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FOREWORD

The new series on Economy, Law and Sociology of Annals of the Academy of Romanian Scientists, reorganized and restructured, by publishing two issues per year, is already at the second issue for 2015, with seven scientific communications selected by the scientific committee. These scientific papers have been presented in public debate by the authors during two scientific events that took place in 2015 as a way of cooperation between the partner institutions: Academy of Romanian scientists and Valahia University of Targoviste.

Thus, on June 24, 2015 at the Multidisciplinary Science and Technology Research Institute of Valahia University of Targoviste took place "LEADERSHIP/MANAGEMENT SCIENCE" National Symposium with International Participation on the occasion of the Organized 100th anniversary of the birth of the One Who Was Ph. D. Gîrl (r) Emil Mihuleac.

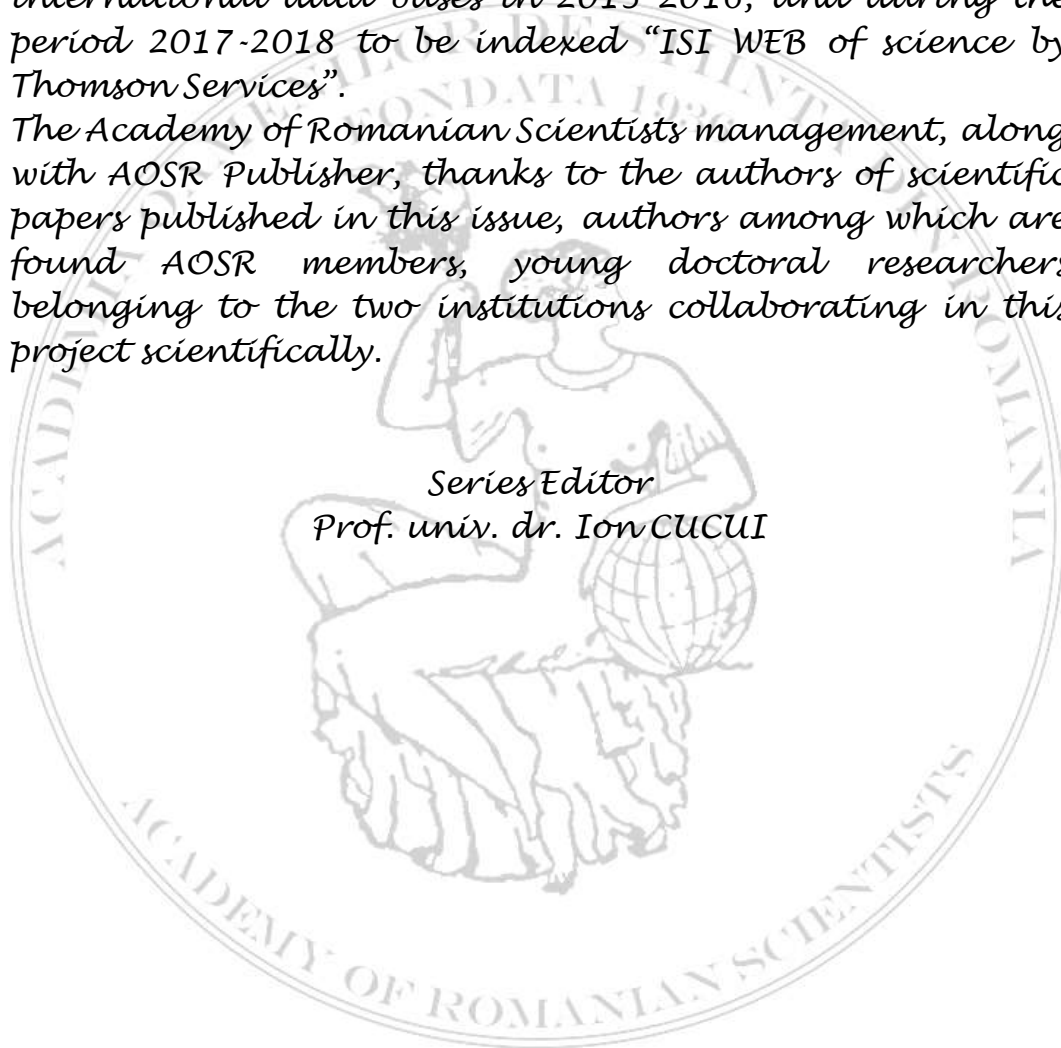
It was presented a number of 16 scientific papers, most of which were recommended by the scientific committee for publication in the journals of the Academy of Romanian Scientists and Valahia University of Targoviste.

On November 27-28, 2015, at Valahia University of Targoviste, in the same collaboration took place the international conference "Contemporary Challenges for the Society in the Context of the Recent Economic and Social Changes". There was presented 73 scientific papers grouped in 4 sections and 10 posters in one section. Most of all were recommended by the scientific committee for publication in Annals from Academy of Romanian Scientists and Valahia University of Targoviste.

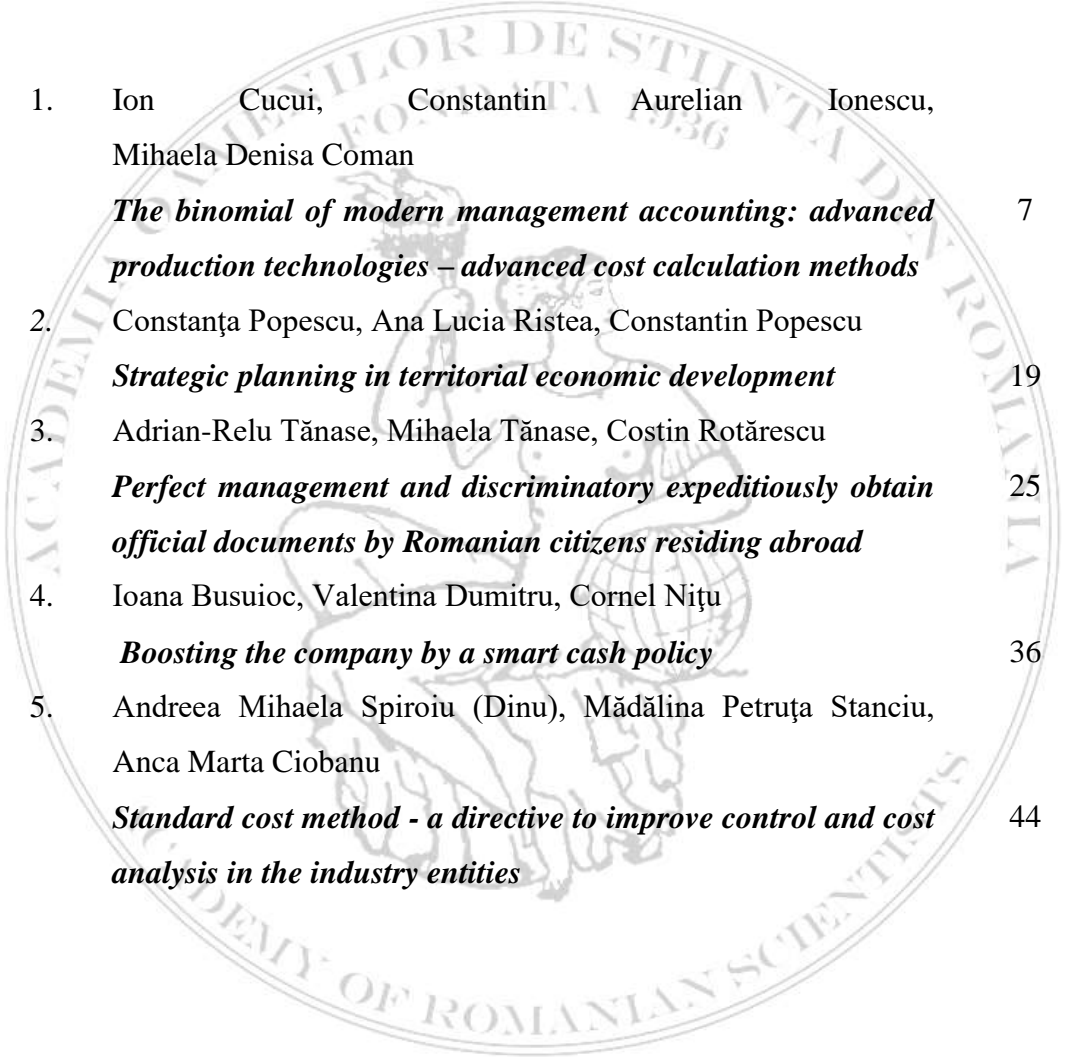
To be mention, in the Annals of Academy of Romanian Scientists, New Series on Economy, Law and Sociology, in his new on-line edition will be prepared to be indexed in international data bases in 2015-2016, and during the period 2017-2018 to be indexed "ISI WEB of science by Thomson Services".

The Academy of Romanian Scientists management, along with AOSR Publisher, thanks to the authors of scientific papers published in this issue, authors among which are found AOSR members, young doctoral researchers belonging to the two institutions collaborating in this project scientifically.

*Series Editor
Prof. univ. dr. Ion CUCUI*



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THE BINOMIAL OF MODERN MANAGEMENT ACCOUNTING: ADVANCED PRODUCTION TECHNOLOGIES – ADVANCED COST CALCULATION METHODS

Ion CUCUI¹,
Constantin Aurelian IONESCU², Mihaela Denisa COMAN³

Abstract. *The binomial advanced production technologies – advanced cost calculation methods, proves a successful one, orienting the economic entity to the client, knowing very well the clients' needs, the price they are ready to pay for a product, and the delivery time, but imposes as well the development of excellent collaboration relations both on the level of all the departments of the entity and with its external actors, i.e. providers, suppliers etc. The aim of this paper is to underline the necessity to rethink and reorganize the manufacturing management accounting in the metallurgical industry of Romania.*

Keywords: target costing, flexible manufacturing systems, total quality control, just in time manufacturing systems.

JEL classification: M41

1. Introduction

According to the present economic environment, a primordial objective of management accounting is the possibility to estimate the total costs for providing a product, which determines the need to develop and implement new management accounting systems, having, beside the classical aim, namely quantifying the immediate results, also other aims such as: observing the future profits, abandoning the products that do not generate profit, determining optimal sales prices, increasing productiveness, orientation toward the client etc [4]. The technological advance and the reorientation of the economic units toward the client's needs and claims and the provision on the market of products with an optimal price-quality ratio compared to the competitors involves the need to implement new advanced management accounting systems such as: Target

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Costing, ABC, ABM, Kaizen. The present scientific research focuses on the advanced calculation method known as "Target Costing".

The economic units' implementation of manufacturing technologies such as: automated manufacturing technologies, computer-assisted manufacturing & design methods, flexible manufacturing systems, total quality control, robotics, materials planning systems and just-in-time manufacturing systems substantially modifies the way products are manufactured and one can note a need to implement some advanced cost calculation methods on the level of management accounting, because the traditional methods and the evolved methods, in this new context, become deceiving and even inadequate [4].

Once implemented, these advanced manufacturing technologies generate for the economic unit a series of benefits, such as:

- i) development of the capacity of the economic entity to produce varied and high-quality goods at low costs, which determines the increase of the clients' satisfaction;
- ii) the innovation process is supported, which determines an increase in the flexibility of the manufacturing process and a decrease of the time needed to realize the product.

