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The Journal of Research on Trade, Management and Economic Development (JRTMED) focuses on theoretical, applied, interdisciplinary and methodological researches in all areas of economics, trade, management and, more significantly, on various interrelationships between trade and economic development at national and international levels.

JRTMED was set out to promote research and to publish information on the achievements in all areas mentioned above and to provide a way for researchers, academics, policy makers, business practitioners and representatives of co-operatives to exchange views and share information and new ideas.

The goal of JRTMED is to disseminate knowledge, to promote innovative thinking, intellectual discussions, research analyses and pragmatic studies including critiques regarding a wide area of economic sciences, as well as to facilitate communication between academics, research experts, policy makers, business practitioners, members of co-operatives, government agencies and executive decision makers.

JRTMED Editorial Board is inviting researchers, doctoral students, teaching staff and professionals from the real sector of economy to collaboration, exchange of experience and dissemination of the achieved research results.

Editorial Board

More information about the Journal of Research on Trade, Management and Economic Development can be found on the journal's homepage <http://jrtmed.uccm.md/index.php/en>.

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IMPROVING ORGANIZATIONAL PERFORMANCES THROUGH EFFECTIVE MANAGEMENT

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Abstract

One of the decisive factors in enhancing performance, in achieving efficiency and effectiveness is management, approached through the leadership and management organization perspective. Exercised by managers located on different hierarchical positions within it, we can ask the question: what should be done to boost the role of management in achieving superior results of the goals assumed through strategies, policies or programs? The answer is only one: it is necessary to improve the management, assuming that management performance leads to economic performance and, why not, excellence in management decisively contributes to achieving business excellence. So, as we measure managerial efficiency by managerial performance, in order to be relevant it is required to act in many directions - promoting strategic management, managerial reengineering, managerial methodology, changing organizational culture - all focused on the results of management and economic sustainability and integrated into an efficiency model of managerial organization. The necessity, appropriateness and the main coordinates of such a model will be presented below.

Keywords: management efficientization, strategic management, managerial reengineering, managerial methodologization, managerial and economic performances.

1. Introduction

Obtaining managerial and economic performances, represents the main purpose of any organization - company or public institution; its implementation involves streamlining work processes (of business, support or auxiliary and management) by amplifying the roles of the two categories of employees that ensures the viability of such processes: managers and performers. If the first category, underlies and adopts management decisions, being responsible exclusively for their quality and, further, monitor their operationalization, performers are required to take action to implement the decisions, being responsible, mostly, for the effectiveness of management decisions.

Many organizations are facing nowadays with many difficult survival issues, and others, fewer in number, are seeking solutions to improve the performance, trying to capitalize on both traditional variables for obtaining them, and some less required, unexploited at their true dimension. In this category we can include the overall management or the management of the main procedural and structural components of the organization, a factor much cheaper than any other technical, technological, economic or commercial factor, but extremely prolific. Rhetorically, we can ask why don't we relate more often and with greater consistency to management and to his roles into the efficiency of the organization? The answer is relatively simple: we don't have enough managers with true professional skills, who can lead and manage businesses, and in the public institutions, managers are politically nominated, making it almost impossible to find managerial,

professional and political competence in the manager, in the complexity and variety required to enable professional management. That is why we consider that, highlighting ways to streamline management, with direct impact on economic efficiency of the organization, we are able to create new challenges for both the theory and practice of the management.

2. Purpose of the research and status of analysing the current issues

In exercising management processes and its function - foresight, organization, coordination, training and control - assessment – there are frequent slips, malfunctions generated by various causes, one of which can be generalized: lack of professionalism carried to incompetence in the case of those who lead and manage their organizations or organizational divisions. The most significant ones observed during the last years are:

Both research field specialists and parties involved directly in managing organisations are concerned with the evolution of the managerial practices. Management processes are among the most – if not the very most important – factors for improving the effectiveness of private and public organisations. Since 2010, the health status of Romanian managerial practices has been the object of an ample scientific research. This research is based on the results of interviewing managers and specialists from a broad range of organisations, and also of academic bodies, researchers and management consultants. The 2012 edition [2, pp. 103-134], released with support of the Romanian Academic Society of Management states the main disfunctions and strenghts of management practices:

- Number of managers, management specialists, management reasearchers and consultants contributing to investigating the health state of romanian management and to shaping managerial effectiveness improvement tools increased to over 2100;
- 15,65% appreciate that policies and strategies are either non-existent or poor;
- 22,74% of the total respondents consider that coordination, as a managerial role, is ineffective, the main cause being poor communication between managers and direct reports;
- 44,50% appreciate that the reduced capacity to motivate employees is caused by unprofessional and uncompetitive management, leading merely to disengagement;
- 21,27% stated that measuring and control lack consistency and don't focus on what truly matters;
- 21,76% believe that management systems in Romanian organisations are empirical, unprofessional, are lacking the benefits of creativity and managerial innovation (18,58%) and fail to align to valuable managerial know-how and best practices in organisations which operate in other countries (20,78%).

Our research aims to identify the best ways to improve the effectiveness of managerial processes, mapped across management models, with direct impact upon business performance of organisations.

Forecasting / major failures: empirical character of the exercised management, predominantly postoperative dimensions of it/ Causes: fear of the unknown, the anticipation of the future of the organization on small time horizons, empiricism in management, managerial and economic instability of economy, lack or insufficiency of realistic, strategic, sectorial and national projections, manager 's incompetence.

Organization / failures: rigidity of the organizational systems, their moral wear (stupidity factor)/ causes: manifestation of "Parkinson's Law" - law expansion work, the law of multiplication labor and the law of multiplication employees - the manifestation of the principle of Peter, desynchronization of interest and competence, lack of decisional transparency in the top management, the event "silo effect", rigid definition of workplaces and functions, incompetent managers.

Coordination / major failures: poor managerial communication / Causes: lack of transparency in the decision of top management (the "ivory tower"), ineffective management styles, incompetent managers.

Training / major failures: predominantly populist motivation / Causes: insufficient decentralization of objectives within the organization, difficulty in assessing individual, group and organizational performance, reducing (limiting) involvement in motivation, poor economic and financial situation of Romanian organizations, incompetent managers.

Control-assessment / major failures: predominantly postoperative character/ Causes: lack or inadequacy of regular monitoring and evaluation, low level of managerial involvement in the exercise of this function, causal approach inexistent or inadequate, incompetent managers.

We can also include some failures recorded in the operation of the management system and its components - methodological, decisional, informational, and organizational or human resources - reflected by:

Methodological subsystem / major disruptions: low- scientization of managers performance, evidenced by the number and quality of low management tools and other methodological elements used in the performance management processes / Causes: lack of knowledge or lack of knowledge valences management tools tend to use surplus of some methodological elements causing excessive bureaucratization (standards, norms, procedures, etc.), incompetent managers.

Decision subsystem / major failures: poor quality of managerial decisions, essentially poor foundation of its, lack of rigorous decision-making mechanisms in adoption and implementation of strategic and tactical decisions, poor decisions typology and frequent statements of adopting conflicting decisions / Causes: incompetence managers, poor cooperation with employees, lack of transparency in the decision, predominantly authoritarian management styles.

Information Subsystem / major failures: poor quality of information circulating in the organization, low computerization level of management process, post-operative nature of information for managers / Causes: manager's incompetence, misuse of the dashboard or management by exception, excessive bureaucracy.

Organizational subsystem / major failures: lack of synchronization between the objectives and procedural components involved in achieving them, bushy and very "high organizational structures", lack of synchronization between workplaces and characteristics of the holders of these workplaces / Causes: incompetent managers, undefined objectives, confusing terminology and content between activities, duties and tasks, confuse definition of workplaces and functions, outdated organizational documents (organization and functioning rules, organization chart, job descriptions).

Human resources management / major failures: recruitment, often formal selection and assessment, superficial, predominantly populist motivation, ignoring the individual performances

obtained, difficult organizational culture, values and behaviors not adapted to the changes made in other areas, weak focus on the training and management consultancy / Causes: poor economic situation, lack of priorities in the decisional and actionable method for addressing the problems within the organization, deficient managers and workers' competence, inappropriate organizational climate for achieving the objectives.

3. Methods and materials applied

To analyse the status of management practices evolution in Romanian organisations, the main instruments used were the questionnaire, the interview and the study of all records documenting the achieving of objectives over a certain performance period, usually, a year. The results were published in various studies, articles or books, the most significant being those analysing the health status of management practices in Romania and mainly, in the medium and small enterprises sector [3, 2, 9].

4. Results obtained and discussions. Ways to streamline the management

(1) Promoting strategic management

Against the background of major disfunctionalities in the application of the forecasting function – by far the most important managerial function – promoting strategic management becomes the priority on the path to managerial excellence. The consolidation, elaboration and implementation of global and partial strategies, in other words the realistic projection of the future of an enterprise, based on diagnostic and marketing research, represents the support for the other directions indicated by us as steps to take on the path towards becoming „the best”, towards joining the elite of the organizations which supply „good practices” in the field of management.

This first step implies to accurately establish (define) the firm's mission and vision, to set strategic objectives and options, to appropriately dimension the resources and to realistically set intermediary and final deadlines – all of these with a view to obtaining competitive advantages on the specific market. Enhancing the strategic process implies ensuring favourable conditions – be they material, financial, human, and especially cultural and managerial - required by the efficient and effective application of the strategy. Methodological management, reengineering a.o. are meant to facilitate the attainment of this goal.

(2) Managerial reengineering

The most complex way of managerial change – namely the reengineering of the management system – starts from the premise that a radical, fundamental, spectacular change of the labor processes, as based upon the “all or nothing” principle, is a condition for success. Management focusing on processes, in “compliance” with the specific mechanisms of the quality management systems stands for a central idea of reengineering, as promoted almost two decades ago by the Americans M. Hammer and J. Champy.

Although in our country the number of companies that are subject to managerial reengineering is pretty low, and the restructuring and reorganization practice has outrun this new and modern attitude and approach towards what is new, it is our belief that, particularly during the period of

crisis and the post – crisis period, one such organizational change shall be accomplished in most of the companies, as concerned. In order to succeed in this strategic and complex action, one requires for the accomplishment of certain conditions:

- The remodeling of the organizational culture, within the meaning of its transformation into a mechanism in favor of such a managerial change.
- The existence of some truly professional managers and specialists
- The calling upon some consulting services, which provide methodology, provides for the accomplishment of the managerial reengineering study and supplies the special assistance along the way of implementing the new management system.

We hereby recommend to Romanian companies – finding themselves in an economic and managerial decline, or which “function well”, but which are threatened by imminent dangers “coming” from the inside or from the outside (the national and international environment) or which “function very well”, but that wish to enhance their position on a certain market or to “enter” other such markets – the use of a methodological scenario, as structured in five sequences: objectives – processes – structures – people (managers and performers) – outcomes (performances). We believe it necessary for one to give a brief presentation of this methodological action [10].

a) Objectives. The first pillar – namely the objectives – refers to the targets of the new management system and takes the form of a system of objectives, as resulting out of the elaboration of global and partial strategies and policies. The substantiation and elaboration of fundamental, derived, specific and individual objectives, as a consequence of promoting realistic strategies and policies involves a certain radical change of attitude of the organization and of the management towards the latter’s present and future, as approached in terms of the performances. The objectives, as quantitative and/or qualitative expressions of the purpose for which the organization has been incorporated and actually operates, come to responsabilize the individuals and the groups of such individuals, by imposing a highly strategic and tactical dimension, as necessary for an adequate positioning on the specific market – and in the end – the objectives stand for some very good benchmarks for the evaluation of both functionality and performances.

b) Processes. In order to accomplish those objectives, one shall require some adequate labor processes, with a distinct aggregation degree. Their delimitation and dimensioning as per functions, activities, attributions and duties are determined by the complexity of those objectives whose accomplishment they are directly involved in. Since the building of such a system of objectives takes place in an “upside-down” manner, the procedural building, as required for their being accomplished, also shapes up from complex to simple. As such, the procedural remodeling, as materialized in the appearance of some new labor processes, the development of the existing ones, the diminution or elimination of other such processes, aims at providing for a full concordance among objectives and processes on the background of elaborating a “processes map”, where one shall insert those main value added generating activities.

c) Structures. Labor processes, irrespective of their aggregation degree, shall have an adequate structural – organizational support, namely an organizational structure in favor of such objectives accomplishment. This is why the third step in terms of such a managerial reengineering is represented by the structural redesigning, as materialized in the re - dimensioning of the demand for positions and functions of both management and execution, of those functional and operational

compartments, at the same time with their being “Arranged” within a configuration, as preset by means of hierarchical levels and organizational relations. At the same time, one also needs to design a convenient organizational formula, subject to those dimensional and functional characteristics and to those contextual influences – from a simple, hierarchical structure to the classic hierarchical – functional structure, matrix structure, divisional structure, etc.

d) People. The next step is decisive in providing for a high viability of the organization since it aims at “endowing” the management and execution positions, with people having the necessary competence. The compatibilization of people with their jobs is accomplished by means of competence and it is the key element; the personal authority as given by the knowledge, managerial and professional qualities and skills shall satisfy the official authority, namely those rights to decide, that managerial positions are vested with. Consequently, the next managerial component that is subject to such redesigning is the human resources management, an extremely dynamic managerial “area”, but also vulnerable at the same time, where recruitment, selection, employment, evaluation, motivation, development, promotion and protection of employees stand for some key – activities. By qualitative human resources, one shall provide for management professionalization, since:

- managers are directly involved in the substantiation and adoption of the decisions; to this end they call upon the managerial instruments and the pertinent information, as sent by rationalized upward informational channels.
- performers are those who initiate the actions, as necessary for decisions operationalization, by turning to good account that information which is mainly sent on downward routes.

This is why the quality of both decisions and actions depends not only on the manner and ways of decisional redesigning, but also on the solutions of methodological – managerial and informational redesigning.

In terms of the management decisional component one requires some substance mutations, as materialized in:

- the rigorous delimitation and dimensioning of formal authority or competence as per hierarchical levels
- improving the quality of those decisions, by means of a well – balanced scientific substantiation of the latter, by their “empowerment”, by providing for the efficacy of adopting and applying and an appropriate formulation.
- The typological improvement of those decisions, as adopted, within the meaning of an increase of the weight of strategic and tactical decisions, of the risk and uncertainty decisions at those higher hierarchical levels.

In its turn, the informational redesign means:

- The improvement of information quality and quantity
- The rationalization of those informational situations and of the routes the latter information travels
- The increase of the degree of informatization of the management and execution processes
- The sophistication of those informational procedures.

Since without such a well-balanced shaped up methodological – managerial component one cannot achieve the scientization of the managers’ work, one shall pay a special attention to the redesigning of the methodological sub - system (see the following point). This fourth step of the

redesign methodology provides for the shaping of the configuration of the new management system, whose operation shall bring a plus of efficiency and efficacy.

e) Performances. The management, as redesigned according to this methodological scenario, generates such managerial performances which, in their turn, cause some economic performances. If within the process of getting managerial performances the responsibility falls exclusive under managers' duty, the accomplishment of economic performances is the responsibility of managers alongside performers. For the purpose of expressing the two categories one uses the specific indicators, as follows: managerial performances – general managerial performances and specific managerial performances; economic performances – quantitative indicators (turnover, profit, costs, assets, number of employees, etc.) and by qualitative indicators, those efficiency – related indicators (profitability rates, labor productivity, liquidity and patrimonial solvency, and others alike).

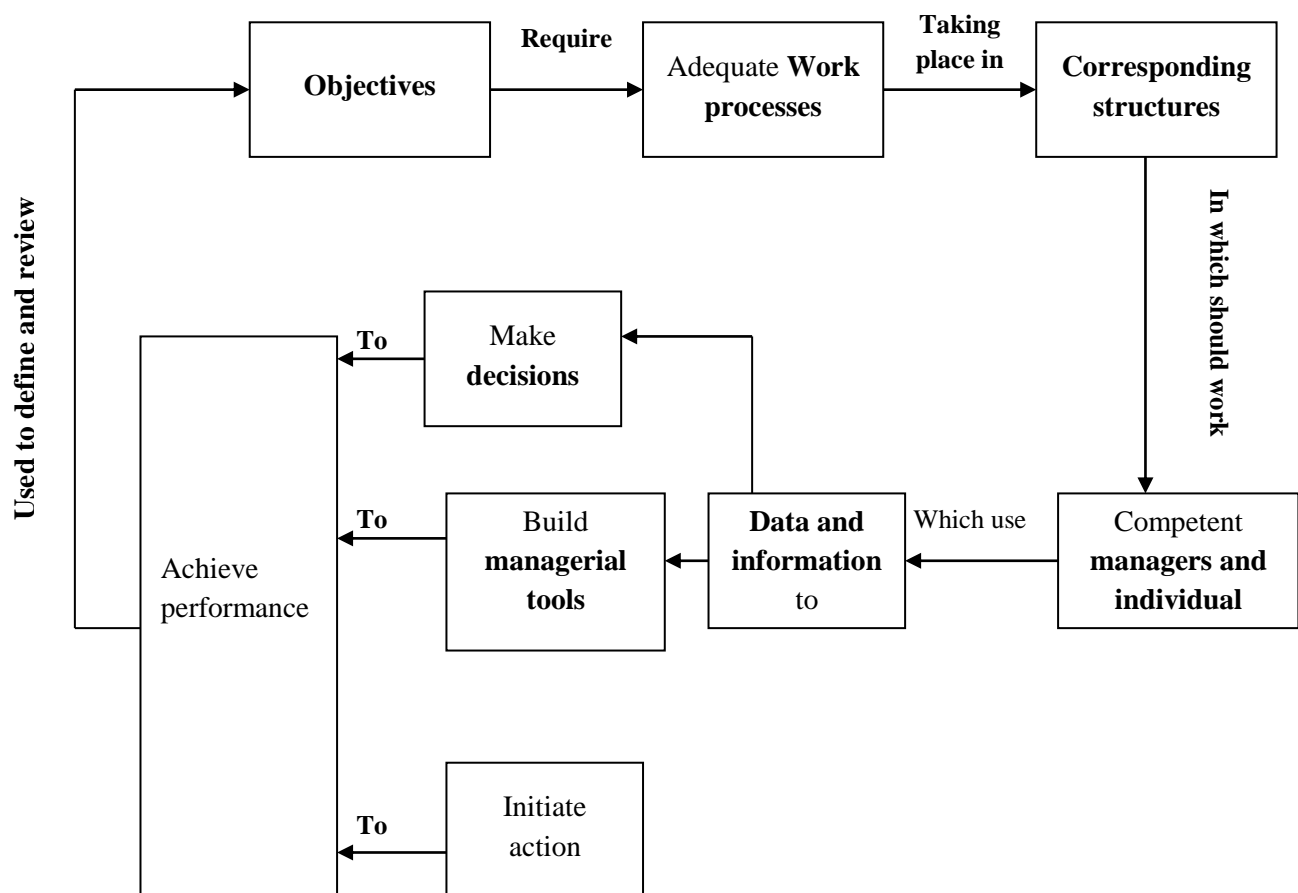


Figure 1: Interdependencies between managerial components part of the mechanism of reviewing objectives

(3) Managerial methodologization

The contents of this mutations refers to the promotion and use of some modern management systems, ways and techniques and of some adequate methodologies for the design / redesign and maintenance of the operation of both the management and of the latter's components – the decisional, informational, organizational components, etc. [1].

The balanced exercising of the functions of those management processes – far from showing in terms of the practice of the Romanian companies – the focusing on performances, the impression of a high scientific character to the managers' work, the management focus on priorities and so on and so forth, are just as many reasons in favor of such a managerial methodologization. The operationalization of one such recommendation requires the acting in two complementary directions:

- The promotion and use of modern managerial instruments – the profit centers – based management, the management through objectives, the management through projects, the management through exceptions, the board picture, the delegation, the decisional ways and those with a mathematical foundation – being the most representative;
- The promotion and use of some rigorous methodologies for the design / redesign and maintenance of both the management and the latter's sub – systems – general and specific methodologies.

These play a decisive part in management scientization, by establishing themselves as a precious “aid” in terms of decisions substantiation and adoption.

A small dimensioned company cannot operate in an efficient and effective manner without a management through objectives and the management through projects, while a middle sized or big enterprise requires the profit center – based management, the management through projects, the board picture and the delegation, if we are to quote the most representative such managerial instruments.

All management systems, ways and techniques claim the existence of a system of objectives – both fundamental, derived, specific and individual – adequate procedural and structural – organizational conditions and competent managers, capable of turning the latter's potential to good use.

Many of the weaknesses generating causes, as pointed out in the previous chapters, have great chances of being eliminated by applying the profit centers – based management, which is the most complex and sophisticated management system, as acknowledged in the world as well as in our country. By the order, discipline and rigorousness the latter system promotes, by the division of objectives up to the level of the job position and the latter's holder, by the managerial and economic de – centralization at the level of management centers and the use of budgets as economic instruments in management, by an outcome – based motivation that it facilitates and so on, the profit centers – based management is the most relevant generator of managerial and economic performances. Within its environment, in order to enhance its managerial valences, we hereby recommend the use of the management through projects (as designed for the settlement under some superior quality-, cost and time conditions of several complex problems, of a strategic nature, and with a deep innovational character), the scoreboard or the management through exceptions (in order to provide for an operative, pertinent, information of the manager, in agreement with the his informational needs), the delegation (from the perspective of a more well – balancedly use of the time budget and of the training of those future managers) etc.

We also believe that it is very important for Romanian companies, just as it for those public institutions, to turn the organizational documents (ROF, the organizational chart, the job description) into some genuine managerial instruments. To this end, it is necessary for the amelioration of their contents and the creation of some habits in terms of their being actually used

in the managerial practice, within the process of exercising the management functions. For instance, the job description has no kind of managerial signification whatsoever, unless it has some individual objectives and the necessary support elements, as required for the latter objectives accomplishment, as approached in a balanced manner: duties, competences, responsibilities.

The job description is the basis of the drawing up of another document having the value of a managerial instruments – namely the decisional-informational record – whose aim is that of stating the main decisions whose substantiation and adoption the manager the latter's informational needs are involved in. This way, the promotion and use of the board picture become possible in any type of company whatsoever.

From the point of view of those managerial methodologies, we already notice a tendency of agglomeration, as generated by the promotion, sometimes even excessive, of such procedures, norms, normatives, rules, standards, etc., with an adverse impact on the decisional and actional scope of both managers and performers, but also on the degree of a company's management bureaucratization. We hereby notice, from this point of view also, that managerial training and consultancy are capable of bringing some clarifications in terms of the need and opportunity of wayologization and to facilitate the operationalization and effective turning to good account of those managerial instruments as well as of the general or specific methodologies.

(4) Organizational culture remodeling

One recommends the re – thinking and re – building of such an organizational culture at the level of those enterprises, from the perspective of enhancing its position as a strategy determinant, as well as a determinant of the general change and from the perspective of getting managerial and economic performances.

The organizational culture shall not be approached *per se*, but in a close connection with the other managerial components that the latter conditions or that it is conditioned by. At the same time, the insertion of this recommendation within the category of those managerial efficientization ways, shall be correlated with the others, since the relations among them are very tight.

The organizational culture is first of all a relevant endogenous variable of a company's strategy and, by its two parts – the visible and the invisible one – it influences in particular the objectives and the ways for the latter's accomplishment. The managerial redesigning, the managerial methodologization as well as other such strategic options are influences by some of the cultural components, such as the set of values, the behaviors, the myths, the symbols, etc. just like the use of such ways may have a decisive contribution in terms of new values and behaviors “Performance – based work”, “teamwork”, etc.. In order to provide, by means of strategy, for the guiding of the organizational culture on certain coordinates, one recommends: the keeping of people and of the innovative ideas within the company, the development of a trust –based culture, the opening of the company towards the accomplishment of communications and the performance of actions, the identification of the alternative major success factors, in view of exercising leadership and learning the way how to run such change at a company's level.

Secondly, the organizational culture is a relevant determinant of the getting of performances, alongside managers' and performers' competence and the contextual influences. The influence of the organizational culture and, within the latter, of the managerial culture on those managerial and economic performances is provided by both components, and by the specific function its fulfills:

- The guiding of the efforts towards one objective or one set of such objectives
- The development of a strong motivation for employees in terms of getting those outcomes, as expected
- The supply of a structure and of some mechanisms which coordinate employees' efforts without the need for any formal procedures or systems.

The passing to some strong organizational cultures have a decisive positive influence on the company's functionality, efficiency and efficacy as well as on the latter's management.

In the end we hereby mention that the creation and development of one strong economic culture in terms of managers and performers within the environment of that organizational culture, facilitate the operationalization of such a recommendation and provides for an easier "passing" of a company through a period marked by such an economic crisis.

(5) Managers and management professionalisation

Third, genuine professional managers are those managers with appropriate personal authority conferred the post of official authority, managers who know management, meaning that "base their decisions, actions and behaviors predominant managerial concepts and management tools provided by management science, obtaining functionality and high performance" [4]. They:

- Know the meaning and content of management processes and their functions and they perform in relation to the specific driving range;
- Give due consideration to each management functions, based on the roles they have in the economy of management processes and ensuring the functionality of the organization and / or procedural or structural component led directly;
- The starting point in any endeavor they are involved is to set objectives; their final distribution of people is through a negotiation process, taking into account and given proper jurisdiction of each post holder;
- Build steps by a logical concatenation of the objectives of not missing any link: objectives - processes - structures decisions - information - methods - men – results;
- Lead the configuration management system and intimate functioning mechanisms of each subsystem - from the methodological management at the decision and information from organizational human resource management subsystem - assuming that, at their level, finds favorable conditions roles to fulfill its responsibilities in the organization, leadership and management for effective and efficient driving range;
- Have sufficient skills and managerial skills to enable them achieve results "by others", which gives a good organizational climate for personal and professional fulfillment;
- They're open to change, recover and fight contributory factors to mitigate or eliminate the factors of resistance to change;
- Are prone to learning and encourage others to improve their professional provided through participation in training courses or continuing professional training;
- Actively engage, effective and responsible for achieving performance, economic and financial management, which is a genuine card;
- Know what to do and how to do it!

The issue of managers' professionalization must put differently, depending on the type of organizations by ownership, dimensional, state ownership, etc. Moreover, there are notable

differences within a particular category of organizations (e.g. in the SME sector, managers of micro and small companies who are usually entrepreneurs / owners of their big companies like national companies, management of private companies, classic feature state-appointed managers, as majority shareholder, while public institutions, decentralized, also benefit of nominated political managers).

How managers of Romanian organizations register, even partially, serious malfunction at least of the conditions mentioned above, we recommend operation in the following areas: improving human resource management, recruitment, selection, classification, evaluation, motivation and promotion of managers, managerial methodologization, continuous managerial training, calling for management consultancy, streamline their benefits.

Human resource management recruitment, selection, assessment, motivation and promotion of managers must respond favorably to the challenges of improving economic performance and management of the organization, the substantive changes in the form and content of these activities to ensure real professional resource managers, genuine “white collar”. Professor Al. Deaconu believes that such changes could occur in selecting, developing and rewarding managers [5, pp. 241-242], so they can produce efficiencies in areas run by taking consideration of the following: “in assessing the interests of managers moving from the efficiency results of human relations; Career managers are selected for their managerial skills, not their technical skills; acceptance in a growing measure, the hypothesis that some skills are genetic; training of managers is, increasingly, a profession in itself (it amplifies the role of consultants specializing in the field); Effective managers will be highly valued, will be better paid and easier mobility will accept”. Based on these aspects, the question naturally arises: how “feed” Romanian organizations with managers, given the fact that there are no schools (faculties) to produce managers? What conditions must be imposed on candidates to such managerial selection competition in order to succeed in a managerial position required? The answers to such questions should be given taking into account the realities of today. The slogan “was born to be boss” is not topical, even the phrase “management is drum as such should be chief” cannot be accepted. The employer will consider both management knowledge acquired by a formula institutional training usually faculty and managerial qualities and skills, some native, others acquired and developed during the working life of the individual. Accordingly, neither the scientific aspect, nor the actual artistic competence or own authority staff should not be taken as a priority in assessing the competence calculations, the value of a future manager, but both combined in a formula given by job seniority and importance to be exercised. Moreover, the job description drawn up and submitted in sufficient time candidate to fill a management position, it must contain sufficient data and information on the job specification to which he must respond in the highest degree, but also to job description, to alert the volume, complexity and difficulty of tasks, powers and responsibilities incumbent on individual objectives.

The most important function of methodological management component consists of managers’ service scientization. In other words, the extent to which managers use the services management tools and management methodologies provided by this the subsystem can rely on their professionalism and overall management of the organization. In this context, managerial methodologization becomes one of the most important ways to boost efficiency and effectiveness of the organization and its management. Order, discipline and rigor are features of managers’ work that can be promoted through methodologization:

- Promote the use of management tools (systems, methods and management techniques) to facilitate the exercise and management processes to each function (foresight, organization, coordination, training and control-assessment) and
- conduct any strategic-tactical approach of organizational change and management on rigorous methodological basis, using general and specific methodologies to redesign the management system and its subsystems, restructuring, reorganization, rationalization or effective implementation of management tools. Management methodologies in logical sequences are required to go for pragmatic success of a decision or complex actions. These can be general - when referring to major changes in the management of the organization (for example, redesigning management methodology or methodology of strategic management) - and specific - when targeting specific thematic areas of management (redesign of the subsystems decision methodologies, methodological information, organization etc. or methodologies required by the application of systems, methods and management techniques).

In terms of managerial methodologies it was already noticed a trend of agglomeration generated by promotion, sometimes to excess, of procedures, rules, regulations, rules, standards, etc., with adverse impact on decision-making and action sphere of managers and contractors, and the degree of bureaucratization of company management. We note, from this point of view, that the training and management consultancy is able to provide clarification on the need and methodologization opportunity and to facilitate operationalization and the effective enforcement of management tools and methodologies to general or specific.

Managerial training is another “source” of managers professionalization, as far as training and continuing professional development (name taken from the National Education Law no.1 / 2011) carried out in line with the organization’s needs, and these programs effectively and actively participate in those who lead and manage the organization or its structural components. The weak link in the process of professional training and management, as insufficient financial resources postgraduate programs in management and precariousness, their formalism are almost impossible to meet the goals of human resources management training and management development. Formal character of the training and study documents aggravates Romanian state managed organizations, departing from what is new and modern European and international management. Save, even partially, it came from organizations that have accessed European funds through the “human resource development” or “developing administrative capacity” and organized similar postgraduate courses in various fields, including management.

Management consulting is considered, in the opinion of Professor G. Pleșoianu, “a major and professional change ... because it promotes rational and efficient change that gives priority to achieving profitability and development in conjunction with market requirements”. The same author considers that, on the one hand, “management consultants and experienced professionals, promote organizational osmosis to obtain favorable results of change, choosing the most viable solutions without prejudices and inadequate rules” and, on the other hand “ensure the correlation with specific elements and the legal system and, in particular, restrictions, limitations and drawbacks” [7, p. 273].

5. Conclusions. Impact over the management and economic performances

Improving managerial efficiency leads to improving overall business efficiency and to generating performance to the economy. Managerial performance translates into: a balanced approach of managerial functions, significant improvement of the quality of managerial decisions (a consequence of increased quality of information and usage of managerial tools), improved know-how of managerial processes, ensuring a consistence of decision making and operations, improved matching of candidates to job roles, ensuring alignment between objectives, processes, structures, talent, etc. All these imply increased performance that can be measured by various financial or non-financial indicators in organisations: profit, market share, costs, efficiency rates, work productivity, solvency and liquidity, cash flow, etc. Performance improvement takes into account organisational objectives, promotes individual, group and organisational accountability for the results and fosters an adequate managerial environment – from methodological, organisational, decisional, motivational perspectives.

Speaking strictly about managerial methodologies, it's important to keep in sight the elements which bring great impact to the business and financial results. For example, the influence of cost center management and project management are key.

In this context, cost center management enables managerial performance, as well as business performance:

- The first and most affected performance indicator is **production cost per unit (per product) and as total**. Considering the overall costs remain unchanged, the cost per product will though change, due to the cost-hour-production system (SCOP), which uses fundamenting mechanisms significantly different to those applied in the method per orders or in other traditional calculations methods. Correct costs per unit will allow a realistic determination of the **profit / unit** and, implicitly, of the profitability of each product or service.
- Another performance indicator influenced by cost center management is **work productivity**. Considering the organisations are interested in a realistical determination of the headcount that is needed in relation to the business objectives, they also need clarity around the volume and complexity of work processes that are needed to accomplish these. The number of roles helps determine the number of employees needed for the organisational structure to function effectively. This in turn will lead to increased productivity and revenue.
- Cost centers and profit centers allow tracking of objectives and business results with the help of business performance indicators such as **profit** per centre, costs, profit rates, work productivity, market share etc.
- Economic and managerial decentralization, along with increased decisional and operational autonomy of cost centers are of essence to managerial performance. Introducing the **cost of one hour of operations** as a new performance indicator is one more enabler of increased competition between cost centers of an organisation. This is also an important parameter to determine the costs and the variations of deviations from the accepted means.

Project management brings along the following benefits:

- Proper resource allocation towards achieving the project objectives;

- Project costs are lower than costs in a traditional workframe, as it makes effective use of cross-departmental collaboration;
- Increased motivation of members which are part of project teams;
- Improved quality of results.

As a consequence, the efforts for increasing the effectiveness of Romanian organisations must continue and should be amplified; the fact that the Romanian economy had good results over the last 3 years (2012-2015) is a result of changes in management practices which were implemented with professionalism by managers across organisations.

To summarise, here are some approaches of improving the managerial effectiveness in organisations:

- Conducting a diagnose of strenghts and weaknesses, viability of tactical and strategic recommendations;
- Promoting strategic management (fundamenting, elaborating, implementing and evaluating of the strategy);
- Managerial reengineering (objectives, processes, structures, talent, results);
- Managerial methodology – reshaping of the organisational culture.

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Rezumat

Unul din factorii decisivi în amplificarea performanțelor, în obținerea de eficiență și eficacitate este managementul, abordat prin prisma conducerii și gestiunii organizației. Exercițiul de manageri, amplasați pe poziții ierarhice diferite în cadrul acesteia, ne putem firească întrebarea ce trebuie făcut pentru dinamizarea rolului managementului în obținerea de rezultate superioare obiectivelor asumate prin strategii, politici sau programe? Răspunsul este unul singur: este necesară eficientizarea cu prioritate a managementului, plecând de la premisa că performanțele manageriale "produc" performanțe economice în domeniul condus și, de ce nu, excelența în

management contribuie decisiv la obținerea excelenței în afaceri. Și cum unitatea de măsură a eficienței manageriale o reprezintă performanțele manageriale, pentru înregistrarea acestora este necesară acționarea în mai multe direcții – promovarea managementului strategic, reengineeringul managerial, metodologizarea managerială, schimbarea culturii organizaționale – toate axate pe rezultatele unei riguroase diagnosticări a viabilității manageriale și economice și integrate într-un model de eficientizare a managementului organizației. Necesitatea, oportunitatea și coordonatele principale ale unui asemenea model de management constituie obiectul cercetării efectuate.

