to analyze the role of the internal auditing in risk management in public institutions from Bihor County. The method chosen is the research is based on questionnaire and the analysis of the institutions has been divided into two categories, so that, when the sample was taken in consideration, the likelihood that local public institutions of Bihor County have organized the public internal audit activity. Based on responses from 49 entities from public sector, the result of the study show us that the public internal auditors know they can play an important role in the risk management, but there is a number of other activities which must be conducted within the organization. So, they tend to understand the concept of risk management and risk management process, where it is carried out, and of the role they can play in improving and activity, however, issues of disposable incomes allocated to activity, and enough personnel specializing in the field, as well as a lack of interest of management to increase the efficiency and profit of the public internal audit activity, are issues that impede performance and risk management.*

**Keywords:** *Auditing, Public entities, Internal Auditing;*

**JEL classification:** *M40, M42*

## **STUDY ON THE PERCEPTION OF THE ORGANIZATIONAL PERFORMANCE IN ACCOUNTING AND AUDIT FIRMS**

**Liliana Feleagă, Niculae Feleagă, Mihaela Dumitrașcu**

*Accounting Department, Faculty of Accounting and Management Informatic System, Bucharest University of Economic Studies, Bucharest, Romania*

*liliana\_malciu@yahoo.com*

*nfeleaga@yahoo.com*

*red\_mille\_ro@yahoo.com*

**Abstract:** *The environment in which the accounting and auditing firms operate is changing. The economic, technological and financial contexts directly affect their business. In addition, the customers have become more fastidious in terms of the nature, the speed and the precision of the required services. All these developments force the firms to improve their organization by incorporating appropriate performance measurement systems. The objective of this paper is to examine how the organizational performance it is perceived in accounting and auditing firms. In this sense, we checked the perspectives of the balanced scorecard*

model in a Big Four office and in a small office. The sample consists of 10 Romanian auditors. Eight of auditors are working in one of the Big Four. To achieve this study, were selected only managers. The other two auditors operate in a small office, they being, at the same time, also associates. The sample is homogeneous in terms of the training, the sector of activity and experience. To enable an objective analysis of results, the name of the offices will not be made public. The results showed that in the Big Four office all four perspectives of the balanced scorecard model are checked, while in the small office the number of perspectives is lower, because learning is informal and not materialized. On this perspective, the Big Four office, periodically analyzes the results and try to identify the causes that led to differences in the objectives set. Possible causes that were invoked: overloading of the auditor, additional works, not included in the letter of assignment and the lack of competence of the auditor. Regarding the internal perspective, each office has its own mode, but obviously the Big Four office has human, logistics and financial resources more important, that enabling it to keep its reputation in the market. Instead, the financial goals are the same for both offices analyzed: profitability increasing.

**Keywords:** accounting and audit firms, corporate performance, balanced scorecard

**JEL Classification:** G 34, M14, M42

## **CHALLENGES OF FINANCIAL AUDIT - THE IMPACT OF INTRODUCING UNIQUE REGULATION OF FINANCIAL MARKETS IN ROMANIA**

**Mitică Pepi, Traian Cristin Nicolae**

*Department of Finance and Accounting , Faculty of Economic Sciences, University "OVIDIUS", Constantza, Romania*

*e-mail:pepi.mitica@gmail.com*

*e-mail: traian.nicolae.profesor@gmail.com*

**Abstract:** *The theme of our research is related to the new type of relationship between financial audits (statutory) and unique regulation of financial markets in Romania. The Romanian authorities have decided as from 2013 regulation of financial markets, capital market, insurance market and private pensions market to achieve by a single entity, this situation will also lead to a number of challenges in the relationship between the auditor and the new regulatory regime. The main elements of our study are: the relationship between the audit committee and regulatory authority; quality of financial reporting for financial market entities. The auditor plays an important role in financial markets because it certifies the financial statements in accordance with European Union practice . It is also interesting to note potential interference that can occur in single regulation between compliance audit and financial stability and return on investment between performance audit and financial markets. In this case, financial regulation can coexist with compliance audit. EU legislation recommends that the auditor discuss with the audit committee the quality and acceptability of the financial reporting process. This recommendation is what should constitute a possible consensus to be highly unlikely between audit committees would align auditors in financial reporting disputes with management financial entities. In this regard, auditors should identify the factors we consider important in determining the quality of financial reporting. .We conducted this research in an effort to identify the possible divergence between the type of regulations that can emit single regulatory authority and the audit process. New regulator will operate on two levels, issue general regulations apply to all three categories of financial markets, capital market, insurance market and private pensions market, but in the same time and in greater extent will issue specific regulations of each market in part. We want to identify the extent to which audit the entities in these markets will be influenced by these changes. Interest is our largest to determine whether the audit can identify any changes in the new regulatory requirements on quality of financial statements. Our research results show the high importance of the audit committee in ensuring the high quality of financial*

reporting in the financial markets and seeks to identify potential points of conflict between audit conservatism and unique market regulation.

**Keywords:** auditing, capital markets, regulatory intervention, standards, GAAP, IFRS

**JEL Classification codes:** M42, M48, N20

## **AN EMPIRIC STUDY ON THE ROLE AND UTILITY OF THE FINANCIAL AUDIT IN ROMANIA**

**Oana Iuliana Pop (Grigorescu), Oana Raluca Ivan, Alina Puțan**

*Ph. Candidate, University "1 Decembrie 1918" Alba-Iulia, Faculty of Science, Romania co-tutoring University Lleida, Law and Economics Faculty, Spain*

*Ph.D, Department of Economics and Business Administration, University "1 Decembrie 1918" Alba-Iulia, Faculty of Science, Romania*

*Ph. Candidate, University "1 Decembrie 1918" Alba-Iulia, Faculty of Science, Romania  
ioanaiuliana69@yahoo.es*

*ivanralu@yahoo.com*

*putan.alina@yahoo.com*

**Abstract:** *The present article presents the results on an empiric study on the role and utility of the financial audit in Romania. The statistic population is formed from three groups namely the financial auditors, financial managers of the audited firms and the users of the audited accounting information. The results of the questionnaire have been analysed by the help of Kruskal Wallis Test, which has shown that for every statement the differences between the three groups are significant. Next the results have been interpreted globally. This way has been demonstrated the hypothesis according to which there are differences between perspectives and expectances between the financial auditors, financial managers of the audited firms and the users of the audited accounting information in Romania regarding the role and utility of the financial audit. At the end of the study we have proposed solutions as to getting closer the expectances of the three groups concerning the role and utility of the financial audit.*

**Keywords:** *empiric study; the role of the financial audit; the utility of the financial audit; differences of perspectives; differences of expectations.*

**JEL classification:** *M 42*

## **USING DEPENDENCY STRUCTURE MATRIX IN OPTIMAZING FINANCIAL AUDIT PROCESS**

**Adriana Florina Popa, Daniel Vilsanoiu, Florin Dobre Georgiana Oana Stanila**

*Bucharest University of Economic Studies, Bucharest, Romania*

*adriana.fp@gmail.com*

*dan.vilsanoiu@gmail.com*

*flndobre@yahoo.com*

*gostanila@gmail.com*

**Abstract:** *This paper presents a new approach in evaluating risks of material misstatements in financial audit using dependency structure matrices (DSM). This perspective allows the identification of significant audit risks and can be used by audit managers to optimise resource allocation by focusing on higher risk areas. DSM matrix is widely used in other areas such as industrial production, design engineering and risk management. This approach is not used in financial audit so far. The financial crisis has diminished the activity of the audit clients and has imposed smaller audit fees. The auditors have to optimize their processes in order to maintain the quality of audit, even to improve it for the same audit remuneration. DSM matrix is a solution for this problem. This article points out have to use DSM matrix in financial audit process in order to optimize the allocation of resources, while*

*maintaining audit quality. Our research aims to improve the risk evaluation stage in the financial audit process using DSM matrix to evaluate higher risk areas. We used the Project DSM Tool for representing significant accounts in the Purchase to pay process for a financial audit. Dependencies between accounts were used for creating a DSM matrix that depicts higher risk areas. Also, for each account, several resource allocation parameters such as costs and number of hours to be used for performing audit procedures on that account (from both audit team and client personnel).*

Our research suggests that DSM can provide useful information in detecting risk areas in significant classes of transactions identified in a risk based audit and we recommend using DSM matrix in the planning phase of the audit in order to avoid redundancies in the audit execution phase. This is important considering that the European Commission recommends in the Green Paper for Audit to improve the quality of audits following the setbacks to the profession caused by the financial crisis.

**Keywords:** *audit, risk based approach, DSM matrix, optimizing cost, resources' allocation*  
**JEL classification:** *M42, M40.*

## **CHALLENGES OF INTERNAL AUDIT IN THE CURRENT CRISIS**

**Adriana Florina Popa, Ludovica Breban, Leonica Bochis**

*Accounting, Audit and Economic Analysis Department, University of Economic Studies, Bucharest, Romania*

*CECCAR Salaj territorial branch, Zalau Romania, PhD*

*CECCAR Bihor territorial branch, Oradea, Romania*

*adriana.fp@gmail.com*

*ludovicabreban@yahoo.com*

*bochisleonica@yahoo.com*

**Abstract:** *Modern economic theories reject the generalization of theories concerning the economic and financial crises. Each financial crisis is unique, a historic accident, generated by specific factors in a certain socio-economic and political set-up. According to these theories, crises cannot be anticipated so as to minimize their negative effects. In spite of the fact that economic and financial crises are not identical and do not produce identical effects, history teaches us that they are strongly correlated with the cyclic nature of economic processes. The current economic recession, which shows in all fields of activity, is determining auditors to make evaluations which are a lot more precise, based on extensive procedures, as long as the presumption of activity continuity into the future is accurate. In this context, internal audit is individualized as an managerial assistance function, which allows a correct perception of the reality of the business as a whole and/or as predefined processes. The purpose of this paper is to create an overall picture of internal audit by collecting data and information from literature and showing the dimensions and the internal audit practices internationally. Therefore, we conducted a research based on the analysis of national and international publications, various articles and studies in the financial press, on the emergence and development of the internal audit function both internationally and nationally. Later we analyzed the position of internal audit in terms of global financial crisis, all these leading to the usage of a comparative study of twelve international companies in order to highlight the specific features of the internal audit function in each organization. Our intention is to emphasize aspects of internal audit departments, relations between them and the management, their role in companies based on studies provided by Protiviti, a global consulting and internal audit services company, having experts specializing in risk, consultancy and transactions.*

**Keywords:** *audit; internal audit; audit practices; multinational corporations*

**JEL classification:** *M42*

## SUB-SECTIONS: BANKING

### ROMANIAN BANKS LIQUIDITY MANAGEMENT

**Maria Batrancea, Andrei Moscviciov, Catalin Sabau, Anamaria Popa**

*Department of Management, Faculty of Economics, Bogdan Vodă University, Cluj-Napoca, Romania*

*Department of Business, Faculty of Business, Babes-Bolyai University, Cluj-Napoca, Romania,*

*Department of Finance, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

*Department of Finance, Faculty of Economics, Bogdan Vodă University, Cluj-Napoca, Romania*

*batrancea\_maria@yahoo.com*

*andreim@anvico.ro*

*cata\_sab@yahoo.com*

*anyiap@gmail.com*

**Abstract.** *During the early “liquidity phase” of the financial crisis that began in 2007, many banks – despite adequate capital levels – still experienced difficulties because they did not manage their liquidity in a prudent manner. The crisis drove home the importance of liquidity to the proper functioning of financial markets and the banking sector. Prior to the crisis, asset markets were buoyant and funding was readily available at low cost. The rapid reversal in market conditions illustrated how quickly liquidity can evaporate, and that illiquidity can last for an extended period of time. The banking system came under severe stress, which necessitated central bank action to support both the functioning of money markets and, in some cases, individual institutions. Most transactions or financial commitments have implications for a bank liquidity. Transactions are particularly vulnerable to liquidity problems at a specific institution. Therefore, one can deduce the importance of the correct calculation and liquidity indicator, not only for the bank concerned, but especially for NBR uses that bank risk management tool. That is why the authors took into consideration a sample of banks in Romania to show to what extent the banking crisis has influenced the development banks. The objective of this paper is to provide a global perspective of the liquidity risk from a banking societies’ viewpoint. Our paper belongs to the technical studies that analyze the concrete way in measuring the liquidity risk at the level of the banking societies from Romania. The study is structured on chapters that present the theoretical background in liquidity risk management, also, the paper contains a study cases part, which presents the actual stage and the challenges of the measuring the liquidity risk. The difficulties experienced by banks were due to lapses in basic principles of liquidity risk management. In response, as the foundation of its liquidity framework, the Basel Committee in 2008 published Principles for Sound Liquidity Risk Management and Supervision (“Sound Principles”).*

**Keywords:** *liquidity, risk assets, volatile equity*

**JEL classification:** *G21*

## FINANCIAL CRISIS IN BANKS

**Maria Batrancea, Andrei Moscviciov, Anamaria Popa, Csegedi Sandor**

*Department of Management, Faculty of Economics, Bogdan Vodă University, Cluj-Napoca, Romania*

*Department of Business, Faculty of Business, Babes-Bolyai University, Cluj-Napoca, Romania*

*Department of Finance, Faculty of Economics, Bogdan Vodă University, Cluj-Napoca, Romania*

*Department of Finance, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

*batrancea\_maria@yahoo.com*

*andreim@anvico.ro*

*anyiap@gmail.com*

*exkontalex@yahoo.com*

**Abstract.** *The present paper tries to cast some light on the origin of the financial and banking crisis. Firstly, it emphasizes the changes made by the central banks in order to achieve better regulation and supervision of the banking system. Secondly, it attempts to answer the question whether this financial crisis could have been foreseen. Last, but not least, it offers an overview on the characteristics of a substandard credit.*

**Keywords:** *financial crisis, banking panic, substandard loans.*

**JEL classification:** *G21*

## SERVICE QUALITY: A CASE STUDY OF BANCA ROMANEASCA

**Corneliu Bențe**

*Department of Finance and Accounting, Faculty of Economic Sciences, University of Oradea, Oradea, Romania*

*corneliubente@yahoo.com*

**Abstract:** *Scope of the study: The study would try to throw some insights into the existing services provided by the banks and the gap between the customer expectations, perceptions and the actual state of performance. The results of the study would be able to recognize the lacunae in the system and thus provide key areas where improvement is required for better performance and success ratio.*

*Research Objectives:*

*-To find out the level of expectation and the level of perception of the customers from the services offered by the banks.*

*- To compare the level of perception and expectation of the services offered by the banks.*

*- To know which service quality dimension the bank is performing well and in which dimension it needs improvement.*

*-To address the importance of improving service quality in the banking industry.*

*This study was structured in two directions: identify expectations of customers before using the services of Banca Romaneasca and their perception about the quality of banking services after becoming bank customers.*

*Data collection was obtained using questionnaires and the collected data were summarized in a summary of the results grid, applying then calculations and analysis on them. They showed such attitudes, opinions and perceptions of customers about the quality of services are offered by Banca Romaneasca, and then were formulated recommendations clear and immediate on the quality of customer service provided to adapt SERVQUAL dimensions to the socio-cultural context specific to the Romanian banking market.*

*A questionnaire was developed to identify underlying dimensions of bank quality and to assess consumers' perceptions of the importance of each of these dimensions.*



*Hypothesis- H0: There is a statistically significant difference between perceptions and expectations of Banca Romaneasca customers.*

*The results of the service quality analysis show that reliability and empathy are the two most critical dimensions of service quality, and they are directly related to overall service quality.*

**Keywords:** SERVQUAL, dimensions, Tangibles, Reliability, Responsiveness, Assurance, Empathy

**JEL classification:** G21, M31

## **THE QUALITY OF BANKING SERVICES - A BASIC PREMISE OF A BANK SUSTAINABILITY**

**Corneliu Bențe**

*Department of Finance and Accounting, Faculty of Economic Sciences, University of Oradea, Oradea, Romania  
corneliubente@yahoo.com*

**Abstract:** *In recent years, organizations are obliged to render more services in addition to their offers. The quality of service has become an aspect of customer satisfaction. It has been proven by some researchers that service quality is related to customer satisfaction. Others used service quality dimensions to evaluate service quality. The main purpose of this study is to examine the relationship between customer satisfaction and service quality in service sectors with respect to the service quality dimensions. Customer satisfaction has been a subject of great interest to organizations and researchers alike. The principal objective of organizations is to maximise profits and to minimise cost. Profit maximisation can be achieved through increase in sales with lesser costs. One of the factors that can help to increase sales is customer satisfaction, because satisfaction leads to customer loyalty (Wilson et al., 2008), recommendation and repeat purchase. Romanian banking system can be characterized as a dynamic business environment in which banks encounter considerable difficulties to increase or at least to maintain market share. Increasing the number of banks led, on the one hand to increased competition, and on the other hand has increased standards that banks must meet to gain a net advantage in this area. Competition between banks is a factor that generates increasing demands from customers, putting pressure on management. People everywhere are now more and more access to information, both quantitatively in terms of sources and in terms of quality, so it is expected that banks working together to meet the needs where when and how they want. Otherwise, customers are willing to make changes, and the bank risks losing its market share for competitors. Considering all of this, the main concern of credit institutions in Romania should be to maintain a portfolio of clients. Long-term cooperation relations between a bank and its customers is the proof of that bank's efforts in providing quality services that meet consumer demands.*

**Keywords:** SERVQUAL, dimensions, Tangibles, Reliability, Responsiveness, Assurance, Empathy

**JEL classification:** G21, M31

## IS ADEQUATE THE METHOD OF LOAN LOSS PROVISIONING? – EVIDENCE FROM ROMANIA

**Gheorghe Chitan**

Academy of Economic Study, Faculty of Finance, Bucharest, Romania  
chitangheorghe@yahoo.com

**Abstract:** *The importance of banking system within the financial system requires a special attention in order to secure its stability. Thus, with the occurrence of the financial crisis, in the context of integration of the financial system and creation of unique financial market, became more stringent the need for the existence of specific tools to prevent financial crises and to guarantee the continuity of normal economic activity. In this category are the macro-prudential supervision tools whose role is to reduce the ability of banks to damage the economy by taking on excess risk. Among them is registered the dynamic provisions intended to be used for enhancing bank soundness and to help mitigate part of the procyclicality of the banking system. The current study addresses the methodology for establishing specific provisions for credit risk at the level of the Romanian banking system, highlighting the direct implications over the credit institutions, and indirect implications over the economy as a whole. The study presents as well the possible course of actions in order to remedy the weaknesses in the recognition of loan losses. Thus, while listing the specialty literature, study presents the regulatory framework applicable to loan loss provisioning, underlining the weaknesses of the static provisioning model and the need to look forward to the dynamic model along with the accounting methodology. In this regard it was considered the worsening of a loan portfolio in macroeconomic context and a hypothetical comparative study between the static and dynamic model has been realized. The results of the study revealed that the current provisioning model has a procycle character without considering the influence of macroeconomic factors over the future worsening of the loan portfolio without allowing recognition of future loan losses due to failure to identify future risks generating events and their credible assessment. Therefore it is required the need to establish reserves during the economic growth periods to cover losses from loans in order to prevent disruption of the banking activity and to limit the risk of insolvency. To achieve this goal it is necessary that all the parties involved, namely the banks, the regulatory authority and accounting organizations, to realize the importance of loan loss provisioning and act accordingly.*

**Keywords:** *loan loss provisioning, static provisioning, dynamic provisioning, macro-prudential tool, procyclicality*

**JEL classification:** G21, G28

## THE IMPACT OF FINANCIAL LIBERALIZATION ON ROMANIAN BANKING SYSTEM EFFICIENCY

**Maria-Lenuța Ciupac-Ulici, Daniela-Georgeta Beju**

Department of Economic Sciences, Faculty of Financial Banking Management, Commercial Academy Foundation, Satu Mare, Romania

Department of Finance, Faculty of Economic Sciences and Business Administration, Babes-Bolyai University, Cluj Napoca, Romania

ulici\_maria@yahoo.com

daniela.beju@econ.ubbcluj.ro

**Abstract:** *In the last three decades, many emerging countries have moved away from a system of restrictive monetary and financial controls to a more liberalized financial sector. The restrictive imposed policies were expected to contribute to industrialization of the economy and to the stability of the banking sector. However, financial liberalization had big costs on the banking system's competitiveness and efficiency. Financial liberalization has a*

different impact on banking markets. Thus, there is no size that fits all policies concerning banking liberalization process. For highly efficient banks, competition is improving their efficiency standard, while less efficient banks can't compete with foreign banks and further are decreasing in efficiency or are driven out of the market. Overall, the average efficiency of domestic banking markets should be an important variable in deciding to open up their banking market. Banks that are operating close to the frontier, in general are improving their efficiency following financial liberalization process. Banks that are operating in a further distance can't manage to compete with foreign market entrants, so, they are losing from liberalization process. In this article we propose to measure the impact of financial liberalization process on Romanian banking system. We used the panel regression to study the informational efficiency of three Romanian banks during 2004 - 2012. The dependent variable of the model was the price of stock bank, and the independent variables were the financial indicators (return on equity, return on assets, net profit margin). In the second regression we introduce a dummy variable for crisis period. Our results show that the financial indicators choose do not affect the efficiency of Romanian bank, but the crisis had a negative impact on them. International context, credit risk, the implementation of Basel III and reducing exposures in the absence of investment alternatives remains key challenges to the Romanian banking system in future.

**Keywords:** financial liberalization; bank; return on equity; return on assets; net profit margin

**Jel classification:** O16; G21; G23

## THE NEED TO REFORM THE BANKING SYSTEM – A PREMISE FOR THE IMPLEMENTATION OF THE BASEL III ACCORD

Daniela Cosma

University of Oradea – Faculty of Economic Sciences  
cosma\_danieladan@yahoo.ro

**Abstract:** The application of banking reform measures represents a real challenge for banks in this post-crisis period also leading to the rapid implementation of the Basel III Accord. The causes of financial-economic crisis must be identified and dealt with, one of the difficulties the banks face being that to quantify and take risks. The banking system was characterized by weaknesses in the recent global financial crisis. These weaknesses were related to: too much leverage in the banking; not enough high quality capital to absorb losses and an excessive credit growth based on underwriting standards and under-pricing of liquidity. It is felt the need to move from "deregulation" to an accurate banking regulation process, based on an appropriate mix of macroeconomic policies, that is to the ensurance of a balance between the policies meant to stimulate the demand and those policies which can stimulate the demand. The problem of banking regulation is also taking into account the reactions of the business world which emphasizes the fact that an exaggerated regulating process which supresses innovation would be a major risk. Many of the changes in the banking system are inspired by the final draft of the G-20 reunion, that of developed countries, in November 2008, a draft considering the economic re-launch and reform. Basel III considers the reform of the banking system by measures whose cover area is much larger and they refer to both the micro-prudential framework and to the macro-prudential one. The application of all the measures established by Basel III Accord is expected to end by 2019, with different effects in the main segments of banking business: retail, corporate and investment banking. The impact of Basel III implementation in the banking system of the USA is almost similar to that of Europe's, with slight differences regarding the capital and the reduction of mortgage rights, which play a more important role in the USA, the latter having another starting economic point than Europe.

**Key words:** banking reforms; macro-economic perspective; monetary policy; bank corporate governance; countercyclical capital, credit crunch, bank leverage.

**JEL Code:** G01, G21

## **FINANCIAL DEVELOPMENT, INSTITUTIONS AND ECONOMIC POLICY – PANEL DATA EVIDENCE**

**Ioannis Filippidis**

*Aristotle University of Thessaloniki, Department of Economics, 541 24, Thessaloniki, Greece  
filioan@yahoo.com*

**Abstract:** *In recent years significant researches have been done to identify what are the determinants of financial development. With regard to this outline, the main objective is to investigate the effect of economic, political and social dimension of institutional quality, as well as the effect of political and macroeconomic factors on financial development. More specifically, the present work aims to contribute to the relevant literature in the following ways: i) in the econometric front, we employ dynamic panel techniques, that allow for heterogeneity among variables, avoiding the known problems of traditional techniques. More specifically, we employ the “system GMM” estimator controlling for endogeneity among variables; ii) we disentangle into economic, political and social institutional quality in order to quantify the effect of institutions on financial development and check the robustness of our results; iii) in the same logic, we decompose our measure of financial openness into equity- and loan-related foreign assets and liabilities in order to assess whether the hoarding of risky vs. riskless assets or the accumulation of equity vs. debt liabilities affect the development of domestic financial institutions; and iv) to control for a potential bias among variables, we include a large set of information, which covers all the spectrum of possible effects on finance, giving emphasis on political factors and government policies. Our main finding from the regression analyses is a robust empirical relationship from institutions to financial development, a result consistent with most empirical studies. Also, we find a stronger effect from economic institutions to banking sector development and from political institutions to stock market development. Regarding the trade and finance link, we find that openness has a much stronger association with bank-based finance than with stock market development. As for financial openness, equity-related assets and liabilities have a more robust impact on financial development. Finally, government policy in terms of less government size and less interest rate controls have a significant effect on the banking sector rather than on the stock market sector.*

**Keywords:** *Financial development, institutions, trade openness, financial liberalisation, panel data analysis.*

**JEL classification:** G29, F19, K49.

## **ASPECTS REGARDING THE CURRENT ECONOMIC CRISIS AND ITS INFLUENCE ON THE FINANCIAL SECTOR**

**Roxana Heteş, Alexandru Avram**

*West University of Timisoara, Faculty of Economics and Business Administration Romania  
rhetes@yahoo.com  
alex1avram@gmail.com*

**Abstract:** *The recent global financial and economic crisis has revealed some weaknesses in the regulation and supervision of the financial system and its architecture, especially in the treatment of systemic risks and vulnerabilities, and also the financial implications and downsides of the globalization process. The global nature of financial crisis has highlighted the fact that, although integrated financial markets may offer a number of significant benefits, risks involved are worthy of taking into consideration. In order to ensure the*

*financial stability of the highly integrated global landscape is needed the reform of the financial system architecture, both nationally and internationally.*

**Keywords:** financial markets, banks, supervision, regulation, financial crises

**Jel Clasification:** E02, E44, E59, E61, E65

## THE FRAMEWORK RESULTING FROM THE BASEL III REGULATIONS

**Marius M. Motocu**

*The Department of Finance and Accounting Computer Science, Faculty of Economic Sciences, "Bogdan-Voda" University, Cluj-Napoca, Romania*

*mmotocu@gmail.com*

**Abstract:** *The banking sector is under prudential regulations set internationally by the Basel Committee, in order to ensure its strength, stability and mitigate competitive inequities. Its founding principle is based on a minimum solvency ratio introduced in 1988 in the form of the Cooke ratio, resulting in a harmonization of the rules of banking supervision governing the level of own funds. Basel II was introduced after the various financial crises of the 1990s (the Mexican crisis of 1994, the Asian crisis, and the Brazilian and Argentinean crisis). Despite a series of reforms, Basel II has quickly shown its limitations with the 2007 crisis that has strongly impacted the financial markets and the world economy generally. In this context, the Basel Committee has developed within Basel III a number of requirements which aim at strengthening the resilience of the banking institutions and financial system. These adjustments will be applied to the three pillars already in place and relate to capital, liquidity and systemic risks. The new Basel provisions relating to the calculation of the numerator of the solvency ratio are declined according to the triptych: strengthening the quality of prudential eligible own funds instruments, increase of the statutory deductions provided by Basel II, and higher minimum thresholds of solvency ratios. Furthermore, a limitation of the lever, calculated from the balance sheet and elements of off-balance sheet based on non-weighted by the risks, will be introduced. The Basel III criteria entering into force between 2013 and 2018 constitute one of the major challenges to which the banking sector will face. The real impact of the Basel III reform will depend on the attitude of the banks that will have to change in their strategy, their cost structure and policy of remuneration of the shareholders. A reform which will have therefore an impact on the world economy ensuring as estimated by Governors and supervisors, stability and long term economic performance. This paper will present the main adjustments proposed by the Basel Committee.*

**Keywords:** capital requirements; liquidity coverage ratio; leverage ratio.

**JEL classification:** G21; G32.

## TESTING THE LONG RANGE-DEPENDENCE FOR THE CENTRAL EASTERN EUROPEAN AND THE BALKANS STOCK MARKETS

**Andreea Maria Pece, Emilia Anuta Ludusan (Corovei), Simona Mutu**

*Faculty of Economics and Business Administration/Department of Finance, Babeş-Bolyai University Cluj-Napoca, Romania*

*andreeapece@yahoo.com*

*emilia\_lud@yahoo.com*

*simona.mutu@ubbcluj.ro*

**Abstract:** *In this study we tested the existence of long memory in the return series for major Central Eastern European and Balkans stock markets, using the following statistical methods: Hurst Exponent, GPH method, Andrews and Guggenberger method, Reisen method, Willinger, Taquu and Teverovsky method and ARFIMA model. The results obtained are mixed. The Hurst Exponent showed the existence of long memory in all indices, except*

PX. After applying the GPH method, the results showed that BET, ATHEX, SOFIX and CROBEX have a predictable behavior. The ARFIMA model results support the existence of long memory for BUX, SAX and BELEX. The predictable behavior of index returns may suggest that the CEE and Balkans stock markets are not weak form efficient.