2. Scientific research context

The research context of the metallurgical industry on the European level presents the European Union as the second largest steel producer worldwide, with a production of more than 177 million tons of steel per year, representing 11% of the global production [7].

It is known that the European iron and steel sector is nowadays in a very difficult situation. The present economic crisis has led to a significant decrease of the manufacturing activity and of the associated steel demand, which remains 27% under the levels prior to the crisis. As a consequence, several production units have been closed or have restrained their production, with corresponding job cuts, namely up to 40,000 jobs during the last few years. The European metallurgical industry is faced with the simultaneous effects of the low demands and of the over-capacity of production on a globalized steel market and with high energy prices; the iron and steel industry needs to invest to adapt itself to the ecological economy and to manufacture innovating products.

The research context of Romania presents the metallurgical industry as privatized in a proportion of 100%, and the weight of the foreign capital is of about 80%. [4]

The iron and steel industry of Romania is an important branch for the national economy, being a multiplier of: raw added value, industrial production, jobs,

generator of taxes and contributions, etc. On the level of the year 2012, it realized: about 2% of the steel production of the European Union and contributed to the realization of the macroeconomic indicators of the country, namely: about 8% of the industrial production, 11% of the export, 22,500 employees at the end of the year. Although the main companies of the metallurgical industry have been restructured technologically, financially and socially, the international economic-financial context, namely the diminution of the constructions market throughout the European Union, the increase of the energy tariffs, the growth of the raw matters prices, the devaluation of the national currency etc. have affected directly the economic-financial results of the companies working in this domain whose profit/loss accounts are negative. In this entire context, the emergence of the modern cost sizing and calculation methods has come as an objective need in the economic units' attempt of obtaining a competitive advantage compared to their competitors.

The great companies, generally from the economically advanced countries, have built and adopted their strategies imposing the new manufacturing organization and cost analysis methods able to directly contribute to the increase of the turnover and profit, to the reduction of the manufacturing cycles and costs. The great technological and organizational changes occurred during the last two decennia have particularly disturbed the manufacturing domain. The evolutions of the demand and offer, of the technologies and of the competition have given birth to a special set of problems related to the production both in point of objectives and strategies, and in relation to the organizational options.

3. Research methodology

Any scientific research starts from a perspective regarding an objective chosen to be researched [1]. In this scientific research, we started by formulating the following hypothesis: the information generated by the work “The binomial of modern management accounting: advanced production technologies – advanced cost calculation methods” is an important resource in the context of the use of the Target Cost Method in the economic units of the metallurgical industry.

Seeing that in the economic units, decisions rely on the information provided, which reflects the objective realization, at a certain moment, the couple information-decision is part of the positivist version. Regarding the future construction of a use of the Target Cost Method based on virtual information, the correlations and the practical interaction of the subject with the object being researched will situate the scientific research in the constructivist trend.

After the epistemological positioning mentioned, namely the positivist vision, we have set out to establish the work methodology, initially based on theoretical

documentation and then on empirical research. The theoretical documentation relies on bibliographic sources and information provided by the informational-accounting system.

4. Critical analysis of the classical cost-calculation methods

Seeing that the economic units of the metallurgical industry of Romania use the classical cost-calculation methods, we shall highlight the existence of a series of disadvantages influencing the quality of the information regarding the cost per product, the responsibilities and the operative control of the production costs, such as:

- ✓ It does not always assure an exact calculation of the cost per product, as a consequence of the repartition of the indirect expenses using conventional criteria. The classical methods (global, on orders, on stages), being calculation methods of an absorbing type, rely on the classification of the expenses - according to the way of repartition in the cost of the products - into direct and indirect. The cost of the goods is made up of direct costs and a share of the indirect costs distributed in the cost of the goods based on repartition keys. The choice of these repartition keys is one of the problems management accounting has been faced with. The use of random distribution keys in the context of an increase of the weight of the indirect expenses in the total of the company expenses often leads to inexact results and this happens due to the fact that often the causal relation between the repartition key used and the expense realized is overlooked.
- ✓ Most economic units use, for the repartition of the indirect expenses of a section, repartition keys related to the direct manpower. This leads to an overestimation of the costs of certain products and an underestimation of the costs of others. The use of the direct manpower for the repartition, for instance, of the machine assemblage and regulation costs leads to obtaining higher costs for the products with more direct manpower and lower costs for the products with less direct manpower, yet the machine assemblage and regulation activity requires the same effort regardless of the cost of the direct manpower. This triggers the effect of cost subsidizing, in which the costs of a product produce an effect on another product, making the latter less profitable than it really is [5]. At the same time, by choosing this repartition basis, the managers' attention is often turned to the management of the expenses for direct manpower, not to the control of the indirect expenses.

- ✓ The classical methods are oriented toward the past, offering information concerning the previous accounting periods, without giving much attention to forecasts. The complete actual cost of the products is obtained after the whole production process has been completed and all the expenses related to its development have taken place, giving a marked historical character to the information provided, which makes it possible to use it only for the future.
- ✓ The historical character of the information provided by the methods mentioned makes the regulation of the production process impossible to be realized operatively during its development, and consequently the role of this information in substantiating short-term decisions is very low. When a decision based on costs has to be made before concluding the manufacturing process, it is possible for the information offered by these not to be oportune, becoming tardy. In the economic practice, however, it is precisely these decisions that are the most numerous, although on the way they are substantiated directly depends the efficiency of the activity developed. Thus, the information provided by these methods can be used in the long-term management process, the manufacturing processes it refers to being already concluded [2].
- ✓ The classical methods do not take into account the variation of the expenses in relation to the modification of the activity volume. Being oriented mainly towards the calculation of the integral cost per unit, they focus mainly on the grouping of the production and sales expenses into direct and indirect, which does not allow analyzing them in relation to the production volume. Yet, from an economic perspective, the costs are analyzed in correlation with the production volume, which imposes the use, in their calculation, of the grouping of the production expenses into variable and fixed. The lack of a classification of the expenses into variable and fixed lies at the basis of the erroneous decisions made based on the complete costs.

The information offered by the classical methods lose some of their pertinence given the increasing weight of the indirect expenses in the total of the company expenses and the high cost of the information collection and processing and control.

The set of disadvantages of the management accounting system and the cost calculation system using classical methods can be gradually eliminated as the interest of the decision-makers for pertinent information grows and by means of the passage towards advanced production technologies and advanced cost-

calculation methods, which aim to provide much more complete information for the manufacturing cost determination.

5. Advanced production technologies

Starting from the present context, namely the situation of the metallurgical industry both on the European level and in Romania, which is going through a continual restructuring process and the occurrence of the need to innovate and rethink the production processes in order to realize products that are competitive on the world market, adapted to the consumers' needs, both as price and as quality and able to counteract the effect of China's massive production of metallurgical products, we shall highlight the importance of the introduction of advanced manufacturing technologies. Out of these technologies, at present the best known are: Computer-Aided Manufacturing, Production Management Systems – Just In Time and Materials Requirement Planning, Non-Polluting Manufacturing Technologies, Total Quality Control.

Advanced manufacturing technologies, once implemented in the framework of the economic units of the metallurgical industry can generate both the reorganization of management accounting and the modification of the organizational culture of the entity, becoming impetuously necessary to prequalify the personnel and change its collective mentality. At the same time, advanced manufacturing technologies generate: i) an increase of the capacity of the economic units to produce goods of a clearly higher quality than the present ones, at low costs, which will determine the meeting of the consumers' needs; ii) a continual stimulation of the innovation process, which will lead to the increase of the flexibility of the economic entity in the management of a large array of products with a relatively short life-cycle and at low costs; iii) an efficient control on the manufacturing processes, implicitly the reduction of the time for the preparation of the equipments and of the number of scrap products.

The application of Computer-Aided Manufacturing in the metallurgical industry supposes the use of computers to realize the programming of the production and the control of the production equipments. Production programming according to the necessity of the economic unit generates advantages such as [2]: higher product quality, less scrap products, less time used to prepare the equipments and realize an efficient control of the production manufactured.

The production management system – Just In Time relies on a production level generated by the demand and an orientation of the stock level toward zero. Such a system is characterized by: the reduction of the time needed to prepare the equipments, the production and the delivery of the orders, a reduction of the

activities that do not generate added value, and an increase in quality for both the materials and the raw matters bought and of the products throughout the entire manufacturing process; it determines an active involvement of the personnel, a redesign of both the manufacturing lines and of the way of realization of the manufacturing control. The fact of having stocks tending to zero generates savings in point of depositing costs, management costs and space costs.

Materials Requirement Planning leads to computerized planning and control of the information with the precise aim of maintaining the production flow uniform. Such a system aims to make efficient: the orders of raw matter and sub-parts bought from providers, the manufacturing programming, the assemblage of the products, and the work planning and programming.

Non-polluting manufacturing technologies represent a present and necessary trend supposing the adaptation and reorganization of the entire economic unit, by stimulating the innovation process and the creation of tools and machines with zero polluting emissions. This makes it possible to seize the need to develop in the economic units some research departments to develop and implement non-polluting technologies, which represent the future of the economic entity, namely the economic unit with zero emissions, or the eco-unit.

Total Quality Control is a system imposing a single quality level that can be accepted, namely quality with zero defects. The logic of this system involves its application starting from the supply of raw matters and materials, continuing with the product design, the manufacturing engineering and the fabrication and the subsequent checking of the finite products. Once implemented, the system generates advantages both in the short term, such as the decrease of the total production costs, and long-term advantages, such as the avoidance of certain costs related to detecting, remaking and repairing the products after they have been sold.

6. “Target-Costing” - an advanced cost-calculation method

The need to implement advanced manufacturing technologies and to give up on the classical cost calculation methods imposes management accounting for the production of the metallurgical industry, and the evolution towards the implementation of advanced cost calculation methods, such as: Target-Costing, Kaizen etc.

The present research makes a detailed presentation of the advanced calculation method called Target-Costing, which is a cost-management tool allowing a reduction of the total cost of a product during its entire life-cycle, due to the integration of a close relation between the departments of: manufacturing, research-development, marketing, accounting and quality. The Target-Costing

Method orients the company towards the market, assures a dynamic management of the costs even since the design stage by the development of a strategic relation between the departments of the company and factors that are external to it, also delineating a relation of self-control, cooperation and motivation of the whole personnel [5].

Conditions for the implementation of the Target-Costing Method [6]: i) cost-efficient manufacturing plans represent the foundation of profitability; ii) the source of profit is represented by the intellectual effort pertaining to the processes of: planning, design and production sales; iii) the coordination of the intellectual effort relies on the improvement of the product design specifications; iv) any expense is related to the generation of profit; v) cost-related information needs to be generated so as to show the profit sources; vi) cost expertise must exist throughout the pre-production stages, and the design should aim to realize the target cost.

The objectives of the Target-Costing Method are the following [3]:

- i) it orients the economic entities and their management to the market;
- ii) it supports the cost management during the initial product design stages;
- iii) it imposes the management of the dynamic costs, because target costs are constantly reevaluated;
- iv) it involves improvements in terms of motivation, because behaviours are directly influenced by the constraints appeared on the market.