Cuvinte-cheie: *eficientizare a managementului, management strategic, reengineering managerial, metodologizare managerială, performanțe manageriale și economice.*

Аннотация

Одним из решающих факторов в вопросах приумножения достижений, регистрации эффективности и результативности, является управление или менеджмент, рассмотренные с точки зрения администрирования и управления организацией. Осуществленный менеджерами различных иерархических уровней организации, менеджмент поднимает естественный вопрос, что нужно сделать, чтобы повысить роль управления в достижении результатов, превышающие установленные задачи, которые утверждены стратегиями, политиками и программами? Ответ один: однозначно необходимо повышать эффективность управления, предполагая, что управленческие достижения "производят" экономические достижения в управляемой области и, почему бы нет, совершенствование в управлении вносит решающий вклад в достижении значительных результатов деятельности. А так как единицей управленческой эффективности является управленческое достижение, то для ее регистрации необходимо действовать во многих направлениях - продвижение стратегического управления или менеджмента, выполнение управленческого реинжиниринга и управленческой методологизации, изменение организационной культуры. Последние должны быть основаны на результатах тщательной диагностики управленческой и экономической жизнеспособности и интегрированы в модель эффективного управления организацией. Исследованию были подвержены необходимость, целесообразность и основные координаты соответствующей модели менеджмента или управления.

Ключевые слова: *эффективность управления, стратегический менеджмент, управленческий реинжиниринг, управленческая методологизация, управленческие и экономические достижения.*

**OPPORTUNITIES FOR DEVELOPMENT OF TRADE RELATIONS
DERIVING FROM THE REPUBLIC OF MOLDOVA – EUROPEAN UNION
ASSOCIATION AGREEMENT**

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Abstract

*The Association Agreement signed between the Republic of Moldova and the European Union, having the DCFTA¹ component, provides a new opening (opportunity) for strengthening economic relations between the parties ensuring an effective platform for transforming the Republic of Moldova into a modern European country integrated into the community economic area. This ambitious objective calls for consequent carrying out of multiple economic, political and priority reforms, harmonization of national legislation to the *acquis communautaire* aiming facilitation of mutual trade and, in particular, large access of national products on the European market. Although the importance of this strategic document is largely advertized, its contents, advantages and actions to be taken are less known within business as well as academic environment.*

This paper examines Agreement provisions regarding trade development, basic elements of DCFTA and opportunities it offers to entrepreneurs, national economy, society as well as benefits deriving from its implementation.

Keywords: trade relations, DCFTA, european integration, community market.

1. Introduction

Economic and social development of the Republic of Moldova is largely determined by trade relations carried out by our country both domestically and mainly externally. Among the many trade relations the European Community countries have an important part. Bilateral trade between the European Union (EU) and the Republic of Moldova is steadily rising in recent years due to EU decision (2008) to open up its market unilaterally to the Republic of Moldova in the framework of Autonomous Trade Preferences. As a result, the European Union has become the most important trading partner for the Republic of Moldova in terms of both import and export and currently its share is about 47% [1, p. 423] of the annual external trade of our country.

Thus, bilateral trade between the EU and the Republic of Moldova is an important factor for economic and social consolidation of the country.

¹ DCFTA - Deep and Comprehensive Free Trade Agreement

With the signing of the Association Agreement between the Republic of Moldova on the one hand, and the European Union and the European Atomic Energy Community and their Member States, on the other hand (hereinafter RM-EU Association Agreement) ²[4], providing the creation of Deep and Comprehensive Free Trade Area, the Republic of Moldova has entered a new stage of trade relations development. Economic and social development of our country both in the short and in the long term will depend on the implementation of this Agreement, on the progress in this area. This requires, on one side, knowledge of priorities and regulations set out in the Agreement, identification of its opportunities and actions to be done in order to exploit these opportunities, on the other side.

2. Current investigation stage of the problem, purpose of research

Analysis and development of trade relations between the Republic of Moldova and other partners based on various cooperation agreements and trade regimes, is broadly analyzed and addressed in the literature. RM-EU Association Agreement, including a Deep and Comprehensive Free Trade Agreement (DCFTA), is unique because no neighboring partner of the EU has also benefited from such trade preferences as those granted to Moldova. For exploration of the opportunities offered by DCFTA, first of all, one must have knowledge and awareness, must establish an agenda for action to be taken as well as must fully include in the implementation of the Agreement provisions all involved stakeholders: authorities, business and society as a whole.

The purpose of this study (research) is to highlight main aspects related to the development of trade between the Republic of Moldova and the European Union in accordance with (in terms of) the DCFTA provisions, to examine access conditions for domestic products to the Community market as well as access conditions of European products to Moldovan market, to assess DCFTA implementation impact (economic, legal, social).

3. Methods and materials used

The research was conducted using a comprehensive set of research tools containing quantitative and qualitative research methods, including analysis, synthesis, comparative study, document analysis, deduction, observation, economic modeling, forecasting methods etc.

The research was based on the analysis of RM-EU Association Agreement, in particular of the DCFTA, of retrospective and perspective of Moldovan trade relations, in particular EU trade relations, of the legislation and Community rules (EU), of Moldovan legislation regarding development of trade relations, of Moldovan socio-economic development priorities, as well as on an estimation of the implementation impact of this agreement on strengthening country's economy and on populations's quality of life.

² The Association Agreement between the Republic of Moldova, on the one hand, and the European Union and the European Atomic Energy Community and their Member States, on the other hand, was signed on June 27, 2014 in Brussels, Belgium. The Agreement was ratified by the Parliament of the Republic of Moldova on July 2, 2014 (Law no. 112 of July 2, 2014, promulgated by Presidential Decree no. 1237 of July 8, 2014) and by the European Parliament on November 13, 2014.

4. Analysis of opportunities for the development of trade relations between the Republic of Moldova and the European Union in the context of (in the light of) RM-EU Association Agreement and DCFTA

The Association Agreement signed between the Republic of Moldova and the European Union provides a new opening for the development of trade relations on a new level, an increased trade, a new legal framework for Moldova-EU cooperation, strengthening of political and economic relations between the EU and the Republic of Moldova, integration of the country into the EU economic area. The Agreement entered into force on September 1, 2014³. Prior to entry into force of RM-EU Association Agreement, the relations between the European Union and the Republic of Moldova have been regulated by Partnership and Cooperation Agreement (PCA) (1998).

This Agreement represents a new generation of Association Agreements⁴, containing ambitious and innovative provisions, based on a comprehensive and thorough approach. The Agreement is a definite way to boost Moldova-EU relations and focuses on:

- carrying out key reforms,
- economic growth and development,
- governance and cooperation in energy, transport, environmental protection, industry areas,
- development of small and medium enterprises (SMEs)
- social protection, equal rights,
- consumer protection,
- education, research and innovation,
- cultural cooperation, etc.

This document is also especially important because it includes the Deep and Comprehensive Free Trade Agreement (DCFTA), which provisions require the creation of Deep and Comprehensive Free Trade Area between the Republic of Moldova and the EU⁵. DCFTA aims mutual opening of markets for trade with goods and services, reduction of barriers to bilateral trade, which has an impact on the growth of our country's economy.

In fact, DCFTA is beyond classical arrangements referring to free trade because it provides not only a mutual opening of markets for most goods and services, but compels to gradual harmonization with EU norms and standards for trade, gradual transition to progressive European standards and standards governing the quality of products and services (standards and rules for conformity assessment, sanitary and phytosanitary rules, intellectual property rights, trade

³ RM-EU Association Agreement would enter into force after ratification by all signatory parties (the Republic of Moldova, the European Parliament and the 28 EU Member States) - on the first day of the second month after submitting the last ratification instrument at the General Secretariat of EU Council. However, the Republic of Moldova and the European Union have decided the provisional application of parts of the Agreement beginning with September 1, 2014 (EU Council Decision 2014/492/EU of June 16, 2014 on the signing, on behalf of the European Union, and provisional application of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, on the one hand, and the Republic of Moldova, on the other hand).

⁴ According to official EU definition, an Association Agreement with the European Union is an international treaty between the European Union (EU) and a country outside the EU, in our case - the Republic of Moldova.

⁵ The negotiations on the Association Agreement between the Republic of Moldova and the EU were launched in early 2010 and discussions on establishing a Deep and Comprehensive Free Trade Area, as part of the Agreement have started only in 2012, when the Republic of Moldova has shown substantial progress in preparation for these negotiations.

facilitation, public tendering and competition; strict regulations related to energy products trade, including investment, transit and transmission, etc.).

Thus, the RM-EU Association Agreement has a strategic importance for the development of EU-RM relations, offering both political association and wide possibilities of economic integration through gradual liberalization (up to 10 years after signing) of trade in goods and services, reduction of customs duties, of technical and non-tariff barriers, harmonization of national legislation with the EU *acquis*, free movement of labor.

Given the European aspirations of the Republic of Moldova, the RM-EU Association Agreement represents a schedule with an ambitious program for multidimensional reforming of the country oriented toward the development of market economy and sustainable democracy.

Based on an innovative and ambitious approach, the RM-EU Association Agreement has a complex structure [4] and establishes a new legal framework for the advancement of relations between the Republic of Moldova and the European Union.

A separate chapter (Title IV) of the RM-EU Association Agreement relates to economic and sectoral cooperation and aims at economic dialogue, company law, accounting and auditing as well as corporate governance, employment, social policy, public finance management, financial control, taxation, fiscal policy and cooperation, corporate governance, consumer protection, ways for our country's participation in community programs and other issues.

Title V "Trade and aspects of trade (DCFTA)" is of particular importance, aiming at market access for goods, elimination of customs duties, fees and other charges, non-tariff measures, trade defense measures, safeguard measures, antidumping and countervailing measures, technical barriers to trade, standardization, metrology, accreditation and conformity assessment, sanitary and phytosanitary measures, customs regime and trade facilitation, trade in services and electronic trade, standards for intellectual property rights, etc. This particular title states that economic integration will be achieved through the establishment of a Deep and Comprehensive Free Trade Area.

DCFTA has an innovative character, offers a new perspective to the development of trade relations of the Republic of Moldova with the EU, but as it appears, it is less known both in business and academic environments, therefore we shall further analyze the basic elements of DCFTA and the opportunities they offer as well as the benefits derived from its implementation.

The main DCFTA components are shown in Figure 1.

The Deep and Comprehensive Free Trade Area seeks a preferential trade relationship based on better market access under mutually advantageous conditions compared to those offered to other partners [8]. FTAs established by EU under relationships with its trading partners are beyond regular trade and are based on a comprehensive approach towards trade. This approach provides that trade can not be disconnected from internal policies regarding procurement, competition, intellectual property and sustainable development.

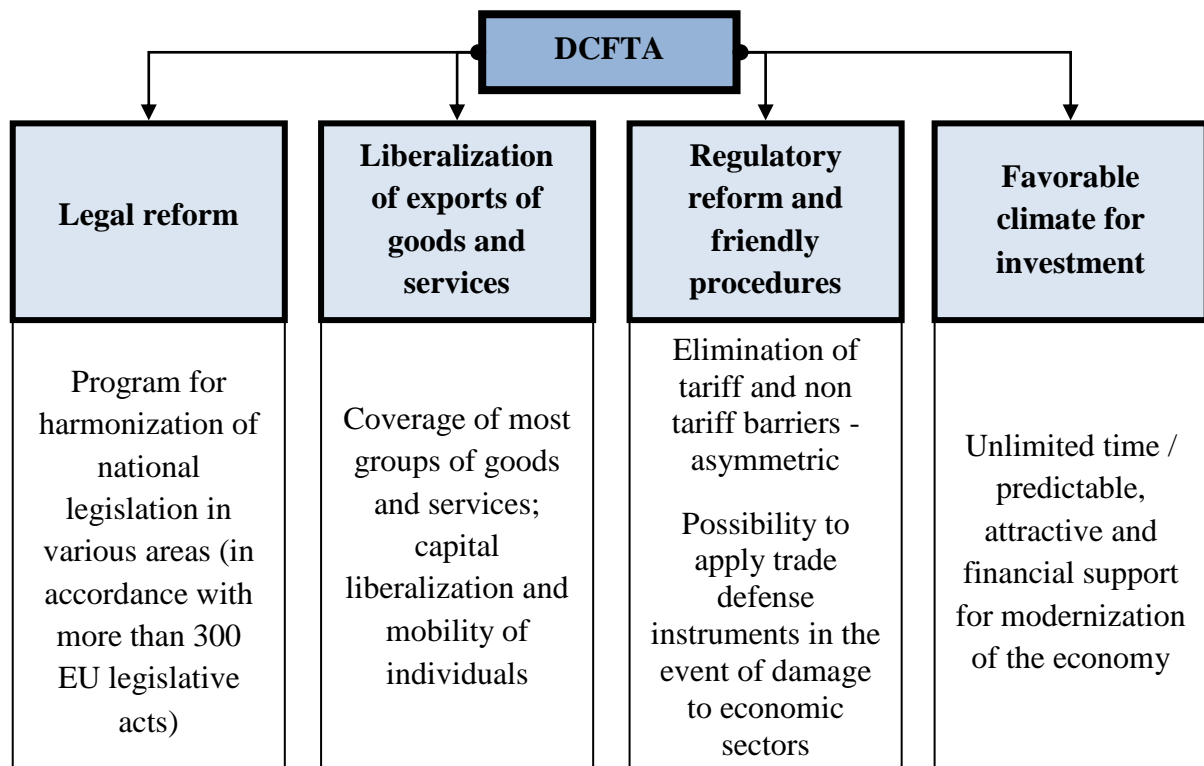


Figure 1: Main element of DCFTA

Another dimension of trade policies relates to the deep character of Free Trade Area with the Republic of Moldova. In this regard DCFTA includes provisions to reform national trade and trade policies in line with European legislation, which will contribute to attraction of investment and modernization of the economy.

Table 1: General provisions of DCFTA

Rules, aspects, components	Provisions	Content
‘Trade only’ rules	<i>Tariff obligations</i>	Complete removal of all import duties and prohibition of exports’ taxes for all EU products with the exception of few agricultural goods (mostly animal, sugar and cereals), considered sensitive in the EU and whose trade flows are subject to monitoring.
	<i>Rules of origin</i>	The Republic of Moldova will apply the rules of origin that will enable accession to the Pan-EuroMed (PEM) Convention as an area for cumulation of manufacturing processes with EU and other PEM countries, facilitating economic integration of trade in goods.
	<i>Services and right of establishment</i>	EU and the Republic of Moldova shall provide mutual market access for cross-border services in a wide range of areas. Also, qualified personnel will be offered the right to temporary employment in the EU or in the Republic of Moldova in the sectors offering the right of establishment.
“Comprehensive” aspect	<i>Competition policies</i>	The rules aim at proper implementation of national legislation on competition and prevention of monopolistic practices or abuse of dominant market position. The Republic of Moldova and the EU seek cooperation in the exchange of information and compliance with competition rules. With regard to assessment of subsidies/state aid, these rules will be applied within

		the first 5 years. The Republic of Moldova will create the necessary institutions with regard to state aid, which will become operational within 2 years from the date of entry into force of the Agreement.
	<i>Intellectual property</i>	Parties strengthen the commitment to protect intellectual property beyond the provisions of the World Trade Organisation Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs). These concern the extended protection of various intellectual property rights (e.g. trademarks, patents, design etc.).
	<i>Sustainable development and Transparency</i>	Country's economic development must take place in accordance with environmental, social and work legislation, in particular with relevant international agreements under which the Republic of Moldova is a member, involving necessary transparency during policy development.
"In-depth" component	<i>Food safety / sanitary and phytosanitary measures</i>	Provisions aim at trade conditions for plants and plant products as well as for animals and animal products; procedures for establishing the equivalence of food safety regime of the Republic of Moldova with the EU regime, which will enable Moldovan exports of animals and animal products to EU.
	<i>Technical regulations and standards for industrial goods</i>	Provides progressive (until 2018) and comprehensive harmonization of national legislation, horizontally and sectorally, for industrial products with the EU acquis. Once harmonization will be completed, the parties will be able to sign an Agreement on conformity assessment and acceptance of industrial standards, through which Moldovan accreditation and market surveillance policies for industrial goods will be recognized.
	<i>Public procurement</i>	EU and Moldova opts for continuous and gradual (over 8 years) modernization of the public procurement system and alignment of national legislation with EU legislation. Completion of reforms in this area will provide wide access to the EU market under national treatment above certain value limits.
	<i>Services</i>	The reforms will also aim post and courier areas, sea shipping, electronic communications and financial services. The Republic of Moldova envisages for gradual process of reforms in all these areas up to 10 years.
	<i>Trade and customs facilitation</i>	The Republic of Moldova will undertake discipline measures related to customs policy management, customs fraud and administrative cooperation in this regard under EU law. DCFTA provides for the harmonization of national legislation within 3 years (EU Customs Code, customs applications of intellectual property).

Source: developed based on [9].

Thus, DCFTA represents a new trading instrument that goes beyond the traditional concept of trade liberalization and is based on two key elements:

- ✓ trade liberalization by eliminating customs duties, import quotas and other procedural, legal and technical barriers to trade; including new liberalized rules on investment and services;
- ✓ adoption of EU rules and standards, thus ensuring the premises for a deep integration in the Community market.

One must note that the Community market is considered to be the largest in the world, having 500 million consumers and GDP nominal value of about 20 trillion US dollars.

Between the Republic of Moldova and the EU is operated a trade regime (ATP) established by European Council Regulation (EC) no. 55/2008 of January 21, 2008 introducing autonomous trade

preferences for the Republic of Moldova [5] which subsequently undergone many amendments after the progress recorded when negotiating the RM-EU Association Agreement and commitments regarding the creation of Deep and Comprehensive Free Trade Area between EU and the Republic of Moldova, the latter being operated by the Regulation of the European Parliament (EU) no. 37/2014 and of the European Council on January 15, 2014 [7].

With the mutual opening of markets, the Republic of Moldova and the EU have established measures to protect markets and domestic producers in terms of most sensitive positions.

As regards access of EU agricultural products on the market of the Republic of Moldova for most tariff headings cancellation of immediate fees was carried out after the entry into force of the RM-UE Association Agreement.

For agricultural products there are established certain market protection measures. Thus, for this group of goods are provided:

- cancellation of immediate fees – for products which are not produced in the country or represent raw materials with low added value;
- setting a transition period (3-10 years) for less sensitive, competitive products (fruits, vegetables, alcoholic beverages, specialty cheese, etc.);
- setting annual tariff quotas for imports (by average EU imports level in the last 3 years) for sensitive products, with regard to which import goods from the European Union can potentially disrupt the activity of companies from the relevant industry (meat and meat products, milk and milk products, confectionery, etc.).

Immediate abolition of import duties is provided for most EU industrial products accessing the Moldovan market except for some products from the textile, furniture, construction and chemical industries.

Gradual liberalization is envisaged, as already mentioned, for some sensitive products from the domestic market. The list of these products is shown in Tables 2 and 3.

Table 2: List of quotas for imported food products from the EU
in the Republic of Moldova and the transition period

HS ⁶	Products	Transition period
0206	Pork offal	10 years
0402	Powder or concentrated milk and cream	10 years
0406	Cheeses	3-5 years
1602	Canned meat	10 years
07-08	Fruits and vegetables	5 years
1902-1905	Pasta, cereals, bakery products	3-5 years
2002	Processed fruit and vegetable products	3-5 years
2007-2009	Juices	5 years
2204	Wines	5 years

⁶ The Harmonized Commodity Description and Coding System

Table 3: List of industrial products imported in the Republic of Moldova
from the EU and the transition period

HS	Products	Transition period
2523	Salt; sulfur, earths and stone; plastering materials, lime and cement	5 years
3917 3922-3926	Plastics and articles thereof	3-5 years
5702-5705	Carpets and other textile floor coverings	5 years
6101-6110 6115	Clothing and clothing accessories, knitted or crocheted	3-5 years
6201-6006 6211-6212	Articles of clothing accessories, not knitted or crocheted	3-5 years
6302-6309	Other textile articles; sets; clothing and worn textile articles; rags	5 years
6402-6405	Footwear, gaiters and similar goods; parts thereof	5 years
7010	Glass and glassware	5 years
9401-9403	Furniture; medical and surgical furniture; bedding and similar products; luminaires not specified or included elsewhere; lamps for illuminated advertising, illuminated signs, illuminated nameplates and similar products; prefabricated frames	5 years

For a number of products access on the Moldova domestic market will not be liberalized, therefore being administered tariff quotas (TRQ - Tariff Rate Quota), Table 4.

Table 4: List of quotas for agricultural products imported from the EU
in the Republic of Moldova within tariff quotas

HS	Products	Amount
0203 (16 tariff headings)	Pork meat	TRQ 1 - 4000 tons
0207 (20 tariff headings)	Chicken meat	TRQ 2 – 4000 tons
0401, 0405	Milk. Butter	TRQ 3 - 1000 tons
1601, 1602 (16 tariff headings)	Processed meat products	TRQ 4 – 1700 tons
1701 (7 tariff headings)	Sugar	TRQ 5 – 5400 tons
1702 (17 tariff headings)	Sugar products	TRQ 6 – 640 tons

It is estimated that about 95% of the import duties will be reduced to zero in the long run [3, p. 20]. This will lead to:

- increase of the competition level,
- increase of labor productivity after the implementation of new technologies,
- decrease of prices for consumers,
- salary growth,
- extension of employment opportunities,
- access to quality products, etc.

With regard to access of domestic products on the European Union market, it should be noted that the asymmetrical trade regime established under the RM-EU Association Agreement offers Moldovan agricultural producers preferential access on the Community market, access which any other partner of the European Union does not benefit of. The Republic of Moldova has the shortest

list of products that are produced domestically for which trade protection measures have been maintained by the EU, and is the only state that has obtained exemptions from the application of the “entry price” protection mechanism traditionally applied by the EU for a set of products. Within the quotas amount approved, our country can deliver six products without any customs duties charged.

The European Union has implemented a set of three measures to protect the Community market:

- application of annual tariff quotas (customs duty is excluded within the approved amount of annual quotas);
- elimination of ad-valorem component from the tax while maintaining the “entry price” specific duty;
- application of “anti-circumvention”⁷ protection mechanism.

Elimination of taxes will stimulate, particularly, the development of the agricultural sector - of strategic importance for the country, and will help to increase Moldovan export of agricultural products from the Republic of Moldova to the EU, especially of sugar, grain and wheat (30% estimated increase) and of other food products. Only certain agricultural products (mostly animal products, sugar and cereals), sensitive for the European market will be monitored to ensure that the import of these products, classified to be Moldovan, to the EU market are in compliance with the production capacity of the country and no circumvention of export taxes through export of products of different origin (from another country) occurs.

Mastering the potential of Moldovan exports to the Community market involves, first of all, harmonization with EU standards, reduction of sanitary and phytosanitary barriers as well as of technical barriers. Achieving this goal will have a double effect: it will open the EU market for Moldovan exporters and will help expand the access of Moldovan products to third countries’ markets.

Currently, only 6 products are subject to annual exemption of entrance fees within the limit of tariff quotas on Moldovan exports to the EU (Table 5).

Table 5: Products subject to annual exemption of fees/entry price in the amount of tariff quotas for export from Moldova to the EU

Product	Amount, tons
Fresh or refrigerated tomatoes	2000
Fresh table grapes	10000
Fresh plums	10000
Fresh apples	40000
Grape juice	500
Fresh garlic	220

Source: [10].

For a number of products the ad valorem component of the import duty is excluded while maintaining the tax/entry price on the EU market (Table 6).

⁷ It involves setting floating quotas (indicative amounts) that can be overcome and amended depending on the increase of export potential for a specific Moldovan product. The goal – protection of the EU market from possible re-exports of products from third countries.

Table 6: Products subject to entry price on the EU market
for which the ad valorem component of the import duty is excluded

Code NC 2012	Products
07070005	Cucumbers, fresh or refrigerated
07099100	Spherical artichokes, fresh or refrigerated
07099310	Courgettes, fresh or refrigerated
08083090	Pears (excl. cider in bulk from August 1 to December 31)
08091000	Fresh apricots
08092100	Fresh sour cherries "Prunus cerasus"
08092900	Fresh cherries (excl. sour cherries)
08093010	Fresh nectarines
08093090	Fresh peaches (excl. nectarines)
22043092	Grape stum, unfermented, concentrated (excl. grape stum whose fermentation was stopped by the addition of alcohol)
22043094	Grape stum, unfermented, not concentrated (excl. grape stum whose fermentation was stopped by the addition of alcohol)

The list of products for which the “anti-circumvention” protection mechanism for Moldovan exports to the EU market is shown in Figures 2 and 3.

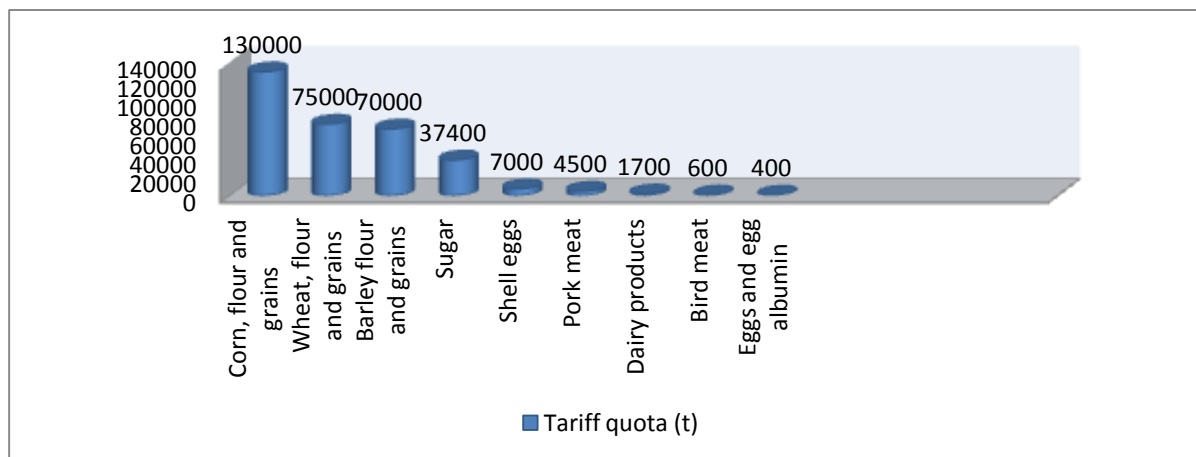


Figure 2: Agricultural products subject to the “anti-circumvention” mechanism for Moldovan exports to the EU market (floating quotas to the EU)

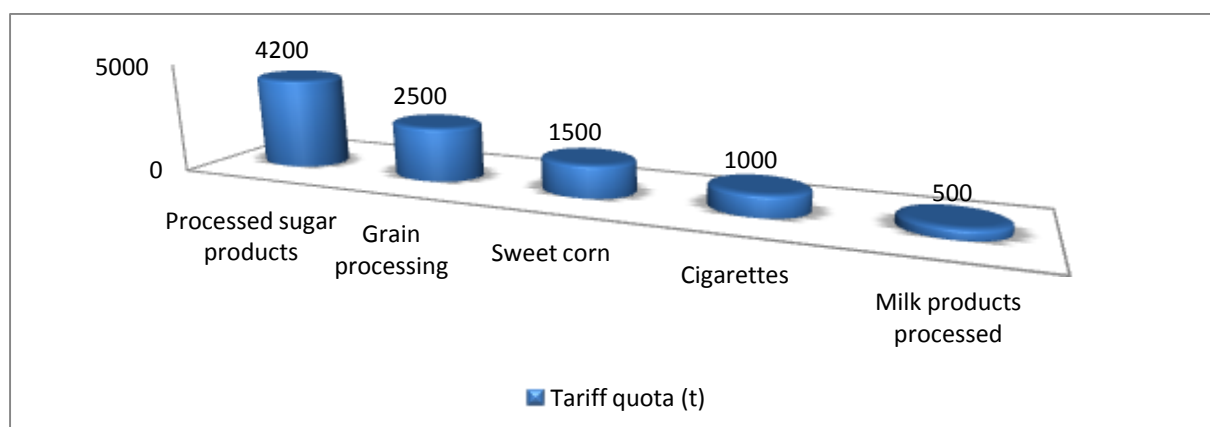


Figure 3: *Processed agricultural products* subject to the “anti-circumvention” mechanism for Moldovan exports to the EU market (floating quotas to the EU)

Exports of industrial products from the Republic of Moldova to the EU also benefit from reduced taxes.

Expansion of Moldovan products access on the EU market, increase of Moldovan exports to the Community market is influenced to a large extent by the quality of products and their compliance with EU rules. Particularly topical in this context is the harmonization of the legislation on sanitary and phytosanitary measures as well, as currently Moldovan exports of a range of products, particularly those of animal origin, cannot be achieved due to failure to comply with EU requirements. Nowadays, however, there are substantial differences between our and European technical regulations. Their elimination, through harmonization of Moldovan technical regulations to EU norms, will have a multiple effect:

- reduction of corporate costs related to passing conformity assessment procedures;
- establishment of a mechanism for mutual recognition of conformity assessment procedures;
- reduction of product promotion costs;
- stimulation of investments in product quality and implementation of new technologies;
- increased competitiveness of products and enterprises, etc.

Based on estimates, reduction of these costs could reach 50% for agricultural products and 35% - for industrial products [3, p. 23].

The RM - EU Association Agreement stipulates the possibility to revise the provisions in order to increase the liberalization level of trade, to accelerate and extend the range of customs duties eliminated in trade between the Parties. It is expected that after three years from entry into force of the RM-EU Association Agreement parties will assess the situation taking into account the structure of bilateral trade in agricultural products, the specific sensitivity of these products and the development of agricultural policy on both sides, and will examine the possibility for granting new concessions to extend liberalization of trade in agricultural products, especially regarding those subject to tariff quotas.

5. DCFTA benefits and impact of its implementation

The RM-EU Association Agreement and DCFTA in particular, give our country an effective framework for modernization and development, and its implementation benefits are multiple and concern various aspects: economic, trade, legal, social, etc. It is estimated that the implementation of DCFTA will substantially transform not only economic, trade and investment relations between the Republic of Moldova and the EU, but also the entire economic area of the country, due to not only mutual opening of markets through elimination and reduction of duties and quotas but also to deep harmonization of laws, rules and regulations in all sectors of national economy to European standards.

The economic impact of DCFTA will materialize in economic consolidation and stimulation of economic growth of our country, investment, access to the largest market - the EU market, expansion of domestic products exports, harmonization of internal standards related to product quality and safety to the European ones, increase of competitiveness on domestic and foreign markets, etc. (Figure 4).

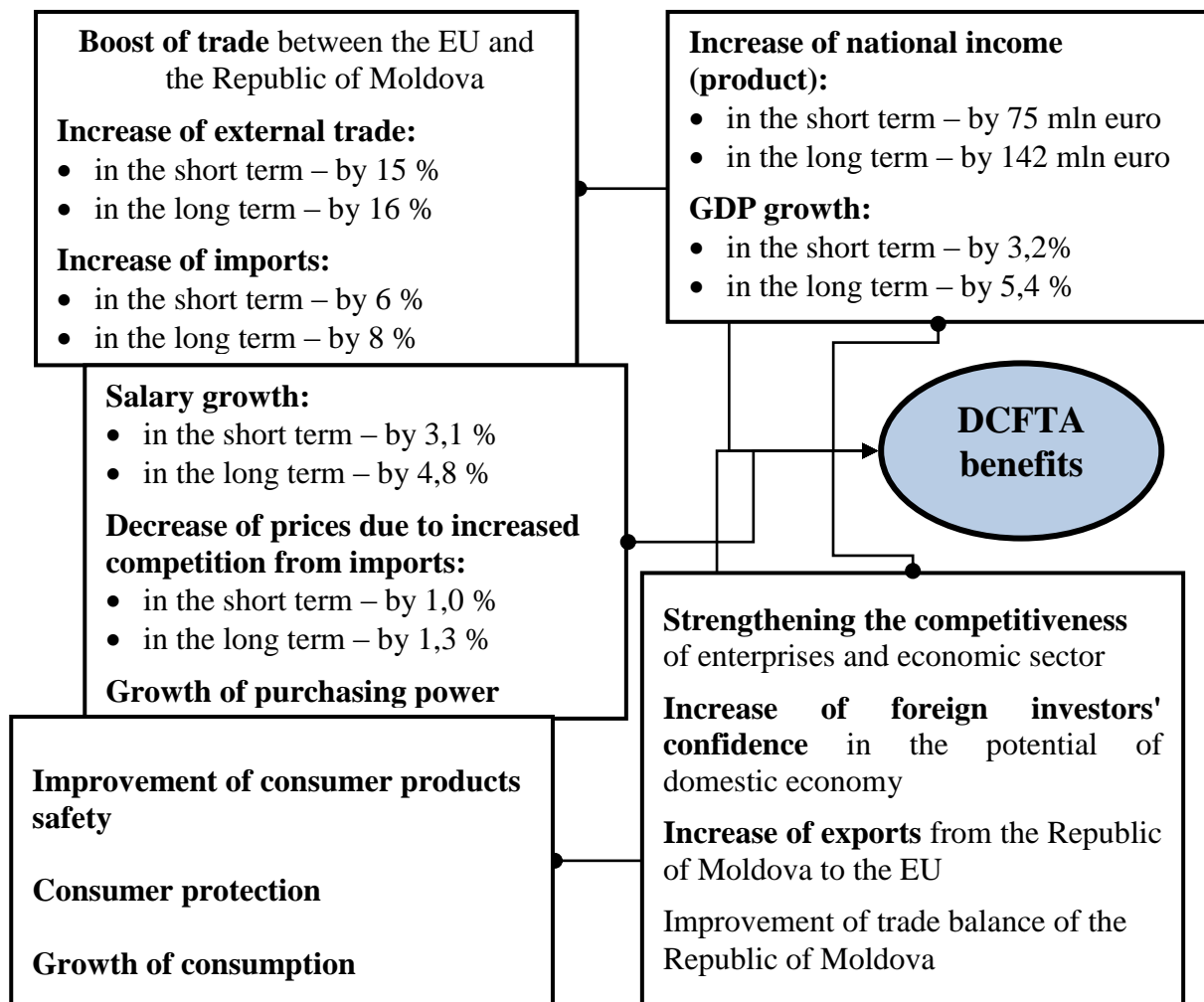


Figure 4: DCFTA benefits for the Republic of Moldova

Source: developed based on [5, 9].

DCFTA provides multiple benefits for exporters:

- unlimited access, with no tariff restrictions for import of agricultural and industrial products on the Community market;
- prospects for export of animal products;
- elimination of customs duties;
- implementation of European standards and rules on quality infrastructure;
- strengthening of efforts in order to penetrate foreign markets;
- increased competitiveness;
- development of national legal framework in the area of competition;
- prospects for joint business development and stimulation;
- reorientation from trade towards production;
- EU technical and financial assistance benefits, etc.