**Keywords:** emerging markets, long memory, market efficiency, ARFIMA model

**JEL Classification:** C14, C58, G14

## **A TALE OF TWO CYCLES IN DEVELOPING AND ADVANCED ECONOMIES: A COUNTRY CASE STUDY COMPARISON**

**Stanislav Percic, Constantin-Marius Apostoae, Dan Chirleşan**

*Department of Business Administration, Faculty of Economics and Business Administration, Alexandru Ioan Cuza University of Iasi, Iasi, Romania*

*stanislav.percic@yahoo.com*

*apostoae\_marius@yahoo.com*

*danch@uaic.ro*

**Abstract:** This research aims at performing an econometric analysis on the credit cycle and business cycle from a comparative perspective, with a focus on ten developing and advanced economies from the area of Central, Eastern and South-Eastern Europe, in order to better understand their behaviour and the impact of the interactions between them. To achieve this aim, the study focuses on two strategic objectives: a) on the one hand, it analyzes the short-term dynamics (from one quarter to the other) of the relationships between credit expansion and economic growth in order to better grasp which variable influences the other; and b) on the other hand, the research investigates the cyclical components of the data sets (after extracting them from the real GDP and the total volume of credits given by the banking system to the non-governmental sector), i.e. it performs statistical analysis on the medium-term relationships between the business cycle and the credit cycle for each of the ten European economies. The findings revealed in the first phase of the investigation that we cannot speak of a relation of unidirectional causality between credit expansion and economic growth across countries (not even across geographical regions). In Bulgaria, Latvia, Lithuania and Slovenia, economic growth had an important influence over the crediting activity, thus “guiding” it, whereas in the case of Poland, Romania and Slovakia, Granger-type causality relations were registered from the crediting expansion process towards economic growth. The second part of the investigation revealed that sometimes the credit cycle seems to be independent from the business cycle, manifesting an amplitude, a synchronicity and a volatility that is different from and superior to that of business cycle in all the analyzed countries (“having a mind of its own”). Moreover, there is evidence of important spill-over effects of the credit activity across banking systems at national and regional level thus confirming the international feature of the credit cycle.

**Keywords:** credit cycle, business cycle, unidirectional causality, amplitude, synchronicity

**JEL classification:** C01, C19, C29, E30, E32, E51

## **THE COMPARATIVE RISK AND PERFORMANCE ANALYSIS OF HUNGARIAN AND ROMANIAN EXCHANGE INDICES**

**Tibor Tarnóczy, Edina Kulcsár**

*University of Debrecen, Faculty of Applied Economics and Rural Development, Debrecen, Hungary*

*University of Oradea, Faculty of Economic Sciences, Oradea, Romania*

*University of Debrecen, Faculty of Applied Economics and Rural Development, Debrecen, Hungary*

*tarnoczy@agr.unideb.hu*

kulcsaredina@yahoo.com

**Abstract:** Nowadays, the most dominant characteristics of the financial environment are instability, variability, riskiness and uncertainty. It is difficult to find a field where the decision making process is risk-free. This statement is especially true in case of financial investments according to which risk taking is rewarded. But it is also true that the financial market participants cannot be completely avoided risks, but there are many options for managing and minimizing them. One of the most well-known theories of financial instruments' risk minimization is the modern portfolio theory, which is the collection of tools and techniques by which a risk-averse investor may construct an optimal portfolio. In portfolio theory it is also known the possibility of risky assets diversification to obtain the optimal return/risk ratio. Consequently, this paper aims to examine the efficient portfolio alternatives by determination of performance ratios based on CAPM model and modern portfolio theory, such as Sharpe ratio, Jensen's alpha and Treynor ratio and risk measuring methods, such as Value at Risk, or Expected Shortfall. In present research we concentrate to a comparative analysis of portfolios consist in main stock indices shares of two neighboring countries from Central and Eastern Europe: Hungary and Romania. The analysis was performed on the Romanian BET and Hungarian BUX stock market indices using the six-month daily closing prices. Data of the analysis were downloaded from the official websites of Romanian and Hungarian stock exchanges. The statistical analysis was made in R statistical system. Using such tools to uncover information and ask better questions will support the investors to make better and better investment decisions. The results of present research show a greater performance level for Romanian portfolio, but also a higher level of risk, with lower volatility toward market changes and major specific risk. For the Hungarian portfolio, the performance is more temperate, the level of risk is also smaller and the volatility to market factors is more relevant, so the specific risk is moderate in this case.

**Keywords:** diversification, portfolio theory, risk, efficient portfolio, return, performance analysis

**JEL classification:** G10, G11, G12, G19

## COMPARATIVE ANALYSIS OF THE BANK'S CAPITAL ADEQUACY ACCORDING TO THE BASEL AGREEMENT

Ramona Tesu

Faculty of Economics Science and Business Administration, Babes-Bolyai University of Cluj-Napoca, Romania  
ramotesu@yahoo.com

**Abstract:** The present article has as a research field the theoretical, methodological and practical aspects of the capital bank adequacy mechanism, according to Basel Agreement. In this paper we intend to present the advanced approaches of measurement and the minimum requirements regarding the bank capital. The objectives of the research theme, presented in this paper, are oriented mainly towards: presenting the principles and rules which governance the bank capital adequacy mechanism; calculation and comparison of the bank capital adequacy indicators. An objective that we consider needs to be mentioned is the reflection of the modifications which will affect the bank environment in the next years, as a result of adopting the new General Frame of Bank Supervision. Even though the actual stage of research is advanced, in the Romanian and foreign literature, which dedicates a lot of theoretical and empiric studies of the bank capital adequacy mechanism, in this moment, the international crises pointed out the purpose and the implications of the credit institutions within the financial system. In our paper we will use a theoretical and a practical research. The theoretical research describes the laws, rules of application in the banking field in our country. In the practical research we will use as a research method, the quality-comparative analyses, by presenting details regarding the bank capital adequacy indicators. Within the

*study methodology, we will use the available channels in order to structure in an useful way the research by: description, explanation, exemplification, simulation, comparative. Within the approached channels we mention: reading, analyzing information, research on specialty sites, discussions in the professional groups, discussions with the top managers of the bank, explanation, induction and deduction, conclusion and supporting our own opinion. Among the complicated, difficult, urgent problems of the European integration, within globalization and change, in the fore-ground we have the state of the economy, the economic problems, situation of the banking system. In Romania there is now a modern and competitive banking system, which provides circulation of the economy and domestic supplies banking products and services in accordance with trends in the European banking sector. In this way, the action line, I did a comparative study determining capital requirements under Basel 1, Basel 2, the standardized approaches, credit risk determined. Capitalization of Romanian bank's remain comfortable, providing good conditions for meeting additional capital requirements Basel III. In what concerns the capital adequacy management, the leading structures of a credit institution need to establish strategies and effective policies in order to maintain, on a continuous base, a level, a correct structure of their own funds, proper for covering the risks that the credit institution is exposed to. We conclude that a bank needs to increase its own funds, which is achieved by several methods decided by management. Presentation of concrete cases in approaching the bank's capital adequacy represent the personal work which completes the study concerning the purpose of back-up accounting in the banking system, adequate correlation of the risks and capitals.*

**Keywords:** Bank's Capital Adequacy; Weighted Assets; Own Funds; Solvency; Accord Basel, Comparative Analysis

**JEL Classifications:** G21

## **BASEL I, II, III: CHALLENGES TO THE BANK'S CAPITAL ADEQUACY**

**Ramona Tesu**

*Faculty of Economics Science and Business Administration, Babes-Bolyai University of Cluj-Napoca, Romania  
ramotesu@yahoo.com*

**Abstract:** *The present article has as a research field the theoretical, methodological aspects of the bank's capital adequacy mechanism, according to Basel Agreement. The purpose of this paper is to underline the main challenges of the bank's capital adequacy. The study reflects that the current global financial turmoil continues to pose a threat to the effectiveness of the Basel rules which are aimed at achieving global financial stability. Also, the present paper aims to reflect that in light of the Basel Accord, new and potent ally better financial ratios are being developed to prevent future banking crises from happening. The objectives of the research theme, presented in this paper, are oriented mainly towards: understand the role and importance of capital in a bank's balance sheet and identify the composition and relative importance of the different measures of capital from a regulatory perspective (Core Capital, Tier 1 Capital and Tier 2 Capital); know the structure of the Basel Accord (minimum capital requirement, supervisory review process and market discipline) and the key principles of each; be aware of the enhancements to the Basel Accord from Basel III and interim amendments. The Basel III introduces paradigm shift in capital and liquidity standards. Firms should ensure they are engaging with Basel III as soon as possible to position themselves competitively in a new post-crisis financial risk and regulatory landscape. The National Bank of Romania offers to its users, information's regarding the challenges to the bank's capital adequacy through the Reports of Financial Stability and the Annual Reports. The present research is based on a deductive approach - strictly qualitative. For analyzing all the data I used the following research methods: comparative method, document analysis, external observation. I choose this subject for scientific reasons*



and realistic reasons. A result of this research tries to highlight the extent to which the final structure of capital bank, the requirements of capital banks. If we compare the analyses challenges of the three Accord Basel, we can see that the relationship: Capital requirement under Basel I < capital requirement under Basel II < capital requirement under Basel III.

**Keywords:** Bank's Capital Adequacy; Basel Accord I; Basel Accord II; Basel Accord III; Tier 1; Tier 2.

**JEL Classifications:** G21

## **A MACROPRUDENTIAL SUPERVISION MODEL. EMPIRICAL EVIDENCE FROM THE CENTRAL AND EASTERN EUROPEAN BANKING SYSTEM**

**Ioan Trenca, Peter Balogh, Simona Mutu**

Finance Department, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania

ioan.trenca@econ.ubbcluj.ro

petibalogh@yahoo.com

simona.mutu@ubbcluj.ro

**Abstract:** One of the positive effects of the financial crises is the increasing concern of the supervisors regarding the financial system's stability. There is a need to strengthen the links between different financial components of the financial system and the macroeconomic environment. Banking systems that have an adequate capitalization and liquidity level may face easier economic and financial shocks. The purpose of this empirical study is to identify the main determinants of the banking system's stability and soundness in the Central and Eastern Europe countries. We assess the impact of different macroeconomic variables on the quality of capital and liquidity conditions and examine the behaviour of these financial stability indicators, by analyzing a sample of 10 banking systems during 2000-2011. The availability of banking capital signals the banking system's resiliency to shocks. Capital adequacy ratio is the main indicator used to assess the banking fragility. One of the causes of the 2008-2009 financial crisis was the lack of liquidity in the banking system which led to the collapse of several banking institutions and macroeconomic imbalances. Given the importance of liquidity for the banking system, we propose several models in order to determine the macroeconomic variables that have a significant influence on the liquid reserves to total assets ratio. We found evidence that GDP growth, inflation, domestic credit to private sector, as well as the money and quasi money aggregate indicator have significant impact on the banking stability. The empirical regression confirms the high level of interdependence of the real sector with the financial-banking sector. Also, they prove the necessity for an effective macro prudential supervision at country level which enables the supervisory authorities to have an adequate control over the macro prudential indicators and to take appropriate decisions at the right time.

**Keywords:** banking supervision; macro prudential monitoring; risk; bank liquidity; bank capital adequacy, financial stability

**JEL classification:** E44; G01; G32

## **AN INQUIRY INTO CONTAGION TRANSMISSION AND SPILLOVER EFFECTS IN STOCK MARKETS**

**Ioan Trenca, Nicolae Petria, Eva Dezsi**

Faculty of Economics and Business Administration, Babes-Bolyai University Cluj-Napoca

Faculty of Economics, Lucian Blaga University Sibiu

Faculty of Economics and Business Administration, Babes-Bolyai University Cluj-Napoca

**Abstract:** This paper represents a theoretical enquiry in contagion and its transmission mechanism. Our main purpose is to present the different views regarding contagion as a

*mechanism, correlated with interdependence, a state of markets. We present numerous theories about the definition and the transmission of shocks. But As Rigobon (2002) states, the main problem of the theoretical literature of contagion is that the measurable events are more rare than the number of possible hypothesis. So the only aspect on which everybody agrees is that there is no unanimously accepted interpretation of contagion. The channels of contagion, according to our reasoning and based on the directions pointed out by theoretical literature, can be divided into channels which act in interdependent markets, and channels which can be attributed to investors behavior. In this case the cause of propagating the shock becomes the criterion upon which the transmissions of channels are classified. In this paper we present these channels together with their characteristics.*

**Keywords:** Contagion, Spillover Effects, Interdependence, Transmission mechanism, Stock markets.

**JEL classification:** G01; G15.

## SUB-SECTIONS: CORPORATE FINANCES

### VENTURE CAPITAL IN HUNGARIAN ACADEMIC SPIN-OFFS

**Patrícia Dr. Becsky-Nagy**

*Faculty of Applied Economics and Rural Development of the University in Debrecen*

*Abstract: As part of a research about Hungarian academic start-ups, I made a survey examining part of the answers of a long questionnaire created for the whole research filled in by academic spin-offs of most important Hungarian universities. The study is structured as follows. First I will present the most important operational information on university spin-off companies taking part in the research. Then I will give an insight to the details of financing spin-offs, thoroughly analyzing the institutional and the non-institutional venture capital and the role of funding opportunities – applications. I examine which financing sources dominate in academic spin-off companies, what are the experiences of the spin-offs in the field of the three financial sources mentioned before, in order to be able to answer how would what kind of changes would be needed to subserve venture capital financing Hungarian spin offs, with high growth potential. The study ends with a summary.*

**JEL classification:** G24, venture capital

### WEATHER DERIVATIVES: THE MOST COMMON PRICING AND VALUATION METHODS

**Horia Mircea Botos**

*Finance Department, Faculty of economics and Business Administration, Babes-Bolyai University of Cluj-Napoca, Romania  
Horia.botos@econ.ubbcluj.ro*

**Abstract:** *In recent years, weather derivatives have become a common tool in risk management for sectors as: agriculture, energy, sports, etc. This is based on the fact that there is no unique way to determine the value and price solutions that would be generally approved by all market-participant. Not as in the case of the Black-Scholes formula for options on non-dividend-paying stocks, thus weather derivatives valuation being the source for a constant debate between academics and practitioners. One looks for fair and truly correct prices that include all factors, while the others search every-day applicable solutions that help transactioning. To be honest... this is somehow like alchemy. This paper's purpose is the examination of statistical characteristics of weather data, data clearing and filling techniques. The study will be referring to temperatures because that is the best analyzed phenomenon, being the most common. This was also heavily influenced by energy companies and energetic interests, because the degree days were of interest ever before weather derivatives were put for sale. The main ideas are explaining what ways of pricing and valuation are put into perspective for this financial instrument, taking into consideration that the Black-Scholes Model is not suitable, mainly cause the lack of historically correlated and uniform data. Also here, we will present the pros and cons that we found for each method. The methods are: the Burn analysis, the index value simulation method (IVSM), the daily simulation method (DSM). On the whole, this paper wants to shed light the weather derivatives pricing methods that are a mix of insurance pricing method and standard financial modeling methods. At the end we will prospect the discounting problem, by means of the Consumption based Capital Asset Pricing Model (CCAPM). This is all done*

*empirically due to the fact that on the Romanian market these products are not yet used for either insurance or investment purposes.*

**Keywords:** *weather derivatives, pricing, valuation, burn analysis, DSM, IVSM*

**JEL classification:** G22, G24

## **PROFITABILITY - CAPITAL STRUCTURE TRADE OFF: CASE OF PUBLICLY ROMANIAN COMPANIES**

**Boțoc Claudiu**

*West University of Timișoara,*

*Faculty of Economics and Business Administration, Finance Department*

*Timișoara, Romania*

*claudiu.botoc@feaa.uvt.ro*

**Abstract:** *There is an increasing number of empirical works that test what drives firm profitability, since it is an objective and at the same time a frame of how a company is performing. The main aim of this paper is to test capital structure, noncurrent assets ratio and tax rate as determinants for profitability, with capital structure as main focus. Using a sample of 62 publicly Romanian for period 2001-2011 and panel data model the results suggest that financial statement variables considered are significant in gauging profitability. It was concluded that there is evidence for pecking order theory and firms with large amounts of noncurrent assets are under performing.*

**Keywords:** *profitability, capital structure, investment, taxation, financial statements.*

**JEL code:** G30, G31, G32

## **PREDICTION OF CORPORATE BANKRUPTCY IN ROMANIA THROUGH THE USE OF LOGISTIC REGRESSION**

**Daniel Brîndescu, Ionuț Golet**

*Management Department, Faculty of Economics and Business Administration – West University of Timisoara, Timisoara, Romania*

*Management Department, Faculty of Economics and Business Administration – West University of Timisoara, Timisoara, Romania*

*daniel.brindescu@feaa.uvt.ro*

*ionut.golet@feaa.uvt.ro*

**Abstract:** *The purpose of this paper is to test whether data from synthetic financial statements publically available in Romania can be employed within a logistic regression model to accurately predict the corporate bankruptcy probability over the economic crisis period. The population initially subjected to our study included all the 26,980 companies from the Timis County that submitted financial statements for 2007 to the public authorities. As this population proved very heterogeneous, we focused on a more homogeneous group, composed of 4,327 companies. The target population was chosen by employing both economical and statistical criterions. The data from the synthetic financial statements was used to build 12 ratios, 5 of which have proven to be significant within a logistic model for predicting corporate bankruptcy. It was clear that other sources of information could help improve the accuracy of the predictions, but these sources are not easily accessible to most of the stakeholders. As the synthetic financial statements are publically available, evaluating their utility in the prediction of corporate bankruptcy was one of the main objectives of this research. The proposed model offers an in-sample overall 70.3% accuracy in the prediction of the bankruptcy event over a 5 – year period, with an out of sample overall accuracy of 67.6%. Under these circumstances, the model is considered to be of immediate practical utility, as it can represent a tool for performing a fast estimation of the bankruptcy probability*

of a company that fits the profile of the target population. As theoretical contributions, the research proves that the companies that filed for bankruptcy during the crisis period showed signs of weaknesses before the beginning of the crisis. Financial ratios that show relevance in the prediction of corporate bankruptcy at local level have been identified and their correlation with the bankruptcy probability has been evaluated. The model is expected to maintain its accuracy with minimal or no additional calibration for companies from the entire Romanian economy that fit the profile of the target population.

**Keywords:** bankruptcy; financial statement analysis; economic crisis; logistic regression; accuracy rate.

**JEL classification:** G33, C21, M41.

## **CATASTROPHIC EVENTS MODELING**

**Cristina Ciumaş, Ramona Alexandrina Coca**

Department of Finance, Faculty of Economics and Business Administration, Babeş-Bolyai University, Cluj - Napoca, Romania

cristina.ciumas@econ.ubbcluj.ro

ramona.coca@econ.ubbcluj.ro

**Abstract:** This paper presents the emergence and evolution of catastrophe models (cat models). Starting with the present context of extreme weather events and features of catastrophic risk (cat risk) we'll make a chronological illustration from a theoretical point of view of the main steps taken for building such models. In this way the importance of interdisciplinary can be observed. The first cat model considered contains three modules. For each of these identified modules: hazard, vulnerability and financial losses a detailed overview and also an exemplification of a potential case of an earthquake that measures more than 7 on Richter scale occurring nowadays in Bucharest will be provided. The key areas exposed to earthquake in Romania will be identified. Then, based on past catastrophe data and taking into account present conditions of housing stock, insurance coverage and the population of Bucharest the impact will be quantified by determining potential losses. In order to accomplish this work we consider a scenario with data representing average values for: dwelling's surface, location, finishing works. On each step we'll make a reference to the earthquake on March 4 1977 to see what would happen today if a similar event occurred. The value of Bucharest housing stock will be determined taking firstly the market value, then the replacement value and ultimately the real value to quantify potential damages. Through this approach we can find the insurance coverage of potential losses and also the uncovered gap. A solution that may be taken into account by public authorities, for example by Bucharest City Hall will be offered: in case such an event occurs the impossibility of paying compensations to insured people, rebuilding infrastructure and public buildings and helping the suffering persons should be avoided. An actively public-private partnership should be created between government authorities, the Natural Disaster Insurance Pool, private insurance companies, reinsurers, stock exchanges, institutions specialized in cat events modeling in order to develop and use alongside compulsory and facultative insurance of buildings new alternative risk transfer solutions as catastrophe bonds (also known as cat bonds).

**Keywords:** cat risk; cat model; earthquake; financial losses.

**JEL classification:** G22.

## **PROPOSAL OF A COMMON SCORING SYSTEM FOR SELECTION OF EU FUNDED PROJECTS DEVELOPED BY ROMANIAN COMPANIES**

**Laurentiu Droj**

*University of Oradea, Faculty of Economics, Oradea, Romania  
laurentiu.droj@gmail.com*

**Abstract:** *Since the start of the European Union Structural Funding Programs 2007-2013, especially those focused on financing investments proposed by private companies, a big change seems to be taken place. Large numbers of companies have applied for grants within these programs and especially for funding under the European Regional Development Fund (ERDF). But after the initial enthusiasm and initial success reported by both the Management Authorities and private beneficiaries big issues have aroused regarding lack of financial resources for co-financing to support investments or expenditures in the initial stages funding the project. Under this context the banking sector was called for support and was expected to be heavily involved in ensuring external financing. This was not as initially predicted. A big concern came from the fact that the projects, even if achieved excellent scores on the technical evaluation from the management authorities, had huge problems in receiving even basic approval from the banking system. Since it seems that most of these inconsistencies are derived from the evaluation phase of projects this study tries to focus on establishing an equilibrium between banking analysis indicators and the scoring system used by the European Union management authorities. Identifying common criteria used for selection of good sustainable projects to be funded within European Structural Funds constitutes a big challenge for the management authorities and for the banking institutions as well. The applicants must realize financing application based on a set of indicated criteria. In order to achieve financing, these entities learned to modulate their financial indicators and their business plans according to the requirements. But a large number of already approved projects by the ERDF managing authorities found themselves in impossibility to comply with banking standards as well. Correlation of both European Union and banking system criteria, especially the Cost and Benefit Analysis Indicators with the banking financial indicators could be a great solution to current challenges: making the projects proposed for financing bankable, also, and thereby increase the absorption capacity of the beneficiaries. To solve this problem the current study proposed the creation of a mixed scoring assessment system containing 15 indicators for which were established various evaluation values. The main goal of the system was to fulfil both the evaluation criteria of European Union management authorities and the creditworthiness criteria used by the banking sector. In the final stage of this paper the assessment system was tested over a number of 50 Romanian companies, which were selected for European financing.*

**Keywords:** *financial analysis, Cost Benefit Analysis, European funding, selection system, bankability, European projects*

**JEL classification:** *H43, G30, G32, C61, G17, G21*

## **SENSITIVITY ASSESSMENT MODELLING IN EUROPEAN FUNDED PROJECTS PROPOSED BY ROMANIAN COMPANIES**

**Laurentiu Droj, Gabriela Droj**

*University of Oradea, Faculty of Economics, Oradea, Romania  
University of Oradea, Faculty of Civil Construction and Architecture, Oradea, Romania  
laurentiu.droj@gmail.com  
gabriela.droj@urbangisconsulting.ro*

**Abstract:** *The extension of the European Union with the last two “waves” of new members in 2004 and later in 2007 brought new opportunities for the countries in Eastern Europe, especially those linked with the usage of European funding to support public or private*

investments. It is obvious that “effective utilisation of EU support can foster the success of economic performance”. Financing investment projects proposed by the SMEs can be realized through several financial programmes, especially those established under the European Regional Development Fund (ERDF). In order to be approved investment projects must comply with the requirements of the financing program especially those related to a proper realized Cost Benefit Analysis (CBA). A major emphasis within the CBA consists from sensitivity and risk assessment modelling. Sensitivity analysis aims to identify those variables / risks that may impact during project development and operational period and may lead to failure of positive factors leading to significant change in the financial and economic profitability of the project. Sensitivity analysis used to measure consider identifying risk factors that have the greatest influence on the net present value in general, and in particular on EU-funded projects, the financial and economic rates from financial modelling to analyse cost-benefit analysis (CBA) (including rate gap financing for investment projects where required) and indicate their impact during project cycle reg. Sensitivity analysis can help identify poor design choices and can highlight the need to obtain further information on certain variables. Regarding this, the current paper analysis the decision system and the proposed indicators within the sensitivity and risk assessment system which is used for selection of investment projects. The analysis is made using as a case study an investment project developed by Romanian companies. Both approaches of sensitivity analysis: deterministic and stochastic analysis, were tackled within the paper. As final conclusions of this paper we will demonstrate the theoretical and practical role of cost-benefit analysis – sensitivity and risk assessment to select the best applications that will be proposed for funding under the European grant programs.

**Keywords:** Sensitivity analysis, Cost benefit analysis, OFAT, Risk analysis, European Regional Development Fund, Monte Carlo Simulation

**JEL Codes:** G17, G21, F35, O16, H43, C63, C61

## **PROFITABILITY AND SOURCES OF GENERAL MANUFACTURERS IN 2009-2011**

**Adrienn Herczeg**

University of Debrecen Centre of Agricultural Sciences  
Faculty of Agricultural Economics and Rural Development  
herczega@agr.unideb.hu

**Abstract:** Analysis of capital structure of corporations is a key issue of economics and the effect of its fluctuation can be observed on several fields of the life of corporations. It wields influence shall I say the competitiveness of the sector, property status or financial and profitability situation of corporations, effectiveness of management, market value of the company as well as the expectable output rate of equity for owners. My empirical analysis is based on data containing 5 manufacturer enterprises from Hungary between 2009 and 2011. To substantiate my aims, during my research in the scope of a technical literature processing I reviewed the most important parameters of the fluctuation of financing, fund- and capital structure, especially considering their agricultural references. I cared especially the followings: financing and the system of the sector supports, thus reviewing: root causes of lack of capital in agrarian sector, connection between capital structure and profitability of the sector. I demonstrated capital structure theories considered to be the most important also in a technical literature processing, emphasizing their practical materialization, thus proving the fact that up to this day there is no existence of an accepted ruling theoretical trend for defining development of an optimal capital structure. With regression calculating I searched the volume of influence of chosen indices of capital structure on financial and profit situation of corporations, in addition I studied which variant of those that take a part in development of capital structure, should be in functional relation with profitability indices. I try to assess the reasons of the changes in the structure of resources of enterprises in order

to find the determinants effecting the capital structure. Furthermore, I determine the capital structure with that profit running could be achieved in the most effective way. As a result of my review I can state, that the capital structure proportions take serious effect on the fluctuation of profitability and I defined a proportion of foreign capital and own capital which if reached or exceeded, may lead to operation producing deficit.

**Keywords:** manufacturers, capital structure, liability, profitability

**JEL classification:** M40

## **ECONOMIC AND FINANCIAL INSTABILITY PERIODS INDUCED THROUGH THE BANKING SYSTEM**

**Rodica-Oana Ionita**

Academy of Economic Studies, Bucharest, Romania  
ionitarodica.oana@yahoo.com; ionita\_oana2005@yahoo.com

**Abstract:** This paper is an empirical study which analyzes the influence of banking system to the economic and financial environment. At the basis of this research there are two subjective definitions of economic instability periods (CII) and of financial instability periods (FII) and two composite indexes called EWI (Economic Warning Index) and FWI (Financial Warning Index) defined in a prior research. The countries included in the study are Czech Republic, Hungary and Romania. There is both a quantitative and qualitative approach. Using econometrics techniques as OLS regressions, Fixed effects and Fixed dummy effects there were identified significant banking indicators in explaining economic and financial instability periods. Then, I compose a banking index which captures the costs occurred to the banking system and I assess its performance in explaining the economic and financial instability indexes through in the sample and out of the sample techniques. This research aim to observe the influence of the banking sector evolution to the incidence of economic and financial instability periods and give us a warning regardless any negative trends in the macroeconomic or financial activity, affecting the national or the global situation. Using model simulations on historical data, the model performance was assessed upon in the sample and out of sample estimation techniques. The evaluation results suggest that banking indicators give us a warning signal of the negative trend of economic and financial environment.