In order to attain its objectives, the Target-Costing Method relies on the following principles [1]:

- ✓ Determining the target cost: a system using Target-Costing determines the target cost by taking out of the sales price the profit margin desired. The price is controlled by the market, and the target profit is determined by the financial needs of the economic unit. The target cost relies on two sub-principles: the sales price defines the product and the profit plans (these plans are analyzed frequently so that the economic unit may produce only those products meeting the profit margin); the Target-Costing system is characterized by competitiveness, intelligence and analysis (an understanding of the evolution of the sales price can offer information on changes and threats from competitors).
- ✓ Concentration on the client: the clients' needs in point of quality, cost and delivery time represent an important orientation in a system based on Target-Costing. It is absolutely essential for the economic unit to understand the

clients' needs and know the services offered by its competitors to meet the client's expectations.

- ✓ Focus on design: the Target-Costing system considers product design a key process for cost management. Determining the design of a product requires a longer period of time because what is wanted is to eliminate the time and cost generated by the modification subsequent to the launching of a product design on the market. The Target-Costing system imposes a change in both the engineers' mentality, who need to pay attention to both the cost of the product and the technology necessary for its production and design. At the same time, in the design determination process are involved all the departments of the economic unit to examine the prototype, so that the product may be changed before entering the production process;
- ✓ Active involvement of the internal and external environment actors of the economic unit: the Target-Costing system uses information from both the internal environment of the economic unit, from the level of all the departments (engineering, production, sales, marketing, accounting, supplies, service), and the external environment information coming from clients, providers, suppliers etc..
- ✓ Orientation of the product life-cycle: the Target-Costing Method considers all the costs related to the holding of a product during its operation period (sales price, operation costs, maintenance and repairs, cost for discarding it). The aim is to minimize the costs of the product life-cycle, both for the consumer and for the producer. From the perspective of the consumer, the orientation to the product life-cycle means minimizing the costs related to its holding, use, maintenance and discarding. From the producer's perspective, this supposes the minimization of the costs related to design, production, marketing, distribution and service.
- ✓ Constitution of a value chain: the Target-Costing system relies on relations developed in the long run, mutual benefits with the providers and other members of the value chain such as: suppliers and recyclers.

The main activities undertaken when using the Target-Costing Method are [6]:

- i) planning the target cost and profit;
- ii) confirming the target cost and profit and allotting to the main parts of the product;
- iii) supporting and promoting the target cost and profit activities by their inclusion in the departments of the company in charge of the production: planning, development, manufacturing design and preparation;

- iv) the realization of the target cost and profit is possible by the cooperation of all the company departments;
- v) the evaluation of the activities involved by the Target-Costing Method permits a continual improvement.

The implementation of the Target-Costing Method in the economic units can be structured under the form of processes as follows:

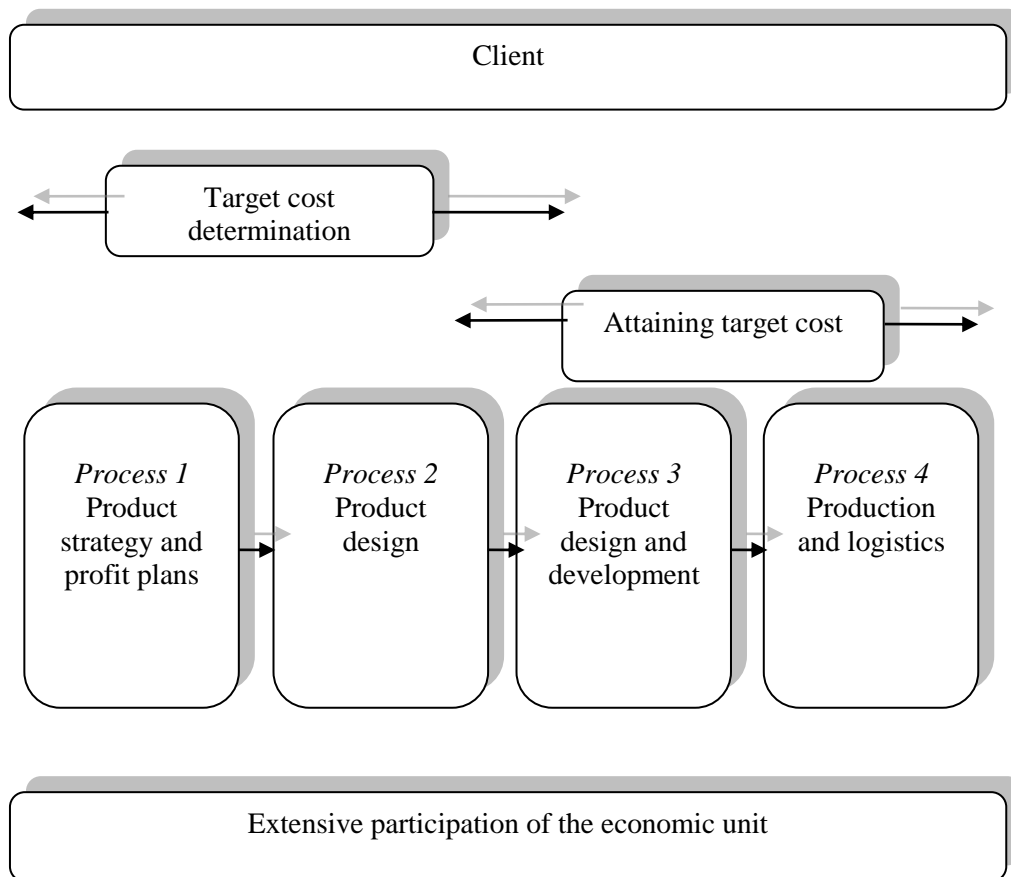


Fig. 3.1. The Target-Costing Method (source: proccessing after: Ansari, S.L., Bell, J.E., Target Costing. The Next Frontier in Strategic Cost Management, Irwin, USA, 1997, p.180)

Conclusions

The present business environment, characterized by competitiveness, fast technological changes, differentiated demand, both in point of volume and of quality and scrap diminution imposes to the economic units of the metallurgical industry the need of fast anticipation of the business environment changes, a continual technological improvement, an attentive supervision of the clients' needs and also a permanent emancipation of the organizational culture both on the individual and on the collective level.

For this reason, we emphasize the need to rethink and reorganize the manufacturing management accounting for the metallurgical industry in Romania, starting from the implementation of advanced production technologies that, in the long run, help the economic units develop a high-quality and varied production of goods, at lower costs, simultaneously determining an increased client satisfaction, while by the continual stimulation of the research-innovation process is triggered an increased flexibility of the manufacturing process and implicitly a reduction of the product execution time.

The set of advanced technologies presented constitutes the basis for a rethinking and a coherent and optimal reorganization of the economic units of the metallurgical industry, because it stimulates and prepares all the activities of the production chain, namely acquisitions – product design – production engineering – manufacturing –finite products control and delivery, and transformation of the collective and individual mentality of the labour force, present on all the hierarchic levels of the economic unit.

Simultaneously to the implementation of these advanced production technologies, the management accounting of the metallurgical industry must give up on the use of the classical cost calculation methods and implement an advanced cost calculation method such as Target-Costing. This orients the whole activity of the economic unit and its management in relation to the market, determines a costs management even since the early product design stages, imposes a continual improvement of the employees' motivation and leads to the creation of developed relations in the long run with all the members of the value chain, both internal and external.

The binomial advanced production technologies – advanced cost calculation methods proves a successful one, orienting the economic entity to the client, knowing very well the needs, the price the clients are ready to pay for a product, and the delivery time, but imposes as well the development of excellent collaboration relations both on the level of all the departments of the entity and with its external actors, i.e. providers, suppliers etc..

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- http://www.minind.ro/presa_2013/august/sinteza_consultări_ME_industria_metalurgică_21082013.pdf Industria metalurgică. Consultările cu reprezentanții industriei metalurgice au avut loc pe 16 aprilie 2013, în plin proces de dezbatere pe tema prețului energiei.

STRATEGIC PLANNING IN TERRITORIAL ECONOMIC DEVELOPMENT

Constanța POPESCU ¹,
Ana Lucia RISTEA ², Constantin POPESCU ³

Abstract. *According to the spirit of the Leipzig Charter, urban integrated development is founded on spatial, temporal and thematic coordinations and integrations of the various action and sectorial planning domains. An important role in all these goes to an integral participation also upstream of all the sustainable development actors, including those outside the political and administrative spheres, namely: civil society, economic actors, population. The stakes are [1]:*

- *the passage from a strictly descending - “top-down” - approach to an ascending - “bottom-up” - approach and to the interaction between these two;*
- *orientation of the sectorial objectives, strategies, measures and projects at the scale of the whole city, according to a holistic perspective, and in certain cases at a regional scale;*
- *putting the accent on the sectorial policies and on intervention fields regarding both problems identified in the urban environment and potential problems that can affect all the domains.*

Keywords: strategic planning; economic development; policies; territory; urban development.

JEL classification: F63, H83

1. General considerations on the strategic planning process

In practice, **the integrated urban development approaches suppose several hypotheses [2]:**

- 1) A territorial approach permits, on the one hand, the identification of the problems and potentialities of the different urban areas (neighbourhoods), and, on the other hand, serves as a **support in the communication and cooperation among the actors involved.**
- 2) **The concentration of the means by the multi-disciplinary collaboration between the political and administrative decisional levels** (European, national, regional, local) is an indispensable condition

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in the success of integrated urban development. What needs to be retained is the fact that national programs should be better coordinated, aiming to integrate the EU funding programs in the national contexts, to connect the sectorial local budgets and to adjust them using funding programs.

- 3) **An active participation of numerous actors**, representing different beneficiaries (politicians, organizations, stakeholders, residents, economic actors etc) helps to meet the existing demands.
- 4) **The creation of administrative and organizational structures**, adapted to the complex problems and local possibilities, **is essential in the approach meant to coordinate the transversal collaboration at the administrative level**, to facilitate communication with and within the local population, to develop a network between the public administration and the proximity entities, and to include the (local) economic, educative and other actors in the planning and implementation of the territorial development projects.

The Toledo Declaration (2010) [3] reiterates the importance of the integrated urban development approaches as a strategic instrument of implementation of the strategy “Europe 2020”, to build a sustainable, socially inclusive city, with an intelligent growth [4]. This requires, above all, the implementation of governance structures at multiple levels, suggested by the Leipzig Charter, in order to use the available means more efficiently in the context of the financial crisis.

The Toledo Declaration highlights the fact that the objectives of the Leipzig Charter were not always applied, partly because of the lack of consensus regarding the concept of integrated urban development (of the neighbourhoods). It was reiterated that the key-elements of this approach are:

- a holistic and transversal approach;
- the creation of horizontal networks at the levels at stake – EU, states (countries), regions, local collectivities (cities), neighbourhoods – and vertical networks between these levels;
- strategic planning, at the scale of the city, by means of integrated urban development projects;
- correlation of the integrated approach with the territorial approach from a spatial perspective;
- correlation of the integrated approach with the inclusion objectives.