DCFTA provides the necessary platform for improvement of national legal framework in line with the *acquis communautaire*, establishment of clear and transparent laws and procedures similar to those applied in the EU. The Republic of Moldova can implement many EU laws and procedures to apply them at national level. Harmonized legislative and regulatory framework will have impact on all sectors, fields of activity and consumers.

DCFTA will also have a major social impact, contributing to improved quality of life, access to products of European quality and safety, poverty reduction also through creation of new employment opportunities both for skilled- and the unskilled personnel, salary growth, reduction of labor migration in the country, etc.

Opting for integration into the European Economic Area and assuming clear membership commitments to community values, the Government of the Republic of Moldova approved the National Plan for implementing the Republic of Moldova - European Union Association Agreement in the 2014-2016 period [2], which sets key priorities for cooperation and actions required from the responsible institutions according to each component of the Association Agreement, including the Deep and Comprehensive Free Trade Area component aimed to ensure economic integration with the EU. This plan is the basic instrument for monitoring the European integration process internally for the 2014-2016 period and provides financial resources for the implementation of the Agreement.

With all the advantages offered by DCFTA, some experts mention certain possible threats to Moldovan economy:

- increasing imports of goods from the EU at a higher pace than exports on the Community market;
- pressure on Moldovan agriculture;
- initiation of a series of costly reforms and insufficient resources to promote them;
- delay of reforms intended to boost competitiveness;
- restrictive measures by some CIS partners;
- decrease of state budget revenues from the reduction in customs duties;
- non-achievement of expected indicators due to worsening economic situation at regional/international level, etc.

6. Conclusions

Economic integration of the Republic of Moldova into the European Economic Community depends on progress in the implementation of the RM-EU Association Agreement, creation of the Deep and Comprehensive Free Trade Area, results recorded by our country in terms of compliance with community values and progress in convergence with EU economy, legislation and policy.

The RM-EU Association Agreement will deepen the relations between the Republic of Moldova and the EU as well as will help to continuous transformation of the Republic of Moldova into a modern European country.

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Rezumat

Semnarea Acordului de Asociere între Republica Moldova și Uniunea Europeană, având drept componentă DCFTA⁸, oferă o nouă deschidere (oportunități) pentru consolidarea relațiilor economice dintre părți, oferind o platformă eficientă pentru transformarea Republicii Moldova într-o țară europeană modernă, integrată în spațiul economic comunitar. Realizarea acestui obiectiv ambițios solicită promovarea consecventă a multiplelor reforme de ordin economic, politic, și, prioritar, armonizarea cadrului legislativ național la acquis-ul comunitar pentru facilitarea relațiilor comerciale reciproce și, în special, a accesului extins pe piața europeană a produselor autohtone. Deși se mediatizează mult despre importanța acestui document strategic, conținutul lui, avantajele ce le oferă și acțiunile ce urmează a fi realizate sunt mai puțin cunoscute în mediul de afaceri, dar și în cel academic.

În prezentul articol se analizează prevederile Acordului referitor la dezvoltarea schimburilor comerciale, elementele de bază ale DCFTA și oportunitățile, ce le oferă pentru antreprenori, economia națională, societate, precum și beneficiile derivate din implementarea acestuia.

Cuvinte-cheie: relații comerciale, DCFTA, integrare europeană, piață comunitară.

Аннотация

Подписание Республикой Молдова и Европейским Союзом Соглашения об Ассоциации, с компонентой DCFTA, предоставляет новые возможности для укрепления экономических отношений между сторонами, обеспечивает создание эффективной платформы для трансформации Республики Молдова в современное европейское государство, интегрированное в европейское сообщество. Реализация этой амбициозной цели, требует последовательного осуществления множества экономических, политических реформ, и, в первую очередь, гармонизацию национальной нормативно-законодательной базы с законодательством европейского сообщества в целях опрощения взаимных торговых отношений, в особенности предоставления расширенного доступа отечественных товаров на европейский рынок. Несмотря на значимость данного стратегического документа, его содержание, предоставляемые преимущества, необходимые действия, остаются, по-прежнему, малознакомы как в предпринимательской, так и в академической среде.

В данной статье проведен анализ положений Соглашения, касающиеся развития торговых отношений, основных элементов DCFTA и предоставляемых возможностей для предпринимателей, национальной экономики, общества, а также обзор преимуществ от внедрения акта.

Ключевые слова: торговые отношения, DCFTA, европейская интеграция, рынок сообщества.

The publication is fulfilled within the research Project „Domestic trade and consumer cooperatives development in the context of economic integration of the Republic of Moldova in the European Community” (code 15.817.06.28A).

⁸ DCFTA - Deep and Comprehensive Free Trade Agreement

FORMATION AND DEVELOPMENT OF PRODUCT COMPETITIVE POLICY AT ENTERPRISES BASED ON MARKETING RESEARCH

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JEL classification: M31

Abstract

The paper reveals the essence of the product policy, its place in the marketing mix complex, the key elements of product competitiveness, directions to achieve a competitive product policy at the company. A special place belongs to stages of formation and development of product competitive policies of at companies including: formulating the conditions of elaborating and fulfilling the product's policy (elaborating new action strategies, knowing the elements of the market); choosing variants on product's strategies and procedures for implementing marketing tactics; managing the life cycle of the product and the changing characteristics in the movement of product through its life cycle phases; develop recommendations on product planning and improving their value in use (consumption); deciding on the making, packaging, labeling and marking of products.

Keywords: *product policy, assortment policy, competitiveness, new product, marketing mix.*

1. Introduction

Nowadays, the increased need to elaborate a competitive product policy in the marketing mix complex of the enterprise due to businesses' success depends on the ability of economic agents to propose to the market an affordable product by price and according to consumers' needs.

The need for marketing research in order to form and develop a competitive product policy of the enterprise is determined by a set of causes: the high level of products' and businesses' competition on the market, the specifics of developing food and nonfood market, the influence of internal and external factors on forming competitive products and enterprises according to the market's requirements.

2. The degree of investigating the problem

Currently in the Republic of Moldova product competitive policy is insufficiently researched. The authors specify for the first time the definition, the essence and the content of product competitive policy towards the overall product policy, also describe the main components of the product competitive policy: strategies and tactics of product; assortment Policy Service and Warranty Policy; politics mark (trade mark) product; product packaging policy.

3. Methods and materials applied

The authors use marketing research methods on: analysis of different marketing strategies related to designing products' assortment; the decision about completing the assortment with new products on the market; removing obsolete products for which customer's demand is decreasing. In the research there was used the comparative method, the classification method on formation and development of competitive product policy at the enterprise.

4. Results and discussions

4.1. The specifics of forming the competitive product policy

In books the product policy is defined by some authors as „the behavior which the enterprise adopts as on the size, structure and evolution of the range of products and services which are subject to its own activity” [2, p. 329]. Others consider that „the product must be conceived and analyzed by the advantages or usefulness that the buyer expects from it” [4, p. 116].

Moreover, the product policy includes certain actions of the company and behavior principles. The product policy must ensure product's competitiveness to a certain level, to contribute to determining the niche of the product on the market, pay attention to brand, package and services accompanying the products, to unfold marketing activity on the product and its attributes on the market. As attributes of the product on the market we can highlight: the brand, packaging, accompanying services. In this context there can be highlighted the directions of product policy, including: decisions on image (picture), qualities and characteristics of product; the decision on branding, packaging and accompanying services; the decision on each stage of product's life cycle (product's launch on the market, market's growth, market's maturity, market's decline); the decision on forming the product's assortment, the marketing decision on product, market's segmentation, product's positioning, establishing the prices, distribution and promotion of the product on the market.

Product policy, on one hand has an economic significance because an effective management policy will enable the company to survive in the harsh competitive conditions. On the other hand, the product policy has a social significance because it educates the consumers' tastes and forms their needs in conditions of intensifying the competition. Managing the product policy involves tracking the market's development in order to reflect the product's parameters to consumers' needs and creating the information basis for the evaluation of the product in the process of launching the product on the market. The major components of product's policy are: product's research, the analysis of product's quality, the analysis of the product's life cycle, formation of product's assortment, analysis of the strengths and weaknesses of the product's range, product's innovation and stimulation of creative capabilities from research and production, quality assurance and product's competitiveness, product's modeling by design and creation of a prototype or a mock form of the future product's components; legal assurance of the product which is protected against counterfeiting by using the tools (patents, trademarks, utility models etc.); attitude towards the old products tracked by the sales' index and the profitability of each product, managing the trade mark, packaging and marking.

Product policy involves measures to increase the competitiveness of manufactured products, improve the quality, changes in product range; holding a strong position on the market; increasing

the degree of products' renewal by assimilating new products, improving some products from manufacturing lines; optimization of assortment for making coordinated decision by increasing or decreasing coordinated product lines; extension or reduction of some stages of product's life cycle; taking decisions about the image, properties and characteristics of the product; argumentation of decisions on branding, packaging and services, taking decisions on each phase of the product's life cycle (launch, growth, maturity, decline).

An important policy of the product assortment is managing the assortment or formation of assortment policy, which involves establishing the dimension and structure of the product range unfold by a commercial enterprise related to its potential and market demand. The assortment policy establishes the link between the market requirements and intention of the company, it provides the adjustment of the structure of products' offer to the development of demand, forms the product's assortment at enterprise-level, determines the specialization of enterprise and solves the problem of determining the origin of the product.

The aim of the assortment policy is to determine a set of products that will ensure positive activity of the enterprise on the market, as well as making an accelerated rotation of the stocks with a higher sales volume. Strategically the assortment policy brings decisions taken within the assortment groups of the enterprise and operationally the decisions are pooled across product lines. The decisions taken on the choice of assortment groups and products' lines are based on the characteristics of the assortment of goods (length, width, depth and consistency of assortment) as well as the criteria: the nature of products, the merchandising features, the structure of commercial network, the level of prices, the ratio between supply and demand on the market, the specifics of the activities unfold in the field of products' movement.

The assortment policy needs correction because not all products are cost effective and the volume of profit decreases continuously. Only a rational proportion of products and the creation of an optimal set of assortment will enable the company to react timely to changes of supply and demand, to combine the goods' criteria related to the forms of consumers' demand.

Product policy is a domain of marketing activity, which materializes its strategic and tactical decisions within the marketing mix in order to meet consumers' needs by using more efficient methods towards competitors. In our opinion product policy can be defined as an economic process of continuous reporting according to the scheme "enterprise-market" based on a set of decisions and actions aimed at introducing new products in manufacturing and on the market, some actions directed towards modernizing the products introduced on the market and removing obsolete products to ensure high product competitiveness on the market. This definition allows widening the essence of the product policy due to a deeper research of elements related to innovational activity of the enterprise based on looking for new decisions related to the stimulation of creative capacities in the field of research and production, discovering new types of brands and packaging, developing the assortment policy, technical service and commercial policy, policy of enterprise's security to make the economic agent more competitive.

Product policy involves a set of actions of the manufacturer to form the product range and directing the assortment, developing competitiveness of products at every level of management, elaborating the strategies of packaging and products' labeling. It optimizes the process of assortment formation of the concept of product's life cycle. Marketing service must closely monitor the transition from one phase of the life cycle of the product to another, to follow the

changes which take place in the sales' volume to give recommendations to the management of the company to amend the product's policy in certain periods which characterizes the market's stability. Except the individual decisions made on products it is foreseen to bring together all the proposals within the limit of products' assortment and to draft the assortment policy of the company. Changes of product's range at the enterprise is performed based on eliminating obsolete products and promoting scheduled withdrawal of obsolete products, as well as introducing new products into manufacturing and on the market.

The renewal process of products' structure represents a valuable working tool which assures highlighting of the new product perceived by consumers towards the modernized and improved product. The analysis of perception of the new product by consumers can be achieved by scaling the novelty level presented by the enterprise or by consumer's efforts depending on his knowledge to establish criteria for distinguishing in product policy. The creation and launching process of new products on the market comprises the following stages: forming ideas for innovation, selecting ideas about new products, testing new products, elaborating the project of the new product and its testing etc. [3 p. 270]. This scheme consists of nine stages and it follows the principles of continuing the performing of works and the direction of achieving the purpose of marketing at low costs to introduce the new product in the nomenclature of existing products at the enterprise. When designing a new product, it will not fall into the existing assortment component and it can become a new line for the enterprise because the level of product's novelty of the project is very high. Working with this new product requires new investments and is related to higher expenses for promotion. However, there are cases when the novelty of the product not always succeeds to differentiate clearly on the market. In this case the manufacturer and distributor must bring the novelty to potential consumers, to intensify the promotional policy and use different means of communication: advertising, public relations, sales promotion, using trademarks, packaging and other promotional elements.

4.2. The main components of the product policy to ensure a high competitiveness of products on the market

The components of product's policy activities are presented in Figure 1. From the figure it is apparent that the product strategy is achieved through continuous improvement of products manufactured for a particular segment of consumers. Applying tactics involves technological changes on the material substance of the product, changes in the dimensions of a product line.

The assortment policy implies planning all activities oriented towards the product's choice for production in the future and their implementation on the market according to consumers' needs. The formation of assortment is an ongoing process that extends throughout the product lifecycle. Planning assortment includes: determining current and potential needs of buyers; the analysis of peculiarities of consumers' behavior on the market: assessing the activity of competitors in the same directions; assessing the products manufactured product assortment and decisions that must be included in the assortment and what products should be disposed from the assortment due to changes in the levels of competitiveness; development of new or upgraded lists according to consumers' needs; studying the possibilities of enterprises to produce new products and to upgrade the products on the market; conducting products' testing according to their potential needs in order to assimilate the main indicators.

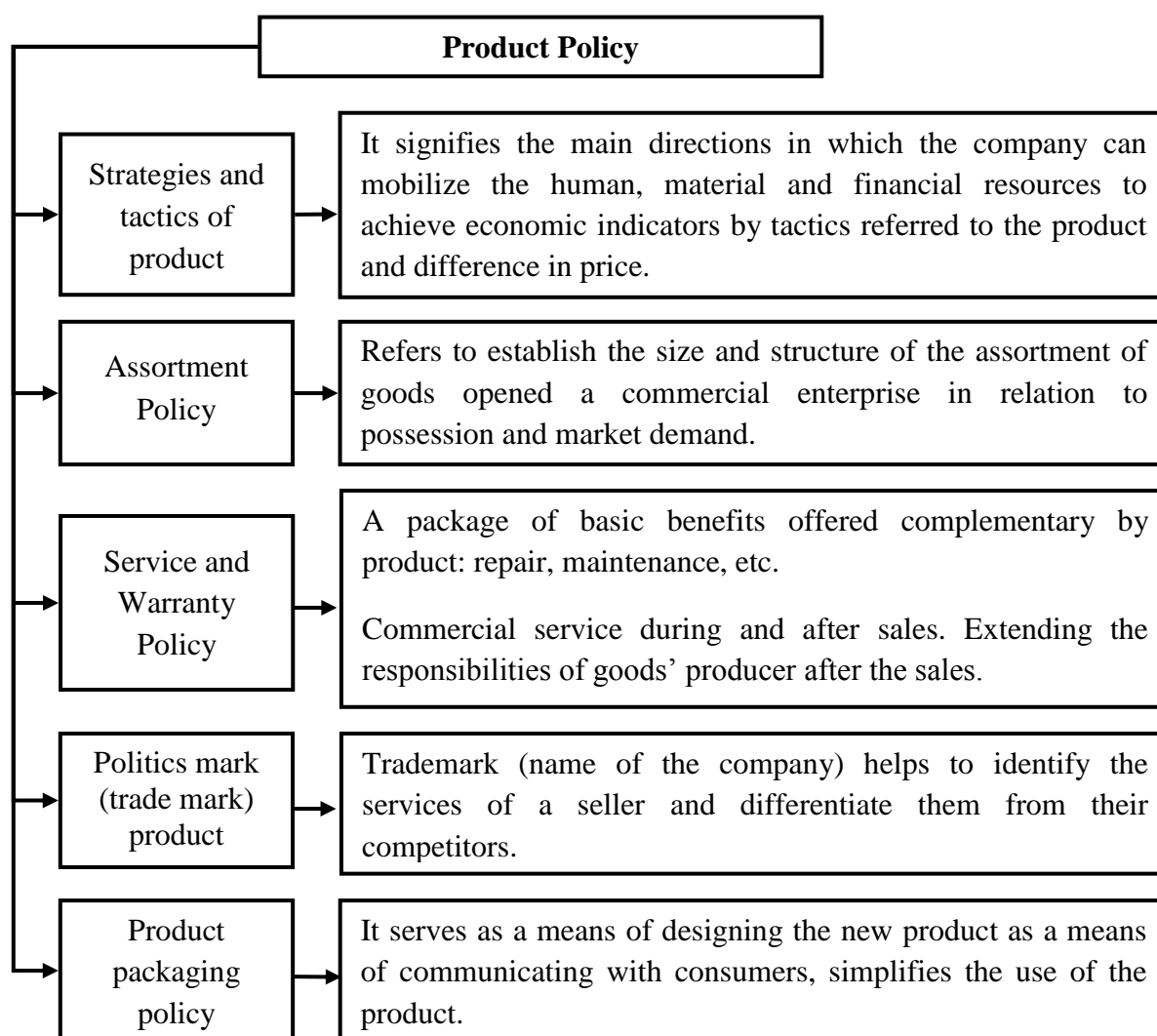


Figure 1: The main components of the product policy to ensure a high competitiveness of products on the market

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Service and warranty policy is motivated by the growing importance in the service of economy's product, the existence of a growing competition on more markets simultaneously showing a high degree of saturation.

Warranty policy complements the company's arsenal of means by which the economic operator is striving to become more competitive. The incentives granted during the warranty period (changing the defective product with a similar one increases the confidence of potential buyers to a particular brand of product).

Politics of mark (trademark, emblem) enhances the value of the product and highlights the benefits to consumers as it ensures a level of quality product (service) and enhances the prestige of the product relating to increasing the brand value in society. Fulfilling the trademark's policy the enterprise requires making decisions about naming the brand, determining the market potential of the brand, developing brand's strategy. The price of the trademark can be assessed on the basis of the costs for design and promotion, establish enterprise's revenue related to the use of the trademark.

The policy package fulfilled in time may have a utility value for the consumer and for the producer's promoting. The package is the core of the new product and acts as a means for designing a new product. Packaging fulfills the functions of storage, protection and transportation of the product, it has a great importance in advertising and communication system of the enterprise with customers, it serves as a means of stimulating sales, it simplifies product's use and is able to replace the product.

In a competitive environment packaging becomes the primary means that helps the producer to highlight the brands of their own product on the market and to remove some competitors because the packaging design directly influences the producer's image. The influence of pack extends not only in the purchase decision, and also in the process of purchase and consumption of the product.

Product competitiveness is a complex category which includes a number of elements, including product quality. Usually, product competitiveness depends on the size of 2/3 of product's quality. Quality is the total of the properties and characteristics of products or services, which ensures meeting the consumers' needs. For creating competitive products it is necessary to use quality management based on international standards ISO 9000, which states that each company must resolve the issues related to maintaining products' quality and services at the level of satisfying the consumers' needs, ensuring confidence in company's management, and the required capacity will be expanded and supported at the level established under the terms of the contract. Before concluding the contract on the quality management assessment it is necessary to analyze the actual situation to determine the potential of the supplier to meet the consumers' needs. At the stage of quality assurance in the production process and selling the product all employees of the company must learn the quality managing methods, to select information from consumers, to develop recommendations on improving the quality assurance system and optimization of products' assortment.

Specialists from marketing service should conduct market research on the analysis of different marketing strategies related to the design of the product assortment, taking the decision about expanding the assortment with new products on the market and eliminating the obsolete products that customer's demand is in vivid decline. The decision on the planned withdrawal of obsolete products is taken by a special committee, made up of representatives of marketing, distribution, accounting services, etc., that set up the terms of product's recall from production and circulation.

In the process of planning product's assortment there must be used the concept of product life cycle, which is done on the market. The practice shows that the lifecycle of seasonal product varies

on fashion, the level of market competition, income levels. In the literature there are different types and specific categories of product life cycle, product life cycle's structure and change in the characteristics of the movement of product life cycle phases [3, pp. 276-278]. Thus, if the product is in phase "Starting (introduction)" and selling market is characterized by slow growing, then it has a potential possibility to be included in the development plan of the assortment. The company must select allowable variants of marketing programs with major components (pricing, distribution, etc.) according to market demands. It's rational to be included in the plan of assortment developing of the product, which is in the growth phase (development) of its life cycle as well as the products oriented towards new market segments.

However, if the product is found at the stage "Market maturity" then it will take the decision to include in the plan for developing the assortment. If the market is saturated with this type of product it will inevitably reduce the selling volume and there will come the "market decline" phase. This situation can be examined as an alternative to the modification of those products in accordance with the purchasing habits and consumer habits or as alternative to promote product withdrawal from production to keep at a lower cost their market penetration. In this situation, it is applied one of the marketing strategies in the plan of marketing: strategy for developing the market – orients the enterprise towards finding new buyers' segments who will require its current products; strategy of amending the products in order to enhance the sales based on their continuous improvement; replacement strategy - aimed at launching new products assortment on the same markets; product differentiation strategy - aims to develop new versions of a product assortment and launch on the market to meet its individual segments; product line extension strategy - aims to develop new products, which are based on modern technologies related to existing ones. Along with the strategies taken by each product type there are calculated preventive programs to check whether the products included in the plan for developing the assortment are advantageous for the enterprise. The plan for developing the assortment can be developed in several versions and includes all indicators stipulated in the production program elaborated annually by each enterprise.

Usually they determine concrete measures for each product which in perspectives for various reasons can be upgraded or taken out from production. Products which no longer have successful strategic factors on market will be taken out of production and replaced with new products that will ensure the profitability level or the amount of profit at the company. Among the factors related to the research of market situation there can be highlighted: the decrease of market share in some items, the appearance of a higher quality product, reducing the profitability of sales, the decrease of sales volume etc. Analysis of these factors allow to seek directions for improvement of marketing tools: stimulating sales; improving packaging; enhancing the effectiveness of advertising by improving promotional activity and public relations; the completion of sales promotion and sales' forces; the replacement of a promotional tool with another while the latter offers greater economic advantages.

For the new product on the market to be successful, it must have the desired parameters by consumers (usefulness, safety etc.), meet product's competitive parameters (normative parameters – legislation in force, standards, norms, consumers' needs; technical parameters - the destination, ergonomic, technological, decisions and other regulations; economic parameters - profitability, prices, consumption costs, transportation and maintenance; organizational parameters - conditions

for making and paying of payment, using distribution channels, following the terms of guaranteeing the delivery).

To attract the attention of consumers the product must have a compelling package, which will have the characteristics of the product, will generalize trust and favorable impression on product's movement from the manufacturer to the consumer. Packaging should: contain the necessary information about the product composition, the energy and the terms of validity; to create positive image about the consumer product; to have a well-thought connection with the product's contents; not to change too often because it prevents from knowing the product; to ensure the choice of that product which the consumer needs.

Also manufactured packaging by domestic producers has an unappealing appearance which reduces the competitiveness of the exported products abroad. Thus, a number of Moldovan food embargo established by the Russian Federation hit the key agriculture producers, who are not prepared for the agricultural export on European markets in terms of packaging and other European standards. In the republic there are modern refrigerators, capable of storing only 30% of fruit and vegetables and only 15 packaging lines. Meanwhile the sorting lines of fruits and vegetables practically lack. As a result the opportunities of signing Free Trade Agreement with the EU have caught the agricultural producers almost totally unprepared to correspond to marketing requirements and European markets. There is no doubt that the recommendations proposed in normative documents (National Development Strategy "Moldova 2020", the Association Agreement, the set of recommendations from the United Nations, World Bank, USAID, International Cooperation Agency of Germany, Austrian Development Agency, Swiss Agency for Development and Cooperation, in coordination with diplomatic representatives of the USA, Sweden, Switzerland, Germany and Austria) prompted the domestic manufacturers to change their traditional approaches towards packaging, to comply with EU food safety requirements and to redirect significant amount of food product exports from Moldova to the EU to increase the competitiveness of the agricultural sector which constitutes 11-12% of the GDP of the country according to the National Bureau of Statistics.

To be mentioned that consumers are interested in information about the composition of the product presented on the label, which is a part of the package. Labels fulfill a number of functions that make the product to be identified, to indicate the date of manufacture and the place of manufacture, content, use and storage of the product. Also, labels can promote the product by attractive images they contain, can describe the unit price of the product, its quality and its nutritional value.

An important way to develop the competitive product policy is to increase the image of the manufacturer. The image is a process of forming manufacturer's image, which influences the consumer's behavior in order to spread the reputation on the market. Creating enterprise's image contributes to the promotion of manufactured products, increasing the market share based on attracting new customers and marketing intermediaries. Promoting products on the market is carried out depending directly on the image formed by the manufacturer.

The positive image of the company is formed through increased promotional activity, which is realized through various promotional tools (advertising, public relations, sales promotion, promotional events with exhibition, sponsored by the financial support of public events for the public) to draw attention to the public. After that, the positive picture is completed with a set of actions regarding distribution of leaflets, organizing demonstrations, conferences at local and

international fairs and exhibitions. Achieving the positive image of the company involves reflecting the market activity of manufactured products, workers' image analysis, research of the culture of production process and service, mirroring noncommercial activity by sponsoring public events and charity. These elements are implemented in practice with the help of marketing communications based on the change of information between subjects of marketing activities, fulfilling strategies to promote the enterprise's image within the external environment and of the product offered on market, the implementation of offensive strategies of product penetration on the market by the massive use of promotional funds. In case the competitive conditions are harsh the organization may promote a defensive strategy to maintain its market's position. On the other hand, depending on the position of the enterprise on the market, it may opt for a promotional strategy: Focus - oriented to a specific market segment; undifferentiated - when it addresses the entire market; differentiated - involves the actions suitable for the characteristics of each segment.

Using tools of marketing communications in complex (advertising, public relations, sales promotion, trademarks use, promotional events with the purpose of exhibiting, sponsorship and other elements of the mix of marketing) improves the efficiency of spending the costs to promote products and increase their competitiveness on the market.

4.3. The stages of formation and developing the product's competitive policy at enterprises

Formation and development of competitive policy involves unfolding actions with well-defined purposes by manufacturers, ensuring decisions and actions on the assortment range and maintaining market competitiveness of products, development of packaging, marking and maintenance of additional products. Product policy covers not only physical and technical characteristics of the product, but also providing around product characteristics that form attractive product and consumer demand for this product. The marketing of the company must be geared towards attracting and satisfying customer's needs through efficient usage of product policy elements.

Competitive product policy covers the production and distribution activity of the company, complex research of product's market based on decisions for optimization of software, attribution of market and price of the product.

Formation and development of competitive policy at enterprise is carried out through the following stages (Figure 2).

5. Conclusions

We conclude that a well-formed product policy allows successful planning to exit the market with new products and optimization of assortment policy and for enterprise's manager is a mechanism of action able to introduce changes in the current market situations. It is recommended to use the proposed scheme into practice to achieve a competitive product policy by creating product characteristics that form the possibility of promoting its attractiveness as a precious amount of use (consumption). It is important to introduce on time the product changes that contribute to enhancing the value of use and increased possibilities of satisfying consumers' needs on the market.

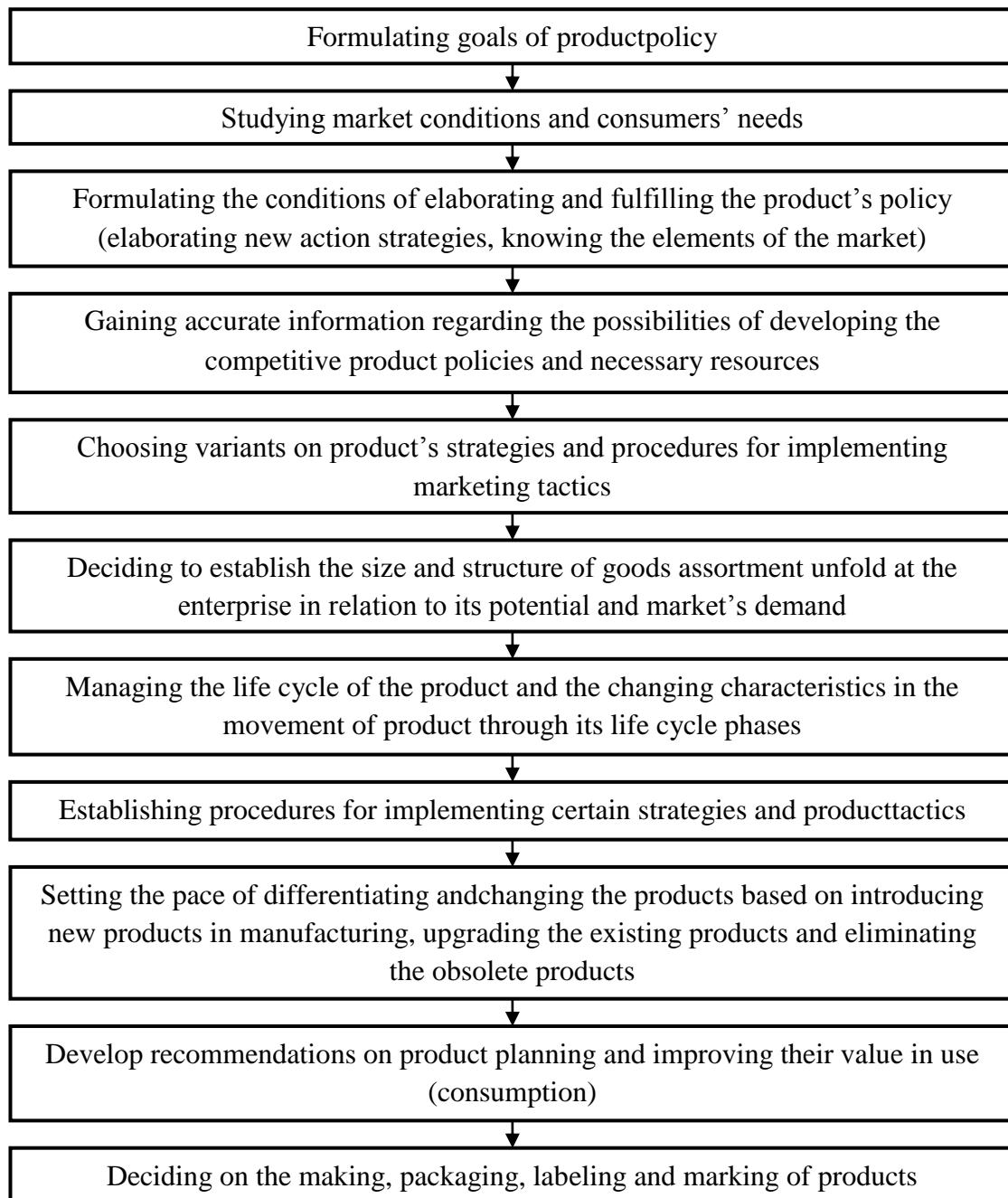


Figure 2: The stages of formation and development of competitive product in enterprise policy

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Rezumat

În lucrare sunt dezvăluite esența politicii de produs, locul acesteia în complexul marketingului mix, principalele elemente ale competitivității produsului, direcțiile de formare și realizare a unei politici competitive de produs la întreprindere. Un loc deosebit îi aparține etapelor formării și dezvoltării politicilor competitive de produs la întreprinderi, inclusiv: formularea condițiilor elaborării și realizării politicii de produs (elaborarea unei strategii de acțiuni în perspectivă, cunoașterea elementelor pieței); alegerea variantelor strategiilor de produs și modalităților de punere în aplicare prin tactici de marketing; dirijarea cu ciclul de viață al produsului și schimbarea caracteristicilor în procesul mișcării produsului prin fazele acestui ciclu de viață; elaborarea recomandărilor cu privire la planificarea produsului și îmbunătățirea valorii de întrebuințare (consum); luarea deciziilor cu privire la preambalarea, ambalarea, etichetarea și marcarea produsului.

Cuvinte-cheie: politica de produs, competitivitatea, produs nou, marketing-mix.

Аннотация

В статье рассмотрены сущность создания товарной политики, место товарной политики в комплексе маркетинга-микс, основные элементы конкурентоспособности продукции, направления основания и реализации конкурентоспособной товарной политики на предприятии. Особое внимание уделено этапам формирования и развития конкурентоспособной товарной политики на предприятии, в том числе: формулирование условий создания и реализации товарной политики (разработка стратегии перспективных действий, познание рыночных элементов); выбор вариантов товарных стратегий и способов их внедрения посредством маркетинговых тактик; управление жизненным циклом продукта и изменение характеристик при фазном продвижении; разработка рекомендаций по планированию товара и улучшению его потребительского спроса; принятие решений по затариванию, упаковке, маркировке товара.

Ключевые слова: товарная политика, конкурентоспособность, новый товар, маркетинг-микс.

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**FINANCIAL CONTROL MECHANISM TO ENSURE THE
EFFECTIVENESS OF LEGAL REGULATION OF THE EDUCATION
SYSTEM: THEORETICAL AND INTERNATIONAL LEGAL ASPECTS**

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Abstract

The article is devoted to the implementation of financial control in the field of education. The authors argue that the financial control, as a form of control is associated with the implementation of the financial activity of the state. Development of the system of financial control and legal aspects related to it in foreign countries is determined by two factors: the current national practices and principles of the Lima Declaration, adopted within the framework of INTOSAI in 1977. Research on the subject has revealed that the worldwide system of organization of the supervisory bodies is determined by the peculiarities of the form of government, political system and socio-political systems. One of the functions of financial control in the financial and economic support of the education system is to maintain the effectiveness of its legal basis.

Keywords: financial control, the effectiveness of the legal regulation of the education system, the legal regulation.

1. Introduction

The Russian system of financial control has a long history. Yet "... in 1836 in the Russian Empire it was officially adopted a general accounting system ..." [1, p. 110], which laid the foundation for the implementation of the organizational and control functions in the field of finance. In modern conditions, the organization of a well-functioning system of financial control will be available only with the account of circumstances which have caused the genesis of its formation. An analysis of the history of financial control, on the one hand, will help not repeat the mistakes of previous periods and, on the other hand, the experience and achievements that have passed the test of time, will allow to solve diverse problems facing the modern system of financial control. It should be noted that in modern legal science the view of the continuity in the formation of a national system of control bodies and its progressive development is prevailing. This position, in principle, can be considered justified, but it requires a refinement - until 1993, the Russian State did not have at its core the principle of separation of powers. Thus, one of the tasks of modern researchers is to clarify how the accumulated experience of national financial control system can be effectively applied in the context of this constitutional provision.

2. Degree of investigation of the problem at present, research purposes

Socio-economic changes of the last decades in Russia led to a change of law. The key moment in this process was the emergence of the private sector (including the education system as well). One

consequence of this process was the need to rethink the role and place of the state in social and economic processes in general and in financial control in particular. Investigation of the mechanism of realization of organizational and control function, its reinterpretation, based on current conditions (introduction of the system of separation of powers and functioning of the private sector of economy), will enable a deeper understanding of its goals and objectives, which in turn will lead to the formation of an effective system of financial control, including the education system as well.