**Keywords:** economic instability, financial instability, leading indicators, banking system.

**JEL classification:** G01

## **THE INFLUENCE OF CORPORATE SPECIFIC FACTORS UPON FINANCING DECISIONS**

**Viorel-Dorin Lăcătuș, Viorela-Ligia Văidean, Ionuț-Constantin Cuceu**

Department of Finance, Faculty of Economics and Business Administration, "Babeș-Bolyai" University Cluj-Napoca, Romania  
viorel\_lacatus@yahoo.com  
viorela.vaidean@econ.ubbcluj.ro  
ionut.cuceu@econ.ubbcluj.ro

**Abstract:** The purpose of this paper is to analyze the existing theories for the capital structure of a corporation and to determine the factors that influence the financing decisions of Romanian corporations. The gearing ratios vary a lot among Romanian corporations pointing out the fact that the internal specific factors are the ones with a greater impact upon their capital structure, and not the external factors. Our empiric research evaluates the determining factors for the debt ratio (total debt/total assets) of some Romanian corporations, focusing on its explanatory variables by including them within simple and multiple econometric models. The panel data indicators computed for the companies in the



Cluj area listed on the Bucharest Stock Exchange were evaluated with the OLS and FEM techniques. The results have been interpreted, pointing out that company size and asset turnover seem to have a positive influence upon the debt ratio of selected companies, while profitability and liquidity seem to influence the debt ratio of selected companies negatively.

**Keywords:** capital structure, debt ratio, theories of capital structure, determinants of capital structure, empirical data.

**JEL classification:** G32.

## **CORPORATE GOVERNANCE CODES OF BEST PRACTICE OF TOP ROMANIAN BANKS**

**Marilen Pirtea, Ana-Cristina Nicolescu**

Finance Department, Faculty of Economics and Business Administration, West University of Timișoara, Romania

marilen.pirtea@rectorat.uvt.ro

cristina\_nicolescu81@yahoo.com

**Abstract:** Very much research has been developed into debating what caused the global financial crisis and the possible solutions for avoiding a future one. Therefore, concern with governance issues and their focus has increased dramatically in recent years. An effective corporate governance requires supervision and stability of the authority and rights and also obligations of shareholders, stakeholders, and civil society altogether. Corporate governance cannot be considered a fixed number of regulations and procedures, but an innovative process by which the most crucial decisions in companies are managed, values and cultures are redefined, and the leaders are assessed. The governance of banks can be assessed in the same way as the corporate governance of any type of organization because the supervision of banks depends and is coordinated by the internal control bearing factors, which sometimes can lead to a bank default. The purpose of the case study is to examine the existence and regulations compliance for top ten Romanian Banks (for the year 2011), due to the fact that the banking sector considers the implementation of principles of corporate governance as having a significant importance.

**Keywords:** Corporate Governance; Codes of Good Practice; Financial Sector.

**JEL classification:** G34; G39; G20.

## **PERFORMANCE ASSESSMENT OF MAJOR U.S. AIRLINES VIA CASH FLOW RATIOS**

**Armen Stepanyan**

Accounting department, Faculty of Economics and Business Administration, West University of Timisoara, Timisoara, Romania

astepanyan8@gmail.com

**Abstract:** The paper addresses the assessment of major U.S. airlines' liquidity and solvency based on information disclosed in the statements of cash flows as part of their 10-K Form annual reports filed with the Securities and Exchange Commission. Conducting financial statement analysis for major U.S. airlines has generated deep interest in and a significant importance towards using various frequently used cash flow ratios to gauge U.S. airlines' viability both in the short term and long term in that cash flow information is more reliable and more revealing. The main purpose of this paper is to gain a thorough insight into the financial performance of U.S. airlines for the last five consecutive years using cash flow information as a supplement to the traditional ratio analysis. For this analysis various cash flow ratios for measuring a company's liquidity and going concern status are used and described. The paper covers the cash flow analysis for both the legacy carriers (Delta Airlines Inc., United Airlines Inc, American Airlines Inc, Continental Airlines Inc., US Airways Inc) which had been founded before the passing of the U.S. airline deregulation act in 1978

and two major low-cost carriers (Southwest Airlines Co. and JetBlue Airways). All cash flow ratios for the selected U.S. carriers have been calculated based on information from their three main financial statements: the balance sheet, income statement and the statement of cash flows for the period from 2007 to 2011. The U.S. airline industry has been significantly affected by the recent economic crisis and skyrocketing jet fuel prices. Therefore, the results of the cash flow analysis show that for the most part selected U.S. airlines have liquidity problems and are likely to face financial difficulties in terms of meeting ongoing financial commitments in the long term which, in fact, explains why major U.S. airlines are highly leveraged being dependent on external sources of financing. The paper may be useful for those who have interest in financial statement analysis.

**Keywords:** Cash flow; ratio analysis; financial statement; earnings; liquidity; airline industry

**JEL classifications:** M41; M20

## THE ROLE OF SAVINGS RATE IN DEEPENING MACROECONOMIC IMBALANCES IN CHINA

**Mihaela Șarlea, Ștefan George Manța, Viorela Ligia Văidean**

„Babeș-Bolyai” University, Faculty of Economics and Business Administration, Cluj-Napoca, Romania

mihaela.sarlea@econ.ubbcluj.ro

stefan.manta@econ.ubbcluj.ro

viorela.vaidean@econ.ubbcluj.ro

**Abstract:** It is well known that China is a growing power and its impressive economic indicators have been the subject of numerous studies along the years. China's impressive economics growth in the years 2000 based on one hand by an expansionary monetary policy, on other hand by promoting export growth had also brought into discussion another factor: that of the high savings rate. This article brings into light China's high savings rate - household, corporate and governmental- each with its role played in the entire equation of China's growth. There have been a lot of studies concentrating on this relationship between savings rate and economic growth. It appears that, in the case of China there is a positive relationship between high savings and high economic growth at least on the short run. This is due to the national savings rate which contributed to current account surplus that facilitated outflow and inflow of capital. Domestic investments and foreign growth had contributed to rapid economic growth despite the low level of consumption. If we add here the low demand for imported goods and the growth of households saving rate in the last year we have an image of deep macroeconomic imbalances. Furthermore, if we add to this analysis the idea of an external saving rate that proved to grow quicker than the world capacity to absorb this flows we have a vivid image of an empire as „rich country, poor population”. This high savings rate in the long run will deepen macroeconomic imbalances. As a spiral this would have to accelerate reforms in the field of pensions, healthcare, social security. On top they would have to encourage the development of the banking system in order to create an image of a powerful country also in the long run. With these internal reforms the savings rate for households will encourage consumption and a normal level of savings, for corporations it will boost investments and for government it will lead to a balance account closer to reality and better use of the incomes.

**Keywords:** savings rate, current account, monetary policy, macroeconomic imbalances.

**JEL classification:** E21, F32, H62, J11

## MODEL AND RATING ANALYSIS IN THE HOSPITALITY INDUSTRY

Angela Todea (Maris), Cătălin Sabău, Sandor Csegedi, Anca Nichita

Faculty of Economics and Business Administration, Babes-Bolyai University,  
Cluj-Napoca, Romania

maris\_angela2000@yahoo.com

cata\_sab@yahoo.com

exkontalex@yahoo.com

cloudyro@yahoo.com

**Abstract.** For any investor, the economic entity's financial reporting contributes decisively to a decision on maintaining the operational management team, changing it, purchase new shares or sell shares in that company. For this reason we think it is very important that an assessment of the entity's financial performance should be made and build a credit rating model to generate a fair and reasonable picture of it.

**Keywords:** performance, rating, bankruptcy

## IMPLICATIONS OF THE FINANCIAL SYSTEM ON THE CAPITAL STRUCTURE OF THE ENTERPRISE

Carmen Toderăşcu (Sandu), Valentina Diana Rusu

"Alexandru Ioan Cuza" University, Faculty of Economics and Business Administration, Iaşi, România

Sandu\_carmen@yahoo.com

Valentinadiana.ig@gmail.com

**Abstract:** This paper aims to identify the types of financing structures of the economy that exist in European Union countries highlighting the features of each structure. For each type of financing system of the economy identified we observe the financial resources available to companies. Depending on these we identify how they are financed the companies in each market, more exactly what capital structure do they have, and moreover what is the optimal capital structure in each case. So, by this analysis, we want to see if the financing system of an economy influences the optimal structure of the companies operating in the capital market from that country. In various stages of development of the financial system, the company financing depends on the general characteristics of the environment in which the enterprise operates. The financing system existing in a country plays an important role on the capital structure of an enterprise from that country because, according to the specific of each country, the enterprises have access to more or fewer financial resources. We also analyze the supply of financial resources within each system, exactly the actual money that businesses can have on those markets and key management decisions on enterprises financing. In this paper we combine the theoretical analysis with the empirical results obtained by the studies realized by European Commission. It is important to keep in mind that the results obtained by the analysis realized in the last years may be influenced by the manifestation of the global financial crisis. An important result of this analyze is that the external environment and the disturbances in the external environment have a significant influence on the financing of businesses operating in a country. This was proved again by the impact of the current financial crisis on the activities of the enterprises on each financial market from European Union.

**Keywords:** financing system, capital structure, incipient financial system, economy of financial intermediation, financial crisis

**JEL Classification:** G32, O11, P51

## INFORMATION SCENARIOS OVER THE RISK IN INSURANCE

**Mariana Rodica Țirlea, Miranda Petronella Vlad**

*Department of Finance and Accounting, Faculty of Economic Sciences of Cluj-Napoca, "Dimitrie Cantemir" Christian University Bucharest, Cluj-Napoca, Romania*

*rodica.tirlea@cantemircluj.ro*

*miranda.vlad@cantemircluj.ro*

**Abstract:** *Risks management means identifying them, assessing, quantifying and strategy to counter them, and finding solutions to some levers to diminish or even eliminate the possibility of developing or their consequences. Hung everywhere, risk is associated with uncertain situations and opportunities. The consequences of risk can result in adverse or positive effects related to the activity of the insurance undertaking or of the reinsurance undertaking. The risk has a pronounced randomly character, and its presence in the field of insurance undertakings and reinsurance. This can be explained by the fact that the risks are taken by these companies and have direct effects on their financial results during the period of validity of the contractual relations. The results of risk effects have an impact on the results of activity of insurance companies. The financial impact of a negative event, exceed the sum of the individual loss, leading in some cases to bankruptcy. The financial impact is due to the positive opportunities, which have not made an appearance, and the first event to transform into income. An important role is the responsibility of the information system, providing solutions based on scenarios, by electronic data processing, consider all types of consequences of a hazard and allow insurance companies and reinsurance, on the other hand, to calculate all the possible consequences of a given event and the ultimate financial impact on them, and finally, to make decisions to base decisions for various insurance products and reinsurance. People insurance records for each situation. In practice the scenario method is only used to make specific estimates for different scenarios depending on the circumstances, which has a certain probability of realization, for the favorable; for the neutral and negative and gives solutions for each individual, taking into account certain criteria. For example, we will present a life insurance in several poses.*

**Keywords:** *risk; general risk; country risk; contractual risks; default risk.*

**JEL classification:** *G22.*

## SUB-SECTIONS: PUBLIC FINANCES

### ANALYSIS OF ROMANIAN ECONOMIC STABILITY IN TERMS OF EVOLUTION OF THE BUDGETARY DEFICIT AND OTHER MACROECONOMIC INDICATORS, IN THE PERIOD 2005-2012

**Abrudan Leonard Călin**

*Department of International Business, Faculty of Economics, University of Oradea, Oradea, România  
labrudao@gmail.com*

**Abstract:** *In this paper we shall study the evolution of the Romanian macroeconomic stability in the period 2005-2012. This analytical research is based on secondary data provided by the Romanian National Institute of Statistics, as well as by EUROSTAT, and these data will be introduced in tables, based on which we shall draw up charts to help us make a correct image of the studied phenomena. In the end, we shall use a certain kind of chart – the macro-stabilization pentagon – which will give us the measure of macroeconomic stability at the level of our country, during the considered period. The results of this endeavour will serve to all those who want to know to what extent Romania has had a stable economy in a period marked by the economic crisis wherefrom it hasn't fully detached yet. However, in the part designated to conclusions, we shall observe that the year 2012 has positive characteristics, from the economic point of view, the surface of the macro-stabilization pentagon afferent to this year benefiting from a significantly more emphasized regularity than the other studied years.*

We will use during the paper the following economic indicators: budgetary deficit, current account deficit, inflation rate, unemployment rate and gross domestic product growth rate. With the values of all these indicators we will compile some tables and, subsequently, charts for every one of them and after that we will use the economic macro stability pentagon, in order to find out if the Romanian economy recovered after the economic crisis.

We were suggested to the idea of this approach manner by two books: *Finanțe publice* (Iulian Văcărel coord., 2003) and *Reflecții economice - Contribuții la teoria macrostabilizării* (Mugur Isărescu, 2006). In these books we found references to the particular chart – the macro stability pentagon. In the final part of this paper we will try to use this chart to make an image of the overall economic behaviour of our country.

**Keywords:** *budgetary deficit, current account deficit, inflation rate, unemployment rate, gross domestic product growth rate, macro economic stability.*

**JEL classification:** *A10, E63*

### THE CURRENT STATUS OF ACADEMIC EDUCATION FINANCING IN ROMANIA

**Marioara Avram, Cristina-Petrina Drăgușin**

*University of Craiova, Faculty of Economics and Business Administration, Craiova, Romania  
marioaraavram@yahoo.com  
cristina\_dragusin29@yahoo.com*

**Abstract:** *At the moment academic education is imperative for any society based on knowledge or which tends to it. Academic education can be treated as the "engine" of the society development as it contributes to the individual development of citizens and the development of the community as a whole. Therefore, the amounts for academic education should not be treated as burdensome expenses, but as true long-term investments for the community development. However, the Romanian academic education funding has always*

been a sore spot and a highly controversial topic of debate for members of the political class and civil society. For a long time it has been searching for the optimal solutions in university funding as an essential lever for shaping and sustaining a high quality education system. Over time, academic education has been funded from multiple sources: not only from public funds and financial resources from individuals or companies, but also from its own resources. Although efforts have always been made to sustain academic education from public funds, the recent research in higher education funding reveals a decrease of the amounts allocated by the state. The economic and financial crisis has clearly made its mark even on public funding of state universities. In this pessimistic context, in order to carry out their missions, universities have been forced to find new sources of funding. In this paper we propose, by a persuasive presentation from a theoretical perspective, to illustrate key aspects of current funding of academic education in Romania. In this purpose we will analyze the funding mechanism for state universities and private universities and we will try to provide answers for the following questions: To what extent could the current system of financing academic education in Romania be improved and what can we do to improve it? Could new sources of funding be identified as to support the educational process?

**Keywords:** academic education funding; basic funding; additional funding; complementary funding; own incomes; financial university autonomy.

**JEL classification:** H52; I22.

## **RATIOS METHOD - A WAY OF MEASURING THE LOCAL GOVERNMENT PERFORMANCE**

**Ioan Bătrâncea, Liviu Bechiș, Larissa Bătrâncea, Ioan Stoia**

*Department of Finance, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

*Department of Finance, Faculty of Economics, Vasile Goldis University, Arad, Romania*

*Department of Business, Faculty of Business, Babes-Bolyai University, Cluj-Napoca, Romania*

*Department of Finance, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

*i\_batrancea@yahoo.com*

*liviubechis1960@gmail.ro*

*larissabatrancea1707@yahoo.com*

*saicont2004@yahoo.com*

**Abstract.** In this paper the authors underline the methods of performance analysis in local government using financial rates. Therefore regional performance indicators evolutions in the North-West region of Romania and its counties are analysed using indicators such as ROE, ROA, ROTA and others.

**Keywords:** Return, Assets, Equity Investments

**JEL classification:** H72

## **BUDGET AND BUDGET EXECUTION IN THE NORTHWEST REGION OF ROMANIA**

**Ioan Bătrâncea, Liviu Bechiș, Larissa Bătrâncea, Ioan Stoia**

*Department of Finance, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

*Department of Finance, Faculty of Economics, Vasile Goldis University, Arad, Romania*

*Department of Business, Faculty of Business, Babes-Bolyai University, Cluj-Napoca, Romania*

*Department of Finance, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

*i\_batrancea@yahoo.com*

*liviubechis1960@gmail.ro*

*larissabatrancea1707@yahoo.com*

*saicont2004@yahoo.com*

**Abstract.** *The budget is a multiannual tool for financial forecasting both at micro and macro level. In this sense, regional and local government budget is a financial instrument that connects resources to use local funds in order to ensure the prosperity of the community concerned. Construction and especially budget execution highlights the effectiveness of local and regional government. Using a system of correlated indicators it reveals income, expenditure and budgetary outturn.*

**Keywords:** *budget, budget execution, cash flow, revenue collection level, primary deficit*

**JEL classification:** *H72*

## **COMPARATIVE ANALYSIS OF GLOBAL TERTIARY EDUCATIONAL SYSTEMS**

**Cristina Ciumaș, Ștefan Manța, Mihaela Șarlea**

*„Babeș-Bolyai” University, Faculty of Economics and Business Administration, Cluj-Napoca, Romania*

*cristina.ciumas@econ.ubbcluj.ro*

*stefan.manta@econ.ubbcluj.ro*

*mihaela.sarlea@econ.ubbcluj.ro*

**Abstract:** *Higher education system occupies a special place in the policy of each nation. Regardless of geographical location, socio-economic or cultural differences, the need to improve the education offered for population by facilitating access to higher education becomes more and more important. Providing a suitable framework for the personal development of each student is expensive and involves high amounts of money. From the analyses carried out we couldn't identify the substantial differences between the way it is structured and organized education system worldwide. However, we were able to identify a number of common elements that create a global University System. The need to invest in human resources through structural reforms in each country is present, and therefore a higher indention to pay greater attention to the development of the higher education system. In our work we decided to analyze education systems in countries like United States of America (USA), United Kingdom (GB), China (CHN), Germany (DE), France (FR), Russian Federation (RU), Japan (JPN) average values recorded for EU-27 and last but not least Romania (RO). Although the investment in the University system is hard to quantify, it is unanimously acknowledged that a country can achieve a competitive advantage in international relations through a very well prepared and trained personnel. The countries reviewed in this paper have different policies when it comes to financial support of the University System. If Germany and France have decided to get involved directly in supporting the system by allocating the necessary funds from the State budget, another European country, the United Kingdom, decided to apply a policy diametrically opposite, similar to that existing in the USA and cover in a lesser degree the needs of universities in*

Government funds. Regardless of the policy adopted the results are intended to be the same: facilitating access to university education, a high quality of teaching and research process, greater mobility among teachers and students and last but not least, scientific and academic recognition worldwide. However, these reforms, even if they are creating value in an initial stage, over the long term can negatively affect the social situation of the country.

**Keywords:** university system; quality; financing; unemployment; perspectives;

**JEL classification:** H52, H75, I21, I23

## **THEORETICAL ASPECTS OF FINANCIAL LIBERALIZATION PROCESS**

**Maria-Lenuța Ciupac-Ulici, Ciprian George Ardelean, Ioan Alin Nistor**

*Department of Economic Sciences, Faculty of Financial Banking Management, Commercial Academy Foundation, Satu Mare, Romania*

*Romanian Academy, Bucharest, Romania*

*Department of Finance, Faculty of Business, Babes-Bolyai University, Cluj Napoca, Romania*

*ulici\_maria@yahoo.com*

*ardeleanc@yahoo.com*

*ioan.nistor@tbs.ubbcluj.ro*

**Abstract:** Financial liberalization process and its implications on financial emerging markets have been multidisciplinary research since 1970. Reform of financial liberalization is a complex and long phenomena. This implies that the impact of this reform on financial markets should not be immediate, but rather gradually during a long time period. It is also important to note that liberalization does not occur in the same way on all financial markets. Each country, according to his specification regarding the economic climate and the specificity of financial markets, has differently set its progress of liberalization process. It is generally accepted that the process of financial liberalization is not composed of a single event, but a series of events. The idea is that market reform is a gradual process where the data identified above only refers to the most significant events. Regarding the effect of liberalization reform on emerging markets has been shown; on the one hand, that liberalization helps to reduce the cost of capital, helps to integrate the emerging markets in the global market, enhances economic growth and allows emerging markets to become more mature. On the other hand, financial liberalization process has a very ambiguous and inconclusive impact on informational efficiency and volatility in emerging markets. Launching liberalization reforms provided an analytical framework for studies that attempt to investigate the effectiveness of emerging markets and empirical links between liberalization and efficiency. The first reason is that with liberalization, the authors believe that emerging markets have become more speculative and more competitive. So there is a chance to see if the weak form market efficiency is verified. The second reason is that the authors explore the relationship between liberalization and efficiency. Researchers and regulators seek an answer to the fundamental question: financial liberalization helps the stock market become more efficient? Financial liberalization is not a riskless process.

**Keywords:** financial liberalization; stock market; capital

**Jel classification:** O16; G10; G32



## MEANS OF ESTABLISHING CHURCH PROPERTY AND FUNDING SOURCES

**Mircea Cricovean**

West University Of Timisoara, Romania  
cricovean@yahoo.com

**Abstract:** Regarding the administration of goods, the Church finds guidance in the laws of the State to which it belongs (Stan, 1952) but taking into consideration the fact that the Church cannot “have its special principles and rules contradicted”(Floca, 1990: 448). However, the church, in fulfilling its purpose - the salvation of believers, needs wealth or heritage. This is not to understand that the Church can “lose its essential character, supernatural character, because, for the Church the earthly possessions and temporal happiness are not an immediate end” (Floca, 1990: 451-452). To understand the Church's sources of financing it is necessary to take account of its properties. Along the time the church was holder of ownership rights. Its property had to be maintained, at least, so it needed funding. The Church's canonical and statutory provisions are those governing the Church's source of funding. They cannot conclusively be understood without observing the principles and rules specific for the ecclesiastical wealth management. Noted should be that previously there were no generally accepted rules on the management of financial resources of the church. The canonical, legal and statutory establishments have become customary in time, making it possible this way, by the dioceses supervisors, that sources of funding should be directed towards the maintenance of the Church, of the worship and of social activities.

**Keywords:** sources; financing; Church; patrimony; canons; principles.

**JEL codes:** Z12, K11, G02, G32

## CIVIL LIABILITY OF DOCTORS AND THEIR INSURANCE (MALPRACTICE)

**Viorica Irina Gârbo**

The Department of Finance and Accounting Computer Science, Faculty of Economic Sciences, "Bogdan-Voda" University, Cluj-Napoca, Romania  
vioricagarbo@yahoo.com

**Abstract:** Malpractice insurance of medical staff is probably the oldest professional liability insurance underwritten in the insurance market in Romania. The aim of our research is to theoretically examine in a qualitative inquiry the usefulness of insurance completion by the practitioners from the Romanian health system at both state and private, in order to improve a best practice medical insurance. The medical profession is practiced in Romania under the Code of Medical Ethics 30 March 2012 prepared in code that complies with international standards contained in the Geneva Declaration of 1948, as amended by the World Medical Association and the International Code of Medical Ethics. The forms of medical liability are: disciplinary, administrative, civil and criminal and only the civil liability can be taken into insurance because only it meets the conditions of insurability. Once we explain in general and the insurance liability in particular we show articles of the Romanian Civil Code which establishes the obligation the one that caused an injury to a third person for the repair or indemnify and conditions provided by the Civil Code as an act to be considered liability. Then we refer to situations where the patient may be damaged through the fault of the doctor or the doctor unit operates. The object of malpractice insurance is loss of money that the insured would have to pay a patient whom he caused injury as a result of acts or deeds of negligence committed to, during and in relation to professional activity. Risks taken in the insurance are personal injury, illness or death of the patient and / or moral damages. Regarding the excluded risks we have presented an overview of the more common contracts underwritten by Romanian insurance companies. We show the way of underwriting, the insured sums of the standard insurance and the additional one which

*subscribes moral damages, to companies in Romania agreed by bodies which organize and supervise the Romanian medical system. The current procedure for determining the guilt of a doctor and his patient complained of the amount of damages is a long and difficult. The procedure for determining the guilt of a doctor reported by his patient and the amount of compensation is a long and arduous one. In conclusions we have shown that along with the reform and reorganization of the Romanian medical system, the civil liability insurance of the medical staff, the way of contracting, the way of establishing the guilt of the applicant and the amount of compensation need to be reformed.*

**Keywords:** doctors, liability insurance, malpractice, indemnity, compensation.

**JEL Classification:** G22, I14, I19

## **INDIRECT TAXES ÎN EUROPEAN UNION**

**Adrian Inceu, Paul Zai, Ramona Mara**

*Faculty of Economics and Business Administration, Babeş-Bolyai University, Cluj-Napoca, Romania*

*Faculty of Political, Administrative and Communication Sciences, Babeş-Bolyai University, Cluj-Napoca, Romania*

*Faculty of Economics and Business Administration, Babeş-Bolyai University, Cluj-Napoca, Romania*

*adrian.inceu@econ.ubbcluj.ro; inceuadrian@yahoo.com*

*paulzai@apubb.ro*

*ramona.mara@econ.ubbcluj.ro*

**Abstract:** *The main objective of our research is to make extensive analysis on the budgets of EU member states in order to emphasize the main trends within the period 2000-2011. We are using common measures such as: data in millions of euro, percentage of GDP, fixed base index, chain based index, percentage of total revenues or total taxes. Through this study case, we aim to create a good presentation of the EU. State members, an image of the percentage modification related to a base year, achieved by the main budgetary components from year to year. On our case study we are focusing only in indirect taxes since these are, for many EU countries the main budgetary revenues. Another important reason for focusing on indirect taxations is the fact that most countries during the financial crises consider readjusting of these taxes on of the main tool to adapt to the lack of public resources. Our research is based on data extracted from EUROSTAT and our calculation and compilations. Our working hypothesis is that despite huge differences in tax policy among all 27 European countries there are some common trends and Romanian tax policy must adapt and must follow them. Another important element is that trends in fiscal policy may vary due different elements such as: level of development, social policy issues, systems of financing different public expenditures, number and structure of populations, regional and local objectives and many others. The VAT, the main important indirect tax is extensively annualized since most of the trends of taxation are dictated by the trends of VAT. Romania is a special example, not the only one., where VAT has significance importance for budgetary revenues and was the main element of fiscal adjustments during the financial crisis.*

**Keywords:** fiscal policy; indirect taxes, VAT, European Union, fiscal harmonization.

**JEL classification:** E62; G28; H20; O52.

## **STUDY ABOUT THE USAGE OF AGRICULTURAL INSURANCE BASED ON INDEXES IN ROMANIA**

**Anca-Petruța Nan**

*Department of Finance – doctoral student, Faculty of Economics and Business Administration, “Babeș-Bolyai” University, Cluj-Napoca, Romania  
anca\_nann@yahoo.com*

**Abstract:** *In spite of the development possibilities, the agriculture in Romania is becoming a risky environment, because of the extreme weather events but also because of the lack of organization and the lack of involvement of the authorities in diminishing their effects. We can say that the performance of this sector, as well as its efficiency, depends directly of the competence of the government, the agricultural producers and the insurance agencies to reduce the specific risk for which is necessary a constant level of investment. The most used method in reducing the agricultural risk is multiple insurance, but, this insurance product does not benefit of the attention that it is worthy of, mainly because of the reduced level of income from the rural area as well as the deficient infrastructure. The high level of complexity of harvesting agricultural exploitations, the breeding of animals as well as the conditions in agriculture has made the evolution of activities in this domain to be increasingly harder, reason why there is a search for new options to reduce/eliminate risks at which the agricultural producers are exposed to namely the proposal of implementing insurance based on indexes. The purpose of the study consists of presenting a new tool in view of developing agriculture and agricultural insurance, thus new tools are being added to the ones and they bring two new attractive characteristics namely they eliminate many of the existent problems in traditional insurance of agricultural crops (moral hazard, adverse selection, bigger costs of transaction), making them more viable and less dependent on public subventions, thus being a new and useful instrument which is being added to the instruments that the Romanian government has at its disposal to manage the risks in agriculture better and more efficiently. Insurance based on indexes can help at avoiding the unwanted risks specific to this sector. This, combined with other improved instruments of managing risk, either ex ante (better irrigation systems, better adapted breeds, better plans for flood prevention, better counselling services) or ex post (improvement of offered services from insurance agencies) are powerful instruments for efficient managing of risks in agriculture.*