The success of the economic development projects for the towns/cities, as the experiences so far have proved it [5], is guaranteed by the care involved in the **search for solutions to a series of obstacles, practices and prejudices that can be met out in the field:**

- **an approach insufficiently focused on the strategic planning principles that postulate the qualities of a good integrated urban government:** the determination of global, structured and synergic actions with sustainable perennial objectives;
- **lack of knowledge and mobilization of the numerous economic actors:** there is no attempt to try and identify their preoccupations, expectations, resources;
- **a thinking on a too restrained geographic area:** the limitation of the urban renovation *stricto sensu* to the area of a neighbourhood (zone), a local development policy (LDE) is not pertinent – to be efficient, it needs to have in view the inter-relations of the neighbourhood with other zones (territories), especially from the perspective of the population migration phenomenon (one ought to retain the number of potential commuters, in both senses - “*in-coming commuters*” and “*out-going commuters*”);
- **inadaptation of the project in relation to its context:** for example, it would be an illusion to revitalize structures designed several decennia ago, which cannot compete with the attractive poles created in the vicinity (proximity) of the neighbourhood;
- **sometimes unfavorable environment:** there appear difficulties that cannot be overcome in point of access and parking areas; an insufficient endowment in services for the companies implanted in the neighborhood...

We need to remember, as very important, the fact that **mechanically importing the successful strategies of other cities, without adjusting them to the local context, has no chance of success.** This is why we need to underline that the good practices promoted by the above-mentioned guides must be considered as comparative landmarks, under the form of tests in various contexts. Consequently, what is needed is an intimate knowledge and a detailed evaluation of the local conditions, in order to establish an efficient territorial development strategy for a local community (town/city).

In essence, the territorial development concept is a holistic approach model for the strategic planning policies/programs/process, for the economic changes based on the consolidation of the competitive position of the municipality (or region) in relation with the main factors influencing the production – human resources, information and technology, capital and infrastructure – and based on the collaboration/cooperation of all the partners concerned from the public, private and NGO sector in order to create better territorial development conditions and new jobs, in order to improve the quality of life for everyone.

The present strategic planning methodology, founded on the US and Western Europe experience, underlines the local dimension of territorial development, namely the growth from the inside. Thus, it has been confirmed that about 80% of

the newly-created jobs in towns/ cities are obtained by the expansion of firms already operating in the respective locality. This does not mean that the activities meant to attract direct investments must be neglected, but they need to be considered realistically, in a larger framework of the local priorities [6].

The shorter experience of Central and Oriental Europe shows the fact that when they depend exclusively on a business or an industry, cities are in a situation of economic risk. However, a balanced, sustainable economy needs to rely on the activity of the SMEs providing goods and services in a diversified array, to meet the inhabitants' needs and assure the necessary economic diversity. The essential conditions for the towns/cities to benefit of their own industrial basis and tradition are the development of the services and distribution sectors and the encouragement of the manufacturing companies.

2. The great stages of a strategic planning approach for territorial development

The methodology presented in this subchapter represents a framework-scheme helping the organizations and the local communities to think and act according to a certain strategy throughout the cycle of change of a territory considered, respecting a certain plan of the game, established beforehand with all the actors involved. The great stages of a strategic planning approach for territorial development are (Fig.1): Territorial evaluation (in-depth knowledge of the territory); Political initiative and mobilization; Radiography of the environment - diagnosis analysis of the local economy; Strategies and orientations; Definition of the actions and strategic plan design; Implementation of the strategic plan and its monitoring.

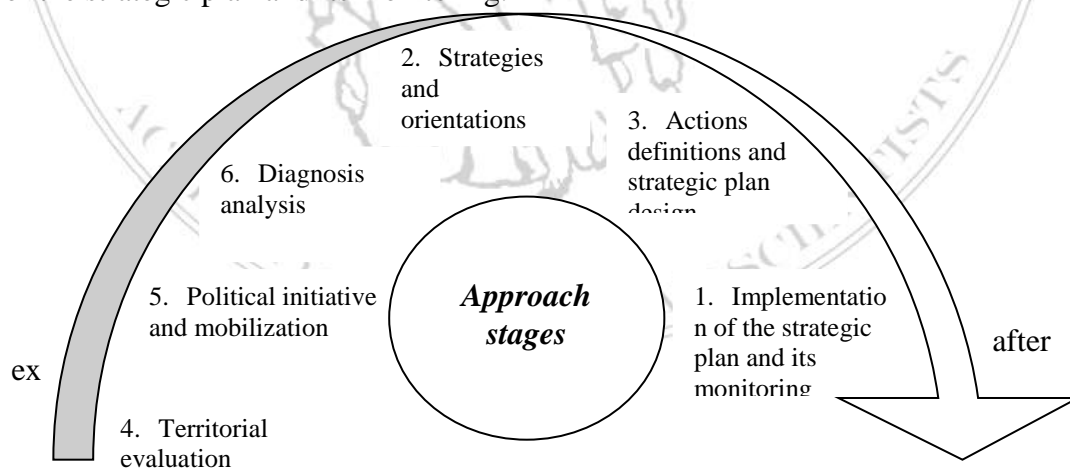


Fig. 1. The great stages of a strategic planning approach for the development of a territory

Conclusions

Ex ante, in order to launch a strategic planning approach for the development of a territory, there is the issue of the choice of the geographic area (territory) that is going to be integrated in the urban regeneration project envisioned. *A priori*, several areas can be taken into consideration and then evaluated from the perspective of their potential of integration with added value to the benefit of the project that one wishes to implement in the context of the strategic planning approach envisioned.

Consequently, to obtain a pertinent diagnosis, one has to previously know in-depth the territory considered. This knowledge approach involves the identification of the answers to a list of questions recommended to be problematized to constitute an objective and demanding a diagnosis, founded on large openness, reactivity and synergy of the actors concerned (involved).

These questions are grouped into **four domains of analysis**:

- economic dynamics of the territory;
- its development potential;
- stakes and strategy to be followed;
- actors and leadership of the economic project.

Therefore, territorial development is a “transversal” action approach, which means that any strategy it calls for cannot be thought of without the implication, confrontation and cooperation of the multiple actors who need to be mobilized to put into practice a large project, whose strategic objective is the development of an urban territory. It ought to be remembered that the development of a territory only exists if the actors mobilize themselves.

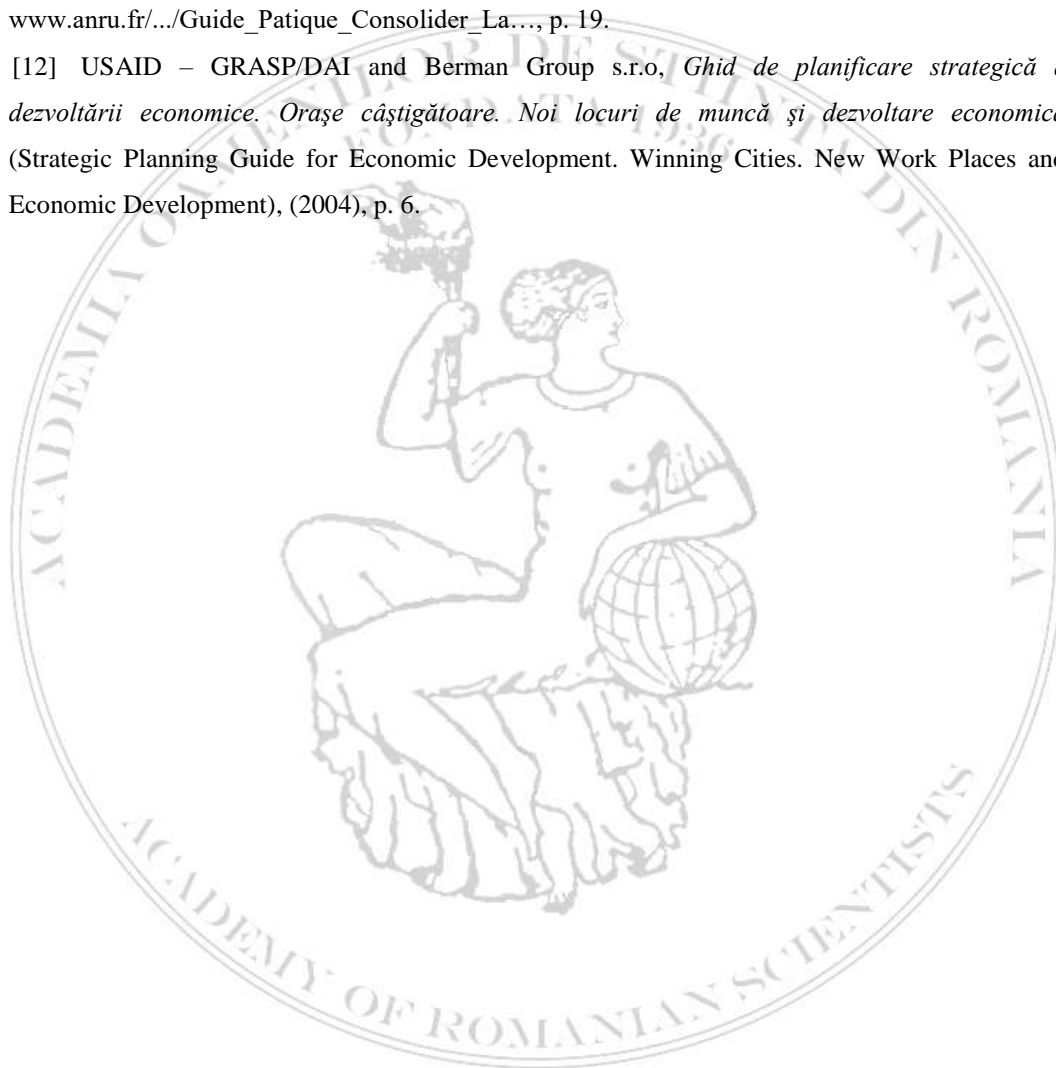
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PERFECT MANAGEMENT AND DISCRIMINATORY EXPEDITIOUSLY OBTAIN OFFICIAL DOCUMENTS BY ROMANIAN CITIZENS RESIDING ABROAD

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Abstract *Public services have been established to meet a general interest of society. Quality of service is closely linked to the public perception of issuance of the requested documents within a short time, claiming a small number of documents required and significant reduction in waiting queues. A recent parliamentary initiative aims to support the Romanian citizens residing abroad for the latter, only between 1 to 31 August each year to obtain within 5 working days various official documents (papers IDs, passports, permits, registration certificates, diploma, etc.). Although it is intended to help the Romanian citizens residing abroad, the installation of the project can generate discrimination and failure to inconsistent application implementation.*

Keywords: strategic planning; Public services; Romanian citizens.

JEL classification: H73, J71

1. Introduction

Romanian Public services or other services from any state represent entities founded by the state with the purpose to satisfy a public necessity. These entities have their own budget, human and material resources in the service of citizens, in order to access them in modern and civilized conditions, in reasonable terms for their own needs or particular interests.

Public services represents, in opinion of Leon Duguit [2], the activity which the persons who govern are obligated to provide in the in the best interests of those they govern, considering that, in a public service are met three basic elements, namely:

1. a mission considered essential and mandatory for the state;
2. an adequate number of officials specialized to fulfill this mission (objectives organization);

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3. a certain number of affected goods and funds to accomplish this mission [2], public service objectives. The plan analysis public services, the basic mission of SPCLEP is essentially the application of legal acts in order to issue, in terms of efficiency and effectiveness, identity documents, certificates of birth, marriage and death of citizens and performance of all other duties expressly and exhaustively provided by law.