3. Methods and materials applied

Financial control is perhaps one of the most researched topics in the science of financial law and science of finance. Doctoral theses devoted to financial control are defended almost every year in Russia in the framework of specialties 12.00.04 Financial Law; tax law; budget law, and 08.00.10 Finance, monetary circulation and credit. Particular issues in this field are considered in the framework of related topics. This is due to the fact that financial control, as a specific type of activity, has a complex structure, multifunctional nature and the result is manifested in various aspects, each of which requires an independent scientific understanding. The following methods were applied in the study of the problem: the statistical method, methods of analysis and synthesis, as well as a comparative legal method.

4. Results and discussions. Effective financial control of education in Russia and abroad

The word „control” itself is taken from the English language. Thus, in Concise Oxford English Dictionary it has three meaningful values: a) to check or control, consequently, to regulate (payments, etc.); b) to request the report; c) to contain and guide the free action [2, p. 341]. The semantics of the given word was studied by domestic experts as well. Vladimir Dal in his Explanatory Dictionary of the Live Great Russian language defines „control” as accounting, checking accounts and accounting; government offices, engaged in controlling accounts (reporting) [3, p. 98]. S. I. Ozhegov in the Dictionary of the Russian language considered „control” as checking and monitoring in order to verify; control statements [4, p. 251]. Typically, from the semantic point of view, the term „control” is inextricably linked to the financial sector, in which it actually originated and received its spread. Initially, it was only possible to monitor what is subject to calculation in cash or in kind.

As part of any judicial investigation, implying consideration of conceptual and categorical apparatus, an appeal to the semantics of the relevant terms is necessary but not sufficient. The main objective is to establish a special legal (judicial) sense. In this context, control is considered, in addition to financial and legal science, in the framework of administrative law science, as well. Each of these branch sciences has made its own significant contribution to the disclosure of this concept.

Persons involved in the administrative work reveal the concept of control through a system of monitoring and verification of the object's functioning in order to eliminate deviations from the set parameters [5, p. 433]. Also it is underlined that control is „... *the most important kind of feedback by which authorities are informed about the actual situation, the implementation of decisions ...*” [6, p. 608]. It is this approach, which is also shared by some representatives of financial and legal science, which is essential for this study. Also, it should be emphasized that the experts in the field

of administrative law highlight its broad and narrow meaning by considering the implementation of organizational and control functions. In a broad sense - it is a set of political, economic and ideological processes and methods designed to ensure the stability of the society and political system, respect for social order, impact on mass and individual consciousness. In a narrow sense – it means checking the execution of higher organizations, compliance with technical, economic, organizational regulations, the implementation of planned activities (tasks), compliance with labor discipline and the rule of law. Such control is inherent in the management cycle and is considered in the series of management functions [7, p. 52].

It seems reasonable the consideration of the implementation of organizational-control functions not only as a collection and compilation of information about what the real situation is, but also as a very valuable information about how justified are the „set parameters”, how qualitative is decision-making and the established rule of law, taking into account the real situation in the society. Control as a feedback channel provides very important information for the understanding of the reality that is crucial for improving the work of the state apparatus. Control (monitoring) should facilitate the identification of the causes and conditions that give rise to unlawful conduct, including the one due to non-compliance of the behavior model, embodied in the legal norm, to the actual conditions of social life.

At the same time, the more transparent the activities of regulatory bodies and the more precisely the regulated components, such as the object, forms, methods and means of control, the more effective the implementation of the organizational and control functions; and, conversely, inconsistent and redundant regulation of control activities generate the proliferation of controlling institutions aimed at the process of gathering information, rather than its result. Thus the information obtained by controlling entity is of no value to provide feedback. This circumstance is indicated both in foreign and domestic literature [8, p. 51; 9, p. 7].

Financial control, as a form of control, is associated with the implementation of the financial activities of the state. In this capacity, it is considered in the financial and legal science.

For example, in the textbook of financial law, edited by N. I. Himicheva, financial control is defined as „...*the control over the legality and appropriateness of action for education, distribution and use of funds of the state and local government entities for the effective social and economic development of the country and individual regions ...* „ [10, p. 83]. Herewith, it is only limited to state financial control, but it also targets local money funds.

M. V. Karaseva is also considering, as the object of the financial and legal regulation, only the state and municipal financial control, which is carried out by bodies of state financial control and local governments. The immediate goal here is to ensure the efficiency of the financial activities of the state and municipalities [11, p. 156].

More widely financial control is considered by E. Y. Gracheva. In her opinion, financial control is a „... *control carried out by the authorized state bodies and organizations of the legality in the process of collection, distribution and use of funds of the state and municipalities in order to implement an effective budgetary policy in the society to ensure the rights and freedoms of citizens...*” [12, pp. 73 – 74].

V. M. Rodionova and V. I. Shleynikov determine the financial control as „... *one of the functions of management system of financial relations, whose main task is to monitor the correct functioning of these relations at the level of a particular managed object to determine the feasibility and*

effectiveness of management decisions and the extent of their implementation, to identify deviations, about which it is advisable to inform the authorities that may affect the improvement of the situation ..." [13, p. 16]. This definition covers not only the state financial control, and an external independent financial control (audit), but public financial control as well, the task of revival which has been put by the President of Russian Federation in his annual message to the Federal Assembly. Thus *„...monetary relations are objects of state financial control, arising in connection with the formation of financial resources at the disposal of the State (and its institutions) and the use of these funds to meet the needs of the state and society ...*" [13, p. 31].

When comparing the different approaches of the researchers to the definition of financial control it is evident that each of them emphasizes the orientation of the state financial control in the economic relations connected with the formation, distribution and use not of any funds, but financial means of the state and local government, i.e. public funds. In addition, E. Y. Gracheva underlines the subject structure of such control - the authorized state bodies and organizations. In particular, customs authorities, tax authorities, the executive bodies of state extra-budgetary funds are endowed with the power to exercise financial control.

The need for financial control is due to: 1) the rule of law and discipline in the financial activities of the state; 2) the identification and elimination of disturbances arising in the course of such activity; 3) the establishment of the causes and conditions that lead to abnormalities in the area of public finances. Thus, one can reasonably argue that financial control is a form of feedback in the implementation of the financial activities of the State in order to identify shortcomings in the creation, distribution and use of state and municipal funds of financial sources, as well as the improvement of these processes. In the financial control it is essential to ensure the legality and financial discipline, purposefulness and efficiency in the process of formation, distribution and use of these funds.

In the context of this study, we are primarily interested in the provision of the rule of law. The multi-dimensionality of this category should be noted. Thus, the concept of legality includes not only the requirements for compliance, strict implementation and proper application of laws and regulations, adopted in accordance with them, but also some aspects of the legislation and the laws themselves [14; 15, p. 37]. In this connection, D. A. Kerimov rightly notes: *„Implementation of the law on the basis of the requirements of the rule of law cannot be imagined in the absence of the laws themselves, as well as legislative activity would have lost any meaning, if the laws created as a result of this activity are not implemented in life"* [16, p. 493]. Laws and the adopted in accordance with them regulations form in their totality the basis of legality, but are not identical to it and do not represent its content.

The requirements of the laws apply not only to the process of implementation of laws, but also to legislative drafting. The legality of the public finance sector is not only and not so much *„... strict enforcement of laws and other corresponding legal acts by the state bodies, officials, citizens and civil society organizations"* [17, p. 101]. The implementation of the principle under consideration in the public finance sector supposes that laws themselves match the level of development of the society and the state, their real financial resources, and assume the distribution of income and costs between different levels of government, which would allow proper performance of their mandates by all state authorities and local governments.

Since the beginning of the budgetary reform, which is coming to its end now, V. V. Putin, the President of Russian Federation, in his Budget Message *„On the budgetary policy in 2004"* to the

Federal Assembly of the Russian Federation, noted that „... *the establishment of a clear and stable division of revenue and expenditure responsibilities is a necessary condition to bring the state and municipal obligations in line with the actual resources available for their implementation. The result will be a more effective performance of functions by state authorities and local administrations, the independence of these bodies in conducting the budgetary policy will increase, their responsibility for its results will strengthen, the quality and accessibility of public services will improve, there will be new conditions for sustainable economic growth ...*” [18].

The action of the principle of the rule of law applies to all aspects of the legislative process: 1) the establishment of the supremacy of law in the legal system; 2) consistent subordination of legal acts according to their legal force and the area of implementation; 3) the timeliness of the adoption of new regulations, change, update and cancellation of the functioning regulations; and so on.

The action of the principle of legality in the field of public finance is inextricably linked and should be based on other principles: reasonableness, appropriateness, validity and efficiency. Thus, Sec. 2, Art. 15 of the Constitution of RF stipulates that the state authorities, local self-government bodies, the officials, citizens and their associations must observe the Constitution of the Russian Federation and the laws adopted in accordance with it. The above constitutional provision allowed some researchers to conclude that „... *public authorities, local self-government bodies, the officials, citizens and their associations must observe the Constitution of the Russian Federation and the laws ... observance of the Constitution and laws and compliance of all other issued regulations to the current legislation constitutes the essence of the rule of law...*” [19, p. 430].

With regard to public finance, the requirements of the rule of law are the following: 1) strict adherence to the Constitution, to laws and other legal acts adopted on its basis by all state authorities and local self-government bodies, by their officials, citizens and organizations, without exception; 2) committing of financial instruments only by authorized bodies and persons in accordance with their competences; 3) committing of financial acts in the well-defined forms, established in accordance with the current legislation; 4) establishment of a strict hierarchy of normative legal acts regulating financial relations, assuming the supremacy of law; 5) observance of the specified hierarchy, not allowing contradictions between legal acts of lower level to higher level acts; 6) adherence to the law-making procedure and the rules of legislative technique, accounting in the formulation and adoption of legal acts, economic laws and financial viability; 7) timely adoption, amendment and cancellation of normative legal acts regulating public relations in the field of public finance; 8) ensuring the sustainability and stability of the regulatory legal acts regulating public relations in the field of public finance; 9) timely compliance, enforcement and application of normative legal acts regulating public relations in the field of public finance; 10) accurate and uniform application of normative legal acts regulating public relations in the sphere of public finances in full compliance with their meaning and observance of the organizational forms established by legislation; 11) execution of normative legal acts regulating public financial relations in the sphere of public finances in the volume and value provided for therein; 12) ensuring the implementation of normative legal acts regulating public financial relations in the sphere of public finance by providing all necessary material, organizational and ideological resources; 13) implementation of ongoing supervision and monitoring of execution, observance and application of normative legal acts regulating public relations in the sphere of public finance by public authorities, local governments, civil society institutions and their officials.

The meaning of „legality” is not limited to the above principle of legal influence. It also includes general legal regime, involving strict and rigorous observance and execution of the rule of law by

all parties of public relations [20, p. 297]. By analysing this aspect of the rule of law in relation to public finance, the focus should be on the following characteristic features, consisting in the fact that the general legal regime: 1) is expressed in the above-described set of requirements that constitute the principle of legality; 2) and adherence to these requirements is provided by the legal responsibility.

We can speak about the validity of the principle of legality and efficiency of the legal regime with the same name only if the following conditions [20, pp. 300-302; 21, p. 467]: 1) the unity of the rule of law, i.e., single focus of law-making and law implementation in the territorial, temporal and subjective terms; 2) the feasibility of the rule of law, i.e., the need to choose strictly within the law the best possible option of law-making and law implementation activities, which meets the goals and objectives of the Society; at the same time, it is inadmissible to oppose legality to expediency; 3) the reality of the rule of law, which imply the actual execution of the legal regulations in all activities, as well as the inevitability of punishment for any violations.

A third aspect of the concept of legality is the method of public finances management, which suggests that the state and local governments carry out their functions in the area of public finance only by legal means: the adoption of regulations and ensuring their strict implementation. At the same time, this side of legality assumes that the state and local governments, as well as their bodies and officials are bound by the rule of law and act within it.

The approach chosen in this study does not allow to limit the examination of the legality solely in the context of the requirements of precise and strict observance of the existing legislation. This context, although is well-founded, and generally covers the phenomenon in question from only one side, it is not explained fully. Law in the context of social action of financial law is primarily a concrete historical condition of legitimacy, supported in the sector of public finance, both in the legislative materials, and in its implementation. Thus, the key to the concept of the rule of law becomes the category of lawfulness which can be described as the conformity of subjective rights, reflected and secured in the current financial legislation with the rules and principles of the functioning of public finances

The value of the rule of law increases during periods of transformation of various aspects of social life, including transformations with regard to education reform, which is the main context of this study. Legality is organically linked to the law-making and legislation, and also to the rule of law and discipline, including financial one. This interconnectivity seems so close and deep that in the legal literature it is difficult to grasp the meaning of their difference from each other [16, p. 495].

Providing the rule of law in the area of public finance, including the financial and economic support to the education system, is of particular importance. On the one hand, the law gives the market economy and the financial system certain stability, which in turn, makes the situation predictable, which is a prerequisite for progressive development of the society. On the other hand, providing the rule of law in this area creates a sense of security for all stakeholders of public finances.

Thus, it is topical to develop a mechanism for self-improvement of the legislation, including legislation in the field of public finance and education, because poor-quality regulation is not fulfilling its mission and tends to create unfavorable conditions for participants in social relations. Financial control allows one to provide feedback as part of this mechanism, being an effective source of information for improving the legal framework in this sphere, as the results of monitoring are an original estimate of the norm in the judicial implementation process. All these

improve the normative legal base, providing the stable functioning of public finances and education. Using the results of such monitoring to improve the regulatory and legal framework itself needs to be a promising direction in science.

An effective mechanism for the implementation of supervisory powers, above all, allows the state to ensure the legitimacy and the necessary discipline in the course of its operation. The research on the results of state control contributes to improving the legal framework of the market economy and the financial system.

Control can be effective in the event if its organization, carrying out and results, which are based on scientific research obtained in this field. Many scientists have been studying the problems associated with the state control in the sphere of economy and finance, above all, it should be noted: A. V. Bryzgalin, E. A. Voznesensky, G. A. Hajiyev, E. A. Gracheva, A. S. Emelyanov, M. V. Karaseva, A. N. Kozyrin, M. V. Kustov, I. I. Kucherov, I. A. Oreshkin, S. G. Pepelyaev, G. V. Petrova, E. V. Porolo, O. Yu. Sudakov, P. A. Shevelova and others. The consideration of various elements of specific types of state control is given attention in the works of D. S. Tyajkikh, V. F. Hrutinin, V. V. Sashichev, V. I. Makariev, V. I. Makarieva, Y. M. Itkin, E. V. Bushmin, I. A. Boryakova. However, along with the overall elaboration of issues related to the study of state control, a number of issues of legal regulation in this area remains unresolved. These issues are related to the regulation of the procedures for implementing this type of activity, the definition of the status and competence of the supervisory bodies, ensuring the protection and observance of the constitutionally guaranteed rights and interests of citizens and organizations in the implementation of control measures. To improve the quality of implementation of organizational and supervisory powers it is necessary also to achieve a high technical and technological endowment of the control measures and the corresponding professional level of specialists: it is necessary to develop a system of indicators to reasonably assign control activities and select the appropriate forces and means for it.

The state exercises control with the assistance of its authorities. Research on the competence of state bodies in the field of control and supervisory activities will identify the problems that arise in the course of its implementation, the factors influencing it, and the ways to overcome them. Thus, it is possible to achieve improvement and increase the efficiency of the entire state influence on the economy and finances in general and the state control (supervision) in particular.

The object of financial control are the monetary relations associated with the creation, distribution and use of the state and municipal funds of financial means, financial support of the state and local governments' functioning. „*The objects of financial control are monetary, regulatory processes in conditions of formation and use of financial resources at all levels of the budgetary system of the state*” [22, p. 107]. Other authors include in the object of financial control even „... *control of the use of material, labor, natural and other resources of the country ...*”, substantiating it by the following „...*in the present conditions the production and distribution processes are mediated by financial relationships...*” [10, p. 111]. It is essential that all monetary transactions are included in the area of financial control, and even those which, at first glance, are not related to the budget system. This is especially important in the field of education.

Scientific literature rightly points out that in the process of development of the legislation in the field of financial control it should be taken into account the wide experience accumulated over decades in foreign countries with well-functioning public system of financial control. It is noteworthy that the basic principles of financial control in many countries with market economies

are rather similar. An analysis of the national systems of financial control of foreign countries gives strong arguments in favor of the claim that market conditions in the role of financial control does not weaken, but on the contrary, requires a more powerful control mechanism, adapted to market relations.

Development of the system of financial control and its legislation in foreign countries is determined by two factors: the current national practices and principles of the Lima Declaration [23], adopted within the framework of INTOSAI in 1977. In general, the foreign system of organization of control bodies is determined by the peculiarities of the form of government, state organization and socio-political systems.

Parliamentary control dominates in parliamentary republics. It is carried out by countable control authorities generated by the Parliament, for example, in countries such as Germany, Austria, Hungary and others. In few countries that have retained the monarchical form of government, where the actual state power belongs to the representative bodies, the situation is almost the same (UK, Sweden, Belgium, and Spain).

In presidential and parliamentary-presidential republics (the USA, France and others), along with the parliamentary control, supervisory bodies are usually endowed with considerable powers and they are integrated into the executive branch of the state power. For example, in the USA, in addition to the Office of Financial Auditor subordinated to the Congress, there are such bodies as the Management and Budget Department under the President, the System of inspection services in federal agencies, the Presidential Council for Combating financial abuse in government offices.

In federal states (the USA, Germany, and others) financial control systems have a three-tier structure: federal, regional (state, land, etc.), and municipal (community). In unitary states (France, Italy, etc.) there are usually two levels of financial control: state and municipal. Countries with the autonomous territories (Scotland and Wales in the United Kingdom, Catalonia in Spain, etc.) can have their own features. Autonomous regions in such states may have their own financial control bodies.

In the countries with socialist orientation, where usually there is no adopted system of separation of powers, the supreme audit institutions are integrated into the system of executive bodies or constitute a separate structure. Thus, in particular, in China the State Council, the highest executive body, has set up the Supreme Agency for Auditing of the Accounts, headed by the Auditor General. In Vietnam, the Court of Auditors is subordinated to the Prime Minister.

Despite the differences mentioned, the system of financial control in foreign countries are mainly formed on the basis of the principles of the Lima Declaration. This document underlines that the organization of control is a mandatory element for the management of public finances, since such control entails responsibility to society. Despite the fact that this Declaration has recommendation character, the fact of recognition of the general principles of financial control for the financial systems of the participating countries it is very important. The Declaration may be a reference for countries that are improving their system of state financial control.

Financial control in the field of education abroad, as a rule, is part of an overall system of financial control. For example, in the US financial control in the area of education, the effectiveness of which has a significant impact on the level of financial and economic support of educational activities, has three-tier structure as the US financial system itself. Nation-wide financial control is carried out at the federal level by US General Accounting Office, Ministry of Finance at

departmental financial control, as well as by the Inspector General of US Department of Education at intradepartmental financial control. At regional level, the financial control bodies, exercising control and audit activities in the field of education, are the state financial auditor, the specialised control-accounting and audit department of the regional Ministry of Education. At local level, the institutional framework of financial control in the sphere of education is constituted by the main financial municipal inspector of the municipal unit or a specialized municipal unit - the school district, as well as the intraeconomic Auditing Department of the school, including the relevant departments of charter schools [24, pp. 10-11]. In Canada there is a similar system of financial control of education [25, p. 58-65].

5. Conclusions

Financial control can and should be considered in the framework of organizational and legal aspects, when the subject of research are targeted, organizational-structural and competency components of the mechanism of implementation of organizational and control functions of the state and municipal bodies, and their systemic relationships of its organization and implementation as well. The given aspect has a more narrower subject, in which we study the methods and forms of control, and analyze the technological tools of control activities. In modern conditions the state, in order to carry out its functions in the field of finance, should have the relevant: 1) regulatory framework; 2) control authorities capable to provide feedback in the field of finance both from the organizational - structural and competence point of view.

It is necessary to treat financial control as an element of the financial system, which provides a process of its self-improvement, as it allows to identify problems and to establish ways to address them. Obviously, the probability of making the right decision is directly proportional to the availability of reliable information about the problem and about its correct qualification.

Thus, it should be recognized that one of the functions of financial control in the financial and economic support of the education system is to maintain the effectiveness of its legal basis. At the same time, defining the role and place of financial control mechanisms to ensure effective legal regulation of the financial and economic support for the education system, it is necessary to indicate its two interrelated features: 1) be a tool for feedback, through which information on social action of financial and legal regulations goes to the legislator ; 2) constitute a means of self-improvement of the mechanism, allowing one to adjust it through acts of official interpretation of financial and legal provisions, financial and planning regulations and government (municipal) programs.

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Rezumat

Articolul este dedicat problemelor controlului (auditului) financiar în sfera învățămîntului. Autorii demonstrează, că controlul (auditul) financiar, ca varietate a controlului în general, este dependent de modul îndeplinirii activității financiare de către stat. Dezvoltarea sistemului controlului (auditului) financiar și legislației corespunzătoare în țările străine are loc sub influența a doi factori: practica națională stabilită și principiile Declarației de la Lima, adoptată în anul 1977 în cadrul INTOSAI. Cercetarea subiectului a identificat că în toate țările lumii sistemul organizării organelor de control se fundamentează în funcție de forma guvernării, sistemul politic și sistemul social-politic. Una din funcțiile controlului (auditului) financiar în condițiile asigurării financiar-economice a sistemului educațional constă în menținerea eficienței bazei juridice a acesteia.

Cuvinte-cheie: control (audit) financiar, eficiența reglementării normative a sistemului educațional, reglementare normativă.

Аннотация

Статья посвящена вопросам осуществления финансового контроля в сфере образования. Авторы доказывают, что финансовый контроль, являясь разновидностью контроля, связан с осуществлением финансовой деятельности государства. Развитие системы финансового контроля и законодательства о нем в зарубежных странах определяется двумя факторами: сложившейся национальной практикой и принципами Лимской декларации, принятой в рамках ИНТОСАИ в 1977 году. Исследование по теме выявило, что во всех странах мира система организации контрольных органов определяется особенностями формы правления, государственным устройством и общественно-политическим строем. Одной из функций финансового контроля при финансово-экономическом обеспечении системы образования является поддержание эффективности его правовой основы.

Ключевые слова: финансовый контроль, эффективность правового регулирования системы образования, правовое регулирование.

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**MAIN DIRECTIONS OF RESEARCH OF SMALL AND MEDIUM-SIZED
ENTERPRISES IN EUROPEAN COUNTRIES**

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JEL classification: M10, M21, O10, O20

Abstract

The effective policy of development of small and medium-sized enterprises (SMEs) is based on research findings that identify specific problems and needs of the business in a certain territory. In the Republic of Moldova, the small and medium-sized enterprises' research comprises the limited scope of problems and often has an abstract and theoretical character, because the applicative research – surveys and interviews with entrepreneurs – are difficult, time-consuming and expensive to realize. In this situation, given the pro-European vector of development of our country, it is important to study the main areas of research of SMEs which are implemented in the modern Europe.

The most important areas of research of SMEs, which are now held in European countries were summarized and systematized on the basis of analysis of the subject and the results of scientific publications of European scientists, materials of international conferences and journals, legislation and policy documents of the European countries. This allows specifying the topics of research of SMEs in Moldova and making them more focused and in demand for policy. The article may be of interest to civil servants involved in the regulation of business and may also be used in scientific and didactic purposes.

Keywords: *small and medium-sized enterprises (SMEs), research directions of SMEs, business support policy, European countries.*

1. Introduction

The research of small and medium-sized enterprises (SMEs) covers a wide range of problems, which are mainly aimed at solving practical problems. First of all, the results of studies are focused on argumentation and evaluation of public policies to support SMEs.

In the Republic of Moldova, the research of small and medium-sized enterprises comprise the limited scope of problems and often have an abstract and theoretical character, because the applicative research – surveys and interviews with entrepreneurs – are difficult, time-consuming and expensive to realize. In this situation, given the pro-European vector of development of our country, it is important to study the main areas of research of SMEs which are implemented in the modern Europe.

The purpose of the article was to generalize and systematize the main research areas of the SME sector, which are currently being implemented in European countries. During the research, the theme, results of scientific publications, projects, international conferences and journals, legislation and policy documents of the European countries were analyzed. Certain areas of research outlined in this paper were illustrated by the results of applied research projects carried out in the Republic of Moldova. The article may be of interest to politicians and civil servants involved in the regulation of business and also may be used in scientific and didactic purposes.

2. Problem awareness stage

The first empirical studies of SMEs that draw attention to the important functions that they perform in the economy, on the growth of their role in the creation of jobs, were made in the 70-80-ies of the last century by D. Bolton, head of the committee of the British Parliament and by the American economist D. Birch. Over the past 20 years, the spectrum of research of the SMEs sector has expanded due to the emergence of a group of countries with economies in transition, the deepening of the globalization process, growth of crisis situations and increase of the contribution of SMEs in the development of the regions. A significant role in the development of the theory of small businesses and the justification of action on SMEs policies have had the modern scientists - winners of the World Prize for Research in the field of entrepreneurship - Arnold Cooper, David Storey, Ian K. McMillan, Howard Aldrich, Paul Reynolds, Scott Shane and others [13].

In the Republic of Moldova, the various aspects of SMEs, their characteristics and development trends, the specific of management of the sector, and other peculiarities were partially analyzed by a number of professors and scholars from Moldovan universities and academies - Bugaian L., Cotelnic A., Popa A. Sirbu I., Solcan A., Stratan A., Savga L. and others. Nevertheless, the studies on SMEs are still fragmented. The SMEs sector is often seen as a homogeneous group of companies without detection of specific groups of SMEs. Some studies do not take into account the specific situation in the country and the European context. The context in this case involves not only an assessment of the leading trends in public policy, but also knowledge of the main research areas of the SMEs sector in the modern Europe.

3. Applied methods and materials

The article is based on the analysis of subjects and results of scientific publications of European scientists, materials of international conferences on entrepreneurship, systematization of legislation of the European countries and the EU recommendations. During the writing of the article, the results of the surveys of Moldovan entrepreneurs made by the scientific researchers of the National Institute for Economic Research (NIER) in 2009-2013 were used.

4. The main research areas of SMEs in European countries

Research areas of SMEs in European countries concern many of the pressing problems of the modern economy. For example, given the high proportion of the unemployed people, the research often focuses on job creation, as well as on some features of employment in the SMEs sector [8]. Considerable attention is given to the group of entrepreneurs who have limited capacity to start a business, in particular - women, youth, immigrants and others [7, 12]. Another example of current research of SMEs is the analysis of the impact of the global crisis, which had a negative impact on all aspects of economic activity, including the development of policies to support business [11]. Generalization and systematization of the problems of European SMEs research revealed the main areas of research related to specific groups of entrepreneurs, activities, regulatory influence of the state and others. In particular, the following directions were identified that differ in the objects of research and, accordingly, the mechanisms of public policy:

1. Groups of entrepreneurs / enterprises that have limited capacity and are in need of special state support;

2. Groups of enterprises and forms of their cooperation that have a significant potential for economic growth;
3. The activity directions of enterprises that cause their competitiveness' growth;
4. The partnership of business and government which is realized in different forms;
5. Resources, access to which is restricted to SMEs;
6. The business environment, including regulatory procedures;
7. Promotion and education of entrepreneurial behavior for the population, development of entrepreneurial skills.

Priorities were identified for each of the selected areas, which specified the object of research. In particular, among the entrepreneurs whose potential is limited, there appear groups of young women, start-ups, senior citizens involved in the family business and others. The main priorities within this area are presented in Table 1.

Table 1: Groups of entrepreneurs / enterprises with limited capacity

№	Research priorities
1.	Youth
2.	Women
3.	Immigrants
4.	Ethnic minorities
5.	Old citizens
6.	Aspiring entrepreneurs at the stages of thinking about business; etc start-ups; the ones that received a second chance
7.	Family business
8.	Companies on the edge of bankruptcy

Source: developed by the author

Selection of each of the priorities set in Table 1 has its arguments. For example, why the development of women's entrepreneurship is seen nowadays as a priority? Studies of women's participation in entrepreneurial activity showed the presence of gender inequality. There are factors that hinder the development of business women, so today in Europe, the share of women entrepreneurs is about 30-40%. Many of them own small businesses, working in traditionally female "low-profit" sector, which do not provide sustainable livelihoods and development prospects.

The study of women's entrepreneurship is important for the Republic of Moldova, where the proportion of women in business is 27.5%. This figure is significantly lower than the proportion of women in the economically active population (49.4%) and the total population of Moldova - 51.9% [1]. Specificity of gender may be partly reflected by the relatively smaller size of the business owned by women; the larger the business is, the higher the proportion of men entrepreneurs is. It is known that relatively smaller companies are in need of special state support, so the identification of gender differences enables the government to develop more reasoned measures to support women's entrepreneurship.

Among other groups of entrepreneurs who have limited capacity in the Republic of Moldova some attention is also given to young and budding entrepreneurs [2], but mainly in practical terms (PNAET program).

Another important area of European Studies of SMEs is the development of enterprises with significant growth potential and forms of their cooperation. An example of enterprise with a potential for development is the enterprise called "gazelles" (according to D.Birch classification),

characterized by high and sustained growth, in particular, annual turnover of at least 20-25% for at least 4-5 years. The main priorities within this area are presented in Table 2.

Table 2: Groups of enterprises with growth potential and forms of their cooperation

Nº	Research priorities
1.	SMEs characterized by high, stable growth rates (for instance, "gazelles")
2.	Cooperation and integration of enterprises, especially their clustering
3.	Cooperation among public authorities, SMEs sector and the scientific community

Source: developed by the author

Business clusters can serve as an example of a promising form of cooperation. Today in developed countries clusters are considered as one of the possibilities of growth competitiveness, especially for SMEs. According to F. Puke, "the real problem of SMEs is not that they are small, but that they are alone" [9]. Being integrated within a cluster, SMEs already act as a serious player in the market, able to compete with large companies. Their access to capital, labor resources, organized training, access to international markets and attraction of investment increases. Thus, clusters provide the members of the enterprises a number of advantages that enhance the competitiveness.

In the Republic of Moldova there are also prerequisites for the development of clusters, among which are the following: (1) limited access of SMEs to all types of resources (financial, human resources, etc.); cooperation can increase their potential; (2) the high geographic concentration of SMEs taking into account the small area of the country; (3) presence of some experience in enterprises' associating, including SMEs, by creating business associations; (4) the activities of public institutions which are able and interested to support the creation and development of clusters; (5) the practice of the EU countries to promote the establishment and successful development of clusters with SMEs' participation, which Moldovan business and government can use. In recent years, Moldova had taken the first steps towards regulation of the process of creating clusters. In particular, the Government approved the Concept of cluster development of the industrial sector of the Republic of Moldova. As a result, enterprises have begun to set up the clusterlike structures.

A great importance in research in European countries is given to such direction of SMEs' activity, which provides competitive advantage, but it is not based on the price factor. It is, above all, on the export of its own products, the introduction of innovation, attracting investment, the development of "green" economy, etc. [10]. The main priorities within this area are presented in Table 3.

Table 3: Areas of activity of enterprises that determine the growth of competitiveness

Nº	Research priorities
1.	Exports, in a broader sense - the development of all forms of internationalization of SMEs, including cross-border cooperation
2.	Development and implementation of all types of technical and technological innovations in SMEs
3.	Attraction of investments, primarily high-quality, venture, long-term and foreign ones
4.	Production of environmentally friendly products, and in general, the development of "green economy", including the economical use of energy resources

Source: developed by the author

It makes sense to pay attention to one of the lesser-known research priorities - the development of cross-border cooperation. The ongoing integration of the EU Member States, the increasingly transparent borders between them, along with the increased independence of local communities, has increased attention to cross-border cooperation. Identification of factors that contribute to or

hinder the establishment of cross-border cooperation, analysis of the most acceptable forms of development, as well as the need to develop institutions that promote cooperation between enterprises of neighboring countries are one of the priorities of the development of SMEs in Central and Western Europe. For the Republic of Moldova cross-border cooperation has significant importance, given that one of the neighboring countries - Romania is a member of the EU.

A promising area of research in Europe in recent years is the partnership of business and the government. The partnership involves different types of relations, including the dialogue among the business environment and public authorities; social partnership, based on social responsibility of the companies; public-private partnership directed on solving social important issues made by joining resources and sharing of risks among the parties. The main priorities within this area are presented in Table 4.

Table 4: The forms of partnership between business and government

№	Research priorities
1.	Public-private partnership
1.	Social partnership
2.	Dialogue between business and government

Source: developed by the author

One form of partnership is the development of a dialogue between business and the government, public authorities. Dialogue among enterprises and public authorities is now seen as an important condition for an effective public policy. N. Pinaud made a study for the OECD, in which under the public-private dialogue one can understand any form of interaction between the state and the private sector, relating to matters of public policy, in particular: improving the business environment, the issues of business regulation, etc. [5]. Strengthening of the dialogue can lead to many positive effects: the correspondence between the real business problems and implemented policy measures increases; an atmosphere of trust between the private sector and public administration is established; civil society is strengthening; transparency and good governance increases.

In the Republic of Moldova there are certain prerequisites for the development of a dialogue [3]: the legal framework has been established, business association with certain experience in protecting and promoting the interests of business are operating, some businessmen and officials are aware of the importance of dialogue. However, there are serious obstacles to dialogue that were identified on the basis of surveys and interviews: unpreparedness of the business community to consolidation; distrust of entrepreneurs in authorities, low interest in dialogue among some of the representatives of public authorities; unpreparedness of business and the government representatives to organize activities related to dialogue; lack of information about the activities of business and government institutions. In order to have not only a formal dialogue, there is a need for a serious work on the part of entrepreneurs and public authorities.

A considerable attention from European researchers is paid to the analysis of the types of resources to which SMEs access is limited. These resources are traditionally: finance, personnel, technology, consulting (see. Table 5).

Table 5: Types of resources, access to which is limited to SMEs

№	Research priorities
1.	SMEs funds - through venture capital and other credit products, the combination of credit and equity
2.	Staff of certain professional qualifications that have entrepreneurial skills. Providing access to business education throughout life
3.	New technologies, intellectual property
4.	Information and advice related to the participation in public procurement, as well as legislation, market condition, quality standards for the EU single market and foreign markets

Source: developed by the author

In the Republic of Moldova, problems related to access to resources are very important: the results of surveys of entrepreneurs have demonstrated that they are experiencing multiple problems that persist for several years [4]. In particular, while assessing the complexity of the Moldovan SMEs related to resources, entrepreneurs marked on the first two places: access to finance (73.3% of respondents) and problems related to personnel (45.9%). Specifying the reasons for difficult access to financial resources, entrepreneurs often mentioned the relatively high percentage of the loan and the significant cost of processing the loan (82.8% of respondents). The complexity of the staff recruitment is primarily caused by the outflow of skilled and most active people outside the country, as Moldova cannot offer those jobs with appropriate working conditions and wages.