**Keywords:** *agricultural insurance; insurance based on indexes; agriculture.*

**JEL classification:** *G10; G22; Q14.*

## **EXPERT SYSTEMS - DEVELOPMENT OF AGRICULTURAL INSURANCE TOOL**

**Anca-Petruța Nan, Diana-Aderina Moisuc**

*Department of Finance, Faculty of Economics and Business Administration, “Babeș-Bolyai” University, Cluj-Napoca, Romania*

*Department of Business Informatics, Faculty of Economics and Business Administration, “Babeș-Bolyai” University, Cluj-Napoca, Romania*

*anca\_nann@yahoo.com*

*moisuc\_d@yahoo.com*

**Abstract:** *Because of the fact that specialty agricultural assistance is not always available when the farmers need it, we identified expert systems as a strong instrument with an extended potential in agriculture. This started to grow in scale recently, including all socially-economic activity fields, having the role of collecting data regarding different aspects from human experts with the purpose of assisting the user in the necessary steps for solving problems, at the performance level of the expert, making his acquired knowledge and experience available. We opted for a general presentation of the expert systems as well as their necessity, because, the solution to develop the agricultural system can come from*

*artificial intelligence by implementing the expert systems in the field of agricultural insurance, promoting existing insurance products, farmers finding options in depending on their necessities and possibilities. The objective of this article consists of collecting data about different aspects about specific areas of interest of agricultural insurance, preparing the database, a conceptual presentation of a pilot version which will become constantly richer depending on the answers received from agricultural producers, with the clearest exposure of knowledgebase possible. We can justify picking this theme with the fact that even while agricultural insurance plays a very important role in agricultural development, the registered result got from them are modest, reason why solutions need to be found in the scope of developing the agricultural sector. The importance of this consists in the proposal of an immediate viable solution to correspond with the current necessities of agricultural producers and in the proposal of an innovative solution, namely the implementation of expert system in agricultural insurance as a way of promoting insurance products. Our research, even though it treats the subject at an conceptual level, it wants to undertake an attempt to present the necessity and importance of implementing expert systems in agricultural insurance as a solution of development of the Romanian agricultural sector since insurance play an important role in the stimulation of investments in agriculture and in the stabilization of agricultural producers incomes. The results of the study, at a conceptual level, confirms the necessity of aplying expert systems in agricultural insurance because of the benefits which would be created (informing agricultural producers about the existence and importance of agricultural insurance, the development of the insurance market which would lead to the development of agriculture, creation of new insurance products adapted to the needs of the farmers).*

**Keywords:** agricultural insurance; expert systems; agriculture.

**JEL classification:** C80; C88; G22; Q14.

## **EMPIRICAL STUDY REGARDING SUSTAINABILITY OF ROMANIAN PENSION SYSTEM**

**Delia Oprean, Lucia Podoabă**

*Bogdan Vodă University, Cluj-Napoca, Romania*

*Babes-Bolyai University, Cluj-Napoca, Romania*

*opreandelia@yahoo.com*

*lucia.podoaba@yahoo.com*

**Abstract:** *This paper is part of a broad, applied scientific research, based on popular empirical procedures (such as natural observation). Positivistic and constructive research methodology used was based on the consensual-inductive system (Locke), which is why we studied the different views of specialists on sustainability of pensions in Romania, necessary to formulate the problem of generating relevant information. Research strategies used were the comparative and longitudinal ones, as we analyzed the time evolution of qualitative indicators VUAN (unitary value of net asset) specific to pension funds Pillar II and Pillar III of Romania, concomitant with the number of participants in these funds, as to determine their direct relationship with the need for sustainability in this area. The hypotheses regarding causal relationship efficiency – participants - sustainability and needed measures for pension reform were built in this paper inductively (by analyzing the sustainability issues of pensions in time), causally (by explaining the cause and effect phenomenon studied), deductively, logically and subjectively (due to the existence and perpetuation of conflict premise between generations and social inequality between employees and pensioners). The qualitative approach of the phenomenon studied by collecting information (using mediated data collection technique) has allowed the relevant findings and practical solutions necessary for all those involved in this concerted action of pensions, which affects us all. Evolution of pension systems has been studied from the general to the particular, from the national to the European level. SWOT analysis of the public pension system was expanded*

*with the pension scheme for private and voluntary. The role of this analysis was to highlight the weaknesses of the pension systems, as all have an absolute need to real stability. Relevant conclusions of our paper outline the characteristic perspectives and limits. In fact, these limits generate our actions for future study in this exciting area of research that concern us all.*

**Keywords:** sustainability, public pensions, private pensions, SWOT (analysis), reform, VUAN (indicator)

**JEL classification:** Q01, H55, J32, O11, P41, P47

## **EMPIRICAL STUDY REGARDING PRIVATE AND VOLUNTARY PENSIONS FUNDS FROM ROMANIA**

**Delia Oprean, Lucia Podoabă**

*Bogdan Vodă University, Cluj-Napoca, România*

*Babes-Bolyai University, Cluj-Napoca, România*

*opreandelia@yahoo.com*

*lucia.podoaba@yahoo.com*

**Abstract:** *This paper continues our scientific and practical research in the pension field. The analysis of information collected, along with specialist opinions represent our optimistic research methodology used. The analysis of the time evolution of the rate of return specified for private and voluntary pension funds, investment structure, the economic dependency ratio, the number of employees compared to that of pensioners represents research strategies used (comparative and longitudinal). The hypotheses regarding relationship of conditioning between specific variables, private and voluntary pensions, are determined causative (to explain the reasons and effects of the studied phenomenon), due to the desire to understand the current reform measures in this area, established by the involved stakeholders. Qualitative treatment of the phenomenon studied allowed us to obtain the relevant conclusions and proposals, required by practical viability and sustainability of the pension system in Romania. Current measures of reforming the pension system in general, public pensions in particular, do not have a concrete date for implementation, do not reveal the consequences for the contribution already paid and used by the National House of Pensions, do not offer the details of transition to be achieved step by step from the old system to the new, do not provide a guarantee of future payment of pensions because the money is not actually in the account of future retired persons. The replacement of the current public pension scheme, funded by creating a reserve fund pensions, is an idea proposed by Mr Valentin M.Ionescu, former advisor to former president CSSPP Mircea Oancea. This is a valid solution with which we agree. In addition, our proposals regarding modifications in REVISAL, in Statement 112 and in date of taxes payment are made to help the employers in Romania. The lack of useful information for policy makers or existence of different information from one ministry to another generates the scientific limits of our approach and alter the real perception of this actual and controversial phenomenon.*

**Keywords:** private pensions, investment, employment/employee, reform

**JEL classification:** J32, O16, J21, P41

## **TRANSPARENCY OF LOCAL BUDGETS IN THE NORTH-WEST REGION OF ROMANIA**

**Mirela-Oana Pinte**, **Sorin Adrian Achim**, **Viorel Lacătuș**

*Departament of Finance, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

*Departament of Accounting, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

*mirela.pinte@econ.ubbcluj.ro*

*sorin.achim@econ.ubbcluj.ro*

*viorel.lacatus@econ.ubbcluj.ro*

**Abstract:** *The central researched element in our paper is the local budgets, the basic component of local public finances. Local budgets, like any other budgets, are the most important tool for the management (of local governments) planning, forecasting, implementing and monitoring the results of administrative-territorial units activity, also being an appropriate tool for enhancing performance. A budget is the government's plan regarding the use of public resources to meet the citizens' needs. The aim of this paper is to realize a research on budget transparency in local governments from the Nord-West Region of Romania, regarding the availability of the budget information on the websites of the county councils and the county residences. The key element of good governance in today global economic environment is transparency that can be defined as the openness of public authorities (central and local) regarding their policy intention, formulation and implementation. For local governments budget transparency is an important issue, due to the growing role of administrative-territorial units, confirmed over time by the economic reality. The importance of local budgets has increased in recent years due to the need to improve management efficiency and accounting at the level of local governments. Not only policy makers but also the citizens need information regarding local government current activities, expenditures, development projects and policies. In this context of a growing need for information, the transparency of local budgets is a mandatory condition for any local government. The combination of budget transparency and public participation in budget processes has the potential to combat corruption, foster public accountability of government agencies and contribute to judicious use of public funds. In this context, budget transparency represents the mean through which ordinary citizens and civil society organizations can access information about the allocation and use of public resources, so that they can assess how government officials manage public funds. Budget transparency needs to be implemented due to the benefits it brings and the most important one is obtaining better budgetary outcomes.*

**Keywords:** *budget, budget transparency, local public finance, local governments.*

**JEL classification:** *H60, H72.*

## **"THE KNOWLEDGE TRIANGLE" IN A KNOWLEDGE-BASED SOCIETY**

**Mircea-Iosif Rus**

*Finance Department, Faculty of Economic Sciences and Business Administration*

*Babeș-Bolyai University Cluj-Napoca*

*mircearus2005@yahoo.com*

**Abstract:** *The knowledge-based society is the stage where mankind is found and aims to raise the living standards of population but also to increase the level of knowledge. To achieve this latter goal, the states of the world, and especially those in the European Union, must ensure an adequate funding for its realization, and therefore in 2011 it was decided at EU level the achievement of an Innovation Union, in which are to be involved all the European countries, while to stimulate and finance research and innovation the Horizon 2020 program was proposed. The results of the Program, an "Innovation Union" have begun*

to be felt, so in 2011, the major companies headquartered in the European Union increased their investments in R&D by 8.9% compared to 6.1% in 2010. This increase was almost equal to that of the U.S.A. companies (9%), higher than the world average (7.6%) and superior to Japanese companies (1.5%). The sectors that used the research-development activity have tended to have increases in employment above average. I believe this information highlights the fact that the European Union may become attractive for research-development and innovation investments even for businesses outside the UE, and this can result in jobs creation and increasing competitiveness of this field of the states of the European Union. In the introductory part of the article, I have briefly presented general notions of the three component activities of the "knowledge triangle", in the second part I presented the knowledge society with several features, in the third part, I showed some provisions of the program to stimulate research and innovation Horizon 2020, in the fourth part, I presented an innovation activity connection to private enterprise and entrepreneurial initiative stimulation in the field innovation, and the conclusions shows that research does not stop with achieving the objectives and finding the outcomes research, but is it the background for further research, especially in the context of a new economy", where innovation through knowledge is the most important.

**Key words:** research, innovation, financing, knowledge society.

**JEL classification:** E25, E26, O28, O31

## **THE PRO AND CONS OF THE NEW TREATY ON STABILITY, COORDINATION AND GOVERNANCE IN THE ECONOMIC AND MONETARY UNION**

**Ioan Talpoș, Alexandru Avram**

Faculty Of Economics And Business Administration, West University, Timisoara, Romania

ioan.talpos@gmail.com

alex1avram@gmail.com

**Abstract:** In our study, using a descriptive research methodology based on survey and data interpretation, we are trying to state our opinion regarding the pro and cons of the Fiscal Compact, whether our country made a step forward towards fiscal stabilization or a step backwards towards the space for maneuver of the fiscal policy. Stability and Growth Pact, signed in Amsterdam in 1997, maintained the two limits set by the Maastricht Treaty, signed in 1992, namely those set within 3% of GDP for budget deficit and 60% of GDP for public debt, and established at the same time the regulatory framework for the coordination of national fiscal policies in the EMU. Medium-term objective, enshrined in the Stability and Growth Pact, is for the budgetary position of the Member States of the euro zone to be "close to balance or in surplus" – and to enable them to deal with normal cyclical fluctuations without exceeding effectively the 3% of GDP budget deficit. Achievement of the medium-term objective requires rapid evolution towards a sustainable situation, able to generate sufficient fiscal space for the promotion of discretionary fiscal policy measures - such as those embodied in the increase of budgetary allocations for investments in infrastructure.

**Keywords:** budget deficit, public debt, fiscal rules, restrictions, automatic fiscal stabilizers

**JEL classification:** E32; E62; H61.





## SECTION MANAGEMENT, MARKETING, ECONOMIC INFORMATICS AND CYBERNETICS

### SUB-SECTION: ECONOMIC INFORMATICS AND CYBERNETICS

#### ORDERS MANAGEMENT BY USING OF SMART PHONES

**Horia Demian**

*Management Marketing Department, University of Oradea, Faculty of Economics, Oradea, Romania*

*horia\_demian@yahoo.com*

**Abstract:** *The main purpose of this paper is to present an idea of using mobile technology for optimization of orders management inside a restaurant. For implementing this idea we used SQL Server 2008 R2 Express for databases, Visual Studio 2010 Express for Windows Phone for developing the application used from phones, Visual Web Developer 2010 Express for developing web services, Internet Information Server for expose the web services to the internet. The phone application can be deployed to Windows Marketplace, and can be downloaded by any potential user. In this case the application can be used by any client of the restaurant if they will receive a username and a password. The entire process of placing orders can be transferred directly to the client, and can be made with the hardware of the client. More clients means more hardware's which can be used concurrently.*

**Keywords:** *mobile technology; windows phone; order*

**JEL classification:** *C81; C88*

#### WINE ADVISOR EXPERT SYSTEM USING DECISION RULES

**Elena Claudia Dinuca, Mihai Istrate**

*Titu Maiorescu Bucharest University, Targu Jiu, Gorj*

*Universitatea din Craiova, Craiova, Dolj*

*claudia.dinuca@yahoo.com*

*mihaiFrance@yahoo.com*

**Abstract:** *In this article I focus on developing an expert system for advising the choice of wine that best matches a specific occasion. An expert system is a computer application that performs a task that would be performed by a human expert. The implementation is done using Delphi programming language. I used to represent the knowledge bases a set of rules. The rules are of type IF THEN ELSE rules, decision rules based on different important wine features.*

**Keywords:** *Decision rules, artificial intelligence, recommendation system.*

**JEL classification:** *C41, C61*

## **OPPORTUNITIES TO IMPROVE THE MANAGEMENT METHODS OF ROMANIAN ORGANIZATIONS**

**Gabriela Gheorghe**

*Faculty of Economics and Business Administration, Dunărea de Jos University, Galați, România*

*gabriela.gheorghe@ugal.ro*

**Abstract:** *Information Technology has responded to the crisis by change and innovation. Competitive organizations are permanently prepared to identify the cutting-edge technologies which will change the future in business by using the concept of Business Intelligence. Information Technology is developing rapidly and providing decision makers with large amounts of information that require processing and analysis. Business Intelligence are critical decisions support applications, their role being to provide to management, based on information from the company, a landscape of its situation at some time, but also predictions on the medium and long term. This paper describes the architecture of the Business Intelligence Platform and highlights the benefits of using decision support systems for business applications. Nowadays, company executives require relevant and accurate business information in real-time to take strategic decisions. It is also essential to have freedom to access this information anywhere and anytime. There is a real need to extend this functionality beyond the office and on the fingertips of the decision makers. After a presentation of the concept of Data mining with examples from a case study, the paper focuses on the potential of the IT&C decisional sector, which embeds simulation and assistance tools for managerial decisions. Developing new methods for predictive modelling and application of existing techniques in many areas will be a permanent concern for both researchers and companies that are interested to gain competitive advantages.*

**Keywords:** *decision support system, business intelligence, knowledge discovery in databases, data mining technologies.*

**JEL classification:** *L86, M15, O33*

## **ERP ASSIMILATION: AN END-USER APPROACH**

**Luminita Hurbean, Ana-Maria Negovan**

*West University of Timisoara (Faculty of Economics and Business Administration, Department of Business Information Systems), Timisoara, Romania*

*luminita.hurbean@feaa.uvt.ro*

*ana\_negovan@yahoo.com*

**Abstract:** *One premise of this paper is that ERP implementation is an “organization wide revolution” because a large number of changes happen. Unfortunately, after 20 years of experience, many implementations of ERP systems take longer and cost more than projected or even fail. As many authors stated, one major cause appears to be that organizational issues are neglected or underestimated. In this type of IT project the organizations confront with many problems because they put inadequate stress on the management of change brought about by the technology. We consider that the success of the implementation depends highly on the company’s openness to change. Change is not always welcomed by end-users, so the first step is to ensure that the executive management supports the team’s vision, the vendor selection and the implementation project from beginning to completion. When an ERP software provider is selected, it should display the qualities and be prepared to act as a “change agent”, one who can explain short-term and long-term benefits of the proposed changes, while being sensitive to each end-user’s level of change acceptance. Our study was focused on the end-users behaviour and perception. The paper discusses the ERP adoption based on the IT assimilation theory. The ERP lifecycle is associated with the IT assimilation steps. We propose a distribution of these*

steps along the lifecycle. Derived from the findings in the reviewed literature we will focus the cultural factors, in particular those related to the end-users (determined as a major impact factor in our previous study: Negovan et al., 2011). Our empirical study is centred on the end-users perspective and it tries to determine if and how their behaviour affects the achievement of the ERP assimilation steps. The paper reasons that organizations that understand the IT assimilation steps correlated to the ERP implementation critical factors are more likely to implement and use ERP successfully.

**Keywords:** ERP, IT assimilation, change management, end-users, resistance to change.

**JEL classification:** L86, O32, O33

## **STUDY REGARDING THE USE OF MICROSOFT EXCEL SOFTWARE IN THE MARKETING ACTIVITY OF THE BIHOR COUNTY COMPANIES**

**Naiana Țarcă, Valerica Mareș, Marius Daniel Mareș**

*Faculty of Economics, University of Oradea, Oradea, Romania*

*Faculty of Accounting and Management Information Systems, Economic Studies Academy of Bucharest, Bucharest, Romania*

*Faculty of Management, Finance and Accounting, Spiru Haret University, Bucharest, Romania*

*ntarca@uoradea.ro*

*maresvalerica@yahoo.com*

*maresdaniel@yahoo.com*

**Abstract:** Marketing activity involves many decision situations. They may have a lower or higher complexity, but all involve organizing, processing, extracting and analyzing of a large volume of information. By using specialized software that provides tools for analysis, company managers can quickly obtain significant information about market. They can also get overview, synthesis of certain aspects of company activities. In the data analysis activity traditional methods and software tools can be used, such as: dispersion analysis software, multi-factor techniques, regression analysis software and data-series analysis software, useful in data-series analysis in their trend format, seasonality and of the other dynamic series components. But if a more complex economic analysis is demanded, where the information is needed to be presented in the form of diagrams, is necessary to use specialized software tools for analysis, such as those offered by spreadsheet applications. Of those who know and use spreadsheet applications for drawing up the reports necessary for carrying out the work, many use the Microsoft Excel. Using Microsoft Excel software, data can be organized and processed quickly, accurately and thoroughly. Also, the facilities for the extraction, aggregation and analysis bring real value to a business activity. From the same volume of processed data a higher volume of complex and diversified information can be obtained, thus offering a more complete picture on the analyzed decisional situation in its entire. For this reason we conducted a study in which we sought to obtain information on how these applications are used in the marketing activities of companies. Microsoft Excel software is used a lot in marketing activities of companies in Bihor County, but data analysis tools it provides are used too little. Collected and stored data are not used to their full value. In this way, companies do not have information that could help to better understand customer behavior and market products.

**Keywords:** data analysis; spreadsheet software; economic analysis activity

**JEL classification:** M21; C83

## **STUDY REGARDING THE CHARACTERISTICS OF THE BIHOR COUNTY COMPANIES' WEBSITES**

**Naiana Țarcă, Anca Șule**

*Faculty of Economics, University of Oradea, Oradea, Romania*

*ntarca@uoradea.ro*

*anca.sule@gmail.com*

**Abstract:** *Number of Internet users who access the websites of different companies to find information and to buy online is growing. In these conditions, the companies to be able to communicate the informational message, promotional message or intention to initiate trading exchange, must be present in the virtual environment. The company's website can be used as a tool in marketing strategy, as a means of developing identity or increasing the brand exposure, as a support for communication with potential clients or as a means for market research. The website, as an interface between customers and company, must answer as many questions as possible and it must trigger the impulse that motivates consumers to return and buy products/services from the company. This paper contains a study of the websites belonging to 330 companies from the Bihor County. In the study conducted were considered companies in Bihor County that are present in the virtual environment through websites. The elements that have been analysed are the measure and the manner in which companies use the online environment to communicate their identity. The websites are analysed in terms of their design, in terms of the way it influences the experience in visualising the site and in terms of the design elements used to facilitate navigability, to encourage interaction between the visitor and the company, to prove credibility, accuracy and valability of the information and to demonstrate that the information is presented in an objective manner. We considered the following criteria for evaluation of sites: the presence of information about the organization such as general information, information about products and means of distribution, company location; the structure used to present the information on the website home page, the navigability elements, the elements to prove credibility, the quality level of the company products, the presence and percentage of graphics, applying the design principles, the presence of those elements that ensure interaction with the website visitors.*

**Keywords:** *website; virtual environment; design elements; design principles; marketing strategy*

**JEL classification:** *L81; C85*

## SUB-SECTIONS: MANAGEMENT I AND MANAGEMENT II

### INTEGRATED INFORMATICS SYSTEM FOR PUBLIC MANAGEMENT

Cristian Anghel, Cristian Vele, Rita Toader, Florina Hahn

Faculty of Science, UTCN  
cristiananghel77@gmail.com  
Cristian.Vele@cubm.utcluj.ro  
Rita.Toader@cubm.utcluj.ro  
Florina.Hahn@cubm.utcluj.ro

**Abstract:** This paper presents *Integrated informatics systems for public management and the implementation of the institutional architecture in public administration. Being implemented in Baia Mare City Hall, institutional architecture reunites the quality and environment management systems and the integrated informatics system into a uniquely assembled concept able to sustain the administration's activity in real time. For the strategic planning at the town level to be relevant, effective and efficient, the public administration authorities must take into account the importance of conducting certain analyses and of some strategic documents at neighbourhood level. The Urban Development Integrated Plan of the city of Baia Mare, is aimed at the public intervention on a well-defined area needing regeneration because of social, economic, territorial, functional and environmental discrepancies, as compared to other urban areas of the municipality. The perspective of the Urban Observer has as its basis on the permanent monitoring of urban indicators as well as the implication of all interested parties, including the citizens in view of defining the strategic directions of town development.*

**Keywords:** *informatics system, sustainable development, strategies, the institutional architecture, models*

**JEL classification:** J11, R11, R23

### ASPECTS OF THE ASSOCIATION OF EFFECTIVE TEAM RELATED VARIABLES IN THE MANAGEMENT OF INTERCULTURAL WORK TEAMS IN MULTINATIONAL COMPANIES

Nicolae Bibu, Laura Brancu, Daniela Has

Management Department, Faculty of Economics and Business Administration, West University of Timisoara, Timisoara, Romania  
nicolae.bibu@feaa.uvt.ro  
laura.brancu@feaa.uvt.ro  
daniela.has@feaa.uvt.ro

**Abstract** *Various phenomena generated by the new context of globalization have focused our research interest towards studying in what ways management of Intercultural Work teams (IWT) could and should contribute to the increase of their performance at work. Despite the recognition of the fact that many MNCs fail in the management of IWTs, there is still a significant knowledge gap about their non-functionalities. Managerial literature „blames” national and organizational culture differences for the failure of this process. This is because each member brings his own style of work, with his own way of ensuring effective cooperation, making difficult to identify a clear recipe of a team organization and management in intercultural context. Teamwork, managing work teams made the subject of numerous researchers from many fields, denoting so difficult exercise in practice. However, we have identified high performance IWTs whose members are from different countries.*

Therefore, we assume that their management identified and used methods and instruments able to ensuring IWT performance. If we look at international research, intercultural teams management models have a reductionist and not holistic approach, namely stochastic in terms of selection of specific cultural dimensions cultural models specific to the interest of the researcher. In contrast, in Romania, intercultural management and intercultural management teams performance is less studied. The research presented below is set up to be a part of a pilot study, an exploratory research of how intercultural management assigned dimensions are directly related to the concept of EIA performance dimensions assigned. Our assumption for the empirical research is the following: work team performance (effective, efficient, with a high degree of satisfaction of its members) is the result of application performance management in the context of a particular style of interaction specific team. Because the dependent variables were nominal variables, and due to small size of the sample (10 managers and 33 employees), we applied „non-parametrical tests considered the only relevant tests” (Popa, 2008:214). The research is "degree of association", the independent and dependent variables of the same type. One more reason to choose this model of research is that we cannot claim a causal relationship, but the combination of variables that represent characteristics of a high performance team and not performance indicators. We will not venture to make judgments of causality based on done statistical tests.

**Keywords:** intercultural team work, management, intercultural management, model management, effective team, effective team

**Cod JEL:** M10, M12, M16

## **EUROPEAN UNION ENLARGEMENT AS A CULTURAL SHOCK. THE ROLE OF INTERCULTURAL TEAMS' MANAGEMENT IN INCREASING EUROPEAN COHESION**

**Nicolae Bibu, Mihai Lisetchi**

Management Department, Faculty of Economics and Business Administration, West University, Timisoara, Romania  
nicubibu@yahoo.com  
mihail.lisetchi60@e-uvv.ro

**Abstract:** The European Union is challenged nowadays by a dramatic multilevel process of integration. The Europe 2020 strategy promoting smart, sustainable and inclusive growth is defined by a set of ambitious objectives to be reached by 2020. On the other hand, the turbulent times of the economic crisis put even more pressure on the integration process. The success of this complex endeavor is heavily depending on the dimension of the cohesion specific to each of levels of the process. The cohesion of the European Union (EU) is stronger at macro (societal) level with regard to institutional, political, and economical dimensions. The cohesion of the European Union is less strong at micro level, the level of people, of the common individual, of the citizen. In other words, EU system has less cohesion at the level of individual and social fabric. An interesting hypothesis about EU enlargement is that every new "wave" of countries is a collective cultural shock for the European citizens. In conclusion, considering the history of the European Union, their citizens were subject to a constant flow of "cultural shocks", following each new EU enlargement though admission of new member states: the big lot of 10 new countries in 2004, Romania and Bulgaria in 2007. In this respect, immigrations waves from new member countries have preceded their country accession, and to various extents, have made a first impact on the host countries culture. This paper is discussing the issue of increasing European cohesion based on a management approach. It describes the positioning of Romania on the European map of cultures, in order to identify the convergence and divergence of its societal culture with various European cultural clusters. We are arguing that: a) European organizations have a major role to play in the process of increasing

cohesion within the European Union (EU); b) Organizational Management and leadership are paramount to their success and to society welfare; c) Intercultural Knowledge Management is needed for achieving the high performance of the European organizations; d) Intercultural teams are one of the most effective ways to reduce the current cohesion-less of EU, both at individual and organizational level.

**Keywords:** European Union enlargement, cohesion, cultural clusters, Intercultural Knowledge Management.

**JEL classification:** A14; O52; Z13.

## **GLOBAL TRENDS IN ENTREPRENEURSHIP USING 4 R'S MODEL**

**Gratiela Dana Boca, Lindita Mukaj**

Technical University of Cluj Napoca, Faculty of Sciences, Romania,

"Aleksander Moisiu" University, FASTIP Faculty, Albania

bocagratiela@yahoo.com

lindita\_muka@live.com

**Abstract:** The study is based on 250 persons engaging in the manufacturing trading and services sectors in Small and Medium Industries. A discussion on survey about the business profile and leader entrepreneur is also providing. The study investigates the common reasons that motivate Romanian and Albanian women to become and work as entrepreneurs along with the constraints they face when starting and developing their business activity. In this context, theoretical arguments and empirical findings are investigated in order to draw a picture of the factors that motivate women to start their own business, as well as factors that limit the growth and development of women entrepreneurship. This paper examines the factors who can influence person needs to become entrepreneurs. Motivation factors are classified into economic, work, individual, entrepreneurial and social core. Description analyses revealed some important aspects and motivation factors for production activities.