According to the majority opinion formulated in doctrine [3], are peculiar to public service the following features:

- a) is a specialized organization that satisfies a need of public interest;
- b) is established by law¹, or by an administrative act adopted by administrative authorities under a power conferred by law;
- c) the activity is performed based on public power prerogatives conferred by the act of constitution of public service provider;
- d) its having a continuous and rhythmic activity under a program approved² by public administration authority and made public.

We agree with the opinion that public service is a specialized structure of the state, created and authorized by law or through an administrative act of public authority (administrative act with normative character), in order to satisfy continuous and permanent a public interest. This structure is having specialized personnel who is exercising public functions. The material base is assured by public or administrative-territorial unit's budgets, by case. According to Article 2 All. 1, m, of law no. 554/2004 regarding administrative contentious, by public service is understood the activity organized, or, by case, authorized by an public authority, with the purpose of satisfying a legitimate public interest³.

After the events from December 1989, the Romanian state has manifested pursuits more or less consistent or efficient, regarding efficiency and increasing the degree

¹ See O.G. 84/2001 regarding the foundation, organize and function of community public services. According to Article 1 of these Ordinance, SPCLEP, named as community public services are organized by local councils of communes, towns and municipalities, and for Bucharest.

² The work program of all public institutions that operate public works is done under the provisions oh HG1723/2004. It is published in the Official Gazette no. 1009 of 2 November 2004, on the approval of measures to combat bureaucracy in public relations work amended and supplemented by HG 1487/2005. According to Article I of Annex of the judgment, working with the public is such that on weekdays to ensure citizens' access between 8.30 and 16.30 and, one day a week, between 8.30 and 18.30, excluding Saturdays, which will be determined by an administrative act by head teachers or local authorities and central government.

³ According to Art. 2, All. 1, l. r of law 554 from 2004, legitimate public interest, the interest of the rule of law and constitutional democracy, guaranteeing the rights, freedoms and duties of citizens' basis needs are met, achieving competence of public authorities.

of satisfaction of citizen who use different public services. Stated goal, putted into practice has been providing quality public services at European level, to citizen who pay taxes, reducing waiting queues, increasing the professionalism of the staff who is engaged in the organization of these services, increasing the celerity of issuing documents, combating bureaucracy.

Alleged combating bureaucracy has been, officially, a major objective of any government in the past 26 years in Romania. More often formally incriminated, claimed or proclaimed enemy no. 1 of modern administrative systems, whose fight was considered one of the main objectives of public policy assumed and publicized in mass media, bureaucracy installed increasingly in public institutions in our country, generating negative effects, including significant reducing of human and material resources, bureaucracy. The state tried, for the above reasons to firmly legally regulate the combating bureaucracy in 2004 by adopting H.G. no. 1723 which approves the program of measures to combat bureaucracy in working with the public. Through this normative act has been established the mandatory frame program of any public service of state who involves public activities, short, medium and long term measures to facilitate access of citizen to public services, proper informing, effective support for accessing key information's and completing certain forms, their scheduling to reduce queues waiting, increasing the transparency of the entire activity, enhancing qualities of good communicators for officials engaged in working with the public and others.

The good intention of the legislator has produced, in large vision, positive effects, registering significant progress on improving the efficiency and effectiveness of activities of public work of public services in Romania, decreased queues waiting, reducing the number of days needed to obtain some official documents, streamlining communication working relationship with the public, the professionalization fund some of the officials carrying out such activities. However, no one can say that at this time would not be able to do anything for that public services deliver significant progress on efficiency, effectiveness and public satisfaction perceived by the public who access them. Starting from the dictum "better is the mortal enemy of the good" both the legislator and the managers who run public services can identify, permanent, new tools, methods and ways to improve the performance of employment, reduction possible queues waiting but and time limits for issuing official documents, lowering the cost of these services, increasing the satisfaction of citizens accessing public services.

On this line of thought, it seems that there are the concerns of a group of Mps who want through a project of law recently launched, to decrease to 5 days issuing of several official documents, but only for the Romanian citizen with residence and domicile abroad and only for a period of a month, from 1up to 31 August, when it is assumed that this category of citizens return to their country, has little time

available and the state should support them in order to obtain a swift manner, of official documents.

2. Perfect management and discriminatory expeditiously obtain official documents by Romanian citizens residing abroad

During May 2016, a parliamentary group has elaborated a law project to establish measurements on the emission or prompt release of documents for Romania citizen residing abroad. As practitioners in the field of person evidence, one of the public services who is directly related by this project, we will analyze its content and justification of its adoption in order to realize the advantages but also its vulnerabilities, with the purpose to improve and increase the quality of public services offered to Romanian citizen, regardless of their domiciles or residence.

In the explanatory memorandum to justify the necessity for celerity issuing of documents, within 5 days, only for Romanian citizen with domicile or residence abroad, it mentions that “according to the latest estimations, almost 5 millions of Romanians have left the country for a better paid job, based on the large number of Romanian emigrants. According to official dates from 2013, over 2.340.000 persons, has been ascertain a large flow of Romanian citizen who returns in the country for short term periods, especially in august during scholar holidays. In this period, Romanian citizen with domicile or residence abroad, appeals to public institutions in the country for solving personal problems that the release of documents, requests for notices, approvals and personal demands.

Before proceeding to analyze the motives evoked by the initiators of the project, we must bring into attention the ranking constitutional provisions stipulated in Article no. 16 of the Romanian Constitution, according to which Romanian citizen are equal before the law, *without privileges and discrimination*. From this point of view, the initiators refers exclusively to Romanian citizen with domicile or residence abroad, who should benefit, one moth per year, from the facilities of short deadlines, priority in solving several categories of applications, and Romanian citizen residing in Romania must be understanding and polite, generous and empathetic and understand that only the whole month of August each year, those who left to work abroad must be resolved preeminent lodge applications to various institutions and public authorities.

According to Article 1 paragraph 2 letter f from OG37 2000 on preventing and combating all forms of discrimination, equality between citizens, exclusion of privileges and discrimination are guaranteed especially in the exercise of several legal rights, including the right of access to all places and services intended for public use. Public services to which they refer the project initiators falls obviously into this category so it can easily observe the existence of discrimination based solely on grounds of domicile or residence of Romanian citizens, only Romanian

citizens residing abroad benefitting in August, from services under celerity (5 working days of application) for obtaining passports, driving licenses, identity cards, fiscal record, baccalaureate diplomas and others.

According to Article 2 of the 2000 OG37, discrimination is considered any distinction, exclusion, restriction or preference based on race, nationality, ethnicity, language, religion, social status, belief, sex, sexual orientation, age, disability, contagious chronic disease, HIV infection, belonging to a disadvantaged group and any other criterion which has the purpose or effect of restricting, removing the recognition, enjoyment or exercise, on an equal footing, of human rights and fundamental freedoms or rights recognized law, in the political, economic, social, cultural or any other field of public life.

(2) The disposition of person discrimination by any of the grounds stipulated at article no. (1) is considered discrimination in the sense of present ordinance.

(3) Are discriminatory, according to the present ordinance, the stipulations, criteria or practices apparently neutral which disadvantages some persons, based on the criteria provided at all. (1), towards other people, except if these provisions, criteria or practices are objectively justified by a legitimate purpose, and the methods of reaching this purpose are appropriate and necessary.

From constitutional and legal perspective, without identifying the existence of a objective, rational and reasonable motivations, based on which this project of law can be justified, it will be declared unconstitutional a priori or a posteriori referral made to the Romania Constitutional Court.

According to settled case-law of the RCC, inspired by CEDO, the constitutional principle of equality before the law and non-discrimination require equal treatment of situations which, depending on the purpose pursued, they are no different. Therefore, it does not exclude, but rather involves different solutions for different situations. By judgment of 6 April 2000, CEDO, in Thlimenos C. Grece, has decided that the right of not being discriminated guaranteed by the Convention, is violated not only when the states treats differently the persons in similarly situations, without the existence of objective and reasonable justifications, but also when the stats omit to treat differently, also without existence of reasonable and objective justifications, persons in different situations.

In order not to be considered discriminatory, the law who will adopt only for Romanian citizen with domicile and residence abroad the facilities offered by the state, should be identified the objective and reasonable justification, by the initiators of the law that do not encourage discrimination based on the only criteria of residence of persons, prohibited by Constitution and Article 2 of Governmental Ordinance no. 37 form 2000.

The social reality described according to the present motivation, reveals that there are a lot of Romanian citizen left to work abroad returning with capital flows during august holidays. These should be legally awarded or rewarded with emergency services (5 day from application), but without emergency taxes, with the provision of different public services, does not seem relevant or compelling enough.

Living abroad has been the free option of these persons to work in a country that presents bigger guaranties than Romania, a decent level of living based on the income from activity carried. Capital flows about whom the initiators of the draft law are talking about represents revenues brought into the country by Romanians left to work abroad. This fact cannot be per se, just by itself, a solid argument to confer upon them only during the holidays supposed to perform preeminent in August, additional rights other Romanian citizens residing in Romania need to make two steps back, understand and respect the priority to servicing compatriots in the Diaspora returning capital flows to the country, we are also supporting new work her and will to quickly resolve various bureaucratic problems.

In the same vein, "the positive discrimination" that the project initiators want to legislate, in no way excusable, Romanian citizens residing abroad not constitutes a disadvantaged group that should be supported by legislative measures that are not considered discriminations.

According to the doctrine [5], „positive discrimination represents an interruption of equality justified by an unequal situation and who is destined to reestablish equality.

In reality, “the positive discriminations” aren’t “discriminations”, but rather “differences” that are admissible who are particularly objective and reasonable ”.

Referring to positive discrimination, instituted in Canada and USA „*affirmative action*”, these are measures that refer to social programs of protection with the purpose to ameliorate the statute of underprivileged citizen or groups.

The Constitutional council of France also has pronounced in the issue of “positive discrimination”, it has established that the legislator can create certain positive discriminations that can be defined as “legal differences of treatment which expressly asserts that the regulatory authority aims favoring a specific category of natural or legal person over others in order to compensate for pre-existing inequity of state between them.

Arbitration Court of the Kingdom of Belgium has defined “positive discrimination” as “measure favoring one group or category through a voluntarist policy”.

According to Constitutional Court, the principle of equity is closely linked to the principle of non-discrimination, but it is not restrictive to it, which is why, in order to protect certain social categories, it does not preclude the adoption of appropriate measures whose meaning is contrary to the principle of equality, but in the rebalancing equality of opportunity [10].

In conclusion, the analyzed law project is discriminatory, because it is not based on objective and objective reasons, Romanian citizen being equal in rights and legal treatment, whether the domicile or residence is established in the country or abroad.

Regarding *the possibility of putting in practice of such law project*, if it would be adopted, acting as managers of a community public service of person record in Romania, we consider that it has little chance of being put into practice in the form known today.

Thereby, in the explanatory statement, the initiators are talking about administrative measures that can be taken at institutions or public authorities/public services to implement the proposed legal provisions, such as:

- Institutions to have special counters dedicated to these citizens;
- Work program should be extended to these counters;
- Requests from these citizens to be treated urgently, without surcharge for the scheme.