An important area of research in the analysis of SME is the trends in the business environment, including regulatory actions. In this case, it was analyzed the situation in the EU [8], other groups of countries from Central and Eastern Europe [11], as well as those with transition / emerging economies. [6] The main priorities within this area are presented in Table 6.

Table 6: Assessment of the business environment, with a focus on regulatory influence of the state

№	Research priority
1.	Business registration
2.	The transfer of the business (which will save more job places than the creation of new companies)
3.	Simplifying procedures and reducing the time for issuing licenses and other permitting documents
4.	Closing a business
5.	Overall reduction of the administrative burden on business - on time and cost

Source: developed by the author

In the Republic of Moldova the absolute majority of employers (91.9%) indicated that they face barriers in fulfilling the requirements of the legislation. [4] Responding to the question, what regulatory procedures create major problems for them, the largest share of respondents pointed to the taxation of business (64.0% of businesses), as well as inspections / assessment of the companies (58.8% of respondents)

Regarding the issues of taxation, 44.4% of respondents relate their decision with the reduction of tax and contributions rates, primarily on the value added tax, contributions to social and health security. In order to solve the problems associated with the inspection and verification, according to entrepreneurs, it is necessary, above all, to regulate more clearly the procedure of inspections and audits (47.8%) and improve the quality of work of the persons, who carry out them (20.6%).

An important area of study of SMEs in Europe is the propaganda and education of the population with the entrepreneurial spirit, the development of entrepreneurial skills. The main priorities within this area are presented in Table 7.

Table 7: Propaganda and education of the population with the entrepreneurial spirit, the development of entrepreneurial skills

№	Research priorities
1.	The propaganda appeal of self-employment, creation of SMEs, the value of doing business among all segments of the population
2.	Positive attitude to the use of entrepreneurs of the second chance after bankruptcy
3.	Entrepreneurship education and development of entrepreneurial skills at all levels of education

Source: developed by the author

In the Republic of Moldova, entrepreneurship and development of entrepreneurial skills at all levels of education have attracted more and more attention in recent years. For example, the training course "Fundamentals of Entrepreneurship" was introduced as a compulsory course two years ago in secondary vocational institutions. After graduation, young people have not only the professional knowledge, but also the necessary skills to start their own business. Training course on the basics of doing business is also planned to be entered into the education system in universities in the coming years.

5. Main results and conclusions

1. On the basis of analysis of scientific publications of European scientists, themes from international journals and conferences, legislation and policy documents of the European countries, the issues were systematized and the research priorities of SMEs were specified. A number of the identified research priorities have been illustrated based on the Moldovan materials.

2. The stated directions and priorities of support, implemented today in European countries allow to specify more reasonably the topics of research of SMEs in Moldova and other countries with emerging economies, to make them more focused and in demand in the course of improving business development policies.

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Rezumat

Politica eficientă de dezvoltare a întreprinderilor mici și mijlocii (IMM) se bazează pe rezultatele cercetărilor care identifică problemele specifice și nevoile de afaceri într-un anumit domeniu concret. În Republica Moldova, studiile întreprinderilor mici și mijlocii cuprind un domeniu limitat de probleme și, de multe ori, au un caracter teoretico-abstract, dat fiind că cercetările aplicative și anume interviurile și chestionarele cu antreprenori sunt dificil de a fi realizate, consumatoare de timp și costisitoare. În această situație, având în vedere vectorul pro-european de dezvoltare a țării noastre, este important să se studieze principalele domenii de activitate ale IMM-urilor, implementate în uniunea Europeană contemporană.

În baza analizei subiectului și rezultatelor publicațiilor științifice ale savanților europeni, materialelor conferințelor internaționale și revistelor, legislației și documentelor politice ale țărilor europene au fost sistematizate cele mai importante domenii de cercetare pentru IMM-uri, care sunt în prezent în țările europene. Acest lucru va permite de a specifica subiectele de cercetare ale IMM-urilor în Republica Moldova, pentru a le face mai concentrate și pasibile pentru politici. Articolul poate prezenta interes pentru funcționarii publici implicați în reglementarea activităților antreprenoriale, precum și poate fi utilizat în scopuri științifice și didactice.

Cuvinte-cheie: *întreprinderile mici și mijlocii (IMM-uri), direcții de cercetare a IMM-urilor, politici de suport pentru business, țările europene.*

Аннотация

Эффективная политика развития малых и средних предприятий (МСП) базируется на результатах научных исследований, выявляющих специфические проблемы и потребности бизнеса на определенной территории. В Республике Молдова исследования малых и средних предприятий охватывают ограниченную сферу проблем и нередко имеют абстрактно теоретический характер, поскольку аппликативные исследования - опросы и интервью с предпринимателями - реализовать достаточно сложно, трудоемко и дорого. В сложившейся ситуации, учитывая проевропейский вектор развития нашей страны, важным представляется изучение основных направлений исследований МСП, реализуемых в современной Европе.

В статье на основе анализа тематики и результатов научных публикаций европейских ученых, материалов международных конференций и журналов, законодательства и документов политики европейских стран обобщены и систематизированы наиболее значимые направления исследований МСП, которые сегодня проводятся в европейских странах. Это позволяет конкретизировать тематику исследований МСП в Молдове, сделать их более целенаправленными и востребованными для политики. Статья может представлять интерес для госслужащих, занимающихся регламентированием бизнеса, а также использоваться в научных и дидактических целях.

Ключевые слова: *малые и средние предприятия (МСП), направления исследований МСП, политика поддержки бизнеса, европейские страны.*

ACCOUNTING POLICIES AND CONTROL FUNCTIONS

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Abstract

The content and quality of accounting depend on the accuracy of interpretation and the scientific depth of the development of accounting policies which define the organization principles, methods, rules and practices of accounting administration executed in accordance with the requirements of national and international standards, European directives and other regulations.

The article examines the value and impact of accounting policies on the maintenance and operational use of economic data in the exercise of the control functions and making management decisions. Due to the globalization of accounting procedures, most of the correspondent research works focus on its financial and reporting aspects. Thus, management accounting and its implementation in the execution of internal control and operational decision-making has not been fully studied. Accounting policies serve to organize the synthetic and analytical accounting and ensure timely obtaining of reliable economic data.

The author of the article has studied the content of accounting policies in trading with regard to the range of administrative, trading and selling expenses, as well as the principles, assumptions and materiality thresholds implemented in their recognition and assessment. The present paper implements various scientific methods and techniques such as synthesis, analysis, induction, deduction, grouping, classification, monitoring, measurement, and others.

The range of problems arising in the development of accounting policies aimed at ensuring internal control and audit is based on several research papers written by domestic and foreign authors, as well as the international and national standards of accounting and financial reporting, European directives, regulations, instructions and other normative and legislative acts concerning accounting and managerial control at enterprises, trade organizations and consumer cooperatives.

Keywords: *financial accounting, management accounting, internal control, accounting policies, costs, revenues, materiality thresholds.*

1. Introduction

On January 1, 2015, Moldova has mandatorily introduced at all enterprises and cooperative organizations the national accounting standards and the General Accounts Plan, as well as a number of guidelines and recommendations to be used during the transition to the above new system of accounting and reporting. In a way, these new standards synthesized the principles and assumptions implemented in the recognition and assessment of several accounting entries as compared to the accounting standards existing until the year of 2014. The content of the new national accounting standards approaches the international accounting standards which came into force in the Republic of Moldova in 2012.

Hence, the requirements for accounting policies has changed that resulted in a new approach to the recognition, assessment and accounting recording of assets, liabilities, revenues, costs and other accounting entries. In our view, more and more information provided in accounting policies should reflect the responsibility and expense points in order to identify those responsible for the

performance indicators of the enterprise. In addition, the accounting policies shall provide more attention to obtaining management accounting information, drafting of internal operational reports for rapid analyses and decision-making.

In this paper, recommendations for the development of internal control systems to be implemented at structural units of an enterprise are drawn up based on the examples of commercial enterprises and cooperative consumer organizations; and therefore, a system of accounting policies is developed to ensure obtaining the required internal and external economic information necessary to assess the situation and make effective decisions.

2. Previous Studies of the Topic. Research Goal

The issues concerning the development of the content of accounting policies were researched by a number of scholars and practitioners in Moldova and in the world, including the following: Karasch M., Tsurkanu V., Tuhari T., Nederitse A., Bazheryan E., Bucur V. (Moldova), Veryga I. (Ukraine), Vakhrushina M. A., Paly V. F., Generalova N. V. (Russia), Ristya M. (Romania), Needles V., Anderson N., Gruening N. (United States). The existing studies generally regarded the use of methods, techniques and rules of accounting recommended by the international standards of accounting and financial reporting. However, the practical implementation of new accounting and auditing regulations in the economic activities of the corporate sector in Moldova requires a more careful approach to the use of information on accounting and statistics for correct selection of tools and mechanisms used in the system of operational control and decision-making. The relevance of this paper lies in the reorientation of research on the use of accounting policies in the system of internal accounting and reporting data for the organization and expansion of the range of influence of control functions in managing enterprises based on the practical data of the cooperative consumer system.

3. Methods and Materials Employed

In the study, the author used various methodological research tools, including the following: the systematic method, the logical reasoning method, the dialectical method, document analysis, observation and measurement, the method of absolute and relative values, analysis, synthesis, grouping, classification and others.

Accounting and control form the basic data of financial and economic activities which are further structured at the micro and macro levels with the tools used in planning, finance procedures, analysis and assessment of assets and financial results of an enterprise, an organization or a national economy branch as a whole. In this regard, the author makes extensive use of scientific and economic research methods in the study of the contents of accounting policies and their application in internal control for timely management decision-making.

4. Results and discussions

Accounting policies represent a set of accounting methods and rules used in the process of primary observation, cost measurement, grouping and final conversion of business factors. As it is commonly known, both International and National accounting standards provide for various possible options, as well as methods of calculation and presentation of economic facts concerning

enterprise activities. The challenge is to establish these possible accounting rules and methods that would ensure the maximum effect upon their introduction. In this case, the effect means the process of timely generation of financial and management information along with achieving its accuracy and usefulness for a wide range of interested users responsible for the execution of control and decision-making functions.

During current accounting and reporting, accounting policies of an enterprise (organization) should be fully comprehended and correctly implemented by the following employees:

Firstly, chief executives, not only because they are responsible for approving these policies, but also due to the fact that business results of an enterprise (organization) mostly depend on the implemented principles and assumptions, as well as the rules and methods of recognition and measuring assets, liabilities, income, expenses and other accounting and reporting components;

Secondly, accountants who should competently and fully justify the contents of the accounting policies being developed;

Thirdly, auditors who usually start auditing companies by checking their accounting policies to present their findings and conclusions on the state and prospects of the financial and economic development of the audited economic entity;

Fourthly, tax inspectors who shall understand all the principles implemented in accounting policies and affecting the procedure of the formation of taxable items.

Selecting accounting policies is based on the following requirements:

- ✓ the consistency of methods and techniques, i.e. accounting policies that stay unchanged over a long period of time;
- ✓ regulating the principles with the applicable regulatory acts;
- ✓ the procedures of notification of the external information users on the changes introduced to the accounting policies.

As of 2015 and hereafter, the integrity and quality of accounting policies, used at enterprises in the Republic of Moldova, depend on the depth of specialists' understanding of the new National Accounting Standards and the General Accounts Plan mandatorily enforced on January 1, 2015.

Before starting to work on the development of accounting policies, chief accountants shall compile and describe the following documents and annexes:

- ✓ the operating accounts chart including the list of synthetic and analytical accounts necessary for the execution of accounting in accordance with the latest requirements and ensuring accounting and reporting completeness;
- ✓ reference forms of primary documents used for the arrangement of business factors not provided for by the standard forms of primary documents as well as documents recommended for internal accounts reporting aimed at controlling the implementation of management decisions;
- ✓ accounting register forms aimed at the representation of entries on synthetic and analytical accounts;
- ✓ regulations and schedule of inventorying stores, settlements of obligations and debts receivable with regard to the characteristic aspects of the business entity being inventorized;

- ✓ materiality thresholds recommended for specific accounting objects and components aimed at the differentiation of individual groups and types of assets, as well as the recognition of current and future revenues, costs and the reserves of the enterprise;
- ✓ assessment methods for assets and obligations;
- ✓ document flow rules and methods of processing accounting data;
- ✓ control organization procedures for the responsibility and expense points in accordance with the Law on Accounting, Internal Control and Audit;
- ✓ other solutions, norms and standards recommended for use at the enterprise in the implementation of its economic activities (fuel consumption rates, utilization and decommissioning terms for car batteries and tires, etc.).

When developing accounting policies, one should take into account a number of principles and assumptions, the main examples of which are as follows:

- ✓ the principle of ring-fenced assets, i.e. the assumption that the assets and liabilities of an enterprise (organization) exist separately from the assets and liabilities of other enterprises with the use of off-balance sheet accounts;
- ✓ the going concern principle characterized by the continuation of business activities in the foreseeable future without any intent of eliminating or significantly reducing them and, therefore, the fact that obligations will be settled in accordance with the established procedures;
- ✓ the principle of the constancy of accounting practices that implies consistent application of accounting policies without significant changes. Compliance with this principle makes it possible to orient an enterprise for the future development and the development of a goal-oriented strategy, balanced analysis of the current legislation;
- ✓ the accrual principle, i.e. definition of the timing of business factors – correlating them to the accounting periods in which they took place, irrespective of the actual receipt or payment time. In practice, the uncertainty and difficulties in the correct application of the accrual or cash method lead to a lack of confidence in the understanding of the distinction between small and large businesses. This may lead to erroneous recognition of revenues and expenses, which in turn has an impact on the incorrect determination of the financial results of an enterprise.

Taking into account the specific features of commercial enterprises and organizations including the system of consumer cooperatives, accounting policies should include the general principles of the organization and methodology of the research object characterized by a legal, regulatory and informational character, acting as the guarantor of the quality of information and ensuring transparent process management including the establishment of response procedures to identify the sources of capital expansion.

When drawing up accounting policies, accounting professionals should pay primary attention to ensuring the optimal efficiency of the organization of accounting and reporting procedures using the following three-level regulatory system:

- ✓ laws and regulations of general purpose;
- ✓ accounting laws and regulations regulating maintenance of accounting records including, first of all, the National Accounting Standards, General Accounts Plan, as well as International Financial Reporting Standards (IFRS);

- ✓ internal documents, regulations, managers' reports (internal reporting) ensuring monitoring and making management decisions.

As it is commonly known, the role and function of accounting at any enterprise and organization is to ensure correct and timely information for daily monitoring of the activities in all areas and departments of the correspondent business entity. Article 41 "The System of Internal Control and Internal Audit" of the Accounting Law of the Republic of Moldova underlines that any economic entity is obliged to organize a system of internal control, the responsibility for the operational quality of which shall be assigned to persons who, under Article 13 of this Law, are responsible for accounting and the preparation of financial statements.

Accounting policies should provide for documentation systems, contents and forms of internal reports compiled by the correspondent managers and used in the implementation of the operative internal control.

The internal control systems use information provided by a variety of management departments and units.

In our opinion, the information used for the management control functions shall consist of the following sources:

- ✓ accounting information system;
- ✓ information system of other economic services (Planning and Finance Departments, Standards Department, Human Resources Department and others);
- ✓ information system of marketing, prices, tariffs, purchasing contractual relationships for purchasing, selling products, goods, services, etc.;
- ✓ information system of technical and technological matters, investment, production capacity, quality of products and services, etc.

The above information system should be collected at an enterprise by means of its consolidation in internal management reports in accordance with the requirements provided for in the special regulations on internal control.

We consider that enterprises shall approve the establishment of a special department for the provision of information and its use for the purposes of internal control regulating the timing and content of the submitted internal current reports on the sources mentioned above.

Accounting information includes:

- ✓ cash and use of cash;
- ✓ calculation of various indicators and their registration on synthetic and analytical accounts;
- ✓ registration of costs and expenses within normal ranges and deviations from these normal ranges;
- ✓ calculation of the self-cost of products;
- ✓ accounting recognition of the sales results, revenues, profits, taxes, etc.

The main source of information on financial and economic outcome is the Accounting Department and other financial and planning services and departments of an enterprise.

An important source of the implementation of control functions and taking management decisions at an enterprise is the marketing data obtained in the study of procurement and sales markets, the formation of prices and tariffs for products, goods and services.

It seems to us that the pricing and tariff policies should be factored into accounting policies and be indicative of the methods of measuring, accounting and calculation of the self-cost and selling prices of products.

The structure of accounting policies largely depends on the structure and legal status of the subject, as well as the depth of understanding of the correspondent regulatory framework and its implementation by chief accountants at the stage of organizing and defining the accounting system of an enterprise, reporting and quality of analytical work on the identification of the sources of business efficiency increase and making up-to-date management decisions.

5. Conclusion

Through the analysis of accounting policies, the whole organization structure of synthetic and analytical accounting is studied in the light of the requirements of national accounting standards and International Financial Reporting Standards (IFRS).

Accounting policies are drawn up at the beginning of the reporting period to ensure comprehensive development of accounting ratios, as well as ratios and indicators of other divisions of trade enterprises, such as marketing, procurement, sales, planning, financial, technical, energy and other departments.

It is suggested to implement accounting policies as a tool to further focus on providing the necessary accounting data to managers, such as cash flows, status of goods in inventories, analytical data on costs, expenses and income related to various sources, data concerning the settlement of receivables and payables, asset profitability, the level of sales return, equity and other information.

At trade and cooperative enterprises and organizations, the author recommends the development and implementation of accounting policies featuring a specific, custom content in order to enhance control over the results of their economic and financial activities.

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Rezumat

Conținutul și calitatea contabilității sunt dependente, în mare măsură, de corectitudinea gândirii și profunzimea științifică a elaborării politicilor contabile, prin care se manifestă principiile și convențiile de organizare, metodele, regulile, procedeele de ținere a acestora în conformitate cu cerințele standardelor naționale și internaționale de contabilitate, directivelor europene și altor acte normative și legislative.

În lucrarea dată se examinează rolul și influența politicilor contabile asupra conținutului și utilizării operative a informației economice în scopurile îndeplinirii funcțiilor de control pentru adoptarea deciziilor manageriale. În condițiile globalizării contabilității atenția primordială în cercetările științifice este acordată direcției financiare și aspectelor elaborării și prezentării situațiilor financiare. Prin aceasta, problemele de dezvoltare a contabilității de gestiune și utilizării informației acestora în scopurile controlului intern pentru adoptarea deciziilor operative la întreprinderi rămân netratate suficient. Politicile contabile se programează în scopul organizării și optimizării metodologiei de ținere a contabilității sintetice și analitice, precum și efectuării controlului pentru obținerea oportună a informației economice relevante și veridice.

Autorul lucrării dezvăluie unele aspecte referitoare la conținutul politicilor contabile în sfera activității entităților comerciale prin specificarea nomenclatorului cheltuielilor administrative, de distribuire, folosind principii și convenții, precum și praguri de semnificație la recunoașterea și evaluarea acestora. În lucrare sunt utilizate diferite metode și procedee științifice: sinteza și analiza, inducția și deducția, gruparea și clasificarea, observația și cuantificarea etc.

Problematica elaborării politicilor contabile în vederea asigurării controlului și auditului intern este abordată în baza lucrărilor științifice ale autorilor autohtoni și din străinătate, precum și standardelor naționale și internaționale de contabilitate și raportare financiară, directivelor europene, regulamentelor și instrucțiunilor, precum și altor acte legislative și normative aferente ținerii contabilității și desfășurării controlului la entitățile de comerț și ale cooperăției de consum.

Cuvinte-cheie: contabilitate financiară, contabilitate de gestiune, control intern, politici contabile, cheltuieli, venituri, praguri de semnificație.

Аннотация

Содержание и качество бухгалтерского учета зависят от правильного осмысления и научной глубины разработки учетных политик, в которых раскрываются принципы организации, методы, правила, приемы его ведения в соответствии с требованиями национальных и международных стандартов, Европейских директив и других нормативных и законодательных актов.

В статье рассматриваются роль и влияние учетных политик на содержание и оперативное использование экономической информации при осуществлении контрольных функций и принятии управленческих решений. В связи с глобализацией бухгалтерского учета основное внимание в научных исследованиях уделялось его финансовому направлению и аспектам составления финансовой отчетности. Таким образом, вопросы, связанные с управленческим учетом и его использованием во внутреннем контроле и принятии оперативных решений на предприятии остались не до конца раскрытыми. Учетные политики программируются с целью организации синтетического и аналитического учета и контроля для своевременного получения необходимой и достоверной экономической информации.

Автор статьи анализирует содержание учетных политик в сфере торговой деятельности с учетом номенклатуры административных и торгово-коммерческих расходов, используя принципы, допущения, а также пороги существенности по их признанию и оценке. В настоящей работе используются различные научные методы и приемы, такие как: синтез и анализ, индукция и дедукция, группировка и классификация, наблюдение и измерение и др.

Проблематика разработки учетных политик, с целью обеспечения внутреннего контроля и аудита, исследуется на базе научных работ отечественных и зарубежных авторов, а также международных и национальных стандартов по бухгалтерскому учету и финансовой отчетности, Европейских директив, положений, инструкций и других нормативных и законодательных актов по ведению учета и выполнению контроля на предприятиях, в организациях торговли и потребительской кооперации.

Ключевые слова: финансовый учет, управленческий учет, внутренний контроль, учетные политики, расходы, доходы, пороги существенности.

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**CURRENT TRENDS IN TRADE OF THE REPUBLIC OF MOLDOVA
AND WAYS TO INCREASE THE COMPETITIVENESS OF
AGRICULTURAL PRODUCTS ON FOREIGN MARKET**

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Abstract

Moldovan trade in agri- food products on domestic and foreign markets currently face severe competition with similar products grown and processed in neighboring countries. Thus the need arises to analyze the situation on the domestic and foreign market and determine ways of increasing their competitiveness in the market. The paper analyzes the external factors that influence the current situation and trends of foreign trade in agri- food products on the EU and CIS countries. It also argues the essence and components of competitiveness, and highlights some ways to enhance the competitiveness of agri-food products on domestic and foreign markets.

Keywords: *agri-food products, foreign trade, concept competitiveness, strategy focused on quality, customer satisfaction.*

1. Introduction

In the latest years radical changes have occurred in Moldova's foreign trade. Along with signing the Association Agreement between the Republic of Moldova and EU, on one the hand, there opens the gates to the West with a market of over 370 million consumers [6] and, on the other hand, there considerably decreases the volume of sales towards the Russian Federation. In this context, there arises the need to make an analysis of the current situation of foreign trade and seek new ways of penetration and increase the competitiveness of local products on the foreign market.

The experience of recent decades has shown very clearly that the problems of the global economy, development in general, cannot be solved apart from the agricultural sector in particular. Due to agricultural specialization of Moldova, the agri-food products are the main components of Moldovan export. This particular sector is and will remain in the future the key visible sector of the national economy.

Lately, the external factor has become very important in foreign trade with agricultural products. External conditions were characterized by the following aspects [5, p. 72]:

- signing the Association Agreement with the European Union and the establishment of the Deep and Comprehensive Free Trade Area (DCFTA);

- economic stagnation of the Russian Federation and cooled Moldovan-Russian relations following the signing of the Association Agreement between the Republic of Moldova and European Union;
- slow economic growth in the European Union;
- economic and political crisis in Ukraine;
- the decrease of international prices for oils, cereals and sugar, which have a relatively major share on Moldovan exports;
- increase of international prices for meat, the Republic of Moldova being a net importer of meat.

2. The degree of investigation of the problem at the moment, purpose of the research

The problems of marketing domestic agri-food goods worsened once with the liberalization of the market especially of Moldovan market with imported products –cheaper and with the embargoes applied by the Russian Federation to Moldovan goods . Thus, the problem of commercialization and increasing the competitiveness of domestic agri-food goods is in the view of specialists and researchers in the field of trade, but more intensively they are researched beginning with the year 2000 [1, 5] when the competition in the market of food products was intensified, domestic products having a lower degree of competitiveness. Currently the researches in the domain and their outcomes [1, 3, 4, 5] are more focused on processes and methods of organizing trade and do not include all factors which determine and maintain competitiveness and contribute to assuring competitiveness and to permanent maintaining the retail trade of domestic goods.

The final purpose is to create and propose a complex system of insurance and marketing of production and sustainable commercialization of local agri-food products on the local and international markets and the purpose of this paper is to identify and nominate some ways to enhance and implement the marketing concept activities in the activity of producers, processors and traders who deal with agri-food products.

3. Methods and materials applied

The research is performed using the methods of: comparative and factorial analysis, the analysis of the structure and dynamics, induction and deduction, practical experience etc. The proposed ways to boost the competitiveness of agri-food products on the domestic and international markets are nominalized resulting from guiding the producers from this field towards European standards for quality, assortment and implementing modern marketing concept focused on satisfying consumers' needs.

4. Analysis of the current situation and trends in Moldova's foreign trade with agricultural products

These factors have had a significant impact on the development of the Moldovan foreign trade. Next, *we will try to prove this statement by performing a brief analysis* of the dynamics and structure of foreign trade of the Republic of Moldova with agricultural products.

In the period 2006-2014 this sector reached about 40-50% in total volume of exports annually. In 2014 the export of agri-food products, in the amount of 1100.0 mln USD (Figure 1), constituted

47.0% of Moldovan exports, registering a slight increase of 4.9% in comparison to the previous year, but compared to 2005 - 1.7 times.

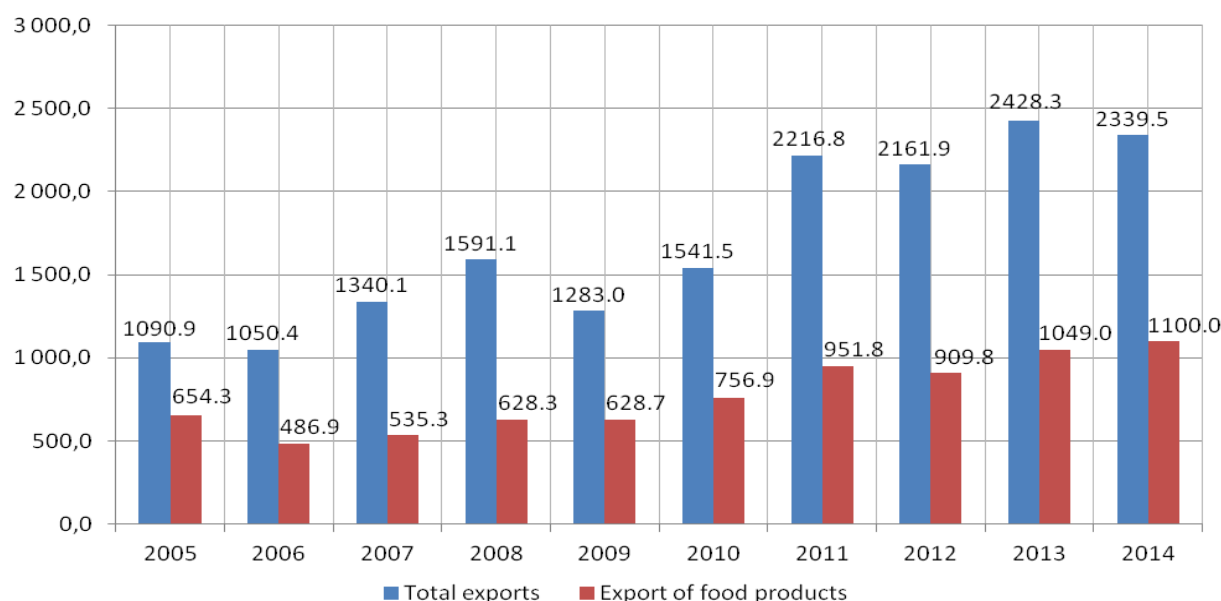


Figure 1: Export of agri-food products in total exports of the Republic of Moldova, mln USD

Source: National Bureau of Statistics of the Republic of Moldova

The current structure of agricultural products' exports from Moldova is dominated by the chapter "vegetal products", which holds a significant share of 50.0%, followed by "food, beverages and tobacco" by 34.4%, while the chapters "live animals and animal products", "fats and oils" and "hides" have a relatively small share of 3-7% each.

Table 1: The export of Moldovan food products on main sections in 2005, 2010-2014, thousand USD

Section name	Year						Relative 2014 deviation to	
	2005	2010	2011	2012	2013	2014	2010	2013
Live animals and animal products	17204.0	26968.9	38042.9	37817.0	37166.5	59732.5	2.2 times	1.6 times
Vegetable products	131770.4	340715.8	470995.0	360469.6	507045.5	549667.3	1.6 times	108.4
Fats and oils	37789.5	47584.2	77486.1	89708.7	44040.0	77522.5	1.6 times	1.8 times
Food products, beverages and tobacco	395951.3	316942.1	330579.1	390885.7	427293.5	378435.4	119.4	88.6
Hides	71574.2	24690.4	34668.9	30954.3	33418.1	34680.8	140.5	103.8
Total agri-food products	654289.4	756901.4	951772.0	909835.3	1048963.6	1100038.5	145.3	104.9

Source: Calculated based on National Bureau of Statistics of the Republic of Moldova

The growth of agri-food export volume in 2014 helped increase the sales of goods abroad on the following sections:

1. Vegetal products - by 42.6mln USD (or 8.4%);
2. Fats and oils - by 33.5mln USD (1.8 times);

3. Live animals and animal products - by 22.6 mln USD (1.6 times);
4. Hides – by 1.3 mln USD (or 3.8%).

However, a negative dynamics has had the volume of food export, beverages and tobacco by 48.9 mln USD or 11.4% in 2014 compared to 2013.

Let's examine what types of products from this section have conditioned the decrease of export.

Table 2: Export of food, beverages and tobacco from the Republic of Moldova during 2012-2014, thousand USD

Category/name of products	Year						Absolute 2014 deviation to	
	2012		2013		2014		2012	2013
	Amount	%	Amount	%	Amount	%	Amount	Amount
Food, beverages and tobacco: total	390885.7	100	427293.5	100	378435.4	100	-12450.3	-48858.1
Meat and fish	136.1	0.0	22.1	0.0	288.2	0.1	152.1	266.1
Sugar and confectioneries	35029.0	9.0	30537.3	7.1	55769.6	14.7	20740.6	25232.3
Cocoa and cocoa products	3592.2	0.9	5936.1	1.4	6188.2	1.6	2596.0	252.1
Preparations of cereals	13444.6	3.4	17553.9	4.1	17207.1	4.5	3762.5	-346.8
Fruits and vegetables	60371.6	15.4	76068.1	17.8	59665.1	15.8	-706.5	-16403.0
Various food preparations	7615.6	1.9	9648.9	2.3	7766.0	2.1	150.4	-1882.9
Non-alcoholic beverages, spirits and vinegar	214968.1	55.0	252300.2	59.0	193742.9	51.2	-21225.2	-58557.3
Residues and wastes from the food industry	21515.5	5.5	9715.7	2.3	21110.9	5.6	-404.6	11395.2
Tobacco and manufactured tobacco substitutes	34213.0	8.8	25511.2	6.0	16697.4	4.4	-17515.6	-8813.8

Source: Calculated based on National Bureau of Statistics of the Republic of Moldova

In the year under review the decrease on food products, beverages and tobacco was determined by the decrease in export volume of non-alcoholic beverages, spirits and vinegar by 23.2%, fruits and vegetables – by 21.6%, tobacco and tobacco substitutes – by 34.5%, various food preparations – by 19.5%, cereal preparations – by 2.0%.

The negative dynamics of exports to specified categories is conditioned largely by tightening the trade policy with the Russian Federation after signing the Association Agreement with the European Union and the establishment of the Deep and Comprehensive Free Trade Area in 2014.

A set of *restrictive measures* followed almost immediately by the introduction of import tariffs and import prohibition for some Moldovan products. Thus, in July of 2014, the Russian Federation banned the import of fruits and fresh and canned vegetables to its market; and later there were reintroduced duties applied to a larger number of food products (beef, pork, chicken, some fruits and vegetables, cereals, sugar, wine, spirits, etc.). Later it was banned the import of meat and its derived products.

These restrictions may constitute a violation of a number of bilateral and multilateral free trade agreements, including within the CIS. It should be noted that the sanctions of the Russian Federation aim at those products from agricultural sector and food industry with a considerable volume of exports which have the highest impact on the Moldovan economy and affect a larger part of the manufacturing sector. This makes the Moldovan economy fairly vulnerable to Russian sanctions, not only in terms of reduced exports and GDP, but also the social consequences.

Moldova's exports in 2014 were traditionally oriented to two main directions (Figure 2):

- CIS countries – with 33.6% of total exports of agricultural products;
- EU countries – with 43.1% of total exports of agricultural products.

Exports to other countries of the world accounted for 23.3% of total agri-food exports in the referred period.

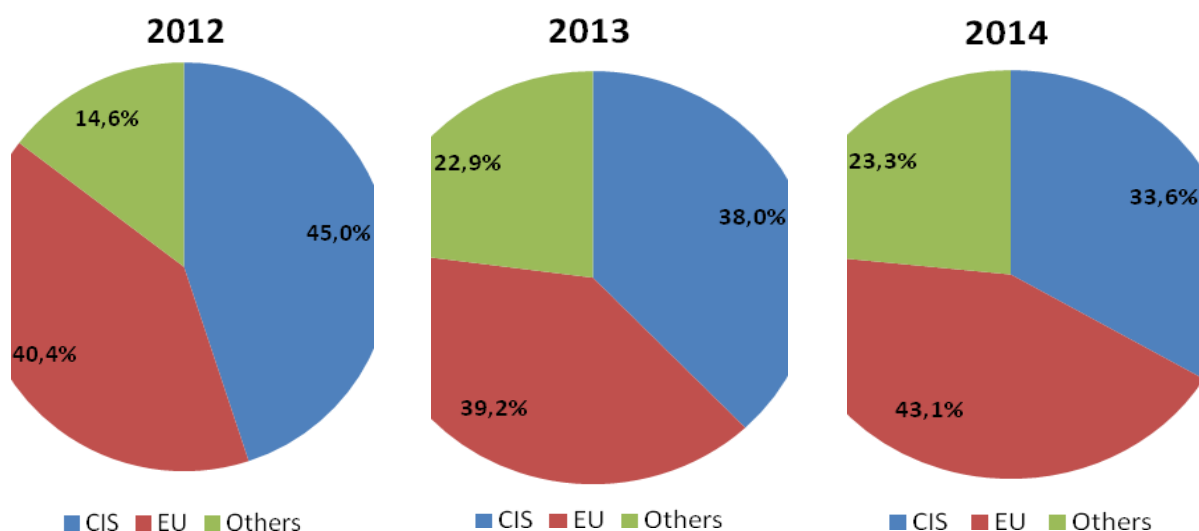


Figure 2: The share of main distribution lines in the total exports of Moldovan agri-food products in %

Source: Calculated based on National Bureau of Statistics of the Republic of Moldova

As a result of sanctions imposed by the Russian Federation, the share of agri-food products export volume on the CIS market in the last two years decreased by 11.4 % - from 45.0% to 33.6%, but the European Union has become the main export market for these products.