**Keywords:** quality management, change management, entrepreneurship, growth Small and Medium Enterprises, leader, production management.

**JEL:** M50, M54, O15, O19

## **MANAGEMENT CONTROL SYSTEMS: A REVIEW OF THEIR COMPONENTS AND THEIR UNDERLYING INDEPENDENCE**

**Florin Boghean, Carmen Boghean**

Accounting, Finance and Economic Informatics Department, Faculty of Economic Sciences and Public Administration, University "Stefan cel Mare", Suceava, Romania

Economics, Business Administration and Tourism Department Faculty of Economic Sciences and Public Administration, University "Stefan cel Mare", Suceava, Romania

florinb@seap.usv.ro

carmenb@seap.usv.ro

**Abstract:** Apart from governance and risk management, internal control is a third major component of corporate governance. Proper corporate governance relies upon risk management in order to identify the problems faced by the organization and on internal control in order to achieve its objectives. Internal auditors, apart from supporting the organization and enabling it to identify and monitor the risks lying ahead, must also understand and monitor the functioning of the internal control system which is the key to implementing the corporate governance principles. Internal control is a process implemented by the management of the public organization and directed at providing reasonable assurance in terms of meeting the organizational goals, which are grouped in the following categories: operating effectiveness and efficiency; reliability of financial reporting;

compliance with the laws and regulations. The design of the control system is highly significant when the system is used, and the part it plays in the management of the business entity is fundamental. For instance, budget control is a measure of performance. A supervisor can use this variation with difficulty or with ease. Used differently, the same measuring system may convey different benefits. The organization of the internal control system in a manner that is divergent with the principles of planned economy has led managers to believe that control activities are discretionary, and the subsequent lack of management responsibility has weakened the efficiency of internal control systems during the first years after 1989.

**Keywords:** internal management control, governance, risks.

**JEL classification:** G28

## **COMMUNICATION STRATEGY ABOUT BUSINESS MODELS: STAKEHOLDERS PERSPECTIVE**

**Alexandru Bojoagă, Ioan Petrișor**

West University of Timișoara Faculty of Economics and Business Administration, Timișoara, Romania

alexbojoaga@gmail.com

ipetrisor53@yahoo.fr

**Abstract:** Organizations inform stakeholders about their current and future activities, processes, created value, strategic intentions, and other information that may influence the established relationships. Organizations choose to communicate with stakeholders by different means and in varied ways. The annual report represents a way of communicating between companies and their stakeholders, and it is offering comprehensive information about how companies operate and creates value. The business model is an emerging concept in management literature and practice. The concept describes the logic by which a organization creates, maintains and delivers value for its stakeholders. Through annual reports organisations can communicate to stakeholders information about their business models. We investigated how information about business models is explicitly communicated through annual reports, and how this information is referring to stakeholders. Our paper aims to reveal which stakeholders are more often mentioned when organizations are communicating about business models through annual reports. This approach shows the attention degree given by organizations to stakeholders. We perceived this from a strategic point of view, as a strategic signal. Thus, we considered if the stakeholder is mentioned more frequent in the communicated message it has a greater role in communication strategy about business model. We conducted an exploratory research and have realized a content analysis. The analysed data consist in over a thousand annual reports from 96 organizations. We analysed the informations transmitted by organizations through annual reports. The annual reports were for a time period of 12 years. Most of the selected companies are multi-business, and are operating in different industries. The results show the stakeholder's hierarchy based on how often they were mentioned in the communicated messages about business models through annual reports. Based on our results the communication strategy about business model is focused primarily on delivering messages about external stakeholders. The most attention is given to customers, followed by suppliers and partners.

**Keywords:** business model, stakeholders, business model innovation

**JEL classification:** M19



## **MANAGING CHANGE IN ECONOMIC EDUCATION THROUGH A LEARNING BY DOING PROGRAM (PRACTEAM)**

**Elena-Aurelia Botezat**

*University of Oradea, Faculty of Economics, Department of Management-Marketing  
ebotezat@uoradea.ro*

**Abstract:** *Entrepreneurial universities have emerged as a consequence of survival in a global competitive environment. It is for that reason change in economic education becomes so important. The aim of this paper is to discuss how well learning-by-doing programs could be used and produce significant and sustainable results in Romanian universities used the results of the implementation of a learning-by-doing program (PRACTeam). The project "The practice of economics students. An inter-regional partnership on the labor market between universities and the business field" (PRACTeam) developed starting from the 1<sup>st</sup> of October 2010 for a period of three years by three partners working together: the University of Oradea - Faculty of Economics, the West University of Timișoara - Faculty of Economics and Business Administration, the University "Ștefan cel Mare" of Suceava - Faculty of Economics and Public Administration. For students in the second year undergraduate programs, 180 students/year from each of the three Universities partners, time for practical internship is 90 hours, 6 hours / day, during three weeks. Place of internship for students in undergraduate studies is provided by various units (private companies, public institutions, NGOs) under certain partnership agreements, as well as Framework Convention, which specifies the rights and obligations of the parties involved. The internship- units appoint a tutor, who will guide the undergraduate students during the internship, this is do in collaboration with an representant of the university. Methodology-wise the paper relies upon a qualitative research approach that includes interviews with twelve undergraduate students, systematic Observation (using the PRACTeam Selection Sheet and PRACTeam Sheet of practical skills) as well as secondary data regarding knowing and showing what you know. It is anticipated that a quantitative approach could be used for a follow-up work which can test capacity for generalisation of this paper's findings. Thus it would be interesting to know whether this increase educational effectiveness through "learning by doing" - basically it is maintained over time (e.g. in the master studies). What would we expect after completing this program is to determine a change, the undergraduates to be transform. How can we improve learning? One way to enhance "learning" is through "by doing". If you want the graduates to learn about business, they must be put in situation to see it with their own eyes how it works, or even how it to do. It is a shift from a learning model based primarily on the reproduction of information from one based on producing results using information. In the economic education by including "Learning by Doing" - program PRACTeam, undergraduates are encouraged to prefer the questions, rather than the imperatives: "how to be done?", instead of "you must do it!".*

**Keywords:** *management, change, economic education, learning-by-doing program*

**JEL classification:** *M10*

## **THE CONSEQUENCES OF ORGANIZATIONAL CHANGE ON THE HUMAN FACTOR IN THE TEXTILE INDUSTRY**

**Monica Chira, Liviu Marian**

*Technical University of Cluj-Napoca, Romania  
Petru Maior University of Targu Mures, Romania  
monichiradan@yahoo.com  
Liviu.Marian@yahoo.com*

**Abstract:** *The study of this paper emphasizes the aspects of change in organizations from the textile industry and the consequences of their implementation on human resources. The*

present paper falls within the non-experimental quantitative research, as well as having an explorative side due to the fact that it explores a reality in order to discover whether there are certain relationships between the chosen variables. The research is transversal because the data collection is achieved by applying a one-time, ad hoc questionnaire that was built specifically for the conduct of a research, partially presented in this paper. The research method or the procedure used is the survey, the technique employed is the one of the questionnaire applied through the process called "self administration" and the investigative tool is the questionnaire on paper. Along with a change in design or implementation plan and organizational culture, human resources contribute significantly to the success of any kind of change. Compared to the current process of globalization in which the economies and the financial markets are closely linked, and given the highly dynamic industrial climate that is characterized by items such as restructuring, relocation and subcontracting, Romanian companies appear to be aware that the social and ethical role of firms attracts increased attention on the living standards of employees. The resources of an organization in solving the arising problems are many, varied, and it depends only on its willingness to discover and capitalize. Difficult moments generated by implementing changes or the onset of seizures are such problems, which can not only have technical, but also human aspects. In managing the latter the human capital owned by the firm is undoubtedly important, but this must be combined with the quality of good management. The literature is replete with conceptual models of effective organization that can improve or streamline the industrial process, but a strategic orientation towards effective personnel policy is not very expensive, it being very necessary to ensuring the sustainability of the firm. For the textile industry to be successful, we need a better communication between industry and the education system and training, so that the needs and the qualification skills be clearly indicated in order to have a properly trained human resource. So, we can say that for the successful implementation of changes in the textile enterprises the material components, the financial and the human ones, should be combined, organized and updated with the aim of improving human resources management by specializing and training the personnel.

**Keywords:** Textile, human resources, organizational change, organizational culture.

**JEL classification:** J24

## **COST OF QUALITY AND TAGUCHI LOSS FUNCTION**

**Cosmin Dobrin, Ana-Maria Stănciuc**

The Bucharest University of Economic Studies, Romania

cosmin.dobrin@man.ase.ro

ana\_mstanciuc@yahoo.com

**Abstract:** An organization must take into account the costs associated with achieving quality because one of the important objective of continuous improvement programs is to meet customer requirements at the lowest possible cost. Hence, an organization needs to adopt framework to classify costs and to focus on existing cost of quality (CoQ) models. The objective of this paper is to give a survey of research literature and models on the topic of CoQ and to provide a basic understanding of quality costs.

**Keywords:** Quality Costs , Cost of Poor Quality, Cot of Good Quality, The Taguchi Quality Loss Function.

**Jel classification:** M11

## ETHICAL ASPECTS OF ENVIRONMENTAL MANAGEMENT

**Ștefan Dragoș Cîrstea**

*Faculty of Economic Science and Business Administration, Babeș-Bolyai University, Cluj-Napoca, Romania*

*stefan.cirstea@yahoo.com*

**Abstract:** *The purpose of this article is to outline the main economical and social benefits that can be obtained by adopting an ethical attitude of the organisations which use a performant environmental management. From the idea that the human being is the master of nature, it was passed to the view according to which the human being must ensure a balance between consumption and the use of resources. In order to achieve our goal we identified the factors that lead to long term or even permanent destructive effects over the environment and we briefly present the reasons for which the organizations adopt and implement environmental management systems. Also, the difficulties encountered in implementing environmental strategies have been briefly enumerated and the competitive and economic advantages that can be achieved by adopting an efficient environmental management and the main reasons that grant to the environmental management a special significance were exposed. This theoretical paper emphasizes the importance of the adoption by organizations of a "green behavior" and reveals correlations between sustainability, economic growth and environmental performance in organizations. The analysis of the ethical aspects of environmental management shows the links that can be created between the development of an ethical culture of organizations and the achievement of the environmental excellence. The research provides an overview of the concept of environmental ethics and encloses it within the scope of environmental management. Someone needs to explain why an increasing number of organizations, both large and small, are setting up environmental management systems, making environmental investments and reducing risks over and beyond legal requirements, even when the benefits are not at all obvious, even in the long run. Also, this paper provides some practical examples of organizations environmental problems and points out how these organizations adapted their environmental strategies. The main conclusion of this conceptual paper is that organizations' competitiveness in any industry and environmental protection are two interconnected concepts and we believe that there can be no excellence in business without excellence in environmental protection or vice versa.*

**Keywords:** *environmental management; environmental ethics; business ethics; environmental performance.*

**JEL classification:** *M10, Q56*

## ENTREPRENEURSHIP CURRICULUM IN ROMANIAN UNIVERSITIES

**Claudia Cordea**

*West University of Timisoara, Timisoara, Romania*

*claudia.cordea@feaa.uvt.ro*

**Abstract:** *The central focus of universities should be the improving the quality and quantity of entrepreneurs or students with an entrepreneurial attitude. We argue that the academic field of entrepreneurship is at a very low level in Romania on several axes and the University must determine the best fit for them given their students, their alumni, their stakeholders, the region and its economic base and the aspiration of institutions. Entrepreneurship should it be something that will have high and positive impact for students not just another course in the curriculum. Entrepreneurship is concerned with establishing new activities and about being able to perceive new opportunities. Entrepreneurship competence is relevant for all areas of working and business life, in both new and established activities and enterprises. The aim of this paper is to provide an analysis of the present situation and recent evolution*

*of entrepreneurship education in Romanian universities and to discuss these courses and curricula match the demand for entrepreneurial competences. This paper presents a short summary of the status of entrepreneurship curriculum and different challenges. The information collected through the Internet refers to the academic year 2012-2013. The range of theoretical choices, objectives, publics, pedagogical methods and institutional context should be structured around a general framework.*

**Keywords:** Entrepreneurship education; Romanian universities; Curricula; Learning process, Institutional context.

**JEL classification:** L26; I25.

## **A STUDY ON THE CULTURAL DIFFERENCES BETWEEN PUBLIC AND PRIVATE HOSPITALS FROM BUCHAREST**

**Ovidiu-Iliuta Dobre**

*The Bucharest University of Economic Studies (Institute of Doctoral Studies, Business Administration), Bucharest, Romania  
ovidiodobre87@gmail.com*

**Abstract:** *Turnover rates for hospital personnel (nurses, doctors and auxiliary staff) have been increasing in recent years, especially in the public sector, being the result of a couple of factors. I believe that one of the main causes is related to organizational culture aspects. This research analyses if dated facilities, unpleasant work environment and lack of personnel contribute to a low job satisfaction and involvement. The study also compares the results obtained from persons working in the public sectors with the results given by respondents from private clinics. An organization's culture could be strong or weak, being dependent to cohesiveness, value consensus and individual commitment to collective goals. Effective cultures help organizations anticipate and adapt to environment changes, thus proactive cultures should enhance and support profitability on the long-run. This research also investigates strength of the occupational culture by comparing the results obtained in the public sector with results from private sector. My study is developed on 63 professionals working in the medical system and it is based mainly on quantitative methods. The instrument of the research is the structured questionnaire. The main goal of the study is to highlight the significant cultural differences between the state-owned and public-owned hospitals and to assess if they have a greater influence to the institutions, as compared to common occupational values and norms. The implications of my research for the field of organizational behavior refers to the fact that I have identified the organizational elements that are common to both public and private hospitals, influenced by a strong occupational culture, and those that differ significantly, being the result of underfunding and poor management. As a conclusion, I consider that this is a great starting point for further research in the field and I plan to enlarge the investigation on a greater number of respondents and to come up with solutions for the identified issues.*

**Keywords:** organizational culture; high-performance cultures; medical system

**JEL classification:** M14; L32

## **APPLYING THE EFQM EXCELLENCE MODEL AT THE GERMAN STUDY LINE WITH FOCUS ON THE CRITERION "CUSTOMER RESULTS"**

**Liviu Ilieș<sup>1</sup>, Diana Pitic<sup>2</sup>, Diana Brătean<sup>3</sup>**

<sup>1</sup>*Babeș-Bolyai University, Faculty of Economics and Business Administration, Department of Management, Cluj–Napoca, Romania*

<sup>2</sup>*Babeș-Bolyai University, Faculty of Economics and Business Administration, Department of Economics and Business Administration in German Language, Cluj–Napoca, Romania*

<sup>3</sup>*Babeș-Bolyai University, Faculty of Economics and Business Administration, Department of Economics and Business Administration in German Language, Cluj–Napoca, Romania*  
liviu.iles@econ.ubbcluj.ro

diana.pitic@econ.ubbcluj.ro

diana.bratean@econ.ubbcluj.ro

**Abstract:** *This article presents a stage of the implementation process of the EFQM Model in a higher education institution, namely at the German study line within the Faculty of Economics and Business Administration, "Babeș - Bolyai" University, Cluj –Napoca. Actually, designing this model for the higher education sector means highlighting the basis for the implementation of a Total Quality Management model, seen as a holistic dimension for the perception of quality in an organization. By means of the EFQM method, the authors try to identify the performance degree of the criterion „Customer Results”, related to the students’ satisfaction level. The students are seen as primary customers of the higher education sector and have an essential role in defining the quality dimensions. On the one hand, the customers of the higher education sector can surface the status quo of the quality in the institution and on the other hand they can improve the quality. Actually, the continuous improvement of quality is highly linked to performance. From this point of view, the European Foundation for Quality Management model is a practical tool in order to support the analysis of the opportunities within higher education institutions. Therefore, this model offers a customer focused approach, because many higher education institutions consider the students to be the heart of teaching and researching. Further, the fundamental concepts are defined and the focus is pointed in the direction of customer approach, which highlight the idea that excellence is creating added value for customers. Anticipating and identifying the current and the future needs of the students by developing a balanced range of relevant dimensions and indicators means taking an appropriate action based on the holistic view of quality in an organization. Focusing and understanding students’ and other customers’ requirements, their needs and expectations, follows the idea that performance can be achieved by involving people in the continuous development of the process, they work in.*

**Keywords:** *EFQM Model, Higher Education Sector, Performance Degree, Customer Satisfaction, Customer Results, Excellence.*

**JEL classification:** *I23.*

## **DEFINING ASPECTS OF HUMAN RESOURCE MANAGEMENT STRATEGY WITHIN THE GENERAL STRATEGY OF THE MODERN ORGANIZATION**

**Emanoil Muscalu, Silvana Nicoleta Muntean**

*Faculty of Economics, „Lucian Blaga” University of Sibiu, Romania*

emanoil.muscalu@ulbsibiu.ro

silvana.muntean@yahoo.com

**Abstract:** *The field of human resources requires the presence and action of several categories of persons and managerial structures interested in the quality of human resources and the activities developed by them. Besides managers and employees there are also the shareholders, the unions, the customers, the different national or local agencies, the local community, etc., with major interests regarding decisions in the human*

resources area. In order to harmonize their activities and achieve an optimal perspective within the evolution of Human Resource Management, special attention is paid to the strategy of human resources management. According to many specialists, strategies in the field of Human Resource Management show, in the first place, that personnel function adopts a broader perspective and a more dynamic view of human resources, which enables its full integration within the other functions of the organization. In the second place, strategies in the field of Human Resource Management designate the assembly of long term objectives concerning human resources, the main modalities of achieving them and the necessary resources which guarantee that the organization's structure, value and culture as well as the utilization of its personnel contribute to fulfilling the general objectives of the organization. Therefore, we approached in this paper the problems of grounding and elaborating the Human Resource Management strategy, and we outlined their specific traits, as these are necessary aspects in order to emphasise at the end of our paper the correlation between the strategy in the field of Human Resource Management and the general strategy of the organization. Taking into account specialists and practitioners' increased interest in knowing, substantiating and implementing strategies in the area of Human Resource Management, we consider that the aspects presented in this paper are modern issues and a starting pointing in solving the great problems of organizations nowadays. Thus, contemporary economic thinking is invited to solve the numerous challenges that society faces in general, aspects that can be solved, we believe, only if a strategic Human Resource Management is achieved with great professionalism. Therefore, Human Resource Management strategies constitute a continuous challenge for organizations' researchers and a real possibility to attain performance within organizations, be they present in a national or international area.

**Keywords:** strategy; Human Resource Management strategy; the general strategy of the organization; organization; implementation; substantiation.

**JEL classification:** M12

## **KNOWLEDGE WORKERS – THE MODERN WORKERS PROTOTYPE IN PRESENT AND FUTURE ORGANIZATION**

**Emanoil Muscalu, Alexandra Stanit**

Management Marketing, Business Administration Department, Faculty of Economic Science, Lucian Blaga University of Sibiu, Romania

emanoil.muscalu@ulbsibiu.ro

alexandra.stanit@yahoo.com

**Abstract.** The paper aim is to interpret and define the concept of the „knowledge worker” with reference to the context of post-industrial transformation (new economy, information/knowledge). In the new economy a certain category of specialists, called knowledge-based specialists is emerging. The usual employee works with his hands and produce goods or services. Instead a knowledge worker works with its head instead its hands and produces ideas, knowledge and information. Terms like knowledge work, knowledge workers, and knowledge intensive firms point to emerging social structures and processes in organisations. This focus allows us to analyse organisations in ways that differ from the notions involving less dynamic forms of organisational configurations.

**Keywords:** knowledge, knowledge workers, prototype, organization.

**JEL Classification:** D83

## **PERFORMANCE BENEFITS OF HARMONIZING ORGANIZATIONAL STRATEGY WITH STRATEGY AT SUPPLY CHAIN LEVEL**

**Florian Gyula Laszlo**

*Partium University, Department of Management and Marketing, Oradea, Romania  
gyulaflorian@yahoo.com*

**Abstract:** *Supply chain management (SCM) reflects the most recent approach to logistics integration, the final integrating perspective on the evolutionary processes of purchasing, production support and distribution. Existing supply chain literature identifies three hierarchical levels of SCM: strategic, operational and tactical level. After a discussion of the performance transmission tools and their mechanism, this paper uses logistic modelling with SPPS to estimate the impact of harmonizing organizational strategy with strategy at supply chain level on the organizational performance. Data comes from a questionnaire based survey which took place in 2011. A sample of 100 enterprises representative at national level was randomly selected. Results document the statistically significant impact of customers' orientation and integration efforts on organizational performance. Thus we have found that the odds for an increased performance are 1.21 times higher for organization that communicate customers' future strategic needs throughout the supply chain and 1.34 times higher for companies that search for new ways to integrate SCM activities. We also found a significant effect of industry on organizational performance. The odds of increased performance are lower for companies in manufacturing industries as compared to service companies. The results underline the importance of strategic planning in the context of supply chains. Customers' orientation and integration efforts are expected to increase the benefits for all supply chain participants. At the same time strategic planning in the context of supply chain is expected to better balance the interest of multiple stakeholders and to adequately address the multidimensionality of organizational performances. The quantitative methodology employed by the present study allows drawing meaningful conclusions valid in the context of national supply chains. Nevertheless further research is needed to consolidate these findings. Insofar as firms' size, ownership and the overall economic context have also been found to have a positive impact on organizational performance, we argue that future research in this field would benefit for employing more controls.*

**Keywords:** *supply chain management, supply chain performance*

**JEL classification:** *M10, C54*

## **ANALYSIS OF THE IMPACT OF THE SUPPLY CHAIN PERFORMANCE ON THE OVERALL ORGANIZATIONAL PERFORMANCE**

**Florian Gyula Laszlo**

*Partium University, Department of Management and Marketing, Oradea, Romania  
gyulaflorian@yahoo.com*

**Abstract:** *One of the first questions which need to be addressed in empirical research on organizational performance is how to measure it. Different stakeholders might understand performance in their own terms so adequate measures of organizational performance have to balance different perspectives. Although financial measures of performance, in particular shareholders return, are recognized as most appropriate measures of firms' performance, the most employed measures of organizational performance are accounting indicators due to the availability of data. Drawing on existing empirical studies on organizational performance we have chosen to measure the organizational performance using one of the most prevalent accounting ratios – the return on sales (ROS). After presenting the multidimensionality of organizational performance and its specific in the context of a supply chain, this paper uses a Romanian dataset of firms to estimate the impact of different areas of performance in the context of a supply chain on the overall organizational performance.*

*Analysis follows a balanced scorecards approach, identifying four areas of performances in the context of supply chains. Logistics costs and revenues measure the performance in a supply chain from a financial perspective. We have chosen customers' satisfaction, delivery dependability, speed and flexibility as the major coordinates of the marketing performance in the context of a supply chain. Standardization, simplification and structural adaptation define in our perspective the operational performance in the context of a supply chain and information management and internal communication accounts for the innovational performance, the last performance area defined by a balanced scorcard. Results show that financial, marketing and innovation do have a positive and statistically significant impact on the overall organizational performance. While all the estimated coefficients have the expected sign, not all the performance areas and metrics employed in the analysis are statistically significant. We appreciate that this research affords a better understanding of the performance areas that contribute to the increasing of organizational performance.*

**Keywords:** supply chain management, supply chain performance

**JEL classification:** M10, C54

## **ASPECTS REGARDING THE ROLE OF INFORMATION TECHNOLOGIES IN THE ASSURANCE OF SUPPLY CHAIN MANAGEMENT PERFORMANCE**

**Radu O. Ilieș, Horațiu C. Sălăgean, Bogdan L. Bâlc, Mihai Gherman**

*Department of Management, FASE, UAI, Cluj-Napoca, Romania*

*Department of Management, FSEGA, UBB, Cluj-Napoca, Romania*

*Department of Management, FSEGA, UBB Cluj-Napoca, Romania*

*Department of Management, FSEGA, UBB Cluj-Napoca, Romania*

*ilies.radu@gmail.com*

*horatiu.salagean@econ.ubbcluj.ro*

*boby.balc@yahoo.com*

*mihgherman@yahoo.com*

**Abstract:** *This paper is intended to outline the importance of e-logistics programs, based on the new information technologies and successful e-business applications in the case of Romanian companies that activate in the production and services field, namely producers, suppliers or distributors. The redesigning of the logistic system and the reconfiguration of the supply chain management (SCM) challenge the firms, especially the small ones, to explore new e-business applications, on the basis of feasibility studies before getting implemented. For a long time, firms considered that commercial changes are the last solution to resolve SCM problems, however many supply chains have been a failure. The explanation resides in the fact that a number of companies that had integrated their supply chains noticed that there was little or no response to the existing requests in this field. Although commercial changes represent an important part of Business to Business programs, actually very few managers understand the way to deal with them, which is integrating them in e-business programs. This paper outlines the companies' need to develop e-business programs and the importance of these programs for the whole supply chain to obtain performances, taking into account that many firms that get integrated in the supply chain lack the technological capacity to implement electronic means for processing, transmitting and receiving data. One remedy might be their initiative to use Business to Business programs, with the purpose to offer easily configurable optimized networks and interactive solutions based on Web, at competitive prices. This system should have different assisting functions to help the partners of a supply chain, especially the small firms, to easily integrate up-to-date management and informational system refinement methods, in an efficient and effective way. As it has been pointed out in the paper, a major role for the enhancement of SCM performances is information technology such as Internet and ERP systems. Internet offers important opportunities to all partners from the supply chain to get information about consumption*



tendencies and changes in consumption request, virtual information about a product and the clients' requests regarding the logistic services. As for ERP systems, it can be said that they mostly influence the designing of business processes, in order to assure coherence between them and the effective integration of different firm components. Even though the internal integration is an important aspect, an approach to management at the supply chain level, in an efficient and effective way, cannot be done without external integration with suppliers and clients. That is why we consider that companies belonging to the business field must focus on structuring key processes, to collaborate with their clients and suppliers and to integrate their internal systems, with the aim to support business operations.

**Keywords:** logistic management, supply chain, supply chain management (SCM), e-logistics, ERP(Entrepreneurial Resource Planning) systems

**JEL classification:** M21

## **CULTURAL DIMENSIONS AND WORK MOTIVATION IN THE EUROPEAN UNION**

**Mirabela Matei, Madela Abrudan**

Management-Marketing Department, Faculty of Economic Sciences, University of Oradea, PhD student at West University of Timisoara, Faculty of Economics and Business Administration

Management-Marketing Department, Faculty of Economic Sciences, University of Oradea, Oradea, Romania

mmatei@uoradea.ro

mabrudan@uoradea.ro

**Abstract:** For decades, the field of work motivation was moulded mainly by the cultural constraints. The present scientific paper is a theoretical research which aims at identifying various motivational patterns which might be used in the EU countries. In order to illustrate these differences, we will use three Hofstede's cultural dimensions: individualism, uncertainty avoidance and masculinity. Each of these cultural dimensions presents particularities which exert an influence on the way of thinking, on the abilities and behaviours of the individuals in a certain society, but we will refer only at the influence on the attitude towards work. For the identification of the motivational patterns, we will have as starting points, on one side, the particularities of the cultural differences and results of the relevant research performed so far; on the other hand there is Maslow's hierarchy of needs. Hence, we can consider that safety and security prevails upon other needs where uncertainty avoidance is strong (Greece, Romania and so on). The need of belongingness will prevail upon the need of esteem in the feminine cultures (such as Sweden, Latvia), but in the masculine cultures esteem need is stronger (such as in the case of Hungary). In masculine countries with an increased collectivism (Greece), the opportunities for improvement, recognition and extra incomes will have an increased importance, while in feminine countries (Holland, Sweden) personal time, freedom and need for belongingness will be more important. Without claiming to be an exhaustive presentation of the motivational patterns, the purpose of the present paper is to underline the necessity that the motivation theories are to be considered valid only in the cultural environment where they were conceived. The transfer and the application of the motivation theories and patterns from one culture to the other, implies the testing of their validity in the new context.