From the perspective of effective organization of a counter working with the public, none of these proposals it does not seem reliable or serious to be implemented. Thus, the establishment of special counters dedicated exclusively to Romanian citizens residing abroad, opened only in August, will only generate negative effects, the most important being the following:

- Negative and adverse reactions of citizen who notes that certain categories of persons are treated differently and privileged on submitting documents to namely counters, properly labeled and that releases documents in shorter periods of time; Romanian citizen with residence in Romania would be harder to convince that they are not equally with Romanian citizens with domicile or residence abroad, and for this reason they will present requests, complains and notifications in order to beneficiate in the same conditions, with equal rights of the same type of service and in the same time (least five days since submission);
- Impossibility to respect short deadlines for certain categories of citizen, given that the law of each public institution or public authority performing public work has his one special regulations, including the terms of issue of

documents and the impetuous necessity to perform certain verifications/meeting certain mandatory procedures who consume time.

For example, simple electronic passports are personalized at central level and there are delivered in territory in approximately 10 days after application. This term was not established accidentally by the legislator but is closely linked to technical possibilities of that production center (unique nationwide) to solve a limited number of demands in a period of time; ID cards are issued, as well, at timeframes prescribed by law. The proposed regulation does not change these special and derogating regulations from common right, proposed by the project; the period of time chosen by the initiators (august) represents, for some of the services concerned, the busiest period of time reporting to human resource available and the higher number of demands to solve; *exempli grati*, in august it solves most applications for insurance of identity documents and passports with the fewest officials available, part of them being on holidays. So it is difficult to achieve the desiderate project, increase of celerity in these real conditions of work; the same period of time represents scholar holiday for public institutions who must issue baccalaureate diplomas duplicates and license also in five days (we do not understand why the lay is not valid also for doctorate diplomas), so it is at least unrealistic this project, regarding these latter documents.

Regarding to the solution proposed by initiators, to extend the work program exclusively for Romanian citizen residing abroad, this formula seems unrealistic.

A public service does not operate in part by opening one wicket in two, three or four existing public agencies working directly with citizens or works with the public in all aspects of interest or not conducted at all, *tertium non datur*.

We cannot imagine a situation where the rest of the institution is closed, with only the Romanian citizens residing a small counter with longer working hours, only in August of each year, to serve their interests.

In the third project plan analysis problems, apart from the fact that it is manifestly discriminatory and almost impossible to implement without more than Pono benefits to quote him great professor Ion Deleanu. It violates the norms of legislative technique on the smooth integration of the whole law any legislation¹ already approved so far; 3 items "thrown" in an official gazette is not a panacea that solves a complex problem of speeding fire nationwide public service activity

¹ According to article 58 all.3 of Law 24 from 2000 regarding norms of technique law, legislatives events can be disposed through future normative acts at the same or superior hierarchical level, having as exclusively object the namely event, but also through other normative acts witch principally regulates a specific problem, and as related measure they dispose that events in order to ensure the correlation between two normative acts.

and will apply preeminent in special and exceptional competition regulations¹ already adopted for each public service issuing documents should be issued within five working days of the relevant public services.

Fourth, the project does not have any sanctions provided for the institution or official who later became project would not apply point (dead) by law; in the first year of law school was taught in the subject General Theory of Law that any legal norm has hypothesis, provision and sanction this project has only assumptions and provisions, without specifying that any penalties for not applying its practice. To hope for minimal effects that would occur in practice, the developers recommend longer insert an article to provide for such sanctions.

Fifth, although we have legal studies depth and we are familiar with legal texts and legal norms of various laws passed, I did not read until now the existence of any law that takes effect only one month during a calendar year (except electoral laws that apply once every four years or temporary laws, aimed at specific regulations reached a certain limited period of time).

Sixthly, the project concerns the issue for Romanian citizens residing abroad identity cards, but for this category of citizens, under GEO 97/2005 R1 and application methodology, this is possible only for those who restored in Romania domicile as Romanian citizens who maintain their residence abroad are no longer entitled to an identity card, but the passport CRDS and a possible book temporary ID which is identification but no ID card, the purpose of the proposed project. Restoring home involves procedures that consumes more time than the five days of the project, involving at least two institutions which have distinct regulations and deadlines in resolving claims and submissions conducted so that the project does not account for them and they will not be implemented as adopted.

On our solutions of timeliness issue various official acts, they are circumscribed obviously optimize work processes within each organization concerned and reduction of settlement for all citizens applying for the shorter duration of a document or another, irrespective of the domicile or residence. Celerity not be developed or encouraged the categories of citizens but is an indication of a competent and efficient management act, which leads naturally to the finality of this issue in decent conditions and within a short time of those documents.

This requires a human resources sufficient and well trained, resourceful appropriate materials for IT infrastructure performance, a very good cooperation with various institutions for the final outcome of specific activities and

¹ On which the officers of public services will apply in practice with priority, on the known principle of law *specialia generalibus derogant*.

inspections conducted to lead naturally in time as small to prompt settlement of all requests for Romanian citizens, regardless of their domicile or residence. We appreciate that it's not a serious solution to propose populist projects in order to check possible interest of some lawmakers for diaspora issues, but should first consult the best specialists in each area covered in part to understand the mechanisms of the system and adjust/optimize its operation in order to reduce as far as possible, the periods of time that can be issued various documents official.

Basically, we are for combating bureaucracy and reduce the time limits for issuing official documents by public institutions, but through an appropriate management, based on a simplified legal framework and who respects the constitutional principle of equality of citizen before the law, without any privilege or discrimination of any kind.

Not lastly, some of the solutions proposed by citizens but also already adopted in some areas (egg. system records people, we know very well) will produce effects contrary to the purpose for which were adopted, leading to risks, vulnerabilities and increasing instead of decreasing the waiting times for citizens and also rigor decreased activity.

Conclusions

The desideratum of issuing official documents in shorter periods is one of the main objectives of the managers who run public services in Romania, one of the major indications of an act of responsible driving, modern, European and performance.

Legal provisions adopted in this matter must be based on the legal realities of the legal framework already adopted to reconcile the principles of constitutional status of equal rights for all Romanian citizens with the best interests of the benefit of services civilized rendered for short time.

As European citizens, paying taxes, Romanian citizens, regardless of domicile or residence, must benefit from quality public services accessed in reasonable time, preserving the principles of legality and rigor specific activities of each public service in part.

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BOOSTING THE COMPANY BY A SMART CASH POLICY

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Abstract. *The challenges of the business environment make the treasury sensitive. The Management Planning Process it need to according a particular attention to the treasury activity who is in a central position within the business environment. To taking the managerial decisions must proceed to the company financial situation evaluation in the achievement of the final results that can meet the expectations: the rigidity degree of the company, removing the known limits or already encountered, have no any difficulty to establishing the perspectives. This work paper is proposing a treasury approaching in the accounting processes light, who is supported by innovative elements (tools, methods and techniques) so as to allow for the analysis by the two dimensions: in time- from the past to the present and further in the future (forecasting purposes) and in space- at national and international level (Accounting Standards Harmonization), the way to stimulate good practices for sustainable development.*

Keywords: treasury activity, treasury accounting, financial situation evaluation, financial analysis

JEL classification: M21

1. Introduction

The dynamic of economic events represents the cause and effect for numerous theories and opinions of specialists and at the same time a continuous challenge for the entrepreneurs.

We assist to numerous debates at all hierarchical levels of current organizational structures, having as subject treasury management, which is considered a priority in current activity. We can affirm that treasury is one of the first concerns of economic entities in establishing the necessary actions of planning.

In this purpose it is imperious to identify the elements of it and also the influences at internal and external level of a proper or improper treasury management for obtaining satisfactory results for the effective exercise of economic entities respectively for profit.

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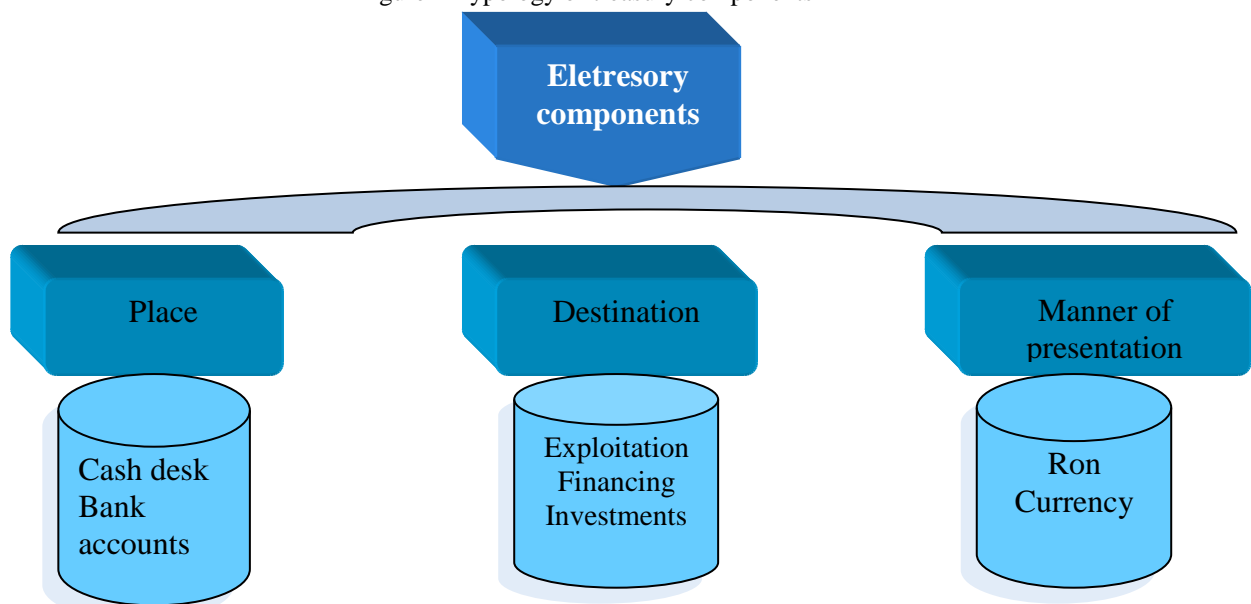
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2. Treasury, basic instrument of economic management entities

Treasury vision has changed over time, as economic environment evolved, depending to the currents of thought, and went through transformations, from ancient to modern.

Contemporary approaches of the significance and role of currency, from J. Keynes [5] la M. Friedman, until this moment, have undergone profound changes. Treasury (fr. « trésor » signify wealth, treasure, in Latin « thesaurus », and in Greek «thêsauros ») is an accounting term that at the entity level represents cash and cash equivalents accessible immediately and all times and – financial resources liquid with high liquidity allowing current business needs. The concept of treasury correspond to the difference between availability and short – term liabilities, namely resources most liquid available after financing current activity [2] Thus, treasury may be excess or deficient.

Figure 1 Typology of treasury components



(Source: T. Alcaz, A. Rusu, D. Osipov, A. Oprea- « Accounting evidence. Lecture series », p. 127, U.T.M., Chisinau, 2007)

For a better organization of treasury accounting it is important to obtain more details when identifying the elements such as to enable accurate recording of their accounts for avoiding errors, frauds, but also finding adverse financial impact from the application of operational decisions. We can consider the main objective of the company's treasury accounting, the following:

- Obtaining reliable and timely information;
- Rational management of monetary values;
- Determining the correct financial results;
- Forecast of incoming and outgoing flows of cash;
- Ensuring transparency of information;
- Efficient use of available funds through treasury investments;
- Using the funds in accordance with the legislation in force.