Table 3 shows the dynamics of agri-food products exports based on geographic orientation in absolute terms. From the data which are in the table we state that in 2014 the export volume to EU countries increased – by 63.6 mln USD (or 15.5%) compared to 2013 and by 106.4 mln USD (or 28.9%) compared to 2012. The sales volume of agri-food products outside the EU and the CIS has increased considerably in the last two years – by 123.7mln USD (1.9 times).

Table 3: The exports of agricultural products from Moldova per chapters according to geographic orientation during 2012-2014, thousand USD

Specification	2012			2013			2014		
	CIS	EU	Others	CIS	EU	Others	CIS	EU	Others
Live animals and animal products	26870.5	1782.0	9164.4	24961.8	2880.4	9324.3	43253.9	9284.5	7194.1
Vegetal products	149900.2	141079.7	69489.7	158658.1	198169.3	150218.1	138374.2	247672.2	163620.9
Animal or vegetal fats and oils	574.2	86512.5	2622.0	322.7	43515.2	202.1	358.2	72508.4	4655.9
Food products, beverages and tobacco	229327.1	110595.6	50963.2	212596.3	134951.2	79746.0	185901.5	111862.1	80671.8
Hides and skins, leather, furs	2433.6	27959.1	561.7	1687.5	31229.6	501.0	1265.7	33041.8	373.3
TOTAL	409105.6	367928.9	132801.0	398226.4	410745.7	239991.5	369153.5	474369.0	256516.0

Source: Calculated based on National Bureau of Statistics of the Republic of Moldova

Meanwhile, the export volume of Moldovan agri-food products on CIS countries' market decreased in 2014 by 29.1 mln USD (or 7.3%) compared to 2013, and by 40.0 mln USD (or 9.8%) compared to 2012.

At a higher level of disaggregation, there are several products that are almost entirely exported to the Russian Federation. In table 4 only product groups are included with exports to the Russian Federation over 1 mln USD. Among them there are some items with a considerable volume of exports over 10 mln USD: "fresh apples, pears and quince", "beef, fresh or chilled" and "other prepared or canned vegetables otherwise than by vinegar or acetic acid, not frozen" [4, p. 11].

In these tough conditions, Moldovan producers have to turn to markets other than the traditional ones. *But this is only one side of the issue.* The ban on import of food products to Russia affects the international reputation which was formed for decades.

Table 4: Product groups with a high share of exports to the Russian Federation
the group's total exports, 2013-2014, in%

Cod HS02	Product group	2013	2014
0205	Horse meat, donkey, mule, donkey, fresh, chilled or frozen	100.0%	100.0%
0201	Beef, fresh or chilled	100.0%	91.7%
0808	Apples, pears and quinces, fresh	90.8%	35.2%
2002	Tomatoes prepared or canned otherwise than by vinegar or acetic acid	84.1%	61.0%
2001	Vegetables, fruits and other edible parts of plants, prepared or canned by vinegar or acetic acid	82.1%	34.9%
0405	Butter and other fats and oils derived from milk; dairy spreads	81.3%	93.2%
2005	Other vegetables prepared or canned otherwise than by vinegar or acetic acid, frozen, other than products from pos.2006	77.2%	52.4%
0204	Meat of sheep or goats, fresh, chilled or frozen	77.0%	98.0%
0202	Frozen beef	69.4%	90.6%
1701	Cane or beet sugar and pure chemically sucrose, solid	4.2%	71.1%

Source: [3, p. 11]

The information presented in Figure 3 characterizes the export orientation on agricultural products in 2014, allowing the development of future decisions with reference to stable partnership relations.

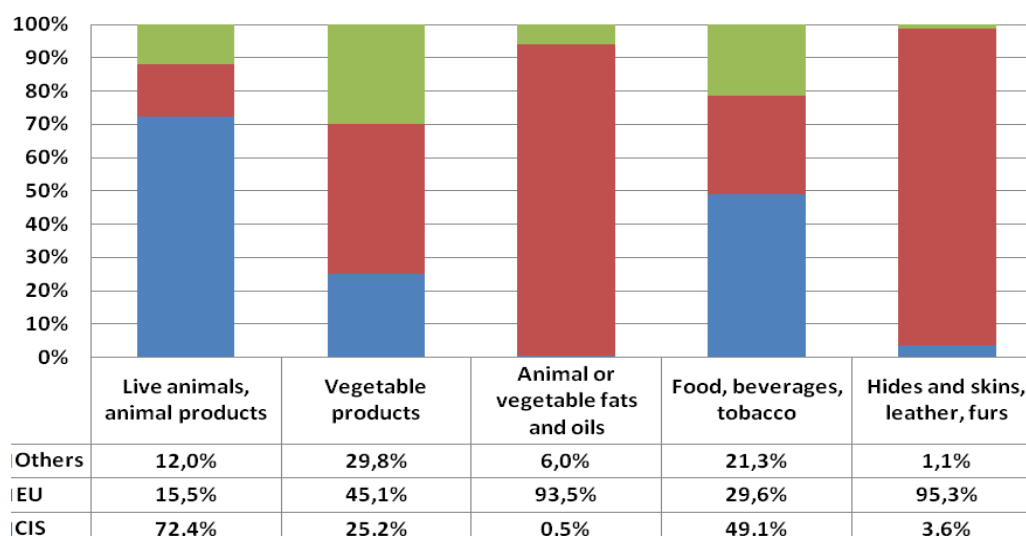


Figure 3: Exports orientation of agricultural products on sections in 2014

Source: Calculated based on National Bureau of Statistics of the Republic of Moldova

If overall, the dependence on CIS market is falling, which has been shown in Figure 2, namely targeting and banning those products for which export volume is very high, making Moldovan economy rather vulnerable to Russian sanctions.

5. The essence and ways to enhance the competitiveness of agri-food products on domestic and foreign markets

To fix the problem on the Moldovan agri-food products market and in their sales we must analyze the situation in terms of Moldovan products' competitiveness on domestic and foreign markets.

So, the concept competitiveness involves a high level of products indicators characterizing the quality to the price and profit level achieved as a result of the commercialization of products compared to competitors' similar products. At the microeconomic level competitiveness is the ability of the product or companies to maintain the market with a set of features that ensures an advantage towards similar competitive products, or to companies with a similar business target.

Therefore, competitiveness means that, taking into account a number of specific indicators, the agri-food businesses indicator must not be lower than at the competitors, i.e. to face the competition.

Based on these findings, we analyze the indicators which characterize the competitiveness of Moldovan products on the market.

The main objective of agri-food companies is to cultivate and produce consumer goods, being the source of supply and meet the demand of population with these vital products. Agricultural companies and processing enterprises of agricultural products are an important link in the consumers' supply with both domestic and external goods. In the trade items there is a shift in the sphere of circulation of goods' consumption, showing the connection between consumers and products. So, agricultural companies and producers are tasked to study the demand and supply of the population with goods in accordance with their needs.

An agricultural and manufacturing company of agri-food goods is defined by the following key attributes:

- the location, which puts the value by a firm set of attributes related to the consumer market's size, market share (by turnover) and continuous supply capabilities;
- by product, or the size and structure of the product range offered on the market;
- equipping buildings with modern equipment and technology;
- the forms of sales and services rendered to buyers;
- the fixed prices of marketed products;
- the forms and methods of promotion, or through the actions and means that stimulates the selling of a product helping to increase customer's satisfaction: organization and participation in fairs and exhibitions etc.

If we look at agricultural and agro production companies by location of consumers of these products there can be seen that Moldova has over 3.0 mln inhabitants who have daily needs of a wide range of food products. Thus, firms producing agricultural products in this category have quite important home market, leaving only to efficiently use the natural resources and move promptly to local consumers' needs and desires. Another opportunity is favorable location of

Moldova in the center of the European continent, which provides the ability to export food products both to West and East.

It is known that the climate is favorable and soils in our area are most fertile, here we can cultivate most diverse varieties of plants and trees. Thus, using the advantages offered by the location of Moldova, as an area where they can grow and produce food products, we can conclude that with good management of agri-food companies in the country we could cope with market's needs and provide the market with a wide range of products and the most qualitative products in this category.

Increasing competitiveness in agriculture can be achieved through the implementation of European standards in the production and processing of products. Their adoption and enforcement will create favorable conditions for closer convergence between Moldovan and European economy, which will help increase the competitiveness of their products and increase the access to various international markets, and primarily to the EU ones.

The decrease of food products exports to the CIS countries in the last 2 years has had a serious impact on domestic producers and demonstrated a considerable dependency towards Russian market. So, the exclusive alignment to Russian standard – GOST becomes risky in terms of access to alternative markets, while the non-compliance with European standards does not allow producers to diversify into other markets and to capitalize the potential offered by trade liberalization with the EU.

Table 5 presents the names and number of standards regarding the export of food products. Analyzing the data table, we find that GOST is used intensively in the production of several categories of products for export: meat (262 standards), cereals and pulses (161 standards), fruits and vegetables (164 standards). On the other hand, European standards are most often used in the production of soft drinks (24 standards). Additionally, the combination of European and international standards are used for meat and meat products (22 standards), cereals and pulses (22 standards), fat seeds (31 standards).

Table 5: The standards adopted as national standards per exported production

No.	Product groups	EN	ISO	ISO/EN	GOST	GOST-R
1.	Meat and meat products	6	16	22	262	6
2.	Dairy products	0	7	20	82	6
3.	Cereals, pulses	9	27	22	161	2
4.	Fruits, vegetables	4	10	1	164	7
5.	Sugar, products from sugar, honey	1	3	8	45	3
6.	Alcoholic drinks	1	0	0	43	34
7.	Soft drinks	24	0	0	41	4
8.	Tobacco and tobacco products	1	25	1	16	0
9.	Fats and seeds	2	7	31	95	0
	Total	48	95	105	909	62

Source: [3, p. 20]

Taking over European standards is a lengthy, complicated process requiring investments. However, the effective adoption of European standards will maximize the potential of marketing domestic products in lowering the number of non-tariff barriers of Moldovan exports. Another advantage would be reducing the production costs, and in many cases enhance the products' quality.

For consumers of food products as the strengths to attract the consumption of these products can be noted the following:

1. The selling price of products.
2. The variety of products and possibility to choose.
3. Accessibility of products on the local market in the services provided during the consumption process.
4. Quality assurance, compliance with quality standards.

These strengths should be taken into account by all operators on agri-food products market from the country.

To ensure a high level of competitiveness of agro-food companies the market must be supplied with qualitative products in big bulks. This problem can be solved by associating agricultural firms, by building common buildings for storing stocks for their processing, but also by providing equipment and refrigerators. Also, by creating their own distribution networks, secured with TIR type tractor and transportation over long distances under conditions that ensure the quality of agri-food products.

In modern marketing, profit is not seen as an ultimate goal of the enterprise, more it is a means that ensures the existence, development and achievement of the social-economic goals which were set. So, the main objective of the company should be customer satisfaction. However, profit is an indicator signaling the company's performance and its competitiveness. The profit should be viewed as a consequence of economic and social objectives established by the organization, as a reward for success in a competitive market.

Any undertaking which, first, satisfies the needs of its customers will be able to obtain a significant market share and thus the profit necessary for the development of its activities. *Studying consumers' needs* is an important condition to cultivate and produce those commodities that are required by consumers to provide qualitative services appropriate to their expectations so they will address *a strategy focused on quality* to achieve the highest level of company's competitiveness on the market.

Increasing competitiveness of agricultural companies through a strategy focused on quality requires the adoption of a systemic quality control concept, which refers not only to the productive activities, but to all their functional departments.

Modern marketing concept cannot be effectively achieved without a policy to promote performance according to planned advertising campaigns and actions without achieving a promotion policy both on the domestic and foreign markets. To make known the marketing companies in the agri-food sector should communicate with the market, to inform consumers and market operators about their supply, prices, how to buy, thus creating a competitive advantage over competitors.

6. Conclusion

The effects of the evolution elucidated above upon the national economy will be dispersed over time. *After the optimistic scenario*, the stocks formed in the agri-food sector will be stored in refrigerators and subsequently sold, or will go to the processing industry, helping to increase

industrial production. But in both cases it will require an additional effort of identifying the markets.

To reduce the risk of losses and increase the competitiveness of agricultural companies, growers and entrepreneurs who process agri-food products for the external market, must diversify the product portfolio on the market, adapt the range and quality of goods to market's requirements both in the East and West.

Producers and processors of agri-food goods are obliged to collaborate in order to invest in the construction of large deposits and ensure the implementation of modern technologies for processing and distribution of goods in accordance with current requirements, thus becoming competitive on the domestic and external markets.

But most pessimistic scenario is that in terms of missing markets, producers will incur losses that inevitably will affect their future work.

Thus, to reduce the impact of unpredictable decisions of partners in CIS countries on the Moldovan economy it is necessary to diversify swift assortment and markets for animal products, food, beverages and tobacco, and in particular for groups of products specified in Table 3.

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Rezumat

Comerțul Republicii Moldova cu produse agroalimentare pe piața internă și externă la momentul actual se confruntă cu o concurență acută din partea produselor similare cultivate și procesate în țările vecine. Astfel apare necesitatea de a analiza situația creată pe piața internă și externă și de a determina căile de sporire a nivelului de competitivitate a acestora pe piață.

În lucrare se analizează factorii externi care influențează vădit situația actuală și tendințele comerțului exterior cu produse agroalimentare pe piața UE și țările CSI. De asemenea se argumentează esența și elementele componente ale competitivității, se scot în evidență unele căi de sporire a competitivității produselor agroalimentare pe piața internă și externă.

Cuvinte-cheie: produse agroalimentare, piața internă și externă, competitivitate, strategii axate pe calitate, satisfacerea consumatorilor.

Аннотация

В настоящее время торговля Республики Молдова сельскохозяйственной продукцией на внутреннем и внешнем рынке сталкивается с жесткой конкуренцией со стороны аналогичных товаров, выращенных и обработанных в соседних странах. Соответственно, возникает необходимость проведения анализа установленной ситуации на внутреннем и внешнем рынке и выявления путей повышения их конкурентоспособности на рынке.

Данная работа содержит анализ влияющих внешних факторов на сегодняшнее положение на рынке и анализ тенденций внешней торговли сельскохозяйственной продукцией на рынках Европейского Союза и Содружества Независимых Государств. Также аргументированы содержание и составляющие элементы конкурентоспособности, выявлены некоторые пути повышения конкурентоспособности сельскохозяйственной продукции на внутреннем и внешнем рынке.

Ключевые слова: сельскохозяйственная продукция, внутренний и внешний рынок, конкурентоспособность, стратегии основанные на качестве, удовлетворение спроса потребителей.

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**FINANCIAL ASPECTS NECESSARY TO THE STABILITY OF
COOPERATIVE UNDERTAKINGS THROUGH THE PRISM OF
ENSURING THEIR OWN CURRENT ASSETS**

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Abstract

Decentralization of economic activity and its passage to the domestic and international market competition raises major specific problem I the company's financial stability. For this economic Kingdom shall have all the powers of the body able to the with the economy; based on a balanced plan and financial components. Ensuring financial Transparency International Romania raises many complex issues in the financial management, including the provision of their current assets.

During the study), used general scientific methods, I'd Panagopoulos I specific methods of knowledge: systemic analysis, logical-historical, structural-functional, time analysis (dynamic), scientific abstraction, induction, deduction, statistical, etc.

Systemic approach for elaborating the concept and model of financial Transparency International Romania of enterprises and organizations from consumer cooperatives system consists in establishing the interdependence between economic and financial potential, between mechanism of organization and legal Regulation and methods of financial support of the field.

The complex approach in researchin g the problems of financial support consists in identifying the specific of the development of financial relations in different historical periods, due to the legal Regulation of the cooperative form of ownership.

This article aims to provide the field of consumer cooperatives in Republic of Moldova, its rolls in the social economy and directions for financial stability.

Keywords: *financial stability, current assets, coefficient of handling, coefficient of own current assets insurance.*

1. Introduction

Having regard to profound transformation which have suffered financial systems under strong downward movements of technological innovation, liberalization and globalization which has taken place over the past few decades, the achievement of financial stability is one of the new challenges which must be faced by entrepreneurs, including those of cooperative system of consumption.

Also, meeting the objectives increased by economic operators, at the present stage, requires, permanent financial stability maintance. Decentralization of economic activity and the transition to market competition specific domestic and international raised as major problem ensuring the stability of the firm. To do this, economic unit must be able to avail itself of all powers a body able to cope economy, based on a balanced ratio and on the plan of financial components.

Ensure financial stability raised numerous and complex problems in financial management, in the mechanism of distribution, of which most important ones are:

- a) the strengthening of the company's financial through the creation of a system of adequate funds, able to contribute to the formation, restoration and development of the basic components of economic structure (unit employees, the fixed assets, current assets, information and the environment);
- b) placing on economic criteria the actual process of procuring funds, in such a way as to reach a rational incentive to those who uses effective and operative such funds;
- c) matching on new basis of economic agent relations with domestic and international financial market.

More than that, solve the problem of ensuring financial stability of cooperative undertakings is prevented by lack modern fundamental research, which incorporates their knowledge of development of financial relations and improving the basis of property cooperative societies.

2. The investigation of the problem at the moment, for research purposes

The research theme involves addressing a very complex problem with many and varied and interdependencies on maintaining financial stability cooperative enterprises in order to secure their current assets. The economic and financial research practice in Moldova were conducted scientific investigations related to some aspects related research topic. This research, however, is not integrated studies that the issue be addressed at once cooperative entities. Therefore, we consider this aspect, the present work is original and presents elements that form its scientific novelty. The purpose of this paper is to argue the importance of maintaining the financial stability of firms in the cooperative conum, under a sustainable activity, delineation and determining role in ensuring the solvency of the company in current assets and assessment of financial stability through the financial indicators.

3. Methods and materials applied

Due to the research data, which involves a complex character, and the phenomenon studied have an impact on the economic, financial, social, research methodology will be based both on general principles of analysis and specific ones. Materials research applied to achieve the entity's financial reports served Plant production cooperative PRODCOOP, Chişinău.

4. The role of current assets in the insurance company's financial stability

Financial stability is one of structure related features corespunderii financing sources in the structure of assets. Unlike the solvency, assessing current assets and liabilities in the short term, financial stability shall be determined on the basis correlation different sources of financing and the correspondance structure in their assets.

Financial stability characterised financial situation of the undertaking, provided by a sufficient equity dimension in the structure of the financing sources. Sufficient equity dimension certifies that borrowed financing sources will be used only in those limits in which it can meet their total refund and in a timely manner.

One of the most important components of business assets, constitute current assets, whereas it is the responsibility of a special role to the organization of all the funds movement that the seller dispose. As a result, their operation ensure drive in the process of exercise, material assets in the long term and liabilities. Structure and the efficiency of using economic categories are one of the main conditions of the enterprise activity. Developing relations characteristic of the market economy determine new conditions for their organization. The level of inflation, the company's debts, as well as other conditions of turbulence require Enterprise: policy change in the management of current assets; search of new sources of suplinire; study of problems of efficient use.

Negative changes, which took place in the national economy in the periods preceding, lead at the time of the processing component and structure of current assets of the undertaking. Thus, concludes that, from the point of view of effectiveness of enterprise and ensuring stability, it is necessary to rationalize current assets structure, from the point of view of the contents. Any such decision subject to the requirement to establish cash size, of claims and stocks must be analyzed on liquidity position to ensure optimum efficiency of the balance sheet and current assets udeing.

On the one hand, for business, under the present circumstances, when registering a high level of claims, particularly acute shall be submitted, the problem considers current assets, and more precisely its needs in current assets, which is getting hotter under the action of inflationary factor. As far as we know, the need of resources in the process of exercise, at the same time, and the current assets, can be prevented from two routes: through an optimal use of their own or by additional atrageri. But we believe that the domestic business more welcome is the first path. On the other hand, the effectiveness of use current assets presents itself as a factor, which contributes to the increase of financial indicators of the economic operator.

Decisions regarding the funding of the activity secure the general development of a business and require a thorough change, because they, as a rule, are irreversible. In general terms, the undertakings recorded variations in considerable volume of business, from a period to another, which in turn requires permanent need of financing of current assets, to the extent possible, of permanent capital, and, in the case of those which appear in peak periods - of cash resources, which can be easily tailored to the needs of actual operation. Such a strategy of financing current assets of undertakings, with current conditions, and allows for the use of own resources judicious, drawn and borrowed, with favorable effect on line economies and cost-effectiveness.

From these considerations, the total amount of short-term debts should not surpass each other liquid assets cost. In this case, liquid assets do not consist only of current assets, which can be quickly, easily and without loss overt to be converted to cash. In the component liquid assets shall only be a part of current assets, while stocks of goods and materials and work in progress - their conversion into cash flow is possible, but this will affect business continuity. So, we are talking only about those liquid assets, the transformation which in cash shall be presented as a stage of actual movement. In addition to the cash and financial investments, it may include it here and claims and stocks of finished production, intended for marketing.

The share of current assets listed in total amount of business assets maximum possible determine the dimension of the resources borrowed in the short term in the financing sources. The remainder of the assets should be financed from the account equity capital or short-term debts. Sore spot in

this, determine sufficient or insufficient capital equity. Of those mentioned we can infer from this that:

- I. Dimension required (enough) equity in the structure of the financing sources is individual for each undertaking, as well as to each planned date or accountability. It may not be evaluated using a few normatives ;
- II. Sufficient equity dimension in the structure of the financing sources is not possible maximum quota, but their optimum is determined by associating their own and borrowed sources, corresponding to assets structure.

5. Assessment of financial stability through the indicators

Economic growth and financial stability of the entity can be carried out by:

- 1) Analysing existing correlations between equity and borrowed capital;
- 2) Analysis and evaluation of the lever and financial coefficientt absorption ;
- 3) Analysis of financial balance concerned of asset and liability items (functional analysis);
- 4) Analysis of existing relations between financial assets and non-financial of the entity.

However, for the purposes of analysis financial stability, usually is using a series of coefficients which to a certain extent reflect the level, but do not respond to the question of whether it is sufficient for business continuity operator.

An aspect of the financial stability and namely their current assets share, well the financing source of current assets in equity capital is reflected by the handling coefficient.

In the framework of the assessment of financial stability a special role responsibility own sources correlation and borrowed financing, i.e. coefficient of financing resulted. So, we will draw the attention of the financing coefficient and handling of its own capital as indicators, which can be assessed by the financial stability of the undertaking.

Both coefficients, calculated on the basis of actual or planned in asset or liability side of the balance sheet, reflect only the achieved level. But essence is to give answer to the question which must be their level of undertaking factual and how adjusted the rate at the appropriate level to do so, in order to ensure real financial stability.

For the purposes of carrying out a successful business of the firm has a particular importance not only to create its own capital in sufficient size and with proper structure, but rational location of the latter. For the purposes of assessing the location of its own capital at the works of production PRODCOOP coefficient stare at its handling of resources.

The analysis shows that equity has a capacity of handling fairly low over the last few years of activity, which shows the level below the limit of the indicator in question. During the reporting period it is to be noted that degree of equity flexibility is quite low. Maximum level of resources handling coefficient has been reached in the year 2012 – 0,19. Also, it is to be noticed gauge fluctuation in question, within the meaning of increase, which is welcome, because equity share what is immobilised in the assets in the long term has a tendency of decrease and, respectively, shall be increased by five percentage points in equity share in economic circuit in a form which enables the manipulation of these means.

According to calculations we can appreciate that the coefficient to ensure their current assets over the last few years of activity exceeds the limit laid down, i.e. 0,1. During this period shall take place within the meaning of insignificant fluctuations increase or reduction of indicator from year to year. Therefore, in the end, it can be concluded that the steel mill production analysis is sufficiently insured with their current assets, so as to carry out a continuous activity and get the results expected.

The level of service of any coefficient calculated in relative size, must be established only in conjunction with handling of resources. In such a way, the coefficient for the handling of the resources measured degree of dependence of the undertaking of the resources borrowed on a short-term basis. Concurrently, each form financing of assets correspond, according to substance, some elements of determined assets.

In the case where the coefficient for the handling is greater than its share of liquid assets such as cash and financial investments, funding borrowed in the short term should be limited growth in appropriate account equity or debt levels in the long term. If this is not the case, the name of the undertaking will be forced to write off as short-term debts to market those assets (stocks, tangible assets on a long-term basis), which are not intended for sale, but also for use for the purpose of carrying out its work.

The coefficient handling its own capital is based on their own current assets size. Current assets dimension under its own capital but does not respond to the question of sufficient or insufficient own sources to finance current assets. To this question gives us a comparison only answered that part of the cost current assets, which, according to nature should be financed out of the account of sources with their actual presence of current assets. If price comparability is close to the unit, then the handling coefficient of its own capital can be considered as sufficiently for the enterprise at that time.

So, in order to achieve establishment is required financial value well determined equity, linkt ie permissible between equity and borrowed, between financial assets and non-financial. If this is the case, it shall comply with conditions taken by her existence of effective costs of established funds.

In the case of certain elements of the active with special special sources of funding must be taken into account in the balance sheet reflect characteristics of the stocks, claims and debts, as well as financial investment.

In the dependency records carried by the undertaking, the stocks may be reflected in the balance sheet either according to the cost price of each drives, either according to the cost price environment, either according to the cost price of the last elements, which during the training of the stocks, either according to the cost price of the first stocks formats.

From the point of view of analysis to resolve the problem, the last version of the evaluation, as a rule, lead to cost reduction stocks and, accordingly, carry out an evaluation of the magnitude of low current assets necessary to own. For the purposes of assessing financial stability of ability, stocks required is welcome to be taken into account in accordance with one of the first three methods of valuation.

Profitability current assets reflect the level of the profit obtained from each penny of the means employed in the enterprise circuit. As it can be noted, for recent periods of activity within the mill's production PRODCOOP, have been obtained and negative values. The level of the negative

this indicator tells us about the fact that the undertaking has obtained accounting losses and, respectively, shows the level of losses obtained from each dollar of assets of enterprise. Furthermore, this indicator shows the undertaking's capacity to use as efficient as possible current assets, therefore a fluctuation of its unfavourable, within the meaning of shrinkage can attract serious consequences.

Calculating the coefficients, we answered the questions if there is sufficient financial stability of each of the undertakings and which of them is financially more stable. The distinctive feature of sufficiency financial stability is to ensure that stock financing necessary with current assets. It may not be covered by the account short-term debts of the enterprise, because stocks are a component of current assets which cannot be converted to cash to extinguish debts, but constitute the basis to ensure uninterrupted activity of ability.

Cost of inventories necessary - this and its necessary size of current assets. If the size of their current assets, calculated on the basis of the balance sheet, is not less than that required, that undertaking can be seen as stable from a financial point of view. This means that equity and long-term bonds provide funding as of the assets in the long term, stocks and so necessary.

Other assets shall be chargeable to the debts in the short term, from these considerations and determine the size of their maximum permissible, which should not be to surpass each other the cost those current assets, which either already are located in the form cash, whether they are on the path for processing data in the course of the period of time. It appears that those elements of current assets, which practically operates as out of circuit, shall be deducted from the calculation short-term debts maximal admissible.

The financial coefficients stability, in this case, shall be presented together as balance sheet, and normal, i.e. corresponding to the fundamental requirement financial stability: extracircuit assets and necessary stocks shall be fully to be financed out of the account or lent their own sources in the long term and can be covered on the basis of sources borrowed on a short-term basis.

At the same time, we must take into account that in the case given any increase in the financing sources announced has logic, but only that which is not linked to the concomitant increase in the extracircuit.assets Task lies in adjusting the acts required of their current assets, so it is not about increasing investment, profit undistributed in current assets, etc.

To resolve the problem in the case of ensuring size growth assets with sources of financing, a favorable situation for the enterprise has the following conditions: the size of the increase in brief undistributed profit, breakdowns for wear and other own financing sources must be equal to growth and stocks extracirculant necessary assets.

The increase in other assets must be ensured from the account increase short-term debts of the enterprise. First of all, studying possibility to increase balance sheet of the debts, which may be carried out by means of variations to the terms of the settlement with the suppliers. With regard to attracting additional credits and loans in the short term, this must be determined taking into account the rate of interest and profit level increase as a result of such operations.

If attracting credit lead, in the end, to increase its profitability equity, when recourse to the financing of credit account is opportune and vice versa.

We assume that the undertaking must choose between an increase in equity capital and use bank credit. If attracting credit, without attention to the need of payment rates, profitability of high

equity, than increasing the financing sources of the account of equity capital, the use of credit is to be welcomed. Thus, the interest rate should not be to surpass each other profitability size equity, calculated on the basis of the increase in profits and an increase in equity capital.

We notice that even observing this condition decision about attracting credit solvency depends on the level of the operator and possibility of increasing the financing sources borrowed on a short-term basis.

6. Conclusions

Under the terms of the development of relations existing market structure asset neeficiente undertaking in accordance with degree of liquidity may be reflected negatively on the solvency and reputation of business and even may have been lead to bankruptcy. Thus, the more inadequate is this structure, the financial stability of the undertaking is more reduced and is higher the level of risk. Therefore, any damage of these correlations established lead directly to economic situation worse - of the firm, to increase intensity, considers its own sources. On the other hand, compliance with these correlations imposed severe improvement guarantees presentation of - financial, has been reached maximum financial stability and strengthen positive trends of development.

In conclusion, we can say that the analysis financial stability of any economic agent is the most prominent feature of the activity and the welfare of financial economic analysis, involves development outcome of its current, and the prospect, contains the information required to the investor, at the same time reflect undertaking's capacity to meet its debts and obligations and shall determine the size of sources necessary for the achievement of sustainable development.

It is obvious, that economic growth and financial stability are getting close enough to. However, if economic growth rates is reflected by the CREs recognition, then financial stability - through the point of financial balance. For this reason, for the achievement of sustainable development of the undertaking is required such economic growth, which would preserve and even enhance financial stability. Here it is clear that economic growth means financial stability balanced over time.

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Rezumat

Descentralizarea activității economice și trecerea ei spre competiția specifică pieței interne și internaționale ridică ca problemă majoră asigurarea stabilității financiare a întreprinderii. Pentru aceasta, unitatea economică trebuie să dispună de toate prerogativele unui organism capabil să facă față economiei, bazată pe un raport echilibrat și pe planul componentelor financiare.

Asigurarea stabilității financiare ridică multe probleme complexe în managementul financiar, inclusiv furnizarea de active curente.

În timpul studiului au fost utilizate principii metodice științifice generale, precum și specifice de cunoaștere:

analiza sistemică, analiza logico-istorică, structural-funcțională, timp (dinamic), abstracția științifică, inducția, deducția, procedeele statisticii, etc.

Abordarea sistemică a fost utilizată pentru studiul stabilității financiare a întreprinderilor din sistemul cooperăției de consum, care constă în stabilirea interdependenței dintre potențialul economic și financiar, între mecanismul de organizare și reglementare juridică și metodele de susținere financiară din sfera respectivă.

Abordarea complexă a fost utilă în cercetarea problemelor aferente stabilității financiare și constă în identificarea specificului dezvoltării relațiilor financiare în diferite perioade istorice, cu referire la reglementarea juridică a formei de proprietate cooperatistă.

Acest articol își propune să ofere pentru întreprinderile din sistemul cooperăției de consum din Republica Moldova soluții de asigurare a stabilității financiare în condițiile dificile de activitate.

Cuvinte-cheie: stabilitate financiară, active curente, coeficient de manevrare, coeficient de asigurare cu active curente proprii.

Аннотация

Децентрализация экономической деятельности и ее переход к соревнованию, свойственному внутреннему и международному рынку, поднимает в качестве основного вопроса повышение финансовой стабильности предприятия. Для этого, хозяйствующая единица должна справиться с экономией, основанной на сбалансированном соотношении, в том числе и финансовых составляющих.

Обеспечение финансовой стабильности вызывает множество сложных проблем в управлении финансами, в том числе и по поставкам текущих или оборотных активов.

В процессе исследования были применены общие научные приемы, а также специфические приемы познания: системный анализ, логико-исторический анализ, структурно-функциональный анализ, временной (динамический) анализ, прием научной абстракции, индукция, дедукция, приемы статистики и др.

Системный подход был использован для изучения финансовой устойчивости предприятий потребительской кооперации, заключающийся в установлении взаимозависимости экономического и финансового потенциала, между организационным механизмом и правовым регулированием и методами финансовой поддержки в соответствующей сфере.

Комплексный подход был полезен в изучении вопросов финансовой стабильности и заключается в выражении особенностей развития финансовых отношений в различные исторические периоды, с ссылкой на правовое регулирование формы кооперативной собственности.

В статье зарегистрированы предложения для предприятий системы потребительской кооперации Республики Молдова по обеспечению финансовой стабильности в сложных условиях деятельности.

Ключевые слова: финансовая стабильность, текущие активы, коэффициент маневрирования, коэффициент обеспечения собственными оборотными активами.

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PARTICULARS OF FINANCIAL ANALYSIS IN THE ASSESSMENT OF BEST OPERATING PRACTICES

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Abstract

The assessment of operational activities of an enterprise may identify the best operational activity oriented toward the right or toward the regulated debt. Of particular interest for any decision maker mandated to manage financially an investment interest in the operational activities of an enterprise is and determine the best operational practice. In the first case the objective seeks a proportional reduction of all claims covered specific and in the second case a proportional increase in all specific rights covered. The setting of the best operational practice is geared towards a feasible opportunities to increase operational all rights covered along with a proportional reduction of all claims covered operational.

The method proposed by the author aims to establish the best operational practices using analytical technique of data envelopment. The data obtained can be used in subsequent analyses focused on operational risk assessment, the risk of financial position and financial performance or prospectively in establishing the best operational practices for the accounting period immediately after current reference.

Keywords: *business valuation, determining the best operational practice, data envelopment analysis, benchmarking.*

1. Introduction

The assessment requires availability of documentary material consisting of 12 balances for checking accounts, corresponding reference period retrospect and the equivalent size of a financial year. Operational area is considered retrospective reference in this respect, revealed in terms of timeliness economic realities encountered in the field of activity of the company.

2. The degree of investigation of the problem currently, and purpose of research

As with the first two alternatives, the research objective is to establish a way of optimizing the operational activity of an undertaking (1) to base on the simplest, most accessible and most complete form of documentary information, (2) make use of the wide accessibility computer applications, (3) to permit an assessment of risk in terms of control over the economic benefits available, (4) to permit an assessment of risk in terms of economic benefits disposal of investment in the best interest of contingency, (5) allow forecasting of best operational practices under two aspects above, (6) use the theoretical support of mathematical models and optimization (7) mathematical knowledge not require going beyond the common practice of accounting economist. Investigations carried out by the author did not identify a similar method applicable to accounting information in assessing the operational risk of the investment.

3. Methods and materials applied

The theoretical basis of the method is based on the theory of utility functions initiated by Von Neumann and Morgenstern, and the issue of allocation of portfolios, developed on the theoretical foundation elaborated by Markowitz.