**Keywords:** cultural dimensions, Hofstede, work motivation, EU

**JEL classification:** M12, M16

## **ECONOMY, MANAGEMENT AND EDUCATION BEYOND TWENTIETH CENTURY**

**Liviu Mihăescu, Diana Mihăescu**

*Lucian Blaga University of Sibiu, Faculty of Economic Sciences, Sibiu, Romania*

*Lucian Blaga University of Sibiu, Sibiu, Romania*

*liviu.mihaescu@ulbsibiu.ro*

*diana.mihaescu@yahoo.com*

**Abstract:** *In history, people with a high level of education have had a good living standard. The education is responsible for: structure of consumption, public health, standard of living. When the education level decreases occurring phenomena that manifest in today's Romania: snobbery extremely expensive and spread; the society appear ill at large percentages of people; poor health services; corruption is expanded and public money is not used in the interests of community. Further reasoning leads us inevitably to the dissolution of the society and a possible disappearance or change of state. Not ruled out the option of a totalitarian society. A positive example can be given by Switzerland, which is not part of the EU. In the structure of the economy, services are prevalent (banking, tourism, consulting). Although its population is composed of four ethnicities and the standard of living is one of the highest in Europe. Why? Political consensus is made in the interest of the majority, well-made legal system where justice does its job... Everything is coming from education. Things do not change overnight, especially those involving social, but observing current trends allows students with lessons that can be used by those who project their long-term business. A decreasing trend of education means: cheap labor and weak skilled, export of raw materials, cheap assets and weak currency. We often come to wonder where civilization is leading, how illusions work in present and which will be the foundation that will raise the new world. Indeed, there are big questions, and there are related solutions which will become the leitmotif beyond: the optimization. Comes from a world of consumption at any cost, we will have to adapt to a different lifestyle. Saving will become a necessity but not a habit. And this is about all resources management.*

**Keywords:** *Management; education; lifestyle; HRM; economy; optimization.*

**JEL Classification:** *A10; A13; A14; I25; I31; M12; M54.*

## **NEW APPROACHES OF THE CONCEPTS OF HUMAN RESOURCES, HUMAN RESOURCE MANAGEMENT AND STRATEGIC HUMAN RESOURCE MANAGEMENT**

**Anca-Ioana Munteanu**

*Management Department, Faculty of Economics and Business Administration, West*

*University of Timisoara, Timisoara, Romania*

*ank.ioana@yahoo.com*

**Abstract:** *This paper presents the most representative approaches to concepts of human resources, human resource management and strategic human resource management in the last two decades, based on purely theoretical analysis of the concepts mentioned above. The purpose of this paper is to demonstrate through a critical analysis of concepts, that in this era of change and uncertainty, attention to human resources of an organization has changed radically. It can be seen by analyzing the definitions, evolving concepts of human resources, human resource management, strategic human resource management over time. Analyzing the authors approaches regarding the concept of "human resource" it is observed that is no longer assign the term "cost element", present authors define it as a strategic component of organizations. In turn, human resources management has evolved considerably. The period during which the department deals with purely administrative activities, preparing various documents, payroll is no longer valid. Note, by analyzing the literature, a strategic approach to human resource management, focusing on strategic human resource planning, selective recruitment and selection, training, motivation of*

employees, involving them in decision making, teamwork, reward performance based, creating a working environment, with particular emphasis on organizational climate. Organizations have realized the role of human resources, human resources management in the survival and development. Through this article we want to conclude that at the moment it is absolutely necessary strategic approach to human resource management to allow straightening organization to obtain a competitive advantage over other competitors in the field. Competitive advantage has a critical role in the survival of organizations and is managed by Human Resources Management. This may be reflected in better financial performance (higher sales, increased profit), but also by non-financial performance (organizational reputation with customers and potential employees). M. Porter highlights the important role of human resources within an organization, considering that in any business there are potential sources for obtaining competitive advantage. It comes from the ability of firms to master better than its rivals competitive forces. Any subdivision organizational structure and any employee of the organization, no matter how far away lies the strategy development process, contributing to gaining and maintaining competitive advantage.

**Keyword:** human resources, human resource management, strategic human resource management, competitive advantage

**JEL classification:** J24, M10, M12

## THE NEED OF RETHINKING THE PUBLIC ADMINISTRATION SYSTEM IN THE CONTEXT OF THE GROWING POWER OF THE CIVIL SOCIETY

**Florentina Neamtu**

Transilvania University of Brasov, Doctoral School, Brasov, România  
florentinavioleteanemt@gmail.com

**Abstract:** Worldwide, the trend of the last twenty years has been that of globalization and the intense development of the social systems. In this context, nation states are put in a completely new position in which institutions and administrative systems should be flexible to accommodate these changes. In the new coordinates of established geopolitical framework, central and local government is the defining factors in economic competitiveness of a country or economic region. A very important aspect of the globalization is related to the affirming power of civil society emergence and to the concept of social responsibility. What distinguishes the contemporary era from the modern one is the high sensitivity to ethical issues, manifested at the level of individuals and organizations. This fact can be explained by technological advances of communication that allow free access to information about the conduct of national and international communities, less tolerant regarding the business related abuses. We witness thus a process of powerful radicalization of the pressure groups thanks to planetary networks, which inevitably leads to a reassessment of principles and culture of the organization, be it public or private. Romanian society is in a continuous process of change, in which all the economic, social, political and civic factors know a new dynamic in trying to adapt to present conditions. For Romania, under these conditions, all the changes in government acquire new dimensions. Thus, public bodies must respond to new changes in the world economy, but equally to new requirements of integration into EU structures. Public administration reform involves changes in the substance of its major components, both at central government and the local government and public services in general. Furthermore, the development of democracy requires a new relationship between citizens and government, involving the growing and strengthening of the role of local authorities and the reconsideration of the partnership between the civil society and local officials. This paper proposes a theoretical and operational analysis of the new coordinates that define the context of reconstruction of the government - stakeholders relationships.

**Keywords:** public administration, social responsibility, morals, ethics, sustainable development.

**JEL classification:** M31

## **STAKEHOLDERS, THE DETERMINANT FACTORS IN DEVELOPMENT AND OPERATIONALIZATION OF E-GOVERNANCE IN ROMANIA**

**Florentina Neamțu**

Transilvania University of Brasov, Doctoral School, Brasov, România  
florentinavioleteanemtu@gmail.com

**Abstract:** Worldwide, the trend of the last twenty years has been globalization and intense development of social systems. In this context, the national states are put in a completely new position in which institutions and administrative systems should be flexible to accommodate these changes. In the new coordinates of the geopolitical framework, central and local governments are the defining factors in the economic competitiveness of a country or economic region. For Romania, in these circumstances, the combination of changes in government acquires new dimensions. Thus, public entities must respond to new changes in the world economy, but equally to the new requirements of integration into EU structures. Public administration reform involves changes in the substance of its major components, both at the central government and the local government and public services in general. Furthermore, the development of democracy requires the establishment of a new relationship between citizens and administration, namely growth and strengthening the role of local government and partnership with civil society and local officials. Basically, the mere process of public administration reform is no longer justified in the context of the current marketing environment; orientation option from outside to inside the organization has become a condition “sine qua non” for public institutions. With the development of information society, the introduction of information and communication technology raises new challenges for public administration efficiency while providing the opportunity and the coordinates for developing activities closer to the citizen; in this context, increasing administrative capacity improves the ability for Romania to defend its interests at European and international level. An important dimension of the strategic approach is the e-Government which states, increasingly more, as a major feature of the new information and knowledge-based society. Ensuring transparency of activities, measures in reducing or even eliminating bureaucracy, improving the quality of public services are unequivocally defining elements, at least in principle, for the need for e-government platforms in Romania. Based on numerous attempts in building principles of public governance in Romania this paper attempts theoretically and practically to identify the influence of different categories of stakeholders in the process of rethinking the public system. Were analyzed both the system coordinates of the relationship between public system and stakeholders, in the context of large-scale promotion of information and communication technology, and benefits from rethinking their alignment with EU policy context.

**Keywords:** e-government, e-administration, stakeholders, smart cities, citizens, reform.

**JEL classification:** M31

## INTEGRATED DOCUMENT MANAGEMENT SOLUTION FOR THE LOCAL GOVERNMENT

**Răzvan Liviu Nistor, Ioana Mureșan, Mircea Moca**

Management dept., Business Information Systems dept., Faculty of Economics and Business Administration, Babeș-Bolyai University, Cluj-Napoca, Romania

razvan.nistor@econ.ubbcluj.ro

ioana.muresan@econ.ubbcluj.ro

mircea.moca@econ.ubbcluj.ro

**Abstract:** In this paper we present system analysis and design elements for the integrated document management solution at local governing authorities in the rural areas. While specifically dealing with the actual management of the Agricultural Register, an important primary unitary evidence document, we also keep a general character of the discussion, in order to argue for the generality of the proposed solution. Hence, for the identified and described problem space we propose an administrative and software infrastructure solution. This work is an empirical research in which our aim is primarily to identify key problems within the local governing authorities from several perspectives concerning the management of the Agricultural Register then to address those problems with an integrated document management system. For the proposed solution we give and argue the general system architecture and describe the key-mechanisms that support quality requirements. The relevance of this research concern is given by the impact of the actual Agricultural Register management on important stakeholders. This can be measured as the satisfaction felt by taxpayers and the performance of the local governing authorities, the Financial Administration, the Agency of Payments and Intervention in Agriculture and the Ministry of Agriculture and Rural Development. This work is also intended as a start-point for a new, modern thinking of the governing authorities, in their pursue to improve public services. For this, in our work we highlight the importance of complete system analysis at all administrative levels as a main priority concern for all public managers. Our aim is the improvement of the public service by raising the awareness of the decision makers on the necessity of using integrated document management solutions for the provided services. Also, our work aims at increasing the efficiency with which nowadays, governing authorities invest public funds in various IT projects for the management of their services. For this, we highlight the importance of documenting quality requirements during system analysis.

**Keywords:** Local government; integrated system; decision making; document management; Agricultural Register.

**JEL classification:** M15, H11

## THE IMPACT OF THE WORK ENVIRONMENT ON THE ACTIVITY OF THE EMPLOYEES WITH LOW QUALITY RELATIONSHIPS

**Ioan Pastor**

Management - Economics Department, Faculty of Economics, Law and Administrative Sciences, Țirgu – Mureș, „Petru Maior” University of Țirgu – Mureș, România

ioan\_pastor@yahoo.com

**Abstract:** The paper tries to identify the contextual factors that influence positively the level of work effort made by the employees who have low quality relationships with their hierarchical superiors. According to the control theory regarding the leader-employee relationship we can state that a higher work effort than the expected one is due to the fact that in certain working environments can offer control to those who normally do not have it, thus serving as substitute of the high quality leader-employee relationships. Studies have proven that for the employees that report low quality relationships with their superior, low competence of their superior, decentralized decision making and low perceptions of policies,

high levels of the individual work effort are recorded. The paper highlights the theoretical and practical implications of these discoveries and offers directions for further research in this field.

**Keywords:** work effort, competence, leader, control, contextual factors.

**JEL classification:** M12, M20, M21

## RELATIONSHIP MARKETING STRATEGIES IN THE KNOWLEDGE SOCIETY

**Florin Radu Pinte**

“Bogdan Vodă” University, Cluj-Napoca, Romania  
radupsr200@yahoo.com

**Abstract:** The paper work presents the importance of relationship marketing within the process of forming and developing the customer segments that are focused on the brand. Although mass marketing during the main stage of promotion will always serve for brand awareness, the relationship marketing is the one to establish and increase the loyalty after a purchase. By this means, one may reduce costs and increase incomes, Relationship marketing generating intangible benefits. The philosophy of the relationship marketing must be converted into tangible relationships. These connections must become a part of the business and marketing plan of any company. Relationship marketing orientation to organizations brought to the fore three concepts whose importance has grown significantly in the last decade: attracting, retaining and regaining lost customers. Options managers and marketing professionals may turn to offensive strategies for attracting new customers, or the defensive strategy of maintaining existing customers. Implementation of effective marketing strategies requires a substantial effort to measure the value of each customer. Relationship marketing takes into consideration the needs and the expectations of the customers. Relationship marketing is applied both for intermediate consumer and also for the final consumer and it is based on changing view the client satisfaction, becomes a priority and conditions the existence of the producer and seller with a bog accent on quality and better servings. Truly the relationship marketing refers to the process of knowing the real needs of the clients: economical, emotional and moral and also to satisfy efficiently these needs. Relationship marketing strategy depends on the number of clients the company has and the efficiency level of serving them. The company that properly implements the relationship marketing is a company that succeeds in attracting and maintaining the profitable clients. Relationship marketing is the key that really succeeds in real promotion towards sails to customers, to make them buy again and make recommendation for other clients. Relationship marketing establishes mutual advantageous relations between manufacturers and distributors, making an optimization of the company financial performances.

**Keywords:** relationship marketing, brand-customer relationship, member-get-member programe

**JEL classification:** M 31

## THE INTERDEPENDENCE BETWEEN MANAGEMENT, COMMUNICATION, ORGANIZATIONAL BEHAVIOR AND PERFORMANCE

**Maria Daniela Pipas**

Department of Management-Marketing, Faculty of Economics, “Bogdan Vodă” University of Cluj-Napoca, Cluj-Napoca, Romania  
dpipas@yahoo.com

**Abstract:** The approach of this paper is based on the concepts of management, communication and organizational behavior that by implementing the appropriate strategies, by taking and prevention of organizational risk that creates a favorable organizational

climate that can improve, in time, the image of the organization, leading ultimately to making a synergic organization and to increase the organizational performance. An effective communication, followed by an efficient management provides safety in any domain of activity. Organizational communication cannot be seen outside of the management, and represents a fundamental component of it. The lack of communication or poor management of this process leads to alterations in key components of organizational management on one hand, and on the other, the lack of skills and organizational culture regarding these components invalidates the communication process. Today, communication has become increasingly important and more nuanced. At work, employees are faced with an overload of information, but with insufficient or even no communication. Information and communication are two different concepts, but that are interrelated, so information puts people in connection with certain information while communicating puts people in relation with others. Any communication process takes place in a context, which means that it takes place in a specific social, cultural, psychological, physical or temporal space, which is in close interdependence. Any behavioral attitude that we have in this space communicates something about us and determines, consciously or unconsciously, a reaction of positive or negative response from others and may be a factor in sustaining the process of social evolution. In an organizational context, attitudes, behavior can be found as organizational behavior, covering, in turn, a wide range of activities: knowledge and employee satisfaction, understanding group dynamics, accepting and respecting differences between people and of different cultural values that they come with, in the organization and many other skills, activities and management practices. Functionality and performances of an organization, regardless of the national context depend largely on how managers manage to create modern and flexible management systems, integrating in their structure many intra and extra organizational variables.

**Keywords:** management, communication, organizational behavior, attitude, motivation, job satisfaction, performance.

**JEL classification:** M12

## THE MEASUREMENT AND EVALUATION OF THE INTERNAL COMMUNICATION PROCESS IN PROJECT MANAGEMENT

**Alexandra-Mihaela Pop, Danut D. Dumitrascu**

“Lucian Blaga” University department of Industrial Engineering and Management, Sibiu, Romania

alexandrapop\_6@yahoo.com

dumitrascud@asconet.ro

**Abstract:** Internal communication is among one of the most important factors for success in project management. It helps the project managers take correct decisions, implement the right strategies and finish a project on time and within budget. Measuring internal communication and keeping track of its development is a crucial asset that a manager should possess so that the project deliverables are handed out correctly. In this paper our goals are to illustrate how important internal communication is in a project and also to create an analysis model of internal communication in projects based on characteristics of communication. We developed the ICAM model based on a systemic approach with inputs – a processing box – outputs. For the inputs we used the communication characteristics data that we obtained from the questionnaires and the interviews which were later structured in a communication instance relationship. Each communication instance reflects through its attributes the characteristics of internal communication in a project. Processing this information is done by using the data mining tool called Weka. In the data processing stage classification, decision tree classification algorithms were used and also algorithms from the Naïve Bayes belief networks. Applying these algorithms in the model facilitates the

*interpreting and analysis of the communication characteristics in a project. The outputs of the model consist of summarized representations of the communication characteristics such as: texts, diagrams graphics, tables. These outputs of the model, as a result of the processing helps us in obtaining practical conclusions related to the improvement of project communication, for the successful completion of projects.*

The model is a useful tool for improving the internal communication process of a project and help the project raise its efficiency. It has been created based on the characteristics of the information flow within a project. Also the Internal Communication Analysis Model – ICAM – helps improve the projects' deliverables by making sure that everyone in the project understood their roles correctly.

**Keywords:** project management, internal communication, modelling.

**JEL classification:** C11, C15, M14.

## **NEW PERSPECTIVES ON STRATEGIC MANAGEMENT PROCESS**

**Zenovia Cristiana Pop, Anca Borza,**

*Department of Management, Faculty of Economics and Business Administration, "Babeş-Bolyai" University of Cluj-Napoca, Romania*

*zenovia.pop@econ.ubbcluj.ro*

*anca.borza@econ.ubbcluj.ro*

**Abstract:** *For developing economies the development of enterprises should be a strategic goal, this way of thinking may become viable only as a result of a combination of judicious analysis based on specific local economic aspects and a set of actions to correct any slippage or amplify existing development trends taken by the managers. A better leadership would unequivocally lead to a better strategy but sometimes the lack of information, first about the external environment, continuously undergoing quick and radical changes, the political problems and the complexity of the implementation of the strategy or the costs that it implies are not taken into consideration. Therefore managers have two options: to establish strategies, which would lead to the achievement of the objectives; evaluate them on the basis of economic efficiency or to identify an already existent strategy and to adapt it to the environment changes in which the enterprise carries on its activity. This paper aims at discussing and explaining from a theoretical perspective, the evolution and the advantages and disadvantages of the strategic management process, in order to convey the managers a modality to achieve competitiveness and evaluate the position of the firm. In the first section, we explain the the necessity of strategic management process. In the second section we present the different evolution stages. The third section presents our conclusions regarding the advantages and disadvantages of the strategic management process, fundamental for the strategy success. The financial crisis did affect the Romanian economy and Romanian enterprises early in 2009 registering an impact of the crisis identified in the need of the managers to rethink their strategies, to improve their management skills and perspectives on the role of the employees after the crisis. In this paper we try to underline the evolution stages of the strategic management process with its own characteristics by which both Romanian or foreign managers can evaluate the position of their enterprise and can take improvement measures, which may help sustain or gain competitiveness that has been affected by the crisis.*

**Keywords:** strategies, strategic management process, manager, strategic planning, development, performance

**JEL classification:** L1, M11, C41



## **CLUSTER POLICIES IN THE EUROPEAN UNION – ENGINES FOR SUSTAINABLE ECONOMIC DEVELOPMENT AND COMPETITIVENESS**

**Ion Popa, Cristina Vlășceanu**

*The Bucharest University of Economic Studies, Bucharest, Romania*

*iipopa@yahoo.com*

*crysthina2003@yahoo.com*

**Abstract:** *The present article wishes to present the topic of clusters and cluster policies, to highlight their status and role in the European Union and to underline their significant purpose in obtaining a sustainable economic development, and in making a more competitive and well oiled Europe. The research for this article is part of a greater goal – that of getting the answer to the question: What are clusters what and how can “they” better the performance of the regions that are part of the member states of the European Union? To do that, an inquiry into the issue was necessary, by analyzing information from multiple data sources and by drawing some conclusions, based on those informations. The conducted research was empirical, and in order to better highlight the relationship between clusters, cluster policies and economic development, a synthesis of different case studies and statistical data were used. The conclusion that was found was that strong cluster portfolios are related to (and thrive in) developed countries, but interestingly enough, relationship can also be reversed (meaning that clusters cause the region they exist in to increase its performance). Also, clusters are highly prevalent from a geographical point of view, the existence of which can be seen globally, of course in different stages of development. And last, but not least, from the standpoint of national cluster policies, although all countries have programs for clusters either at national or regional level, which varies from country to country is the number and type of ministries that are responsible for implementing cluster policies. Also another factor that varies is the importance given to cluster policies. However an issue that is becoming increasingly clear is that the cluster policy is becoming more important and relevant. Therefore, the hypothesis was confirmed, there is a direct correlation between clusters, cluster policies and sustainable economic development and competitiveness.*

**Keywords:** *clusters, cluster policies, economic development, European Community instruments*

**JEL classification:** *F63, O1, I15*

## **EMOTIONS IN THE ORGANIZATIONAL ENVIRONMENT**

**Mirela Popa, Irina Iulia Salanță**

*Management Department, Faculty of Economics and Business Administration, “Babeș-Bolyai” University, Cluj-Napoca, Romania*

*mirela.popa@econ.ubbcluj.ro*

*irina.salanta@econ.ubbcluj.ro*

**Abstract:** *At the heart of any workplace behavior (and not only), there are always one or more emotions (pleasant/unpleasant, partially controllable/uncontrollable, aware/unconscious, useful/useless/harmful, intense/less intense, predictable/unpredictable, expressed/ repressed, observable/ unobservable, explained/ unexplained, rational/ irrational, and so on). Emotions are the foundation of a complex and mysterious mechanism of action and behavior. Emotions are triggered by certain things, people, events, situations, processes, results, interactions and so on, and are informed by a variety of endogenous (biological) and exogenous factors, and also by the intellectual potential of each individual. Emotions lie at the intersection of mind (rationality), body (physical) and soul (spirit), thought, reason, logic, compassion, autonomy and action/behavior, individual and environment. This article undertakes to define emotions and identify their impact on the*

*organizational environment, with emphasis on emotional climate and managing emotions. Moreover, we will focus on human behavior/action, rather than on the evolution of the nervous system or the cortex in particular. Work itself should not be a source of suffering. It is obvious that certain emotions cause bad moods, unnecessary and even harmful ones, conditions that should be considered, even if they have a situational and subjective character. Some managers think that the decision-maker fulfills his/her duties by strictly conforming to the law and to the agreement clauses and by meeting his/her obligations in a timely and exacting manner. Others believe that a good leader, in addition to observing the applicable rules and regulation, must be honest also to his colleagues and collaborators and sympathetic to the needs, ideas and emotions of those who are interested in the optimal operation of the company. Managers must remain alert to events, people and behaviors that can trigger harmful emotions within the organization. Employees should be encouraged to express their emotions in order to avoid tense situations. Even though tensions may occur, they must be managed effectively because, as we all know, avoiding a war does not mean peace, just as avoiding unnecessary inconveniences does not always equal pleasure. The improvement of emotional behavior represents a competitive edge in business activities for any organization. The main target of this undertaking is to provide a certain perspective on emotion; to be more specific, we are concerned with discovering the circumstances and causes that trigger off emotions in organizational environments. Theoretical approaches conveyed in this article may be perceived as a call to mindfulness and to the managers' awareness as to the importance of improving the emotional climate of the workplace.*

**Keywords:** emotions; organizational environment; emotional climate.

**JEL classification:** D21, D83, J28, M12, M14.

## **STRATEGIC LANDMARKS IN OBESITY PREVENTION IN ROMANIAN CHILDREN AND ADOLESCENTS**

**Dana Popescu-Spineni, Sabina Popescu-Spineni, Daniela Manuc**

*Institute of Anthropology „Francisc I. Rainer” of the Romanian Academy, e-mail: dana.spineni@gmail.com, franciscrainer@yahoo.com*

*University of Medicine and Pharmacy „Carol Davila”, National Institute of Public Health, Bucharest*

*University of Medicine and Pharmacy „Carol Davila”, Department of Public Health, Bucharest*

**Abstract:** *Given that in Romania obesity has also become a recognized public health problem and still there is not a public health policy on the broader “socio-ecological” model, we thought it useful to carry out three surveys using the Delphi method with the purpose of identifying and building a hierarchy for the optimum national intervention strategies to prevent obesity in Romanian children and adolescents. Of the 300 experts invited to join the Delphi surveys, 76 completed the two rounds of questions (25.33% response). The final number of surveys participants included: 26 school doctors (Delphi I); 25 interdisciplinary experts (DELPHI II); 25 parents (DELPHI III). The outcomes of our study were compared with those of the European project PorGrow. Responses were classified by the principle of ranks, using the average weighted ranks given of each participant in the survey for each question. For analyzing the degree of concordance between the three views expressed, Kendall's nonparametric test of rank correlation coefficient was calculated. This study shows a consensual opinion regarding the necessity of applying not just a few separate measures, but a whole package of well coordinated, well integrated measures, that are able to complete one another and to adapt to the Romanian social-economic and cultural environment in order to reverse the progressive tendency of the obesity epidemic on children and teenagers.*

**Keywords:** obesity, prevention, public health policy

**JEL Classification Codes:** H51, H83, I15, I18, I30, I38, J18, M54

## **FORCES THAT ENHANCE OR REDUCE EMPLOYEE RESISTANCE TO CHANGE**

**Mariana Predișcan , Daniela Braduțanu , Roxana Nadina Roiban**

*Management Department, Faculty of Economics and Business Administration, West University of Timișoara  
mprediscan@feaa.uvt.ro  
dbradutanu@gmail.com  
roxana\_roiban@hotmail.com*

**Abstract:** *This paper is part of change management. The extent to which managers succeed to reduce the resistance to change from the part of the affected employees contributes greatly to the achievement of the targeted objectives that follow a change process. This paper aims to present a number of forces located both inside and outside the organization, forces that through their manner of expression may exert a direct influence on the increase or decrease of the opposition's intensity of those affected by the change. The identification and analysis of these forces give to the involved managers in coordinating changes the possibility to reduce efficiently and effectively employees resistance to change.*

**Keywords:** *change, resistance to change, change in organizations, reduce resistance to change.*

**JEL classification:** O30, O39

## **PERFORMANCE IMPROVEMENT STRATEGIES USED BY MANAGERS IN THE PRIVATE SECTOR**

**Patricia Rațiu, Leonina-Emilia Suciu**

*Management Departement, Faculty of Economics and Business Administration, Babeș-Bolyai University, Cluj-Napoca, România  
patricia.ratiu@econ.ubbcluj.ro  
leonina.suciu@econ.ubbcluj.ro*

**Abstract:** *There are many situations in professional life when for various reasons we are employed in jobs that do not meet our emotional expectations our professional capabilities, our passions and therefore performance on that job will not be high. Analysis of the causes of under-utilization of human potential and adoption of appropriate strategies according to employee needs help reduce staff turnover costs. The main objective of the present paper consists in identifying managerial strategies which contribute to the improvement of the employees' performances by stimulating their motivation, and the extent to which they are used in the managerial practice. Based on literature review we realized an integrated model and developed a classification, that present our own vision regarding performance improvement strategies. Our classification divides strategies for improving employees' performances into four main groups: by employees' development, by rewarding employees, by modifying the job description, by employee involvement in the organization. Starting from this model, through two types of questionnaires we have made an empirical research among managers as well as among office personnel, in order to capture both perspectives regarding the pursued objectives. For the present paper we will present only research results obtained for performance improvement strategies by employees' development because support a higher degree of generality and do not depend on the organization characteristics. A quantitative data analyze from the two samples show that there are differences between managers and employees perception when it comes to strategies used in their organizations and also manager did not know which determines employees to strive in order to improve their performance and obtain better results. The strategies to improve the employee's performances, proposed within this article have the role to show the fact that*

managers cannot determine every employee to be competitive by using the same methods, and therefore treating each differently person with the aim of creating for that person a favorable context for the development of the performance brings benefits at individual as well as at organizational level.

**Keywords:** performance improvement; motivational strategies; employee development; performance feedback; career planning; mentoring.

**JEL classification:** M12; M51; M53.

## **FACTORS AND REASONS THAT CAN MAKE USERS TO INCREASE THE USAGE OF SMARTPHONE SERVICES**

**Teodora Roman, Silviu Vasilache**

*Department of Management, Marketing and Business Administration*

*Faculty of Economics and Business Administration,*

*„AL. I. CUZA” University of Iasi, Romania*

*throman@uaic.ro*

*silviu.vasilache@gmail.com*

**Abstract:** The purpose of this paper is to identify and analyze factors that influence the users of the telecommunications smartphone services for increasing the usage of such services. The first approach adopted was to study the literature review related to the technology acceptance models and the second, to test the hypotheses by using SPSS regression analysis. The research was performed in three multinational companies operating in Romania, collecting data from 307 respondents via a web questionnaire survey between 11th – 24th of February 2013. Since many companies have been used in their business the new technology, it is important to link the users' motivations with the specific of telecommunications services, in order to improve, in the end, the job performance. The findings suggests that the users of smartphone services are very much influenced by practical reasons of getting access to the smartphone services, so that the telecommunications operators should consider the factors in the model to promote and increase the usage. In this paper the conclusions related to the reasons and direction that can make users to increase the usage of smartphone services are coming both, from multiple factor regression analysis, as well as from the analysis of the sample research profile.