In corporate finance practice, treasurer must be a good financial analyst. He must first be able to analyze the economical situation, financial and strategic the economic entity, then formulate a diagnosis regarding its capitalization, and ensure appropriate framework for making financial decisions.

Financial analysis involves understanding the financial processes based on accounting techniques. In essence, by using financial analysis we can determine the chances of survival and continuity of the economic entity, if it is solvable and capable to bring benefits to its shareholders. In order to realize these prerogatives, it is necessary to generate wealth from investments and these to be rentable.

3. Boosting the company by a smart cash policy

In the present context, cash becomes essential information in managing and management of an economic entity, because through his economic entity funds its operations and ensure their permanence in the determination of management and financial analysis indicators, both in the short to measure solvency and long-term financing needs for measurement[4].

The information contained in the statement of cash flows, along with the leaking of the balance sheet, income statement and statement of changes in equity, should help investors, creditors, shareholders and other users in assessing the liquidity and solvency of the company and its ability achieve internal resources to repay debt, to reinvest and distribute dividends.

Economic entities should pay increasingly more importance to their own treasuries; the ultimate goal of any business is to generate profit, and money-default entries maximizing cash flow. Smart treasury management issues but should be treated differently to economic entities with treasury issues where in fact seeks survival to those that have a rich Treasury, where the main concerns may in particular savings. The lack of liquidity, profits economic entities lose their value, can lead to insolvency even if there is a profit on paper and this precisely because the amounts entered were much lower than outflows and the

lack of cash flow consistently is one of the main reasons that some economic entities are forced to conclude its work. Smart treasury management is particularly important for economic entities at the beginning, and for those with seniority, experience not constitute a sufficient criterion to prevent problems caused by an insufficient cash flow. Economic entities who face such contingencies requiring additional expenditure cannot make timely investments needed to remain competitive in the market, or are forced to pay a higher price to get necessary resources by borrowing money. Basic questions regarding the manner of treasury management and relevant issues in this regard, with answers on which both managers economic entities would be interested to know, and people involved in treasury management, economic entities can be considered the following: The result is not in the Treasury? How is it that Treasury decreases and increases activity? How was consumed treasury? Cash has the advantage of flexibility and comfort where there is an investment opportunity estimated to be strategic to the economic entity. But the important fact to keep liquidity is always beneficial? It is not interpreted as poor management of available funds? Possession of cash can be considered an obstacle to growth and development? The key to intelligent treasury management consists in making realistic projections, making effective monitoring of inputs and outputs, and presetting of budgetary restrictions on short and medium term. We consider all available cash values being unproductive in this regard can recommend economic management entities as close to "zero Treasury".

In difficult economic times, such as the decrease in sales combined with poor management of liquidity can lead to catastrophic situations. In such situations in order to bring to a satisfactory liquidity, managers should take decisive measures in the short term, such as:

- Reliable estimates on the company's cash flow, both in the short and long term followed by a permanent monitoring of estimated forecasts;
- Identifying effective short-term debt very important for prioritizing economic entity and to pay;
- Intensifying efforts to recover the receipts delayed in disputes concerning amounts due may accept the surrender of a part of financial claims in order to obtain even partial debt;
- Contracting trying creditors and negotiating mutually beneficial agreements enabling economic entity to overcome the difficult period (postponement of payment of debts to suppliers, return goods or raw materials inefficient generating stocks, etc.)
- Identify where departments-activities can reduce operational costs, assessing opportunities and taking action to reduce urgently needed

without jeopardizing the entity (salaries, maintenance expenses, waiver of products or services with low profit margins, etc.);

- Appealing to advisory services provided by specialized companies or experts, can also be a beneficial approach in addressing the financial problems of the economic entity in question;
- Attracting new financial resources essential for the continuation of the economic entity by calling the short and medium term loans (loan-associated shareholders, capital increases and attracting new shareholders, bank and non-bank loans, etc.).

On the other hand, activities carried out by an intelligent management of treasury, for improvement of the results of an economic entity, such as:

- Managing and monitoring a single centralized cash-flow situation instead of separate customers, suppliers or different situations extra-accounting measurement of assets and liabilities of the entity;
- Combining centralized for cash flow statements with sincerity accounting data allowing to identify vulnerabilities that might generate imbalances;
- Analyzing in depth the objectives and means to improve cash flow, adapting them to the needs and organizational and economic environment changes;
- Ensuring optimal visibility on cash and cash equivalents and trends entity by using specialized tools or soft's;
- Prevent economic entity's financial needs by shifting negotiated various claims and liabilities even contacting external funds in key moments, when appropriate;
- Creation or development of specialized departments within the economic entities that deal with treasury management / contracting specialists able to ensure proper management of treasury where possible, or to use the services of specialized companies authorized financial issues.

3. Socioeconomic influences on treasury management

Clearly, we see that the business environment is changing according to the actions and political pressures, the intensification of geopolitical risks: what is right today will not necessarily be the same tomorrow and what is good for society is not necessarily and another.

Actions taken by state organizations and hierarchical systems with great decision-making power have a strong impact on all aspects of social and economic life, generating a high level of uncertainty in relations between businesses. Reforms

within the meaning of positive and constructive change in all cases did not have the expected effects, so that in some cases the results were contrary to expectations and led to blockages in place economic efficiency.

Initiating reforms, adoption of new financial instruments in order to launch and maintain a sustained pace of economic environment, determine the behavior of the companies in terms of treasury himself in interacting both with other companies and with banks and other national structures or international.

"The financial crisis that started in 2008 was a 'storm' as occurs only once every 100 years, and none of those involved has not seen it," said former Treasury chief Hank Paulson US- following bank failure Lehman Brothers that produced when a "crash" in the financial world, the most powerful recession since world War II and the US quickly spread globally. The immediate and inevitable in our country is affected by freezing lending business, and companies lack liquidity. Also decreased private investment, local and foreign business is under pressure from the possibility of raising taxes amid instability in the geopolitical context.

"In many countries, the financial sector still has weaknesses, and financial market risks are increasing. All this means an increase of the global economy in 2016."said, Christine Lagarde- IMF Managing Director. Britain's possible exit from the European Union (Brexit) can create negative effects in the short term, but would become positive in the long term, however, namely the reduction of dependence on other economies.

Report of PricewaterhouseCoopers (PwC) on the world economy in 2016 shows that in the euro area financial crisis will end - the Greek situation will not escalate affecting the euro bloc. Greek companies, constrained by domestic social tensions and economic environment, were recorded and they opened bank accounts in other countries, particularly in Bulgaria. Cash operations were limited, businesses being unable to honor payments.

Medium enterprises is impacted by events such as falling prices and credit growth in local currency in one of the economies with the fastest growth in Europe and aiming to join the euro. Financial strategy varies depending on the economic conjuncture and changes in interest rates. The company's cash position is weighed by banks such deposits that anticipate and prepare best deals interest. Fluctuations are not the same for all currencies, and this should be taken into account in the management of treasuries which are composed of multiple currencies. Economic entities with a very good financial situation make efforts to maintain its payout and thus to increasing shareholder value appreciation and display the Stock exchanges.

One aspect of the movement of money, as sensitive as it is present, is the fight against corruption, the financing of illegal activities, crime, which is increasingly fierce and costly. Fiscal paradises are an option for managing rich treasuries.

Businesses that use to keep their wealth in bank accounts opened in territories considered tax havens enjoys many financial advantages. They have important cash that allows them finance investment, increase benefits, but also safety comfortable build a financial reserve. According to the IMF, tax evasion worldwide is estimated at 5.500 billion euro, and 50% of transactions aimed at tax havens operating 4,000 banks and two million companies. NGO Tax Justice Network believes that through tax havens are run from 16.344 billion to 25.000 billion, which would correspond to US and Japanese GDP aggregate sites, one third of global financial resources. Decision-making system is constrained enterprises to adapt to the conditions of falling rates and reduced benefits strength the position is being paramount.

A new paradigm is that treasury businesses faced lately with a negative interest rate on deposits. This is the consequence of the monetary policy of the European Central Bank (ECB) to cut interest rates, including interest rate to refinance (Refi) and marginal rate being the most important tools interest refinancing (Refi) and marginal rate being the most important tools

Monetary fund's in recent years reached a historical low in terms of return, leading even to negative values especially if interest on short-term deposits. In this situation it is very justified question: All holders will withdraw their funds set? The placements have become expensive and impacting treasuries «rich» enterprises.

Conclusions

Consequence of the flow of complex economic phenomena (inflation, exchange rate fluctuations, changes in interest rates, liquidity management in the money market), treasury supervision requires more attention at economic entities, whatever their size. Early identification of treasury difficulties is paramount, for the controlling the direct and immediate effects on the entity.

Treasury analysis, and analyze of variations within the enterprise are very important for the enterprise manager, helping him to understand in the most clear and concrete way the realities that he faces directly. In terms of continual instability and socio-economic mobility current economic challenge is to be able to continue their work and to control the risk taking. Intelligent cash management is the key element for consolidating the business.

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STANDARD COST METHOD - A DIRECTIVE TO IMPROVE CONTROL AND COST ANALYSIS IN THE INDUSTRY ENTITIES

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Abstract. *Controlling pursues a specific aim of generation of summary reports needed in the decision-making process. With a view to establishing the methodology to carry out cost control and analysis, three important stages will be taken into account when establishing pre-calculated actual expenses and when determining their costs. During the stage of exercising cost control and analysis, comparison charts will be drawn up and the analysis of deviations will be taken into consideration. These aspects will be carried out by standard cost method which allows determination of the cost before the time of production process by determination of deviations of actual cost against the predetermined cost. Therefore, an economic entity with an industrial profile will have a competitive advantage as regards the efficiency of production, having a valuable means in adopting decisions.*

Keywords: cost, controlling, decision, strategy

JEL Clasification: M41

1. Introduction

Management control has become for the entities that activates in industrial domain a major competitive advantage. The source for a pertinent model of costs who reflects the process of value forming within the entity, the primary causes for consuming the resources is susceptible of a direct control.

In an competitive socio-economic environment, the activity of any enterprise is carry out under a specific strategy with the purpose of maximizing the income [1]. To achieve the objectives, modern enterpr

ises use management control as a result of economic and social environment.

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At its origins, the management control has been promoted for the control of profitability of enterprises. Through control it was assured a surplus of coherence, and so it becomes possible monitoring the expenditures evolution [4].

Management control seek to design and develop information tools designed to allow those responsible to act, realizing global economic consistency between objectives, means and achievements. It should be considered an information system useful in company pilotage, since it controls the efficiency and effectiveness of actions and means to achieve the objectives [4].

In order to elaborate a control system management, the managers uses different information instruments that can orientate them in their decisions [2]: information on medium and long term planning; extra-statistics, which usually concern current operations; financial accounting and financial analysis; management accounting; dashboards; budgets of the enterprise system.

The classic purpose of management control is to collect, to analyze, to disseminate information to decision making. Generally, the decision represent transforming the information received by the decider within the entity or a part of entity. The quality of the decision and the performance achievement depend on the quality of information provided by management control.