The analytical method has reference capital asset pricing model (CAPM) developed by Treynor, Sharpe and Lintner and data envelopment analysis developed by Charnes, Cooper and Rhodes.

The author's own research is based on theoretical data envelopment analysis used in a tool spreadsheet programs like Microsoft Excel. Research author led to a broad accessibility analysis method but with possibilities of exploitation leading to a comprehensive assessment of the enterprise in terms of operational risk, financial position and financial performance risk.

4. Results and discussions

4.1. The method to identify the best operational activities

The valuation method oriented to minimize the transfer of economic benefits toward contingency investment interests have the aiming to reduce the proportion of all transactions effected on behalf of specific regulated claims, and the valuation method oriented to maximize operational control has as an objective a proportional increase for all transactions effected on behalf of specific rights covered.

The analysis focused on identifying the best operational practice aims to reduce the proportion of all transactions effected on behalf of specific regulated claims as well as a proportional increase in all transactions effected on behalf of specific rights covered.

In general terms, the analytical methods are similar to those applied in the analysis of the two methods mentioned above.

It's called indicator of operational efficiency, the ratio of the aggregate turnover debt and the aggregate value of turnover credit:

$$\mu_0 = \frac{rd_0}{rc_0} \left| \begin{array}{l} rd_0 = \sum_{j=1}^n rd_0^j \\ rc_0 = \sum_{i=1}^m rc_0^i \end{array} \right. \quad (1)$$

It's called fractional indicator of operational efficiency, the ratio of the highest indicator of operational efficiency and operational efficiency indicator specific reference:

$$\lambda_{\bar{k}} = \frac{\max \mu}{\mu_{\bar{k}}} \leq 1, \bar{k} \in [0, \bar{t}] \quad (2)$$

As feature, the calculation model is based on the slack values of specific credit turnovers as well as the specific turnover debt:

$$\max \sum_{i=1}^m \delta_{rc_0^i}^- + \sum_{j=1}^n \delta_{rd_0^j}^+ \left| \begin{array}{l} \sum_{k=1}^{\bar{t}} \lambda_{\bar{k}} \cdot rc_k^i + \delta_{rc_0^i}^- = rc_0^i, i = 1, 2, \dots, m \\ \sum_{k=1}^{\bar{t}} \lambda_{\bar{k}} \cdot rd_k^j - \delta_{rd_0^j}^+ = rd_0^j, j = 1, 2, \dots, n \\ \lambda_{\bar{k}}, \delta_{rc_0^i}^-, \delta_{rd_0^j}^+ \geq 0, \bar{k} \in [0, \bar{t}] \end{array} \right. \quad (3)$$

Determining the best operational practices are the subject of linear programming problem

$$\max \sum_{i=1}^m w_{rc_0^i}^{\delta^-} \cdot \delta_{rc_0^i}^- + w_{rd_0^j}^{\delta^+} \cdot \sum_{j=1}^n \delta_{rd_0^j}^+ \left| \begin{array}{l} \sum_{k=1}^{\bar{t}} \lambda_{\bar{k}} \cdot rc_k^i + \delta_{rc_0^i}^- = rc_0^i, i = 1, 2, \dots, m \\ \sum_{k=1}^{\bar{t}} \lambda_{\bar{k}} \cdot rd_k^j - \delta_{rd_0^j}^+ = rd_0^j, j = 1, 2, \dots, n \\ \lambda_{\bar{k}}, \delta_{rc_0^i}^-, \delta_{rd_0^j}^+ \geq 0, \bar{k} \in [0, \bar{t}] \end{array} \right. \quad (4)$$

where $w_{rc_0^i}^{\delta^-}$ and $w_{rd_0^j}^{\delta^+}$ are specific weights calculated over slack values of corresponding space.

4.2. The graphical presentation of analytical stages

The following charts presents analytical stages of identifying the best operational practices.

Figure 1 shows the corresponding retrospective analytic space with reference to the current operational practice which is highlighted separately.

In the first stage of the analytical process (Figure 2), all the operational practices of retrospective reporting period are made to the same initiating financial position (equivalence opening balance).

In the second stage of the analytical process (Figure 3), all operational practices are made from the same financial position are brought into the same position of operational efficiency.

In the third stage of the analytical process (Figure 4), all operational practices are brought into the position relative operational efficiency.

In the last stage of the analytical process (Figure 5), best operational practice is established by reference to the highest possible debiting specific analytic space, financed by the smallest feasible funding sources identified specific analytic space of regulated claims. Best operational practice corresponds to the most efficient operational practices identified in the analytic space relative.

5. Conclusions

The best operational practices established by reference to the retrospective operational period is an intermediate result used in operational risk analysis and benchmarking of best operational practices based on alternative strategies.

As in the best operational practice, is it is the calculating basis for a variety of indicators corresponding to elementary components of operational regulated right or debt corresponding

elementary components of operational regulated. At the same time, the use of retrospective reference data space make it possible to identify the best operational practices for subsequent accounting period of the current reference, using data obtained by solving the associated linear regression problems for all basic components.

Comparative analysis of the results of all three approaches is an utile instrument for the determining of the best strategic alternatives to maximize regulated right, toward minimizing of regulated debt or toward an optimum operational.

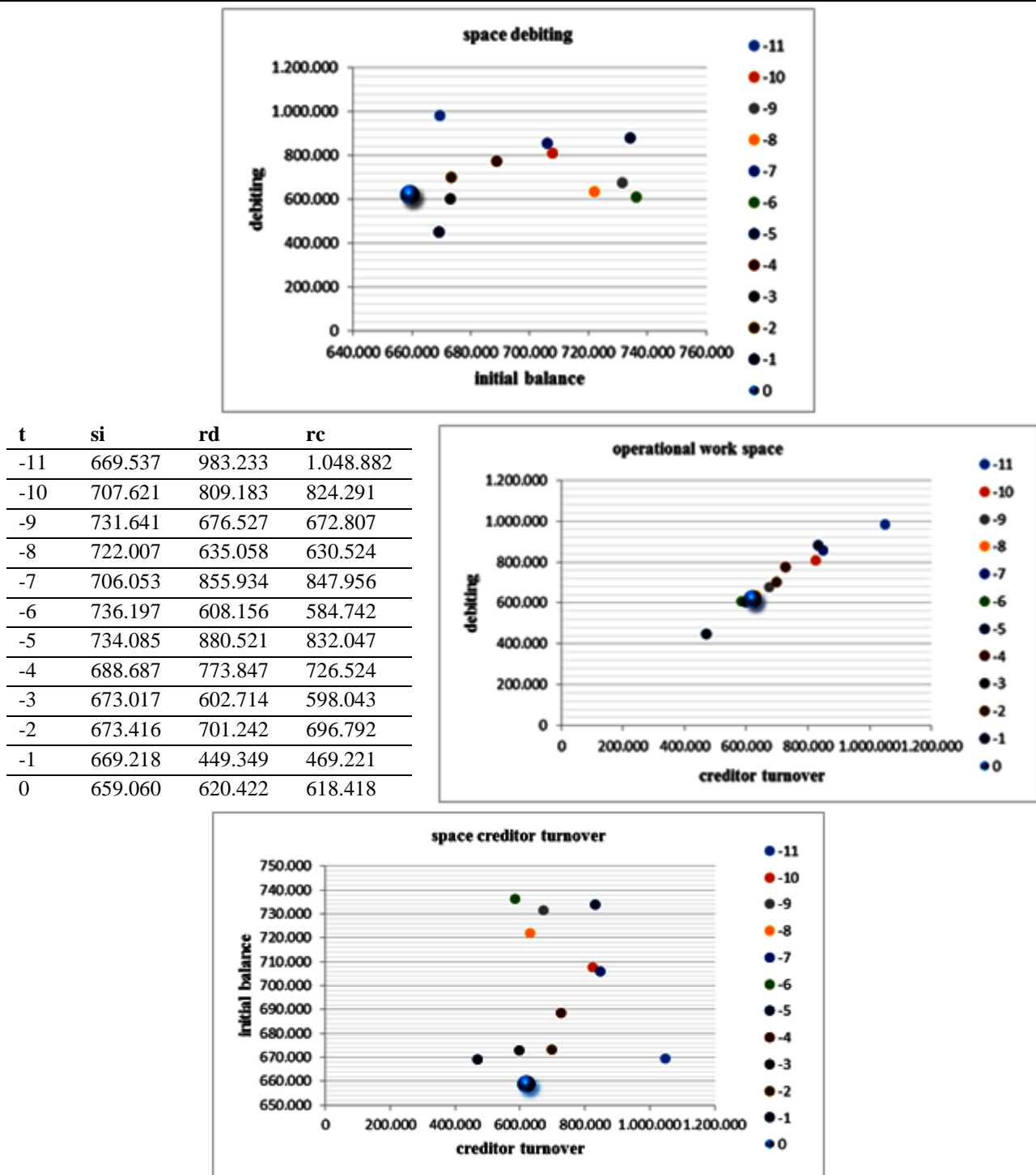
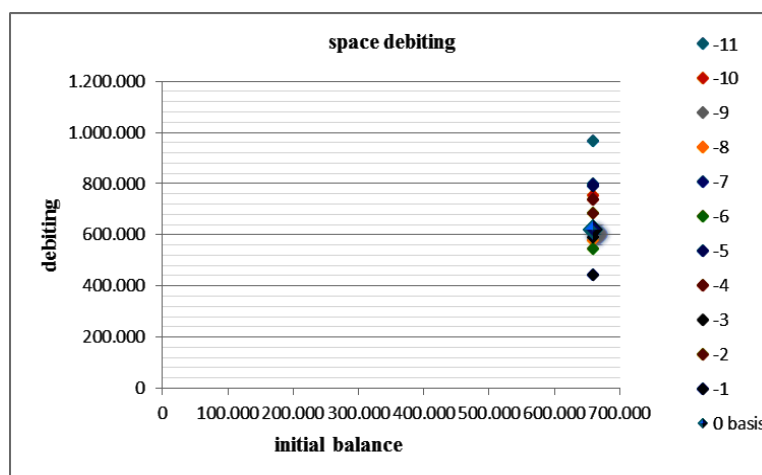


Figure 1: Retrospective analytical area



t	si	rd	rc
-11	659.060	967.847	1.032.469
-10	659.060	753.652	767.723
-9	659.060	609.414	606.063
-8	659.060	579.692	575.553
-7	659.060	798.965	791.518
-6	659.060	544.435	523.474
-5	659.060	790.530	747.010
-4	659.060	740.556	695.269
-3	659.060	590.215	585.640
-2	659.060	686.293	681.937
-1	659.060	442.528	462.099
0 basis	659.060	620.422	618.418

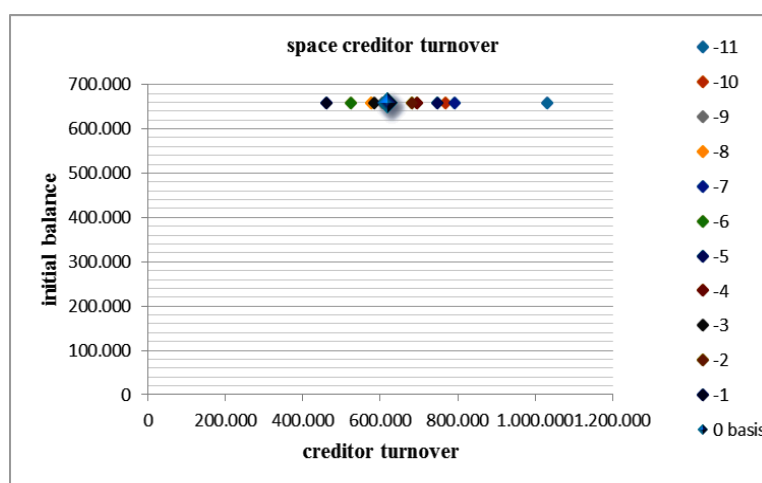
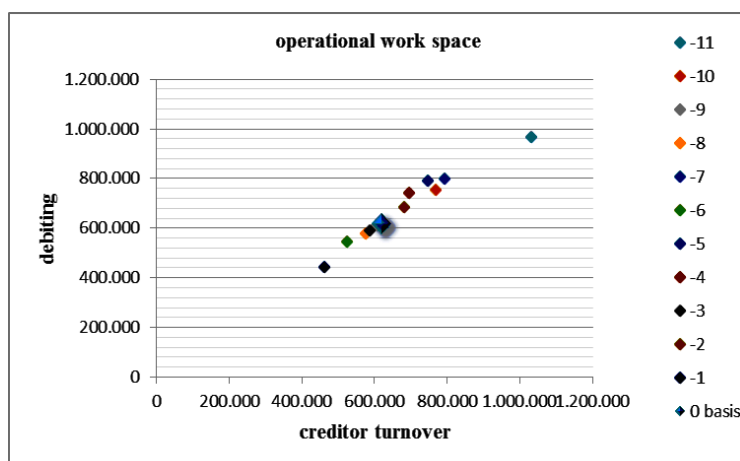
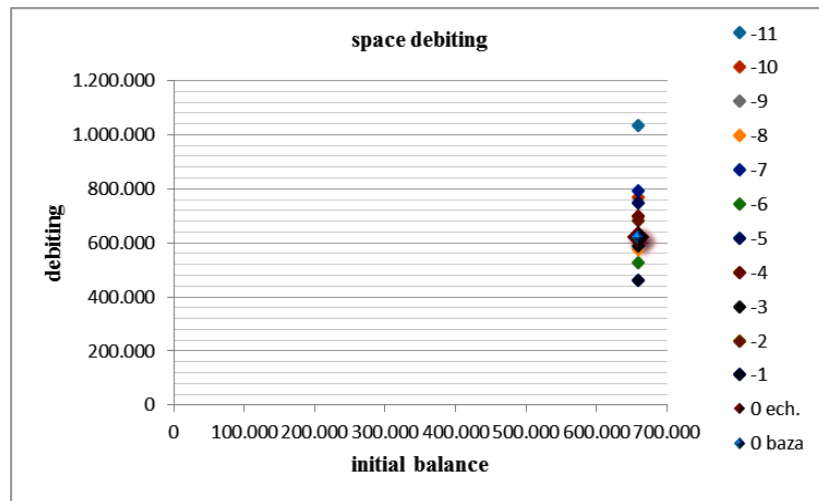


Figure 2: Analytical area of equivalent financial position



t	si	rd	rc
-11	659.060	1.035.815	1.032.469
-10	659.060	770.211	767.723
-9	659.060	608.027	606.063
-8	659.060	577.418	575.553
-7	659.060	794.083	791.518
-6	659.060	525.170	523.474
-5	659.060	749.431	747.010
-4	659.060	697.522	695.269
-3	659.060	587.538	585.640
-2	659.060	684.147	681.937
-1	659.060	463.596	462.099
0 ech.	659.060	620.422	618.418
0 basis	659.060	620.422	618.418

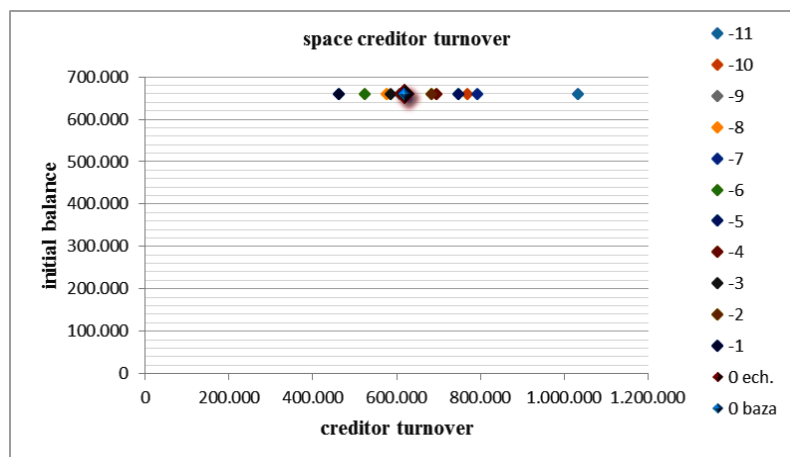
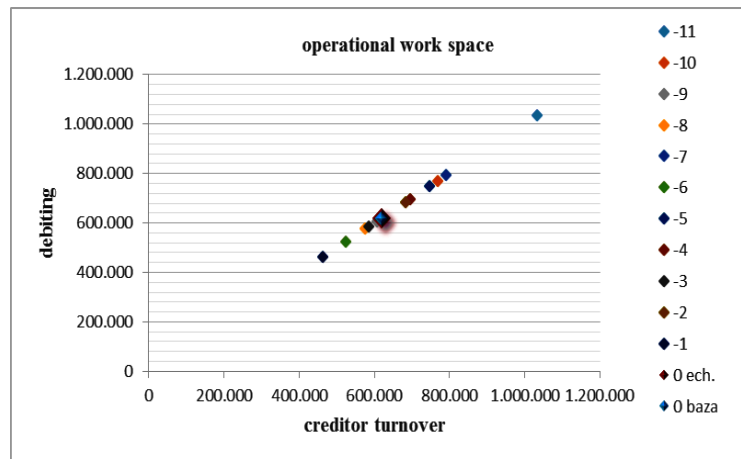
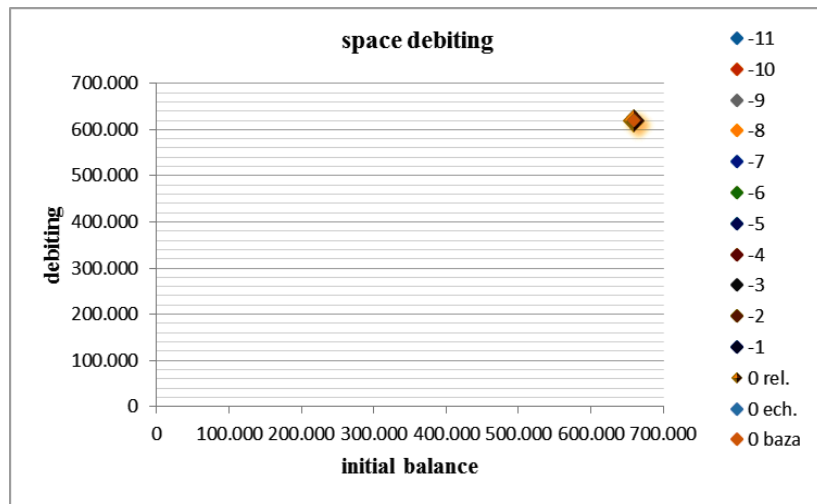


Figure 3: Area of operational practice of equivalent efficiency



t	si	rd	rc
-11	659.060	620.422	618.418
-10	659.060	620.422	618.418
-9	659.060	620.422	618.418
-8	659.060	620.422	618.418
-7	659.060	620.422	618.418
-6	659.060	620.422	618.418
-5	659.060	620.422	618.418
-4	659.060	620.422	618.418
-3	659.060	620.422	618.418
-2	659.060	620.422	618.418
-1	659.060	620.422	618.418
0 rel.	659.060	620.422	618.418
0 ech.	659.060	620.422	618.418
0 basis	659.060	620.422	618.418

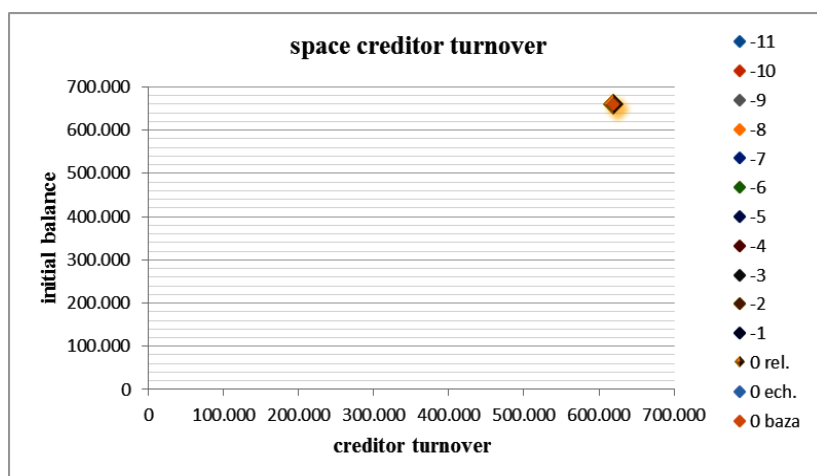
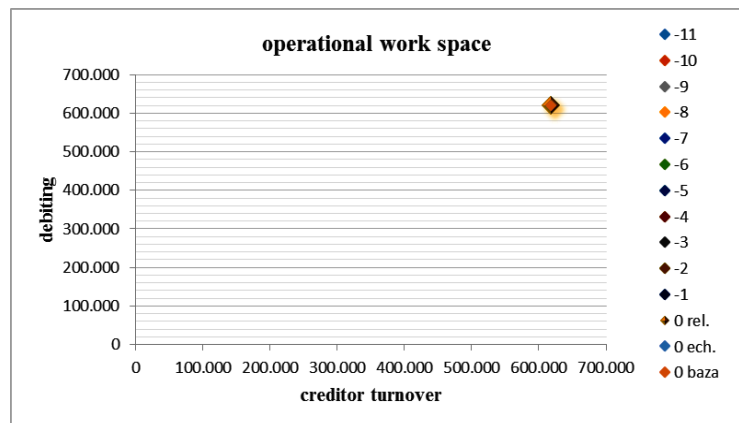
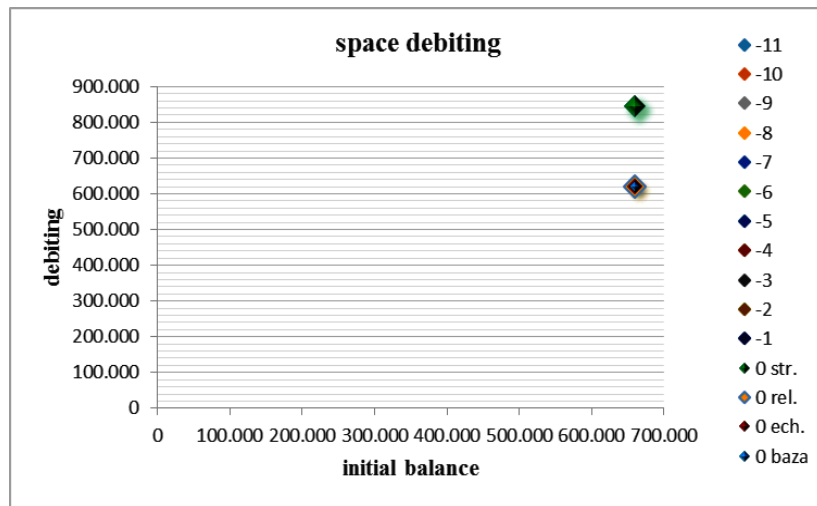


Figure 4: Area of relative efficiency operational practice



t	si	rd	rc
-11	659.060	620.422	618.418
-10	659.060	620.422	618.418
-9	659.060	620.422	618.418
-8	659.060	620.422	618.418
-7	659.060	620.422	618.418
-6	659.060	620.422	618.418
-5	659.060	620.422	618.418
-4	659.060	620.422	618.418
-3	659.060	620.422	618.418
-2	659.060	620.422	618.418
-1	659.060	620.422	618.418
0 str.	659.060	845.269	439.906
0 rel.	659.060	620.422	618.418
0 ech.	659.060	620.422	618.418
0 basis	659.060	620.422	618.418

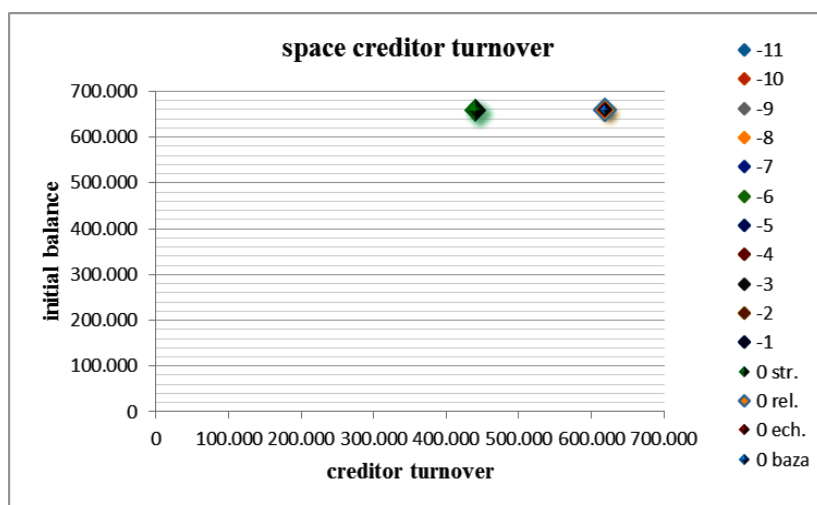
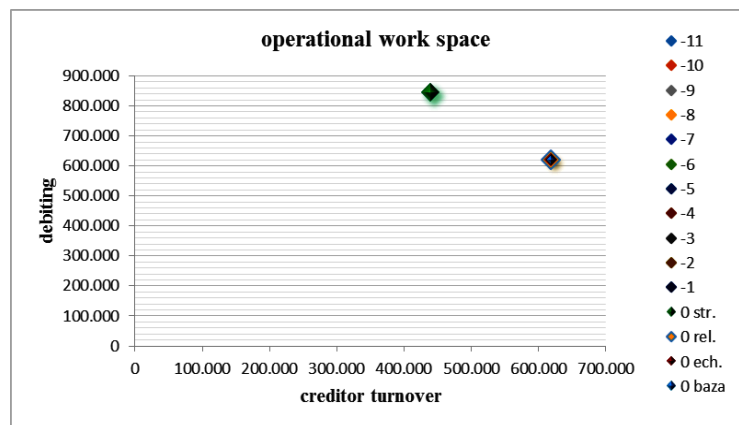


Figure 5: Area of strict operational practice efficiency

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Rezumat

Evaluarea activității operaționale a unei întreprinderi poate permite identificarea celei mai bune activități operaționale orientate pe dreptul reglementat sau creanța reglementată. De un interes special pentru oricare factor de decizie mandatat să administreze, sub aspect financiar, un interes investițional în activitatea operațională a unei întreprinderi, este și stabilirea celei mai bune practici operaționale. În primul caz se urmărește o reducere proporțională a tuturor creanțelor reglementate specifice, iar în cel de-al doilea caz o creștere proporțională a tuturor drepturilor reglementate specifice. Stabilirea celei mai bune practici operaționale este orientată către identificarea unei posibilități fezabile de creștere a tuturor drepturilor reglementate operaționale concomitent cu o reducere proporțională a tuturor creanțelor reglementate operaționale.

Metoda propusă de autor vizează stabilirea celei mai bune practici operaționale utilizând tehnica analitică a anvelopării datelor. Datele obținute pot fi utilizate în analize ulterioare orientate pe evaluarea riscului operațional, a riscului poziției financiare și performanței financiare sau prospectiv, în stabilirea celei mai bune practici operaționale pentru perioada contabilă imediat ulterioară celei de referință curentă.

Cuvinte-cheie: *evaluarea întreprinderii, stabilirea celei mai bune practici operaționale, analiza anvelopării datelor, benchmarking.*

Аннотация

Оценка операционной деятельности определенного предприятия может выявить наилучшую операционную деятельность, направленную на правовое регулирование или регламентированное требование. Особый интерес для любого уполномоченного управленца, принимающего решения с финансовой точки зрения, инвестиционный интерес в операционной деятельности предприятия заключается в определении наилучших операционных практик. В первом случае преследуется пропорциональное сокращение определенных правовых требований, а во втором случае пропорциональное увеличение всех соответствующих правовых требований. Установление наилучших операционных практик направлено на нахождение реалистичных возможностей роста всех операционных регулируемых прав одновременно с пропорциональным уменьшением всех операционных правовых требований.

Предложенный автором метод состоит в создании наилучших операционных практик путем применения аналитической техники обработки данных. Полученные данные могут быть использованы в последующих анализах, ориентированных на оценку операционных рисков, рисков финансового состояния или финансовых достижений или перспективно в определении наилучших операционных практик за период, следующий за отчетным.

Ключевые слова: *оценка предприятия, установление наилучшей операционной практики, анализ данных, бенчмаркинг.*

STUDENTS' MOBILE PORTAL: EXPERIENCE OF THE NATIONAL MINING UNIVERSITY OF UKRAINE

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Abstract

Within the framework of the international project „Integrated University Management System: Borrowing the European experience of the partner countries” universities management systems was analyzed in the European Union universities and their counterparts in the countries of the former Soviet Union. Research on the university's management business-processes showed the high importance of feedback from stakeholders and employers, as well as an interest in the comprehensive provision of information on the activities of the university on the Internet. In addition, the search for relevant information on various aspects of the university for the person who is not familiar with the specific implementation of an electronic management of the university is a non-standard and challenging. Such difficulties are solved systems of the "Portal", where structured information about the university is collected, aggregated and delivered. The article describes the background, analysis and stages of development of student mobility portal of the National Mining University. Standard requirements for development of student's private cabinets are proposed.

Keywords: *integrated information system of university management, students' mobile portal, portal, software architecture, software construction.*

1. Introduction

Analysis of domestic and foreign research and publications on the development and creation of corporate information systems has shown that at a new coil of development of information technologies, questions are being raised over the multi-aspect information handling and the organization of information exchange in the interests of participants of actual working processes in the first place. Under the new conditions, management approaches for various corporate systems,

including systems for the support of scientific and educational activities, change. There is a shift from a functional-oriented approach to a process-oriented one, which supports the quality management system strategy, customer orientation, possibility of reacting to changes. In this regard, there arise the problems of adapting corporate information systems and automation tools of corporate activities to the changing conditions of their use. Of particular relevance is research of domain modeling problems, the transition from the use of static models of subject domain activities to the developing dynamic models as well as the issues of further development of management methods for differentiation of access when developing and employing corporate electronic environments.

2. The degree of investigation of the problem currently, and purpose of research

Modern portal technology platforms are characterized by toolkits that provide differentiation of access control using role-based approaches.

In this regard, afore-mentioned problems lead to the need for a solution being of great importance as a major scientific problem and consisting in investigating the issues of information management through the corporate electronic information environment, the development of integration mechanisms ensuring creation of a common information space, taking into account the existence of inherited multiplatform components and automation tools in this environment as well as the multi-aspect information handling, including managing corporate knowledge, managing the process of collecting and updating its own information resources, emerging in the process of educational and scientific activities. [1]

According to the Conception of modernization of Russian education for the period until 2010, the main objective of vocational education is "training of a skilled worker of an appropriate level and profile, competitive in labor market, competent, responsible, having skills necessary for his/her profession and orienting in the adjacent spheres of activity, capable of efficient work in the specialty at the level of international standards, ready for continuous professional development, social and professional mobility; meeting the needs of the individual in obtaining proper education".

Solving these problems is directly linked with the development of skills of "problem" creative thinking of future professionals, the development of skills of independent work. This implies the need to enhance the role of students' independent work on the study material during the training period, which entails corresponding reorganization of the educational process. The student should be conscious that he/she is a full participant of the educational process. That is where the main efforts should be directed to create a unified information-educational environment in which each individual passes a unique way. With this educational process organization a teacher is only one of the sources of self-directed development for a learner. His/her task is to create an environment that allows everyone to make conscious decisions concerning his/her own freedom: what is being studied should have a specific meaning in the life of the student, who should not simply take certain knowledge and values, but also put them into practice. Such a teacher is not even an instructor but a participant of the dialogue with the students, building equal relations with them to allow free research in the information and educational environment where there are necessary tools and materials, there is a teacher-consultant and an open access to everything.

In its turn, intention to form information culture of future graduates leads to the orientation of education toward acquisition of students' knowledge on telecommunications and media, use of telecommunication means for acquisition of various knowledge and creative expression, evaluation of reliability of information, development of critical thinking, correlation of information and knowledge, an ability to organize information process properly, to evaluate and ensure information security.

Telecommunication systems are of paramount importance not only in the education system; they also play a fundamental role in almost all spheres of the society. At the level of development of the telecommunication information space, the level of development of primary networks and the level of development of network information technologies have the most significant effect on them.

With all the variety of information and communication technologies, as well as ways of data organization when transmitting it over communication channels, the global information computer network Internet occupies a central place. Moreover, today, it is practically the only global telecommunication network that is widely used in the Russian educational system. This is largely contributed by high speed and reliability of data transmission over the Internet in various formats (text, graphics, sound, video, etc.). The Internet provides an opportunity of collective access to training materials that can be represented as simple tutorials (electronic texts), as well as in the form of complex interactive systems, computer models, virtual learning environments, etc. The number of users and information sources on the Internet is continually increasing. In addition, there is a constant improvement in the quality of the Internet telecommunication services. Because of this, high-quality access to the Internet is gained by not only companies and organizations working in the economic and other fields, but also educational establishments.

Today's Internet is characterized by serious problems of organization of the global information search. The so-called search systems have been developed to help users by a desired word or a combination of words find references to those pages in the network, in which this word or combination is represented. However, despite the availability of existing search systems, the user has to spend a lot of time on both information search and data processing and systematization.

In education, this problem is particularly acute: even if educational information resources are presented in the network, they are generally presented unsystematically. The lack of a systematic approach to the placement of such resources, as well as the lack of uniformity in addressing psycho-pedagogical, technological, aesthetic, ergonomic and a number of other problems under the development and exploitation of educational resources of the Internet, practically, leads to non-use of the benefits of telecommunication means aimed at improving the quality of the educational process.

Partially, this problem can be solved on the basis of development and implementation of complex information educational portals (integrated Web systems) described in this document. In this case, such portals, combining the basic information resources that have a high educational value, could be the "point of entry" into the modern telecommunication systems for all persons, one way or another connected with education.

It is obvious that creation of the sectoral distribution system of educational portals is one of the most important challenges facing the educational community. In the created unified educational information environment, educational portals should become principal sources of educational resources available on the Internet. [2]

Thus, creation of the university information portal, as a source of structured and easily accessible information on various activities of the University, is an important task in achieving high educational standards.

3. Methods and materials applied

Within the framework of the international project "Integrated University Management System: Borrowing the European experience of the partner countries" universities management systems were analyzed both in the European Union universities and in the countries of the former Soviet Union. Visionary university leaders realize that campus portals are transformational resources. These resources will change the way students, faculty, staff interact, learn, carry out research and work. Universities recognize that portals may be the way to engage stakeholder and client groups, empower them with access to branded campus information resources and communication tools and retain their loyalties as potential students or alumni. It is a community building tool.

For universities, the goal is to combine horizontal and vertical portal concepts into an integrated, personalized and customized dynamic interface for all users - in order to also foster a sense of community and belonging to the institution. This portal has to be simple, easy to use, convenient and comprehensive in its access to information, people and processes. Its development requires strategic thinking and co-operation between disparate units on the campus. Although the technical challenges are considerable, the real challenge is to foster an organizational culture change - and changing organizational cultures is very difficult indeed. [3]

This paper discusses the methodological goals and directions of portals development in general and their offshoots such as the student's mobile portals. The structure of a typical web-portal and its participation in the business processes of university management are discussed. Also a model of interaction with the data and users is proposed; typical modular design of the student's mobile portal is offered.