**Keywords:** high technology, smartphone services, technology acceptance model, “national globalization”, remote management.

**JEL classification:** M31

## **ANALYSIS OF THE RELATIONSHIP AMONG TRAINING, SKILLS AND CONTENTEMENT OF THE EMPLOYERS**

**Teodora Roman, Emil Maxim, Adriana Manolică**

*Department of Management, Marketing and Business Administration*

*Faculty of Economics and Business Administration*

*„AL. I. CUZA” University of Iasi, Romania*

*throman@uaic.ro*

*emaxim@uaic.ro*

*manolicaa@yahoo.com*

**Abstract:** Successful designing and implementation of the quality management system in an organization requires taking into account the requirements of all categories of natural persons or legal entities which have direct or indirect interests towards it. Efficiency and effectiveness of the actions carried out to meet the expectations of stakeholders shall be

assessed by periodic measurements and analyses accomplished with appropriate tools for each category. Obtaining favourable results following the measurement of contentment does not put an end to the process of relationships with the customers and stakeholders. Implementation of the process will reveal new expectations and requirements that, in conjunction with the ones existing in the Organization and in order to improve the activity will lead to strategies and policies that are intended to contribute to the continuous improvement of the relations with stakeholders. Thus, based on previous researches undertaken internationally and nationally, we carried out two investigations which aimed to identify the employers' needs and requirements related to the quality of skills provided by universities to the higher education graduates, and measurement of their degree of adjustment to the specified or implied requirements. In our country, the studies on employers' requirements have permanently concerned the universities. The problems identified are almost similar with those abroad, and the solutions offered by many studies have not provided the solving key but only at most an improvement of the situation. The labour market in Romania is not structured, and there is no nationwide program for its development, but nevertheless the universities must provide the workforce for the next 3, 4 or 5 years. The researches carried out for this purpose show that work experience is considered by employers as a main criterion, stronger than the grade of graduation or than the reputation of the university where they graduated from. A first research - the exploratory type – has aimed through investigation to identify the following issues: the importance placed by employers on the staff selection criteria; areas in which employers have difficulties in finding staff with higher qualifications; skills that the employers would like the University to focus on, preparing additionally the graduates in this respect, and the general level of contentment in terms of the educational services quality. A second research – both the descriptive and explanatory type – has provided information on: identifying the skills required from the higher education graduates; measuring the importance placed by employers on several groups of skills and competencies; estimating the levels of the skills achieved in some Romanian universities; contentment survey related to other services provided by the higher education institutions in Romania.

**Keywords:** quality, higher education, contentment, requirements, employers

**JEL classification:** I25

## **MARAMUREȘ WORKFORCE COMPARED TO THE REST OF THE NORTH-WEST REGION**

**Simona Sabou**

*Economic Sciences and Physics Department, Faculty of Science, North University Center of Baia Mare, Technical University of Cluj-Napoca, Romania*

*simona.sabou@gmail.com*

**Abstract:** This paper presents aspects regarding population and workforce in Maramureș County, compared with the situation recorded in the region to which it belongs, i.e. North - West, at the end of 2010. The paper is aimed at all those interested in these issues. Besides Maramureș County, the North - West Region also includes the counties of Bihor (BH), Bistrița-Năsăud (BN), Cluj (CJ), Satu Mare (SM) and Sălaj (SJ). Maramureș is known for its wooden churches, its rural architecture, its old traditions - preserved until today - its craftsmen and its impressive landscapes. This paper is based on statistical information provided by the National Institute of Statistics, Department of Statistics in Cluj. In March 2013, the latest data available are those relating to the end of 2010. Thus, based on this information, it pinpoints the fields in which the people in Maramureș are employed at this date, compared to other counties in the region, the wages they get, and the contribution to the county and regional GDP. It also compares labor resource, active civil population and employed civil population, unemployed. After 1989, Maramureș County, as well as the entire

North - West Region, underwent major changes. Population decreased from year to year, however the lack of jobs has become a constant reality. The mining of ore, the processing of metals other than iron and the auto industry, which used to cover most of the jobs in Maramureş, entered into a continuous decline, which culminated in the closure of all mines in the county. In this situation, adapting to the new conditions, the current economic reality, is a daily problem for the people of this county. We will try to determine in which fields the people of Maramureş are currently working in, compared to the residents of the other counties in the region, which are their wages and what the contribution to the regional and county GDP is. We will also see the state of the labor resource, the active civil population, the employed population and the unemployed.

**Keywords:** workforce, employed population, unemployed, Maramureş.

**JEL classification:** J11, R11, R23.

## **AGRICULTURE IN MARAMUREŞ COMPARED TO THE REST OF THE NORTH-WEST REGION**

**Simona Sabou**

*Economic Sciences and Physics Department, Faculty of Science, North University Center of Baia Mare, Technical University of Cluj-Napoca, Romania*  
*simona.sabou@gmail.com*

**Abstract:** This paper presents aspects of agriculture in Maramureş, compared with the situation recorded in the region to which it belongs, the North - West, at the end of 2010. Thus the work is addressed to all those interested in these issues. Maramureş County is part of the North – West Region, along with Bihor, Bistriţa-Năsăud, Cluj, Satu Mare and Sălaj. The paper is based on statistical information provided by the National Institute of Statistics, Cluj Regional Department of Statistics. In March 2013, the latest data available are those that refer to the end of 2009. Thus, based on this information, it pinpoints the area cultivated with the main crops, the land by use, agricultural production of goods and services, the average yield per hectare for main crops, total fruit production, number of animals, farm vehicles. After 1989, Maramureş County, as well as the entire North - West region, underwent major changes. Population decreased from year to year, however the lack of jobs has become a constant reality. The mining of ore, the processing of metals other than iron and the auto industry, which used to cover most of the jobs in Maramureş, entered into a continuous decline, which culminated in the closure of all mines in the county. In this situation, adapting to the new conditions, the current economic reality, is a daily problem for the people of this county. Maramureş is known for its wooden churches, its rural architecture, its old traditions - preserved until today - its craftsmen and its impressive landscapes. Much of the county remained non-industrialized in the communist period, so that traditional agriculture is at home in this part of the world. In Maramureş, agriculture is not an option. It is the result of the lack of jobs in other areas, which lead to the return of the population to rural areas. It is a way of making a living.

**Keywords:** Maramureş, NW Region, agriculture, cultivated area.

**JEL** Q15, R10.

## APPROACHES TO QUALITY MANAGEMENT AT EUROPEAN LEVEL

Horațiu-Cătălin Sălăgean, Radu Ilieș, Mihai Gherman, Bogdan Cioban

*The department of Management, FSEGA, UBB, Cluj-Napoca, Romania*

*The department of Management, FASE, UAI, Cluj-Napoca, Romania*

*The department of Management, FSEGA, UBB Cluj-Napoca, Romania*

*The department of Management, FSEGA, UBB Cluj-Napoca, Romania*

*horatiu.salagean@econ.ubbcluj.ro*

*ilies.radu@gmail.com*

*mihgherman@yahoo.com*

*bogdan.cioban@ing.ro*

**Abstract:** *In the current economic context, quality has become a source of competitive advantage and organizations must perceive quality as something natural and human in order to achieve excellence. The proper question for the context of the internationalisation of the economy is whether the culture of the regions, states or nations affects the development in the quality management field and the quality approach. The present study tries to give a theoretical approach of how culture influences the quality approach at the European level. The study deals only with the European quality approach, because at European level one could meet a great variety of models and methodologies. In the U.S.A. and Japan one could identify a specific cultural approach regarding quality. At the European level, we cannot discuss in the same terms, because each country has a different cultural specifics in terms of quality. In order to determine the cultural specificity of the countries surveyed, the study has used the most popular analysis tool of cultural dimensions, namely the Dutch Professor Geert Hofstede's model. The model illustrates according to a survey, the organizational behavior of several countries and was able to identify a set of variables and fundamental dimensions, that differentiates one culture from another. An attempt was made to see if there are connections between the values of Hofstede's cultural dimensions and the quality characteristics in the analysed countries. The study, describes on the one hand, the quality evolution from quality control to Total Quality Management and on the other hand, focuses on the quality approach modalities at European level. The second part of the paper is structured into two parts, addressing on the one hand the quality in countries of Western Europe, such as United Kingdom, France and Germany, because these three countries are considered to be the exponents of quality development in Western Europe. In the same time, the paper seeks to explore the quality approach in Eastern Europe, with a brief analysis of cultural context and quality development in Romania.*

**Keywords:** *quality, total quality management, quality culture, quality and cultural dimensions, European quality, Hofstede's model and quality*

**JEL classification:** *M14; P52*

## STUDY ON PACKAGING WASTE PREVENTION IN ROMANIA

**Lucia-Monica Scorțar**

Management Department, Faculty of Economics and Business Administration, Babeș-Bolyai University, Cluj-Napoca, Romania  
lucia.scortar@econ.ubbcluj.ro

**Abstract:** This paper presents on the one hand, the packaging waste management in our country, and on the other hand the packaging waste – most of them disposable - prevention mechanisms. The study provides useful information regarding the quantities of the packaging waste, the capitalization methods and their impact on the environment and population. Preventing waste means reducing the amount of waste generated, reducing the hazardous content of that waste and reducing its impact on the environment. The importance of waste prevention is nowadays fully recognized and generally considered as a priority within EU, as well as national and regional authorities' waste management strategies and plans, but many efforts still need to be made. In practice, local and regional authorities will have to prepare their own waste prevention plans. They will have to take into account that the waste hierarchy established by the Waste Framework Directive puts waste prevention as the top priority. Waste prevention plans shall in particular include a series of actions aimed at reducing the amount of waste to be managed and treated by public authorities. The current national environmental policy is based on the concept known as "waste hierarchy". In an ideal situation, this means that the waste quantities should be prevented and the waste which cannot be prevented should be reused, recycled and recovered as much as possible, avoiding landfilling. The uncontrolled landfilling is the most disadvantageous option for environment meaning resource losses with negative impact on the environment. The goal is to move forward to a society of recycling and recovery, meaning to climb the hierarchical scale, moving from landfill to recycling and recovery. It is very important to mention that individuals and businesses can often save a significant amount of money through waste prevention: waste that never gets created doesn't have management costs (handling, transporting, treating and disposing of waste). The rule is simple: the best waste is that which is not produced.

**Keywords:** waste prevention, packaging waste, recycling, selective collection, environmental protection

**JEL classification:** Q53

## ORGANIZATIONAL DEVELOPMENT IN THE FIELD OF POSTAL SERVICES

**Janetta Sîrbu**

Department of Management-Economy, Faculty of Economics, "Bogdan Vodă" University, Cluj-Napoca, România  
sjanetta2002@yahoo.com

**Abstract:** In the current competitive context organizational development of enterprises determine radical changes in order to cope with an environment dominated by deep uncertainty and creates the ability to renew its own knowledge assets in order to gain competitive advantage in a market more and more complex and diverse. A detailed analysis has been made of the organizational development at the County Postal Office in Cluj according to Greiner's model in the five phases of development: creativity, leadership, delegation, coordination and collaboration, the five types of crisis being defined for each stage/phase, respectively: leadership crisis, autonomy crisis, control crisis, staff crisis and unknown crisis. By delegating responsibilities a special attention is required with regard to the way of acting, the availability of managers to give up power, the "reaction" of top managers, etc. With the new development phase, that is the phase of delegation, there are found some objectives with respect to use of delegation as a tool to facilitate organizational



*development, the creation of an organizational culture favorable to development, the improvement of the motivational system or the development of interpersonal relationships.*

The evaluation of organizational development at the County Postal Office in Cluj was made by applying a questionnaire on organizational development that consists of 60 descriptive statements, answered by four of the organization's management and 56 employees with executive positions. Following the results obtained from the questionnaires there has been showed that the organization is in phase two of development that is leadership development. The applied management style starts to be on odds with reality and triggers the crisis of autonomy, which requires delegation of authority and responsibilities to as many employees as possible, involvement and encouragement of initiatives of the staff. After analyzing the questionnaire responses, it was revealed that the organization is in the second phase of development, respectively development through leadership, requiring an authorized leader to streamline the activity and to create major necessary budgeting systems of reward and communication.

**Keywords:** *organizational development, assessment, questionnaire*

**JEL classification:** O43

## HOW TO DEAL WITH CORPORATE SOCIAL RESPONSIBILITY RELATED TO EMPLOYEES

**Ciprian-Dumitru Stoian**

*Department of Management, Faculty of Economics and Business Administration, "Babes-Bolyai" University, Cluj-Napoca, Romania  
ciprianst@yahoo.com*

**Abstract:** *The aim of the paper is to examine an area which was not thoroughly researched until present. We refer on how Corporate Social Responsibility (CSR) practices are nowadays reflecting its actions to employees / labor force. This paper represents a theoretical research related to the latest developments in this field. We had documented our paper based on actual references on this matter. In order to make correct assessments, this material seeks firstly to examine the level of understanding in respect of internal CSR actions related to employees. It is very important to understand and to briefly describe how previous studies described the link between CSR actions assigned to own employees. Secondly, this paper focuses on presenting and commenting an idea prescribing that pyramids (i.e. the pyramid of Maslow's hierarchy of human needs and the pyramid of Carroll's corporate social responsibility) put together generate a clear feedback related to companies' reactions in respect of CSR for their employees. In a practical manner, it is assumed that each level on the pyramid of Maslow has a correspondent in the pyramid of Carroll and vice-versa. This model is then precisely reflected when looking at the employees and their needs reflected through CSR actions. Thirdly, this paper also emphasizes the importance of the labor unions for employees' CSR. We discuss about an out-of-the-box role for the labor unions, which should be engaged more and more in the employees updated wishes, one of them being about various CSR actions that need to be focused on employees. We assume that CSR efforts directed in the field of employees would make them more responsible, more eager to work and more productive in their day-to-day work.*

**Keywords:** *Corporate Social Responsibility; Employees; Labor Unions; Pyramids*

**JEL classification:** M14

## HUMAN RESOURCE MANAGEMENT - FROM FUNCTION TO STRATEGIC PARTNER

Ramona Todericiu, Anca Șerban

Faculty of Economics, "Lucian Blaga" University of Sibiu, Romania

ramona.todericiu@ulbsibiu.ro

[anca.serban@ulbsibiu.ro](mailto:anca.serban@ulbsibiu.ro)

**Abstract:** *In most of the organizations, people are now recognized as the vital asset. Their knowledge, skills and abilities must be deployed to the maximum effect if the organization is to become successful. The intangible value of an organization relating to the people it employs and its human resource strategies is gaining recognition and it is generally accepted that this has implications for long-term sustained performance. The recent changes in the economy and the development of new technologies are creating the proper set for a series of other changes regarding the human resource management. The first one refers to the need to respond to the challenges raised by the knowledge workers and the second one refers to the increasing role of human resource management in the strategical moves of the organizations. Lately, because of the recent mentioned developments, strategic human resource management became a subject of ongoing discussion for academics. Its definition and relationships with other aspects of business planning and strategy vary, but the common agreement is that strategic human resource management is a complex process that is constantly evolving and that there is a need of understanding its usefulness. Having quality professional practices is a must, but this shouldn't be the only focus of the best human resource practitioners. They need to be able to combine their attention to basic administration with also making important strategic inputs that have a positive impact on the organization. The purpose of this article is to present the current research state in the field of strategic human resource management. In order to achieve this, the factors that underline the importance of human resource management are assessed. The study has been accomplished using the methodology of bibliographic study and qualitative research.*

**Key words:** human resource management, knowledge society, chief executive officers, partnership

**JEL classification:** M12

## ORGANIZATIONAL CULTURE AND STRATEGY. HOW DOES IT WORK? AN EMPIRICAL RESEARCH

Cristian-Liviu Vele

Department of Economics, Faculty of Science, "Technical" University, Cluj Napoca, North University Centre Baia Mare, Romania

[cristian\\_vele@yahoo.com](mailto:cristian_vele@yahoo.com)

**Abstract:** *Why do some companies fail in their efforts to implement competitive strategies? Why do others win in implementing competitive strategies? Of course the reasons behind every fail and every win are numerous and can be related to insufficient resources, lack of information, changes in the external environment, etc. But let's say that two companies, trying to implement a competitive strategy, have the necessary resources, information and the environment is relatively calm. Although the two companies have the same opportunity in implementing the strategy, only one is successful in its efforts, while the other fails. Why? One possible answer and one of the most plausible causes behind this fail is the resistance to change. Strategies are designed to increase the company's overall performance by strengthening its capabilities and core competencies and by eliminating the inefficient activities and processes. But, this phenomenon will change the way in which things are done inside the company. This, in turn, will change the culture which defines that organization. Facing this threat, employees will try to maintain things as they were, while managers are*

trying to implement the new strategy to gain competitive advantages. As a consequence of this conflict, the new strategy will most likely fail in its implementation, causing negative effects on the company. This article wishes to provide a theoretical and empirical view on the importance of having a dynamic organizational culture designed to sustain new strategic initiatives. To underline this importance, an empirical study was conducted on several Romanian construction companies with the intent of revealing the correlations between a supportive culture and strategy. In conducting this study the main objective was to reveal if companies characterized by a supportive and dynamic organizational culture are more likely to have a strategy formulated and implemented.

**Keywords:** organizational culture, strategy, strategic management, construction industry

**JEL classification:** M14, L74, L20

### **MONTE CARLO SIMULATION: IMPORTANT MANAGEMENT TOOL IN EVALUATING DECISIONS UNDER RISK. CASE STUDY: LAUNCH A NEW PRODUCT OF SHOES**

**Vincentiu Veres, Maria Mortan**

Management Department, Faculty of Economics and Business Administration, Babeş-Bolyai University, Cluj-Napoca, Romania

vincentiu.veres@econ.ubbcluj.ro

maria.mortan@econ.ubbcluj.ro

**Abstract:** Decisions are a result of choices made between several alternatives and will affect all participants in the decision-making process. In this paper we analyze the Monte Carlo simulation as an important management tool in evaluating decisions under risk. The method is particularly useful in simulating decision problems. For example, the profit that could be achieved if a company launches a new product may depend on a number of factors (market share, advertising, production costs, launch costs, the lifetime of the product, etc. The company manager should identify all factors that could affect profit and then to consider the large number of ways in which these factors may interrelate. In such situations it is recommended company manager to divide the problem into smaller parts, asking him to estimate the probability distribution for market share, for advertising, for the cost of launch. Once they were obtained it can be determined their combined effect in order to obtain the probability distribution of profit. Through computer can generate a large number of possible combinations of situations where you choose a particular course of action. Upon completion of the simulation possible combination will be generated mostly while the least possible combination will be generated less frequently. For exemplification we selected a company producing shoes in Cluj market who wants to launch a new model for autumn-winter 2013-2014. In the current period the company has limited production capacity, has a number of additional contracts honored and general economic crisis situation makes money availability to be extremely limited. Accordingly, the company will have to choose a single product to be launched next season. The company will have to decide which of the two new products to be launched on the market: a model of boots for men in business class or a new model of women's boots of the same class business. The company is not sure either production costs or sales level. Profit estimate involves going through several phases, and the first of these relates to the identification of factors that may or may influence the profit for both products.

**Keywords:** decision-making, simulation, Monte Carlo method, launch a new product.

**JEL classification:** D81



## SUB-SECTION: MARKETING

### THE PUBLIC SERVANTS ` PERCEPTIONS REGARDING THE COMMUNICATION PROCESS WITHIN LOCAL PUBLIC ADMINISTRATION – A QUALITATIVE APPROACH

**Florina Maria Bențe**

*The Faculty of Economics and Business Administration within "Alexandru Ioan Cuza" University of Iasi, Iasi, Romania  
florinaalb@yahoo.com*

**Abstract:** *The goal of this paper was to assess the communication efficiency within local public administration in Crisana Region. It also aims to explore factors predicting employees satisfaction regarding communication process. Using qualitative research were investigated public servants' opinions on the communication in local public administration. As an exploratory study, it was performed a content analysis of information gathered from the interviews organized in the two most largest local public institutions in Crisana Region. The particularities of the internal and external communication are analyzed. In addition, it was taken into consideration the importance of citizen involvement in local government and the requirements for the citizen oriented applications. By analyzing data it was possible to highlight the aspects that please or discontent the clerks regarding the communication with their colleagues, their chiefs, the citizens they serve or other institutions. Therefore every participant in the study presented a positive and a negative critical incident on local communication. It was revealed the crucial role of the dispatch to obtain information by public servants on the one hand and citizens on the other hand. Measures for ensuring the institutions transparency and fairness are described. The public servants emphasized some aspects that are characteristic to the communication within large institution inference. This paper offers a view on the communication process seen from the inside. The collected data are used for verifying the hypotheses regarding the difference in the public servants` perception regarding internal and external communication within local public communication. The interviewed employees stated that authorities granted more importance to external communication than internal communication. Accordingly, is needed an improvement to the means and applications through which internal communication operates because the participants are less satisfied with it. The research findings, certainly reflected the genuine desire of public servants to find better ways to communicate with the public.*

**Keywords:** *public servants, external communication, internal communication, transparency, citizen involvement*

**JEL classification:** *M31*

### THE IMPACT OF MARKETING EXPERIMENTS ON THE RELATIONSHIP BETWEEN SOFTWARE PRODUCERS AND THEIR RETAILERS

**Axenia Bianca Boitor, Andreea Herțanu**

*Faculty of Economic Sciences and Business Administration, Transilvania University, Brașov, Romania  
bianca.boitor@unitbv.ro  
andreea.hertanu@unitbv.ro*

**Abstract:** *This paper presents the results of a marketing experiment done on the Romanian software market. The main purpose of this research is to determine how the marketing campaigns of software manufacturers can influence the decisions of software retailers. Through this marketing experimental research an evaluation and an analysis of the impact that marketing policies of software companies have on the retailers from all over the country*

is made. Three different marketing campaigns were proposed to three groups of software vendors from the most important cities of the country. The total number of software retailers included in this experiment is of 45, and the marketing campaigns proposed by the authors in this experiment refer to the Microsoft brand. Promotion strategies such as: sales promotion by encouraging sales force and promotional pricing or even the policy of partner relationship management have a great impact on three aspects regarding software retailers: loyalty, purchase and resale intention and attitude towards a brand. The results of the experiment show a high interest for the strategy of promotional pricing. The representatives of the software vendors have a positive orientation towards sales promotion by encouraging sales force. Regarding the influences of the manipulations used in the experiment, the greatest impact on the loyalty of the software vendors it has the strategy of promotional pricing. Also the policy of sales promotion by encouraging sales force has the biggest impact on the purchase and sale intention of the software retailers. All three manipulations have also an impact on the attitude towards a brand of the vendors, but the differences are too small to determine which of the proposed stimuli has a greater impact on this aspect. The results of the experiment may help and could have a great influence on the future marketing decisions of manufacturers regarding the strategies and marketing policies used on the Romanian software market. Also, this paper represents a solid foundation for future marketing research that can involve all the stakeholders' categories from the Romanian software market.

**Keywords:** experimental research, software, stimuli, loyalty, marketing campaigns, software retailer.

**JEL classification:** M31.

## WHAT CAUSES SERVICE QUALITY PROBLEMS IN PERFORMING ARTS?

**Andreea Ciceo**

Faculty of Marketing, Academy of Economic Studies, Bucharest, Romania  
theociceo@yahoo.com

**Abstract:** Services marketing has been a hot issue starting from the very beginning (1970s). Many questions have been raised across time regarding concepts such as “services” and “service quality” or questions about how the service quality could be measured. And these questions did not remain unanswered. More or less criticized, the answers have been provided, trying to bring more light over the matters. However, services area is quite a large one, however one wants to define it. And it is common knowledge that the performing arts area subscribes to it, as the performances they deliver to their audiences are nothing but services. Still, researches on service quality in performing arts are very few and rather inconclusive, not to mention the fact they are inexistent in our country. Therefore, the aim of this paper is to answer to questions such as: How does the audience perceive service quality in the context of performing arts? And more important how does the audience perceive its lack? Which are those elements that suggest poor service quality? How does the audience feel about it? And how can poor service quality impact a performing arts organization? The answers to these questions are to be given by the results of a qualitative study. In order to bring the research to life, several focus groups have been conducted, the target being theatregoers, in particular. The results show that there are four major categories that may bring dissatisfaction to the audience. Three of them are more likely to be under the control of a theatre organization: the performance itself, the personnel and the seat, while the fourth one is a controversial and subjective factor, meaning the attitude of other members of the audience during the performance time. Such insights are vital for any theatre manager as it may affect the overall customer satisfaction, the repurchase intention and, eventually, even the brand image.

**Keywords:** services marketing; service quality; arts marketing; marketing research; performing arts

**JEL classification:** M31

## **CONSUMERS' ATTITUDE TOWARDS VIDEO GAMES AND THEIR USE AS AN ADVERTISING METHOD: A PRELIMINARY STUDY**

**Alina Ghirvu**

*Department of Marketing - Faculty of Economic Studies and Business Administration,  
Babeş-Bolyai University, Cluj-Napoca, România*

*alina.ghirvu@ubbcluj.ro*

*Research project POSDRU/107/1.5/S/77946*

*With the title „Doctorate: an Attractive Research Career”*

*Babeş-Bolyai University, Cluj-Napoca, România*

*Scientific coordinator: Prof. Dr. Pop Marius Dorel*

**Abstract:** *The development of new media changed radically the markets and made companies and brands to orientate toward new ways of promoting their products and services. Marketers are intensively investigating the potential of new advertising alternatives to better understand and use of the advantages offered by the interactive online environment. In the Internet context, studying consumers' perception of advertising with new media setup became very important for understanding the way that computer and video games are perceived and accepted by the public and in what ways they could be used for promotional purposes. The present paper investigates the basic elements that define opinions, feelings and attitude of consumers from Romania towards video games in general and advertising in online games in particular, trying to find and describe a series of aspects regarding consumers' grade of acceptance towards video games as an advertising tool and social acceptance of this practice. The lack of studies regarding Romanian consumers' opinions regarding video games and their use for advertising purposes justified the necessity of researches on this matter. These kinds of studies could help advertisers in choosing advergames as a communication tool, and to take in consideration video games as part of their promotional strategy. The present study used the qualitative method of semi-structured in-depth interview and represents a preliminary study for investigating the basic elements that help in defining consumers' attitude towards the use of video games as a promotional tool. The data analyze identified six dimensions which could be used for describing the Romanian consumers' attitude towards video games. Results illustrate the essence of interviews applied on ten volunteers and show that in general Romanian consumers have positive feelings towards advertisements in video games and they are willing to accept them as long as they are not intrusive, are not disturbing the game play or there are advantages at product acquisition.*

**Keywords:** consumers' attitude, video games, advertising, Romanian market

**JEL Classification:** M37

## **FACTORS RESPONSIBLE FOR CONSUMER'S ATTITUDE TOWARDS ADVERGAMES**

**Alina Ghirvu**

*Department of Marketing - Faculty of Economic Studies and Business Administration,  
Babeş-Bolyai University, Cluj-Napoca, România*

*alina.ghirvu@ubbcluj.ro*

*Research project POSDRU/107/1.5/S/77946*

*With the title „Doctorate: an Attractive Research Career”*

*Babeş-Bolyai University, Cluj-Napoca, România*

*Scientific coordinator: Prof. Dr. Pop Marius Dorel*

**Abstract:** *Internet technology, as well as development of mobile phone was fast adopted by people for recreational, economical and business reasons. The web-based technology development and the new communication systems made marketers to orientate their promotional campaigns and efforts towards new ways of reaching their actual and potential client. They started to use new and innovative ways to get public's interest and to encourage purchase. In this context, Internet offered a complex environment to support the development of innovative brand strategies. One of the emerging new techniques in advertising is advergaming. Advergaming represent the use of video game interactive technology for delivering brand messages to public. They are electronic games accessible on companies own websites, on social media sites and on application which can be downloaded on mobile devices. For marketers is important to understand the way that advergaming work and what consumer's attitude towards this practice is. The formation of attitude depends on a series of factors which are common to all types of advertisements based on Internet technology. These factors responsible for consumers' attitude towards online advertising and implicit for attitude formation over advergaming are informative component, source credibility, entertainment, and irritation. Beside these four elements, there are additional criterions which consumers use for evaluating advertising in video games: the viral component, interactivity and telepresence. For marketers it is important to understand these factors and to find practical ways for using them for a better brand communication and for higher results of advertising campaigns which include the use of advergaming as part of the promotional strategy. The present paper is looking to make a description of the factors influencing consumer's attitude formation towards advergaming, in conjunction with the Internet environment and the specific features of this media channel. The presentation of the relevant factors is based on the fundamental elements defining consumer's attitude and it's particularities in online environment.*

**Keywords:** *consumer's attitude, video games, advertising, advergaming, online*

**JEL Classification:** *M37*

## **MISSION STATEMENTS IN HIGHER EDUCATION: CONTEXT ANALYSIS AND RESEARCH PROPOSITIONS**

**Camelia Gordan, Marius Dorel Pop**

*Marketing Department, Faculty of Economics and Business Administration, „Babeş-Bolyai”  
University, Cluj-Napoca, Romania*

*camelia.gordan@econ.ubbcluj.ro*

*mariusdpop1@yahoo.fr*

**Abstract:** *The purpose of this paper is to discuss the main issues that deal with higher education institutions' mission statements, from a marketing perspective. It has long been argued in the literature that missions represent the foundation upon which institutions build their strategic plans, and that they should be the first step any institution takes before designing its strategy. Mission statements have also been linked to the institutions' performance, and to the successful implementation of their strategies. Based on a review of*



*the most recent literature in the field of higher education, the paper explains why missions appear as a relevant tool for the activity of higher education institutions, and provides insights into the way in which these institutions should engage in mission development. The main problems surrounding the development and implementation of missions are also discussed, with emphasis on their contribution in providing educational institutions with a clear direction when faced with the changing environment. Furthermore, given the fact that some authors argue the ineffectiveness of mission statements, the paper sets to establish whether they should still be given the same importance within higher education institutions, or should they be cast aside. Considering the contribution of higher education to society, we also discuss the topic of universities' third mission, service to society, which is beginning to be more and more embraced and implemented by higher education institutions. Throughout the paper, we argue that missions hold a significant role, and that is to provide universities with a course of action, and to guide them towards fulfilling their purpose within society. The authors complete the discussion by suggesting a number of research directions in the final sections of the paper, that show a large potential both for helping educational managers to improve their institutions' activity, and for building richer theories of marketing management.*

**Keywords:** higher education; mission statements; mission development; education marketing; strategy; education management.