In scientific literature, performance it's characterized as a consequence of some results between the objectives set and results and not as a simple ascertainment of results. It follows that performance means not only to achieve result but also to overcome them.

To achieve the objectives assumed the decisions must be made aiming at the same time as putting them into practice to yield the expected results. These can be represented in the sequence below:

OBIECTIVES —→ DECIZIONS —→ ACTIONS —→ REZULTS

Any economic entity dispose of a collection of tools, that have the role to offer an assurance of quality of decisions and actions, named generally control. Control is universal at the level of the entity because it is applied at all decisions and all actions that are taking place (reason for it was named also internal control). Controlling is therefore indispensable as it supports management in operational and strategic decision making.

2. Research methodology

Research methodology proposed to perform this scientific work and achieve the objectives, the following actions will be based on:

- Preliminary documentation to understand the theoretical aspects of management control and correct information tools needed in order to provide the best decisions and thus lead to improvement within the enterprise.
- Theoretical research examines and describes the current state of knowledge, its starting point being represented by theoretical documentation through reading the literature related to the field of study in the context of different national accounting references. Applied research to be taken into consideration identifying competitive advantage in terms of production efficiency and complement the theoretical.
- Identification information for the requirements of scientific endeavor.
- Establish procedures that will be interpreted information obtained during the theoretical and practical research.

Theoretical documentation will take place in parallel with empirical research trying to find a possibility of improvement of accounting production, launching proposals and recommendations to the problems identified, they will be distributed throughout both the article and in its final.

3. Determination of the methodology of control and cost analysis

The methodology of controlling and cost analyze involves three stages. First of all is establishing pre-calculated expensive and also determining of pre-calculated costs of production. The second stage involves establishing of effective expenses and effective costs of production. The final stage is controlling and analyze of costs. To exemplify, we consider 3 products: BC 1(chrome bars - 1 m), BC 2 chrome bars - 2 m), BC 3 (chrome bars - 4 m), within production section.

Table 1. The situation of forecast production

<i>Forecast production</i>	<i>BC 1</i> <i>- pieces-</i>	<i>BC 2</i> <i>- pieces-</i>	<i>BC 3</i> <i>- pieces-</i>
	72,000	86,000	100,000

Table 2. The situation of consumed quantities and working time

<i>Name</i>	<i>Product BC 1</i>	<i>Product BC 2</i>	<i>Product BC 3</i>
Raw materials (0,6 lei/kg)	0.800 kg	0.900 kg	1,200 kg
Labor (0,4 lei/h)	4 min	7 min	9 min

Table 3. The situation of indirect expenses

<i>Indirect expenses</i>	<i>Fixed expenses</i>	<i>Variable expenses</i>	<i>Total expenses</i>
Staff salaries	4,500		4,500
Maintenance section		5,000	5,000
Electricity		3,000	3,000
Equipment depreciation	6,000		6,000

Table 4. The production actually achieved

<i>Indicator</i>	<i>BC 1 pieces</i>	<i>BC 2 pieces</i>	<i>BC 3 pieces</i>
The production actually achieved	78,000	79,000	97,000

Table 5. Situation of effective direct expenses

<i>Name</i>	<i>Product BC 1</i>	<i>Product BC 2</i>	<i>Product BC 3</i>	<i>Total expenses</i>
Raw materials	87,000 kg	63,000 kg	99,000 kg	200,000
Labor	8,000 h	8,500 h	9,800 h	11,000

Effective indirect expenses are 13.000 Lei

Stage 1 – establishing pre-calculated expenses and determining pre-calculated cost of production

For completing this situation stage we should be considered the situation of direct and indirect expenses and calculation items.

Table 6. Situation of direct and indirect expenses

<i>Indicator</i>	<i>Product BC 1</i>	<i>Total</i>	<i>Product BC 2</i>	<i>Total</i>	<i>Product BC 3</i>	<i>Total</i>
Raw materials	800x0.6	0.480	900x0.6	0.540	1200x0.6	0.720
Labor	4/60x0.4	0.026	7/60x0.4	0.046	9/60x0.4	0.060
Indirect expenses	4/60x0.61	0.040	7/60x0.61	0.071	9/60x0.61	0.091
Total Cost	-	0.546	-	0.657	-	0.871

Hourly rate for the calculation of indirect costs:

Hourly rate = Indirect expenses/number of hours = 18,500/(4,800+10,033+15,300) = 0.61 lei/h

BC 1 = 72,000 pieces x 4/60 = 4,800 h

BC 2 = 86,000 pieces x 7/60 = 10,033 h

BC 3 = 102,000 pieces x 9/60 = 15,300 h

Stage 2 – Establishing effective expenses and determining effective production costs

Table 7. The situation of effective expenses and determining them

<i>Indicator</i>	<i>Product BC 1</i>	<i>Product BC 2</i>	<i>Product BC 3</i>	<i>Total expenses</i>
Raw materials	87,000 kg	63,000 kg	99,000 kg	200,000
Labor	8,000 h	8500 h	9800 h	11,000

Effective indirect expenses are 19.000 Lei

Table 8. Determination of effective total cost

	<i>Effective consumption</i>	<i>Effective Price</i>	<i>Effective total cost</i>
Raw materials	87,000	0.80	69,600
Labor	8,000	0.41	3,280
Indirect expenses	8,000	0.07	560
Total	-	-	73,440 (BC 1)
Raw materials	63,000	0.80	50,400
Labor	8,500	0.41	3,485
Indirect expenses	8,500	0.07	595
Total	-	-	54,480 (BC 2)
Raw materials	99,000	0.80	79,200
Labor	9,800	0.41	4,018
Indirect expenses	9,800	0.07	686
Total	-	-	83,904 (BC 3)

The method of calculating the effective or standard amount:

✚ For product BC1

Number of standard hours: $78,000 \times 6/60 = 7,800$ h

The actual price of raw materials: $200,000 / (87,000 + 63,000 + 99,000) = 0.80$ lei/kg

The hourly cost effective labor: $11,000 / (8,000 + 8,500 + 9,800) = 0.41$ lei/h

The hourly effective cost of indirect expenses: $19,000 / (8,000 + 8,500 + 9,800) = 0.072 \text{ lei/h}$

For product BC2

Standard amount of raw materials: 79,000 pieces x0.900kg = 71,100 kg

Number of standard hours: $7,900 \times 7/60 = 922 \text{ h}$

 For product BC3

Standard amount of raw materials: 97000 buc x 1,200 kg = 116400 kg

Number of standard hours: $97000 \times 9/60 = 14550$ ore

Stage 3 – Exercising control and cost analysis

At this stage dashboards are drawn comparison between actual and direct and indirect costs of products including pre-calculated costs.

Table 9. Comparison Dashboard for 78,000 BC1 products[illegible]**Table 10.** Comparison dashboards for 79,000 BC2 products[illegible]

Table 11. Comparison dashboard of 97,000 BC3 products

	Standard Cost			Effective Cost			Deviations	
	Q_s	P_s	$Q_s P_s$	Q_e	P_e	$Q_e P_e$	+	-
Raw materials	16,400	0.6	69,840	9,900	0.80	79,200		9,360
	T_s	T_s	$T_s T_s$	T_e	T_e	$T_e T_e$		
Labor	14,550	0.4	5,820	9,800	0.41	4,018	1,802	
Indirect expenses	14,550	0.61	8,876	9,800	0.07	686	8,190	
Total							9,992	9,360

After analyzing the dashboard of comparison for three products BC1, BC2 and BC3, significant deviations are observed. It's recording deviations both the quantity and price of raw materials and labor. Thus, we can conclude the following: For the first chromed bare, product BC1, we can observe a negative deviation of raw materials $\Delta Q = (Q_e - Q_s) \times P_s = (87,000 - 78,000) \times 0,6 = +5400$ (negative deviation). Concerning the price, we observe also a negative deviation $\Delta P = (P_e - P_s) \times Q_e = (0.80 - 0.60) \times 87,000 = +17,400$. Concretely, the raw material is insufficient and at higher price. The labor for the same product, calculating the deviation depending on time, is equal: $\Delta T = (t_e - t_s) \times T_e = (8,000 - 7,800) \times 0.4 = +80$ we can observe also a negative deviation. From the point of view of price -4320 is a positive deviation, $\Delta t = (t_e - t_s) \times T_e = (0.07 - 0.61) \times 8,000 = -4,320$. We can conclude that for the first product that it does not correspond from any point of view, and we have to evaluate the price and the quantity.

Analyzing the second product, Bc2 we can observe the following: Quantity deviation: $\Delta Q = (Q_e - Q_s) \times P_s = (63,000 - 71,100) \times 0.60 = -4,860$, represents a positive deviation. Price deviation: $\Delta P = (P_e - P_s) \times Q_e = (0.8 - 0.6) \times 63,000 = +1,600$, represents a negative deviation. Calculating the labor for chrome bare of 2m, namely product BC2, depending on time: $\Delta T = (T_e - T_s) \times T_s = (79,000 - 922) \times 0.40 = +31,231$, which it means a negative deviation, depending on price: $\Delta t = (t_e - t_s) \times T_e = (0.41 - 0.40) \times 79,000 = +790$. We can observe that the second product, the raw material quantity was well forecasted but at a higher price and considering the labor of manufacturing this product, we can observe that it is realized at a superior price and also the time allocated is negative. For the third product, we have a positive deviation calculated as follows: for raw material-development time is good, $\Delta Q = (Q_e - Q_s) \times P_s = 99,000 - 116,400 \times 0.6 = -10,440$, and the price is bigger $\Delta P = (P_e - P_s) \times Q_e = (0.8 - 0.6) \times 99,000 = +19,800$. For labor, the time allocated is very good $\Delta T = (T_e - T_s) \times T_s = (9,800 - 14,550) \times 0.4 = -1,900$ and price $\Delta t = (t_e - t_s) \times T_e = (0.41 - 0.4) \times 9,800 = +98$, unfavorable deviation.

Conclusions

Deviations amounts used standard prices are calculated out (ps), attempting thereby isolating the effect of the use of materials. Taking into account the actual price (on) would alter the information content of this offense with elements that are due to the purchasing department. Deviations amounts must be fixed (isolated) when "exit" (Release consumer) materials. They can be caused by factors such as errors in the production process, insufficient qualification of workers, poor supervision, theft by employees, low quality materials, changes in the production process, etc. In general, the responsibility for these violations rests production line manager. But there are cases when responsibility for these violations rests another person. Interpretation of deviations, which will be highlighted along with calculating the actual costs depend heavily on optics which was established standards. It is therefore important to create a personal connection between the frame and after that motivate them and empower them. Given previous research conducted execution of the production process, in terms of raw material to be used during the processing thereof, or other indicators calculated makers entities industrial profile, can anticipate some deviations. Thus, we can talk about competitive advantage and efficiency in production, for those using standard cost method and then control and cost analysis. These issues will be achieved through standard cost method that allows anticipation to determine the costs of the process of production.

By using standard cost method may proceed to determine a priori the necessary resources to achieve management products that enable rapid evaluation of its production, identification of deviations and corrective measures differences between actual and standard costs. An effective system of controlling provides the managers using such accounting information in decision making.

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