4. Goals and objectives of the student mobile portal creation and implementation

The purpose of the university portal creation is providing users with structured readily available thematic information of scientific, educational, informational and other profiles of the university activities.

In general, a portal is an aggregator and classifier of information from various sources, providing access to information of interest with the highest possible speed and lowest possible labor costs for its search.

Due to the explosive development of mobile Internet-terminals used by young people in general and students as the most intellectually developed part of young people, in particular, now there arises the question of optimization of existing or developing portals under the format and standards of mobile devices.

Consequently, development of the concept of creating and implementing student mobile portal is an important and urgent challenge for any higher educational establishment.

5. Results obtained and discussions

The definition of the term “portal”, as a source of aggregated and classified information for the end user, imposes architectural restrictions on it expressed in the form of the list of requirements to portals:

- aggregation of information from multiple disparate sources;
- classification of the collected information and its storage in the form which provides the greatest possibilities for access to the information of interest with the highest possible speed and lowest possible labor costs for its search;
- delivery of necessary information to the user in a convenient format.

Thus, the portal structure represents itself a double client-server system in which portal server is simultaneously a client, gathering information from disparate sources and a server for the user, delivering him prepared information (Figure 1).

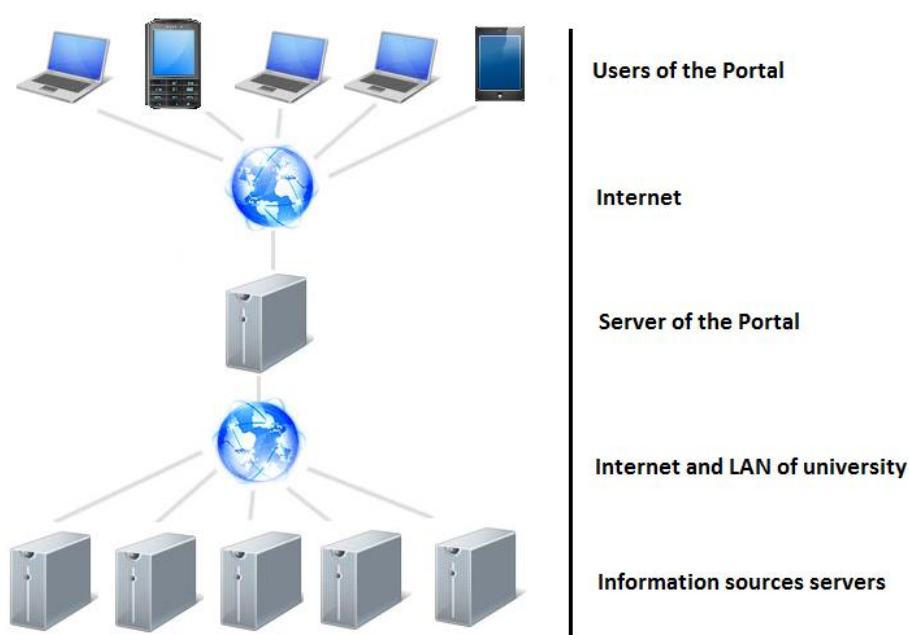


Figure 1: University portal structure

To achieve the objectives set, the portal software tools should combine both means of collecting information (collection scripts, program analyzers, means of interaction with information storage systems) and means for storing the collected information – databases and means of working with them for better analyzing and structuring.

To deliver information to the user, it is recommended to apply the web programming languages, along with the means of standard markup of information, that is, the combination of the dynamic component of the web portal and the static information that does not depend on the time and user requests.

Automated business processes

Interpersonal messaging

Interpersonal messaging in the frames of the system implies that the portal users are able to read and send messages to both specific portal users and groups of users.

Working with the electronic library

This business process implies that the user, entering the appropriate page, can either pursue a personal viewing of the entire catalog of the contained literature or limit the scope of his/her search by certain criteria. As a result of this process the user will be prompted to either download an electronic edition or read its content online.

Working with the cartographic information on the university and transport connection

Working with the cartographic information implies that the user is not a big expert in terrain orientation in general, as well as at the university and its surrounding areas, in particular, that's why this service implies support for the user when searching for routes both at the university and in the surrounding areas.

Conducting personal and University timetables

Working with schedules suggests that the user can conduct and view the plans and schedules of both classes and personal activities in the frames of the portal functionality.

Viewing information from the publicly available University webcams

This service allows the user to select and view the video information from the available University webcams.

Accounting and control of the working time in the computer rooms

This service allows the user to select and view information about publicly available University computers.

Information support of the organization and carrying out of work with clubs

This business process is designed to run the information component of club's activities.

Working with lists of users

This business process is auxiliary and it is intended to support the working capacity of the system as well as to serve as an instrument of regulation of portal users.

Under the access to business processes it is recommended to use the role system in which the following users will be determined:

- student;
- warden;
- group (club);
- teacher;
- moderator;
- portal administrator.

The user in all business processes is entitled to: access, search and editing.

The access rights can be divided into three main categories:

- editing (including the establishment);
- reading;
- lack of access.

In each of the rights the user can be restricted depending on the security requirements of the business process.

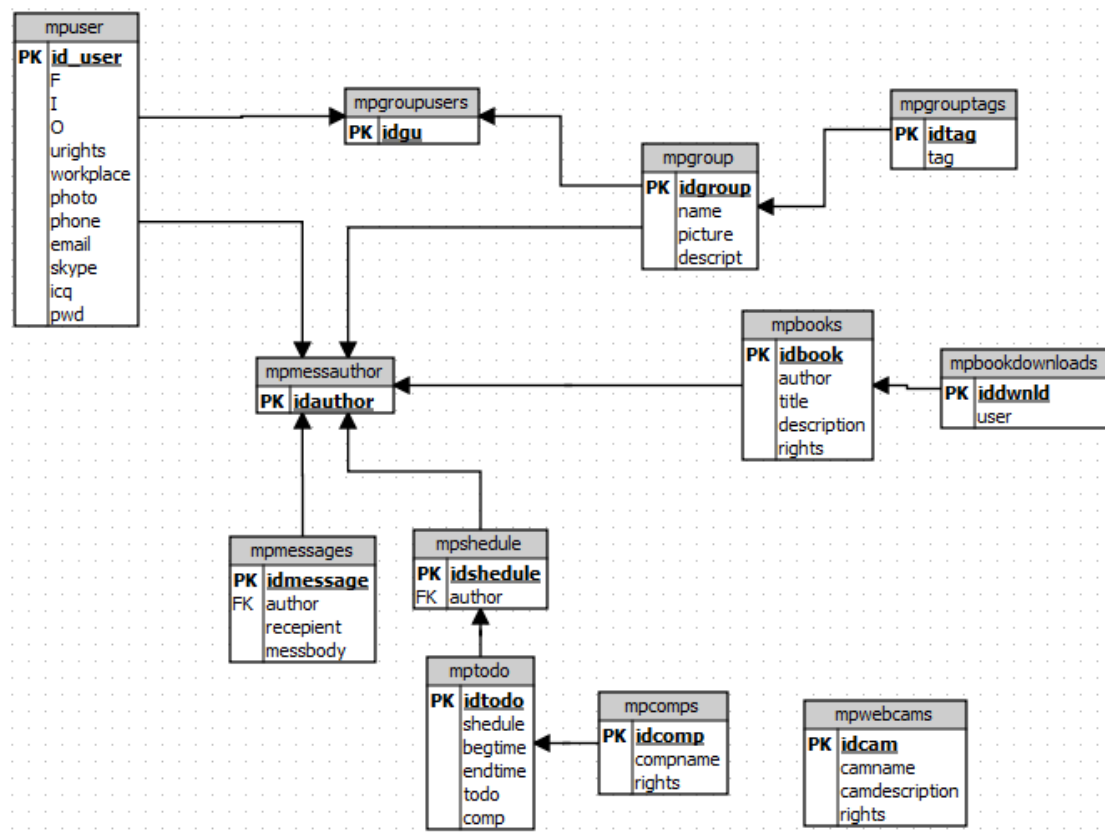
Recommended functional modules

Proceeding from the described business processes, the following modular structure of the student mobile portal is recommended:

- working with lists of users (administrative module);
- information support of the organization and carrying out of work with clubs (clubs and groups);
- accounting and control of the working time in the computer rooms (computer rooms);
- viewing information from the publicly available University webcams (cameras);
- working with the cartographic information on the university and transport connection (maps);
- conducting personal and University timetables (schedule);
- working with the electronic library (library);
- interpersonal messaging (message).

Each of the proposed modules should implement the functionality of the corresponding business process.

Classes and database structure



User-system interaction

With the user-system interaction it is recommended to use various options of applications, namely – a web application or a native mobile application. For web applications it is recommended to create a single interface that will be configured for the conditions and requirements of mobile terminals. It is desirable to perform native applications in the same style, but the possibility of its modernization doesn't raise any doubts.

6. Conclusions

The proposed in this paper practical experience of cooperation in the framework of the "University - Students – Stakeholders" generalizes earlier studies in several European universities and research

of the international project “Integrated System of Management of the University: Borrowing the European experience of the partner countries”.

The main conclusion of this paper is proposing a model of aggregation of data and issuing it to users via a specialized data management information system of the university called “Student’s mobile portal”.

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Rezumat

În cadrul proiectului internațional „Sistemul de Management Universitar Integrat: Preluarea Experienței Europene de Țările-Partenere” a fost efectuată analiza sistemelor de management universitar din Uniunea Europeană și din țările fostei Uniuni Sovietice. Cercetarea business-proceselor de management universitar a demonstrat importanța deosebită a feedback-ului cu părțile interesate și angajatorii, precum și cointerесarea tuturor în furnizarea de informații complete în cadrul Internet-ului cu privire la activitățile universității. În plus, căutarea, de către o persoană nefamiliarizată cu aplicarea specifică a sistemului de management universitar electronic, a informațiilor relevante referitoare la diferite aspecte aferente activității universității, este o problemă nestandardă și dificilă. Astfel de dificultăți sunt rezolvate prin intermediul sistemelor de tip "portal", în care se efectuează colectarea, agregarea și furnizarea de date structurate despre universitate. În articol sunt descrise condițiile, analiza și etapele creării portalului studențesc de mobilitate în cadrul Universității Naționale Miniere. Sunt propuse condițiile standard aferente creării birourilor personale de tip portal pentru clienți.

Cuvinte-cheie: *sistemul informațional integrat al managementului universitar, portal studențesc mobil, arhitectura programului, construirea softului.*

Аннотация

В рамках работы международного проекта «Интегрированная Система Университетского Менеджмента: Заимствование Европейского Опыта Страна-Партнерами» был проведен анализ систем управления университетами в странах Европейского Союза и их аналогов в странах бывшего СССР. Исследования бизнес-процессов управления университетом показали высокую значимость обратной связи с заинтересованными лицами и работодателями, а также заинтересованность во всестороннем предоставлении информации о деятельности университета в сети Интернет. Кроме того, поиск необходимой информации о различных аспектах деятельности университета для человека, не знакомого с конкретной реализацией системы электронного управления университетом, является нестандартной и сложной задачей. Подобного рода затруднения решаются системами типа «портал», в которых происходит сбор, агрегация и выдача структурированной информации об университете. В статье описаны предпосылки, анализ и этапы создания студенческого мобильного портала Национального горного университета. Предложены типовые требования к построению клиентских личных кабинетов порталного типа.

Ключевые слова: *интегрированная информационная система управления университетом, студенческий мобильный портал, портал, программная архитектура, конструирование программного обеспечения.*

METHODOLOGICAL ORIENTATIONS OF THE ECONOMIST STUDENT

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JEL classification: A2

Abstract

The scientific research represents an important domain and an essential component of the higher education system. It provides new knowledge that lies on the basis of education and society development. Scientific research is based on the following principles: competence, objectification, truth, correctness, demonstration, correlation, evaluation of results, utility, and psych morality.

The research quality represents an indispensable component of the higher education efficiency. For this purpose, we suggest to pursue the aspects approaching scientific research quality, namely, referring to two fundamental functions: the function of quality management (internal function) and the function of quality assurance (external function), to actual experience, and to the international trends.

Keywords: *scientific research, scientific research components, scientific research principles, research methods, research quality.*

1. Introduction

The scientific research in the higher education system is carried out within the framework of departments, laboratories, centres, scientific research institutes through different forms: individual projects, institutional projects etc.

The scientific research represents an important domain and an essential component of the higher education system. It provides new knowledge that lies on the basis of education and society development. Scientific and methodological assurance of education modernization and functioning appear as a foreground condition and a vital necessity.

In the point of view of N. Vințanu, the contemporary conception about university is based on three meanings:

1. University for students;
2. University for science;
3. University for society [4, p. 21].

2. Current Level of Understanding the Problem, the Purpose of Research

The interests towards the problems of innovations and their prominence throughout the most important directions of contemporary scientific thought are the result of realizing the progressing dynamics of innovative processes taking place in society. The scientific investigations development towards this direction has divulged the complexity and multi-aspectuality of the given phenomenon, the result being the occurrence of different analysis approaches. Therefore, this has determined the necessity of realizing the fact that the innovative processes and the

innovative transfer need a systemic and integral examination, taking into account the factors which refer not only to innovations, but also to socio-cultural environment.

The initiatives of universities which have evolved according to the European higher education development have stimulated the interest for innovations and innovative transfer.

The purpose of the research consists in forming skills, students' competencies, by combining instruction and research, the mission of our institution being to teach economic science through research and instruction.

3. Materials and Methods

The action-research is, essentially, a naturalist research, which means that it accomplishes right in the place of the action, with the help of some comfortable procedures, with the subjects implicated within the action, appealing to different methods of data collecting, such as observation, document collection, analysis, synthesis etc. It also offers the occasion of explaining and analyzing actions, instead of exposing the results.

The action-research presents a more relaxed vision on the scientific method and on the stage of establishment and application in a spiral: planning, action, observation, reflection, review, improvement.

Throughout the investigation process, attention needs to be focused on the study case method, which strongly motivates the students and urges them to be active. Therefore, they succeed to get to close quarters the university to life, offering them the chance of confronting real problem-situations, extracted from different contents which represent a category of situations, events, phenomena etc.

4. Results and Discussions

4.1. Opportunities of the Higher Education System within European Context

The educational policy of EU, which Republic of Moldova will adhere to, is essentially based on the abundance of cultural diversity. The educational system has to respond to both internal and external opportunities (through content and research) based on:

- the procreation of an education system transparent and cognizant with the one of EU;
- globalization, where the competitiveness of different economical domains is based on the working resources holding a large scale of abilities, knowledge and innovations;
- the adaptation to the requirements of informational era in the higher education system;
- the application of new educational theories and the implementation of interactive and motivational curriculum;
- the assurance of an efficient education through the application of some creative evaluation techniques.

In order to implement these priorities, the strategy of the educational domain presumes a set of programs and project, such as:

- ♦ elaborating the methodology of underlying and projecting integrated researches;

- ◆ reorganizing the institutional chain in order to assure the quality of educational and investigational processes;
- ◆ the research of educational alternatives and the consolidation of academic autonomy;
- ◆ the fusion of university management features from the perspective of research innovative and functional interdisciplinarity (accountancy, marketing, culture, situational, intuitive, empirical);
- ◆ Investigations oriented towards joint approach with other systems, from the perspective of community purposes and European integration.

The creation and development of a society based on knowledge depend on: providing new knowledge, especially through scientific research; their communication through education and training; their dissemination by the agency of ICT (Information and Communication Technologies); the use of knowledge within industrial processes and logistics, thus turning knowledge into innovation for development. Universities hold a unique place, being involved by their mission in all these processes: in research, education/training (training of researchers) and development in the context of education paradigms for change.

The structural reforms generated by the orientations and trends of higher education represent the effort of organizing diversity within the European area of higher education institutes. Thus, these reforms take place into a coherent and compatible circumstance, as a necessary condition of European competitiveness.

The international development of education and research is accelerated by new technologies based on information and communication. As a result, it is enhanced not only the competition between universities and countries, but also competition between universities and other institutes, such as public research laboratories, private formative institutions specialized in specific profiles. More and more funds are obtained based on competition, at national and international levels, determining a continuous strive to attract the best talents and the human resources. If the keyword is “based on knowledge” – the society based on knowledge or the economy based on knowledge, then the key resource is “knowledge asset”, which includes “knowledge workers”, referring to high competence human resources, capable of contributing to the generation of original knowledge, formed within the academic course and seminary.

Requirements towards an academic course:

- an academic course has to be a clear exposure of ideas and concrete actions, organized into a theoretical system which follows an accurate conception;
- any course has to hold moral and emotional hues; it has to be an intellectual dialogue, which could attract through its elegant exposure, through novelty, through the amplitude of information and through attention students’ interest;
- through the academic course, the student has to discover and to acknowledge scientific information and cultural assets; moreover, the meeting with the professor represents the symbol of dignity, as the students associate the professed knowledge with the person who teaches it. The professor- model underlies the development of intellectual knowledge and the character based on the respect of students’ scientific and cultural values;
- the academic course offers a model of thinking, it answers students’ questions and intellectual interrogations;
- the academic course fulfils the intellectual role between students and professor, which leads not only to the development of persuasions through knowledge accumulation, but

also to emotional opinions [1, p. 158], that conduct to the development of investigational skills (of research), that refer to an assembly of abilities, specific for the research process and the mental operations activated during the research, trained within different situations, reorganizing external and internal resources in order to reach the defined objectives. Therefore, for detecting these skills, there have been established the following characteristics: the problem formulation, the demonstration of the problem apprehension, the research itself, the obtained results and evaluation.

The core of contemporary psycho-educational concepts is based on:

- the dependence, social conditioning and permanent renewal of aims, content and educational methods, corresponding to the constantly changing education requirements;
- the unity of the educational process;
- the unity, perspective and continuation of aims, content and methods;
- multidimensional pedagogy;
- the unity of socialization and individualization;
- the variety and the freedom of choosing the ways, the methods and the patterns of achieving the educational strategic ideas;
- the formative role of relationships in the development of a moral and affective personality;
- the complexity and the unity of educational structures functioning conditioned by the multitude of academic courses, by the internal and reciprocal bonds within personality structures, by time limit for instruction and education;
- the unity of creative and efficient approach of content and organization of the academic process.

Based on the presented approaches, different recommendations are elaborated aimed at the efficient organization of the educational process. We underline the fact that this process, along the way, generates problems which need to be continuously explored.

The peculiarities of developing a scientific research are based on:

- the improvement of the actual legislation towards the diversification of investigational management, the return to research branch management, the implementation of Bologna's forethoughts regarding research;
- the creation of a National Council focused on the coordination of scientific research within the educational system;
- the establishment of foreground subjects of psychology and education sciences;
- the diversification of financial resources directed towards research in the educational system.

4.2. The Characteristic of Scientific Research Criteria

The principle of competence. This principle establishes the person who is capable and who can develop an activity of scientific research. Based on this, it appears the question if anyone, anytime and anyhow could develop an activity of scientific research. The answer is of course negative, because there are some rules which have to be obeyed in this situation, such as:

- during the activity of scientific research there have to be admitted only specialists trained in the respective scientific domain;

- there are some special abilities requested from a potential researcher (will of knowing, curiosity, critical spirit, observation spirit, intellectual capability of analyzing and synthesizing, passion and patience, commitment, honesty and earnest);
- a certain professional experience, doubled by a training “stage” in the field of scientific research activity;
- a preliminary stage which every young researcher has to get through by working, under the guidance of some experienced and expert researchers, in order to assimilate to the thinking way, the working techniques and methods, the hypothesis statement, the preparation of the research phases, the results evaluation and their improvement etc.;
- the scientific and professional education of the future researcher must cultivate seriosity, critical spirit, austere life, detachment of subjective attitudes of an emotional character, maintaining enthusiasm afore discovery, caution and common sense.

The principle of objectification refers not only to the scientific research object and the way in which it has to be studied, but also to the researcher’s attitude towards the object of his research. Hereby, it is mandatory to bear in mind the following aspects:

- starting from the object which follows to be committed under scientific research, attention should be focused on a certain goal which represents the exact purpose of the respective research;
- during the scientific research, the researcher doesn’t have to deviate from the reality of the studied object and doesn’t have to change the followed purpose;
- to adapt the research methods and techniques to the particular nature of the researched object and not the other way around;
- not to “alternate” and not to “change” the nature of the researched object, in order not to admit errors, thus maintaining the research object.

The principle of truth, whose aim consists in finding the truth within the conclusions made on the research of a certain object. This truth has to reflect the real nature of the researched object and has to be stated and understood. Therefore, some rules need to be obeyed:

- the research needs to follow the discovery of the truth about the researched object;
- any activity of scientific research has to be coherent, logic, have continuity and be conform to the object reality committed to its research;
- the statement of the research results has to be made utilizing a clear, precise and coherent language, which can be universally accepted and utilized;
- within the scientific research activity, partialism, fantasy and speculation should be avoided, otherwise they could lead to orderly deformation, and to mistaken results;
- any activity of scientific research needs to be coherent and correspond to rational reasoning.

The methodical principle relates to the scientific research methodology. It achieves the correlation between the necessities of objectifying the followed data to the object under scientific research and the necessity of finding the truth about the respective object. Hereby, for confirming the studied object with the methodical principle, it is needed to bear in mind some rules:

- any activity of scientific research needs to be carefully lead, according to a rigid „plan” previously prepared by the respective scientific researcher;

- within a scientific research activity there must be faithfully respected the working methods and stages, in order to assure a coherent and rational development of the process directed towards finding the truth;
- the research must include working techniques and methods adequate to the nature of the researched object, as well as the intentions connected with the respective research objectives;
- methodologically speaking, any activity of scientific research has to start with the study of easy, clear, explicit things, bringing forward the activities which imply a higher level of difficulty and complexity.

The demonstration principle affirms the fact that any assertion (or result) issued from the scientific research activity of an object has to be demonstrated, proved that it is true and that it belongs as a quality to the studied object. For this matter, the following rules need to be considered:

- any scientific research has to be demonstrated, evaluated and reproduced, eventually by another researcher or research group, different from the one who has first discovered the respective data;
- any scientific research has to be reproduced, as much as possible, under a theoretical model which represent authentically the researched object and its qualities;
- the verisimilar results obtained from the performed scientific research have to be integrated into the data system of the scientific domain in which the research has developed.

The correlation principle. As in the previous principle, it is related with the method. It states the fact that the scientific results issued out of the object research have to be correlated with the already existing data of the respective scientific domain or the ones of interdisciplinary area from the related scientific domains. Therefore, the following rules have to be kept in mind:

- to consider the evaluated object reports with other objects from the same branch or with objects related to it;
- to have in mind the already existing knowledge about the adjacent objects or related to the respective research object;
- the obtained results from the effectuated scientific research have to be incorporated within a well established scientific domain which they will belong to;
- after the adjustment of the obtained results from the scientific research, a synthesis needs to be realized with similar data which are already existing within a given scientific domain.

The results evaluation principle relates to methodology and highlights the evaluation and realization pattern of the obtained results from the scientific research activity. In compliance with this principle, the following rules have to be honoured:

- all results obtained from the scientific research of the evaluated object, have to be correctly evaluated, strictly rationally;
- the results evaluation has to be correct, without any grade of partiality from the researcher who has developed the study;
- the obtained results have to be compared with the existing data, taken from the scientific literature of the evaluated problem;
- the squareness of the obtained results has to be verified, operation which has rather be performed by another team of researchers.

The utility principle. According to this principle, the scientific research activity of the obtained data, further undertaken, has to keep in mind not only a theoretical utilization, but also a practical

one. Therefore, the activity has to justify the research, as an effective contribution to the respective scientific domain, as well as the implementation of these results. Thus, the following rules have to be honoured:

- the performed research has to be useful not only theoretically, but also practically;
- it is rather good that an undertaken scientific research to be original and new, thus, representing an efficient contribution to the respective scientific domain;
- the issued data from the research to be utilized and applied regularly, as soon as possible, by the specialists.

The psycho moral principle reports both to the researcher and the way in which the activity of his scientific research develops. The problem that faces the researcher is seriosity and onestity of the research activity. In other words, the problem refers to both scientific and moral responsibility of the one who investigates towards the research, the research results and the consequences of the research results regarding theoretical and practical implementation. Because of that, there is need to go after the following rules:

- any activity of scientific research has to have an intrinsic character, to be sincere and detached of getting some material or any kind of advantages by the respective researcher;
- the research, being applied under the sign or responsibility, has to be conducted after the ethical principles of a correct activity, respecting the ethic-professional reports between the researchers of the same domain and even communicating with them during the respective research;
- the undertaken research has to be conformed with the nature of the researcher's personality, with the preparation and his personal concern, with the grade, the specialization and his professional aptness within the domain in which he develops the scientific research activity;
- to accept the collaboration with the specialists from the same domain or related domains, in a sincere, open and detached way, in order to avoid the studies overlapping or errors that may occur during the results procurement and interpretation;
- the researcher has the duty of obtaining, demonstrating and defending the scientific research results towards the critics which may be brought into his attention related with the undertaken research;
- the person who performed the scientific research needs to be credible and persuasive in order to assess, through arguments and demonstration, the theoretical and practical results of the research, so that they would be recognised and accepted by specialists from the respective scientific domain.

The principles presented above have to mandatory represent a strictly direction, in order to be followed by any other person which is hired in a research activity by the researchers' collective and the actual research activity. If not, it may occur unpleasant situation, difficulties or, in the worst case, there could be obtained erroneous results or even any kind to research activity to be [5, pp. 12-15].

The action-research establishes a complex methodological object, in its essence, and it has the following characteristics:

- ✓ the action-research is an applied research at the student action, but starting from its action; therefore, the enterprise is realised (a) regarding a subject; (b) with this subject; (c) at the request of this subject, being a research for/within the action;

- ✓ the action-research is an implied action, because of the fact that there is not possible to not take position; the researcher influences the course of the events observed in the moment at which they are sources of interests;
- ✓ the action-research is a combined research, the student being the supreme in its environment, in which he occupies a legitimate place, being the ideologist of its life and of the surrounding events; the experimentation term is the real one, in which the researcher combines the implied subjects with the context;
- ✓ the action-research is an engaged research, the student researcher takes upon himself into an action, not only observing it from distance, but also indenting upon the action, waiting for the practical utility effect.

The stages of the action-research could be the following:

- the identification, the evaluation and the formulation of a critical problem from the concrete process of initial development;
- conversations and preliminary negotiations between the participants of the action-research, who button up all the details by proposing a research project, in which the problems and the solutioning intention are defined;
- the analysis of the theoretical biography in order to clarify comparatively the solutions proposed by other researcher of similar problems;
- the alternation of the initial project;
- the selection of research and action procedures: the research administration, the participants' responsibilities, the choice of practical action methods, the tasks repartization etc.;
- the establishment of the evaluation procedures that will be applied during the research period;
- the project implementation of the actual research, the assignation of the data collecting methods (periodical meetings, journal consignments, reports, evaluations etc.);
- monitoring the activities, tasks and the assurance of permanent communication of the researchers group;
- the analysis and interpretation of data, results and research project evaluation;
- the final research report, in which will be mentioned the main results, the recommendations, the dissemination patterns of the results for those interested about and the future action direction [2, pp. 127-128].

The scientific research results, the acquaintance and the developed/created expertise of universities are available to the society through three main ways: scientific publications, licence-patents and also through creating of a new company (spin-off and start-up). More and more, the capacity of universities is highlighted, not only for gaining knowledge, but also for involving in mechanisms capable of making available the knowledge, namely mechanisms that assure the conversion of knowledge into innovation.

In the content of the complex role, which the universities play through their mission, they have commitments to: the students which they inform the public authorities that assure the universities' financing, the workforce marketplace which utilizes the qualification and the skills developed during the academic and research process, as well as towards in the main society. The general goal is to maximize the social result of the investment represented by the public financing.

Currently, there are three main criteria, associated to the research quality, become effective. The first criterion is the authenticity, proved by the contribution that the research has for developing new acquaintances, these might be in contradiction with the old principles and they determine a new way of thinking. The second criterion is endurance, determined by the methodology through which the research has accomplished and that allows the results to be verified. The third criterion, relevance, represents the particularity of presenting interest for other people and of being useful for them. The researchers associate different priorities to these criteria, the studies showing the fact that, generally, the main priority is the authenticity.

There might be considered the fact that, the investigations of high quality have the origins in the system oriented to the individual, each researcher working independently, usually defying or challenging the existent theories and methods. In reality, it is discussed the fact that a favourable environment for the quality research facilitates the communication and collaboration in an internal and external environment. The cooperation at national level, as well as the international contacts with the advanced working groups is very important. The favourable environments look diversified according to the age, the researchers' specialization and the activities unfolded in the research unity: specializations, development, dissemination, as well as contacts with the socio-economic environment. In fact, all this suggests the difficulty of establishing individual criteria for research quality.

For this purpose, we suggest to approach about the aspects regarding the scientific research quality in universities. Thus, there will make mentions of two main functions: the function of quality management (internal function) and the function of quality assurance (external function) of the existent experience, as well as the inclinations developed internationally.

4.3. The Quality and the Features of Scientific Research in the Higher Education

The research quality represents a mandatory component of the higher education performance. The academic scientific research has to be emboldened for two reasons:

- the universities proved to be important yielding structures of knowledge through varied domains;
- the activity of academic scientific research is an essential component of the educational activity, a professional accession of the academic cadres.

Currently, the academic scientific research is accomplished by academic cadres, by temporary groups of researchers in scientific laboratories during projects and research programs.

In order to achieve the higher education strategy, it is necessary the foundation of a scientific-methodical centre for researching the problem of higher education modernization. Its mission would be to substantiate scientifically the modernization and integration actions of the higher education within the European academic space.

The university needs to develop, as part of the strategy, towards research, mechanism through which the research virtuousness would be stimulated in the internal environment. Hereby, it is essential the establishment of a research capital that will assure supplementary resources for the most efficient research unities, which prove excellence. This capital may be important at the moment when the university strategically decides to support the development or consolidation of a

research direction for their interest. The capital might be the source for organizing internal competitions and for research projects, especially for young researchers.

A major component of any research financing is established from external sources of the university. The capacity of attracting public and private capitals, for which the research groups from university have to entry the competition, is an important criterion. Obviously that not only the research performance is important, but also the capability of launching well-set projects of scientific or technologic interest, credible regarding their organization. The capability of finding external capital is an important indicator of the research quality, but, in this context, the obtained resources from international competitions must have a supplementary balance.

The university has to develop its informing and networking capability, both at the institutional and researchers levels, in order to get acquainted with financing opportunities of the research. At the level of created structures in the university, it is necessary to assure the support the researchers need while preparing successful applications for research capital and for a better communication with the economic and social environment. There will be organized different information and training sessions, and it will be developed an efficient system of internal communication exploring relationships between people, as well as the electronic environment. We could talk about the value of a knowledge management system in the university, based on: existing projects, partnerships, skills, documentation support, successful practices etc. The organization of a “metapole” in the university could assure the interface with the agencies outside the university. This system has to be part of the knowledge transfer office that the universities will develop. The international practice refers to different models, the university being admitted to choose its own deployment solution [3].

Table 1: Validation criteria of the option concerning the subject of bachelor, master and doctorate theses

Evaluation criteria of the chosen subject	The criterion significance
1. The criterion of subject relevance	Relevance refers to the research subject orientation towards the basic aspects of the respective domain, aspects in which the acquisition dynamics of scientific knowledge is at a high level, its scientific interest being elevated by both theoreticians and practitioners. The eventual new original contributions enter directly the professional debate circuit and the practical applications.
2. The criterion of subject actuality	Actuality refers to the orientation of the subject to the priorities of research and academic practice from a specific period towards the significant aspects of the present and future of the approached domain. The satisfaction of the actuality criterion presumes to avoid the option for the research subject which refers to obsolete aspects, approaches without a theoretical and/or applied horizon, outdated practical and thought systems.
3. The criterion of subject specificity	Subject specificity refers to the possibility of its assignation, as a basis for its adequate treatment and structuring. The themes that satisfy this criterion have an obvious individuality on theoretical, methodological and applied plans. Individuality results from the chosen study problem and from the approach angle adopted by the author, from the research methods, from concrete examples, utilized cases and, especially, from author's conclusions and proposals – as an expression of recommended solutions.
4. The criterion of concordance between the subject requests and author's possibilities	The concordance criterion is respected if the chosen subject is a spread one, of proper complexity for an individual research and the associated elaboration effort allows concluding at the established term and at the quality level requested at the Bachelor exam. Moreover, this criterion hypothesizes the concordance of the chosen subject with the education profile in which the candidate is prepared for. Thus, he is empowered to undertake his own scientific research path in order to settle a concrete problem, which refers to research and academic practice, claiming professional solution that a new licensee could offer.

Source: [5, p. 88-89]

5. Conclusions

1. The theoretic basis of the scientific research is represented by specific principles, whose consideration is indispensable for the analysis of the initial professional development of the researcher student.

2. The implementation of case study generates competence stimulation and promotes cooperative and individual work. The students who work together lead to the establishment of interrelationships that develop professional and adaptation skills to the group rules. In this context, critical, creative and lateral thinking are elaborated. Moreover, it develops self-confidence, motivates active participation and engagement in the collective task.

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Rezumat

Cercetarea științifică reprezintă un domeniu important și o componentă esențială a sistemului de învățământ superior. Prin cercetare se produc cunoștințe noi care stau la baza dezvoltării învățământului și a societății în genere. O cercetare se axează pe următoarele principii: competenței, obiectivității, adevărului, metodic, demonstrației, corelației, evaluării rezultatelor, utilității, psihomoral.

Calitatea cercetării reprezintă o componentă obligatorie a funcționării învățământului superior. În acest context, ne propunem abordarea aspectelor privind calitatea cercetării științifice, referindu-ne la cele două funcții de bază: funcția de management al calității (funcția internă) și funcția de asigurare a calității (funcția externă), a experienței existente, precum și la tendințele manifestate pe plan internațional.

Cuvinte-cheie: cercetare științifică, competențe de cercetare, principiile cercetării științifice, metodele cercetării, calitatea cercetării.

Аннотация

Научное исследование является важной областью и основополагающим элементом системы высшего образования. Исследование производит новые знания, находящиеся в основе развития образования и общества в целом. Любое исследование фокусируется на принципах компетентности, объективности, правдивости, методичности, демонстративности, корреляции, оценки результатов, полезности, психоморальности.

Качество исследования является обязательным компонентом функционирования системы высшего образования. В этом контексте, мы предлагаем рассмотрение проблемы качества научного исследования, ссылаясь на двух основных функций: на функцию управления качеством (внутренняя функция) и функцию обеспечения качества (внешняя функция), а также на существующий опыт и тенденции изучаемого аспекта на международном уровне.

Ключевые слова: научное исследование, научно-исследовательские навыки, научные принципы исследования, методы исследования, качество исследования.

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