**JEL classification:** M31, I23

## **INCORPORATING MARKET ORIENTATION IN HIGHER EDUCATION INSTITUTIONS**

**Camelia Gordan, Marius Dorel Pop**

*Marketing Department, Faculty of Economics and Business Administration, „Babeş-Bolyai” University, Cluj-Napoca, Romania*

*camelia.gordan@econ.ubbcluj.ro*

*mariusdpop1@yahoo.fr*

**Abstract:** *The purpose of this paper is to provide a review of the main issues surrounding the concept of market orientation applied in the context of higher education. Considering the important changes taking place in this sector, a strong willingness of universities to adopt marketing concepts can be noticed. The paper seeks to provide a retrospect on this process, starting with the incorporation of marketing in higher education, and moving on to its implementation, which has come to be known as market orientation. Following a stream of the most relevant literature in the field, we present definitions of the main concepts, and integrate them in the education context, with the purpose of establishing the relevance and importance of market orientation for achieving a sustainable competitive advantage and higher institutional performance. The paper does not aim at providing an exhaustive literature review, but rather at presenting the main elements that define a market orientation, and at supporting its implementation, by outlining the significant benefits that could follow. While theoretical by nature, this research contributes to the body of literature in the field, through closely examining the conceptualization and operationalization of market orientation, and also providing the fundamental components that define the concept and help its implementation. Furthermore, the paper provides practitioners with a number of suggested research directions, which could potentially help improve educational institutions' activity, while also contributing to a better understanding of the concept, and to building richer theories in the field of marketing education. Given that the marketing literature in Romania has mostly overlooked market orientation, both this paper, and all following research in this area will prove to be significant for education managers and researchers alike, promoting the importance and significance of relevant knowledge, and encouraging a wider acceptance of market orientation throughout the education sector.*

**Keywords:** education marketing; market orientation; higher education; customer orientation.

**JEL classification:** M31, I23

## **FACTORS INFLUENCING CUSTOMERS' BEHAVIOUR TOWARDS TRUSTED SERVICE PROVIDERS: AN INVESTIGATION OF FOUR SERVICE SETTINGS**

**Călin Gurău**

*Groupe Sup de Co Montpellier Business School, Montpellier Research in Management  
Montpellier, France  
Email: calin.gurau@wanadoo.fr*

**Abstract:** *Many researchers have outlined the specific importance of trust for service provider firms, on one hand, because the intangible nature of services increases the risk and the uncertainty of the buyer's selection process; on the other hand, because trust can represent the basis for the development of long-term, mutually beneficial, relationships between the service provider and the customer. From this perspective, a good understanding of the effect of trust on customer loyalty becomes paramount for designing and implementing effective marketing procedures, and for accurately predicting business results. The trust-loyalty link is, however, difficult to predict and explain, because of the multitude of factors that can influence consumer behaviour. This study attempts to analyse the relation between trust and customer loyalty in different service settings, and to identify the factors that can influence customers' behaviour towards trusted service providers. To answer the formulated research objectives, a combination of secondary and primary sources have been used to collect relevant data. In the first stage of the research process an extensive literature review was realised in order to identify and evaluate the existing theories regarding customer trust and its effect on customer loyalty, especially in the area of services. In the second stage of the research process, the research framework was refined, verified and validated through 5 face-to-face interviews realised with randomly selected people. The interviews lasted between 30 and 45 minutes and took place in the waiting area of one major supermarket, located in Edinburgh, Scotland. These interviews indicated the need to study the relation between trust and customer loyalty in various service settings, as well as helping to define the major elements that influence this relation at individual level. In the third stage of the research process, a total of 412 face-to-face interviews have been realised. These interviews lasted around 15-20 minutes, and the respondents being randomly selected from the waiting areas of five UK supermarkets. The collected data has been analysed with the SPSS software, using the Chi Square and Pearson's two-tailed correlation tests. The results indicate a complex relationship between various categories of factors and the level of customer loyalty, which varies in relation to specific service settings. The findings have been integrated into a synthetic model, developed for four different types of services.*

**Keywords:** *trust-loyalty relation, customer behaviour, influencing factors, different service contexts*

**JEL classification:** *M31*

## **SCHEMA CONGRUITY – A BASIS FOR EVALUATING AMBIENT ADVERTISING EFFECTIVENESS**

**Maria Alina Jurca, Ioan Plăiaș**

*Marketing Department, Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj Napoca, Romania  
alinamaria.jurca@yahoo.com  
ioan.plaias@econ.ubbcluj.ro*

**Abstract:** *The purpose of this paper is to develop a theoretical basis for evaluating ambient advertising in relation to the schema. Ambient advertising, a creative form of out-of-home advertising that conveys direct and contextual messages by using and often altering existing elements of the environment in a way that surprises the target audience, appears to be a*

solution to the increasing clutter from the media. This study draws on the schema congruity theory to offer a better understanding of how consumers are processing information received from advertisements. Schemas are organized structures of knowledge and expectations that consumers develop in order to categorize the incoming information, and that they access every time they are experiencing a new situation. The schema-based approach is important in understanding consumer behavior because consumers are facing an environment filled with similar brands and products promoted by ads that sound and look alike. According to schema congruity theory information perceived as schema congruent offers a comfortable feeling of familiarity and generates limited cognitive processing, whereas schema incongruent information generates surprise and triggers extensive cognitive processing in order to help individual make sense of the unusual situation. Taking into consideration the combination of the different levels of expectancy and relevancy there have been identified three congruency situations: extreme congruity, moderate incongruity and extreme incongruity. Existing research shows that moderate incongruent information offers the best results in recall and recognition and also the highest affect levels compared to extreme congruity and extreme incongruity. Based on evidence from literature this study attempts to position ambient advertising in the moderate incongruity category, thus theoretically proving the assumed effectiveness of this promotional tool. Therefore, this paper is a starting point in bringing the light in the under-researched field of ambient advertising and can offer a theoretical basis for future empirical research on the effectiveness of this promotional tool.

**Keywords:** advertising; ambient advertising; schema; schema congruity theory; clutter; consumer behavior

**JEL classification:** M37; M31

## **MARKETING REQUIREMENTS FOR DEVELOP A BRAND IN AUTOMOTIVE INDUSTRY**

**Liliana Adela Zima**

*The Economic and Physics Department, Faculty of Sciences, North University Center of din Baia Mare, Technical University of Cluj Napoca, România  
lili\_zima@yahoo.com*

**Abstract:** *The Umbrella Brand can be define to be the mother brand which is not usually model specific which houses the family of brands. sis a trustworthy, relevant, and distinctive promise to the consumer. In our case of General Motor's Europe, Opel /Vauxhall is the Umbrella Brand. To develop and maintain on the automotive market a strong brand there are some marketing and management requirements to applied. This document summarizes the Marketing requirements for the Gamma Monocab program. The Gamma Monocab will be branded as a Corsa, considering that it strongly relates to the other 4300 bodystyles in terms of exterior and interior styling, and that would benefit from the Corsa brand equity, requiring lower investment in brand awareness. It is very important at the beginning to follow for example the Corsa Product Compendium . This Product Compendium consists in thirteen parts which are: the Foreword, the Executive Summary, The Marketing positioning, the Exterior Design, the Interior Design, the Drive ability Chassis, the Powertrain, the Functionality Features, the Safety and security, the Aftersales, the Infotainment, the Quality and the environment. The essence of Opel/Vauxhall in terms of Umbrella Brand Mission that Opel challenges the market with innovative German-engineered products and services that exceed customers expectations by delivering best-in-class quality and superior value The research was practical because I had an practical degree practice at Adam Opel AG especially at European Business Team and at the Department of markets research and I had an specific field of activity at Corsa Brand Team. The Brand Strategic Objectives are Quality Leadership, Affordable High Technology, Superior Value, Environmental*

responsibility, Mature driving Pleasure, Harmonious Distinctive Styling. In the Gamma Monocab Opel Zafira and Meriva are the top brands and in this study I tried to make a good compare between these brands and the competitors brands. Market research indicates a high positive correlation between the number of problems a vehicle sustains during its operational life and the overall level of customers satisfaction with vehicle in turn directly impacts willingness to repurchase. Price and packaging will challenge competition making Gamma Monocab a logical decision for customers looking for an ideal compromise between interior space and flexibility for passengers and luggage, with an expressive styling in a vehicle that they can afford. The General Motor's Europe product – base car segmentation includes four major segments which are: larger, smaller, family / functional and sporty/ personal.

**Key words:** umbrella brand, brand strategic objectives, segmentation

**JEL classification:** M31

## **METHODOLOGICAL CONSIDERATIONS REGARDING THE SEGMENTATION OF HOUSEHOLD ENERGY CONSUMERS**

**Alexandru Maxim**

*The Doctoral School of Economics and Business Administration, "Alexandru Ioan Cuza" University, Iași, Romania*

*alexandrumaxim@outlook.com*

**Abstract:** Over the last decade, the World has shown increased concern for climate change and energy security. The emergence of these issues has pushed many nations to pursue the development of clean domestic electricity production via renewable energy (RE) technologies. However, RE also comes with a higher production and investment cost, compared to most conventional fossil fuel based technologies. In order to analyse exactly how Romanian electricity consumers feel about the advantages and the disadvantages of RE, we have decided to perform a comprehensive study, which will constitute the core of a doctoral thesis regarding the Romanian energy sector and household consumers' willingness to pay for the positive attributes of RE. The current paper represents one step toward achieving the objectives of the above mentioned research, specifically dealing with the issue of segmenting household energy consumers given the context of the Romanian energy sector. It is an argumentative literature review, which seeks to critically assess the methodology used for customer segmentation in general and for household energy users in particular. Building on the experience of previous studies, the paper aims to determine the most adequate segmentation procedure given the context and the objectives of the overall doctoral research. After assessing the advantages and disadvantages of various methodologies, a psychographic segmentation of household consumers based on general life practices is chosen, mainly because it provides more insights into consumers compared to traditional socio-demographic segmentation by focusing on lifestyles and not external characteristics, but it is also realistically implementable compared to more complex procedures such as the standard AIO. However, the life practice scale developed by Axsen et al. (2012) will need to be properly adapted to the specific objectives of the study and to the context of the Romanian energy sector. All modifications will be based on the results of previous research performed by us and on a qualitative study among industry experts and consumers.

**Keywords:** energy; segmentation; consumer behaviour; psychographics; lifestyle

**JEL classification:** M31; Q41

## **MARKETING PERFORMANCE IN ROMANIAN SMALL AND MEDIUM-SIZED ENTERPRISES - A QUALITATIVE STUDY**

**Sorina-Diana Mone, Marius Dorel Pop, Nicoleta-Dorina Racolta-Paina**

*Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

*Faculty of Economics and Business Administration, Babes-Bolyai University, Cluj-Napoca, Romania*

*Faculty of European Studies, Babes-Bolyai University, Cluj-Napoca, Romania*

*sorina.mone@ubbcluj.ro*

*marius.pop@econ.ubbcluj.ro*

*Nicoleta.Paina@euro.ubbcluj.ro*

**Abstract:** *Marketing performance management has been one of the most prominent streams in recent marketing research and practice. Concepts such as marketing accountability, marketing metrics and marketing performance management systems have been advanced, together with holistic models to measuring and managing performance of the marketing process. Nevertheless, these contributions envisage predominantly large organizations, which can have the strategic approach and the dedicated resources needed to conduct a proper marketing performance management. Our paper focuses on the small and medium-sized enterprises (SMEs), aiming to explore how knowledgeable are Romanian SMEs with regards to marketing performance management, how they perceive it and if and how they practice it. Thus, we conduct an empirical study using a qualitative research method. The research instrument is the in-depth interview, which we conducted with 18 marketing professionals from SMEs in Romania, in order to explore their perceptions, practices and intentions related to measuring and managing marketing performance. Our paper starts with an introduction to the topic of marketing performance management and a review of the most relevant and recent contributions in this stream of marketing literature. Further on, the qualitative research methodology is described and continued with the presentation of the findings of the qualitative interviews. We found that there is an incipient stage of marketing performance measurement practices in Romanian SMEs, but there is a high level of awareness and knowledge related to this domain. Nevertheless, challenges such as the possibility to allocate dedicated resources to the measurement process (people, time and tools) or challenges related to data (whether there is the access to the data and the data is reliable and accurate) and to internal collaboration (how the other organizational actors support the measurement process) are still to overcome. Overall, our study shows that while at a very early stage of adoption, marketing performance measurement seems to be a declared preoccupation of marketing professionals in Romania. Thus, directions for further research are outlined.*

**Keywords:** *marketing performance, performance measurement, qualitative study, small and medium-sized enterprises, Romania.*

**JEL classification:** *M31.*

## **SEGMENTATION OF SME PORTFOLIO IN BANKING SYSTEM (CONSIDERATIONS)**

**Simona Namolosu, Iuliana Cetina**

Academy of Economic Studies, Marketing Faculty, Bucharest, Romania  
simona.namolosu@gmail.com  
cetina.iuliana@gmail.com

**Abstract:** *The Small and Medium Enterprises (SMEs) represent an important target market for commercial Banks. In this respect, finding the best methods for designing and implementing the optimal marketing strategies (for this target) are a continuous concern for the marketing specialists and researchers from the banking system; the purpose is to find the most suitable service model for these companies. SME portfolio of a bank is not homogeneous, different characteristics and behaviours being identified. The current paper reveals empirical evidence about SME portfolio characteristics and segmentation methods used in banking system. Its purpose is to identify if segmentation has an impact in finding the optimal marketing strategies and service model and if this hypothesis might be applicable for any commercial bank, irrespective of country/ region. Some banks are segmenting the SME portfolio by a single criterion: the annual company (official) turnover; others are considering also profitability and other financial indicators of the company. In some cases, even the banking behaviour becomes a criterion. For all cases, creating scenarios with different thresholds and estimating the impact in profitability and volumes are two mandatory steps in establishing the final segmentation (criteria) matrix. Details about each of these segmentation methods may be found in the paper. Testing the final matrix of criteria is also detailed, with the purpose of making realistic estimations. Example for lending products is provided; the product offer is presented as responding to needs of targeted sub segment and therefore being correlated with the sub segment characteristics. Identifying key issues and trends leads to further action plan proposal. Depending on overall strategy and commercial target of the bank, the focus may shift, one or more sub segments becoming high priority (for acquisition/ activation/ retention/ cross sell/ up sell/ increase profitability etc.), while others (risky/ non-profitable etc.) may be left aside. This entire shift in strategy is considering also growth potential per sub segment. Examples are provided for different strategies considering growth potential of each sub segment.*

**Keywords:** SME; banking; marketing; strategy; segmentation; lending.

**JEL classification:** M31; G21; L22.

## **THE EFFECTS OF AMBIENT SCENT ON CONSUMER BEHAVIOR: A REVIEW OF THE LITERATURE**

**Meda Roxana Olahut, Ioan Plaias**

Marketing Department, Faculty of Economics and Business Administration, Babeş-Bolyai University Cluj-Napoca, Romania  
meda.olahut@econ.ubbcluj.ro  
ioan.plaias@econ.ubbcluj.ro

**Abstract:** *The main purpose of this paper is to present an extended literature review of relevant empirical studies which examine the effect of ambient scent on consumers' perception, consumers' emotions and consumers' behavioral responses in the context of retailing. Compared with other atmospheric stimuli (such as background music), ambient scent has received little attention from researchers. This paper is also concentrated on identifying the principal dimensions of ambient scent (presence versus absence; congruity versus incongruity and pleasantness versus unpleasantness) and examined how these dimensions of ambient scent have an impact on evaluation of a product, of a store or of a shopping mall and their impact on shopping behavior within a store. The paper also presented the Gulas and Bloch (1995) model, a complex conceptual framework on the*

*influence of ambient scent on consumer responses, in their model the authors introduced the influence of mediating factors on behavioral responses to scent. Their model is a first step on the understanding the role of ambient scent in influencing consumer behavior. Davis, Kooijman and Ward (2003) extending and elaborating the Gulas and Bloch (1995) model by introducing concepts from cognate disciplines and examines mediating factors that help shape the emotional and behavioural responses that are stimulated to encompass current research on human olfaction and brings another specific points for future research. Based on the results of the relevant studies the authors of the present paper concludes by identifying gaps in the literature and suggest future research to explore how the use of scent help to create an overall store atmosphere which influence shopping behavior in the context of retailing.*

**Keywords:** ambient scent; store atmosphere; consumer behavior; consumer perception; consumer emotion; retail stores.

**JEL classification:** M31, M39

## **GLOBAL COMPETITION AND ROMANIA'S NATIONAL COMPETITIVE ADVANTAGE**

**Nicolae Al. Pop, Florin Draghescu, Vlad Roșca**

*The Bucharest University of Economic Studies - Marketing Faculty*

*The Bucharest University of Economic Studies - Marketing Doctoral School*

*The Bucharest University of Economic Studies - Marketing Doctoral School*

*nicolae\_al\_pop@yahoo.com*

*clipsi99@yahoo.com*

*vlad\_rsc@yahoo.com*

**Abstract:** *Analyzing products and services around us it is clear that most of them are the result of production factors, labor and capital becoming more international and increasingly less and less national. We are witnessing the globalization of markets and production, to a large global integration and interdependence, increase personalization of production and services as a result of new communication systems interaction and flexible production processes. Markets will continue to homogenize and diversify at the same time, so it is important that as a global marketer one addresses a market segment defined by income, age, and consumption habits and not by membership of a nation. The most visible and polarized is the premium segment fighting for high income clients where brand value plays an important role. Instead identification of large segments of customers offers the advantages of scale economy in production and marketing for global enterprises. Consumer profile is the dominant global consumer requesting and accepting global products and services easily. In fact, what can force an economic alignment to achieve the best performance, rather than the global consumer. The research methodology used includes literature review, comparative analysis, synthesis of data based on bibliographic resources and official documents. The aim of the paper is to highlight current models that underlie the competitive advantage of nations and assess the competitive advantage of Romania in the context of the global market. A case study is used to offer an overview of competitive advantage of Antibiotice Iasi SA, a competitive player, in a global pharmaceutical market with strong global competition. Countries moderate companies' achievements of global efficiency objectives due to the countries' rivalry. Romania has to understand that it is in competition with other countries in order to fulfill economic, political and social objectives. The scope in the end is the well-being of a country's people.*

**Keywords:** global competition; globalization; productivity; competitiveness; competitive advantage

**JEL classification:** M30; M31; M39

## **INNOVATION, CUSTOMER ATTACHMENT SOURCE IN RETAIL SERVICES EMPIRICAL RESEARCH IN DIY RETAIL**

**Adina Săniuță<sup>1</sup>, Mihaela Roman<sup>1</sup>, Carmen Petrișoia<sup>1</sup>, Nicolae Al. Pop<sup>2</sup>**

<sup>1</sup>Academy of Economic Studies, Marketing Doctoral School, Bucharest, Romania

<sup>2</sup>Academy of Economic Studies, Marketing Faculty, Bucharest, Romania

adina\_saniuta@yahoo.com

mihaella.roman@gmail.com

carmen.petrisoia@yahoo.com

nicolae\_al\_pop@yahoo.com

**Abstract:** The topic of the present study is innovation of services in the retail trade of bricolage (Do-It-Yourself, DIY) products and the influence that innovation has on the increase of customer attachment to companies in this field. The Romanian bricolage market brings together representatives of large specialised retail chains in Europe along with large domestic operators, which led us to the choice of this trade as a research field. Innovation is considered an important factor that brings a significant contribution to the success of a business (O'Cass, Song and Yuan, 2012), and services are a priority for economic development. Despite all these, innovation in services is still insufficiently exploited both theoretically and empirically. The object of this study is to apply a qualitative research through semi-conducted interviews with managers from the DIY retail field in order to validate the conceptual model whose inputs, innovation along with the availability and professionalism of the sales staff, act as generators of customer attachment to the company, leading to increased turnover, a permanent fund of customers and loyalty to the store. As a second stage, the proposed model will be tested through a quantitative research, by making use of the customer's points of view. The three hypotheses of this research (H1: Innovation in services is determined by: the customer's involvement in the implementation of the service, the use of gadgets in the store to facilitate access to information to the customer, the extension of the in-store services to the virtual environment and customer experience; H2: Innovation together with the availability and knowledge of the sales staff are sources of the customer's attachment; H3: Attachment acts as a catalyst for the turnover, the permanent fund of customers and the loyalty to the store) have been accepted, the study revealing that in the retail trade of bricolage products, the staff's availability and professionalism are key elements for the definition of customers' attachment, along with innovation, which is an extra advantage to customers.

**Keywords:** Innovation in services, attachment, retail trade, semi-conducted in-depth interviews

**JEL classification:** L81, M31

## **THE IMPACT OF GLOBALIZATION IN THE INDUSTRY OF COSMETICS**

**Oana-Maria Secară, Dinu-Vlad Sasu**

University of Oradea, Faculty of Economic Sciences, Department of Management-Marketing

osecara@gmail.com, osecara@uoradea.ro

dsasu@uoradea.ro

**Abstract:** I would like to point out that this paper focuses on the skincare product market, because of the amplitude that it holds in the global cosmetic industry. The aim of this paper is to compare the dominant cosmetic consumer's market (i.e. France, Germany, U.S.A. ) to the ones that are just now emerging( China, Republic of Korea, India). In the progressive manner I tried to highlight the importance of Asiatic skincare cosmetic market in the context of global skincare market. The products on the cosmetics market like skincare products amounted in 2012 to 288 billion \$, make-up products to 20,92 billion \$, hair care products to sums equaling 45,69 billion \$, while the perfumes market got to 8,44 billion \$. The skincare



products industry is today more productive than ever. The market of these products was performant between 2011 and 2012 and registered a great development in countries like France, Germany, Italy, Spain and Great Britain. It meant in 2011, 6,8 percentages more than the year before. In 2012, the European sector of skin care products registered an important increase, regarding the value, especially in France and Germany. By comparison with the American one, the difference of sales volume value between the two sectors (European and American) is relatively little. The biggest increases of sales volume, expressed in percentages, were registered in France and Spain. The well-known competitors and experts concentrate their attention upon the Asian continent, that has become day by day more interesting for the cosmetics companies all over the world. On the entire Asian continent, companies try to discover skin care formulas that are more and more sophisticated. The high-quality products, once available only in Japan, are now reachable also in Korea and China, thing showing that the Korean market finds itself into a permanent transformation.

**Key words:** world-wide cosmetic industry, European cosmetics market, Asiatic cosmetics market , Korean cosmetics market, Chinese cosmetic market, Japanese cosmetic market

**JEL classifications:** M 31

## **PRIVATE INFORMATION REVEALED BY ROMANIAN FACEBOOK USERS - AN EXPLORATORY ASSESSMENT**

**Călin Vegheș, Mihai Orzan, Carmen Acatrinei, Diana Dugulan**

Marketing Department, Faculty of Marketing, Bucharest University of Economic Studies, Bucharest, Romania

c\_veghes@yahoo.com

mihai.orzan@ase.ro

acatrinei.carmen@gmail.com

diana.dugulan@yahoo.com

**Abstract:** The use of online social networks has become part of our lives. More and more people join networks, create their online profile, add pictures with themselves, add personal information about them, find people they know and connect with them, share and like posts, comments, pictures or movies and many more. The social networks allow more and more features and people are open and willing to try them. In this context, it is important for those who own such a profile to be aware of how their personal information is handled, who can view the data they publish in the social network and how they can protect the information they post, by granting access to it only to those persons they want to. The objective of this research was to study what type of information Romanian Facebook users are revealing on their profiles. We have conducted an empirical research, based on an online questionnaire which was available to be accessed in March 2013. 42,5% of the respondents, aged between 21 and 40, formed mostly my employees, managers and students, have not shared on their profiles neither their phone number, their home address, nor their messenger ID. Even though we have considered that the email address was also considered personal and very private information, our assumption did not confirmed, about 30% of the respondents have their email address shown on their profile. At the opposite side, it was confirmed that the gender, real name, personal pictures, birthday and current town are information published by more than 80% the respondents. The respondents do know and do make a difference between having their profile shown when searched on Facebook and allowing their profile to be visualised by whomever they want. Even though most of the respondents have their profile public when searched for it, the great majority have set that only their friends to be able to see the information they post online. Only about 10% of the respondents have added or have accepted friendship requests from people they did not

know before and about 30% have never accepted such requests. Overall, we may say that our respondents are careful about what their share on Facebook.

**Keywords:** consumer private information; online privacy; social media privacy; Facebook Romanian users;

**JEL classification:** M31;

## HOW MUCH CAN WE TRUST PUBLIC OPINION POLLS?

**Timotei Vierașu**

*Faculty of Economic Sciences and Business Administration, Department Marketing, Tourism and International Business, "Transilvania" University, Brasov, Romania.*

*timotei.vierasu@unitbv.ro*

**Abstract:** Peoples trust numbers and likes to give them some significance. Every time we open a newspaper, listen to the radio, watch TV or browse the Internet we'll see some numbers and stats. These numbers can give a brief overview of the world surrounding ourselves and are often used by people or organizations to strengthen their message. Can we trust public opinion poll? Can these polls be manipulated? What method of manipulation can be used to alter the results of these polls? I designed two experiments to see how a person can misinterpret some data and how can a person manipulate a poll to obtain the desired numbers. Experiments are a qualitative market research tool designed to give us an empirical knowledge about the subject we are studying. The objective of this study was to determine whether we can influence subject's voting choices by manipulating their perceptions and their questioners. "Yes Sir" experiment was based on a misleading questioner with a lot of questions that leads the respondent to the desired answer and with formulating the question in such a manner that the respondent feels compelled to give the desired answer. "Fake Poll" experiment is designed to see if previous polls have any influence on voter's intentions and behaviour and is bases on bandwagon effect. The results of these experiments show us that this ways of manipulation works very well and we can influence the way people will vote with a percentage from 3% to 6%.

**Keywords:** political marketing, marketing experiment, bandwagon effect, polls manipulation, "Yes Sir" experiment, "Fake Poll" experiment.

**JEL classification:** M31