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THE SPREAD OF THE CAPITAL MARKETS'S GLOBAL CRISIS: DOES THE COUNTRIES' INDUSTRIAL PROFILE MATTER?

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Abstract:

The causes of 2007's financial perturbations and mainly of the subprime crisis are well known at the beginning of 2008. Nevertheless, the specialists pay little attention to capital markets global crisis and to its consequences. In this study, we demonstrate using Infinancials data, that we are experiencing a global capital markets crisis, where the European financial markets are the most affected. The impact of the crisis upon the 45 analysed countries differs depending on their industrial structure. Among the other factors which led to a different impact of the global crisis we can range the capital markets development and the correction of the assets prices boom. The effects of this crisis on the real economy are less obvious at the beginning of 2008, especially at European level, but the economic growth forecasts became pessimistic. The credit activity is negatively influenced and the foreign exchange market crosses over a turbulent period. The financial crisis consequences in respect of the real economy will depend on the recovery capacity of the United States economy.

Key words: capital markets contagion, global financial crisis, subprime crisis, stock prices, industrial profile
JEL Classification: E3, G1

FISCAL ASPECTS REGARDING TAXING THE INCOMES OF NON–RESIDENTS IN ROMANIA

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Abstract:

The tax on the non–residents incomes has become a more present issue, because the new economical and political conjuncture, and especially because of the European one, the foreign companies intending to invest more in Romania. Through Romania's adhering to the European Union the volume of foreign investments in Romania knew an important increase, and, implicitly, the incomes obtained by non–residents from the activities unfolded in Romania, having as consequence the increase of the tax volumes cashed from this sector. This under the conditions of a favorable fiscal treatment applied to the investors from the European Union compared to the non–residents from the extra–communitarian area. The problem of the tax applied to the incomes of the non–residents knows a few important changes, brought by Romania's adhering to the European Union, such as, for example, those regarding the tax levels and tax exemption, the new Fiscal Code basing on protecting the residents from the states members of the European Union and on avoiding double international taxing. The specialized international organisms reached to the conclusion that the optimal solution for avoiding double taxing is represented by concluding bilateral or multilateral conventions between states, their disposals having the role to clarify the status of the residents involved in different economical activities in other states We present below the approached problems together with the new changes in force starting with January 1st 2009.

Key words: non–resident, incomes, tax, double taxing, residence
JEL Classification: H30, K34

THE OPENING OF ACCOUNTING TO THE PRESENT VALUE IN THE CONTEXT OF PASSING FROM THE ACCRUALS TO CASH

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Abstract:

Passing through the globalization period, we are witnesses of a larger gateway to the values general accepted in the developed and developing countries. Part of this process is represented by the accounting craft. So, after the period when accounting was representing a static image and then a dynamic one, now it seems to be in accordance with this continuing evolution.

As long as more companies are using the IFRS and the evaluation of assets and debts is based on the fair or present value it is talking about as it is named an actuarial accounting. According to the development of an economy, the actual (present) value means an estimation of future cash flow by a rate.

Practically seems to be an inclination towards the engagement accounting as long as the events are recognized & reported when arise not when cash is collect or paid. In spite of this, for a company a good profit and loss account doesn't mean a strong treasury situation too.

Even if, there is a convention of using the accrual accounting I try to develop o strategy regarding the cash flow information – based on the cash accounting as an exception of this, for a correct evaluation of liquidity, knowing the strong influence for economic decisions. So, the cash foresees are used for the financial security of company through an adjustment of unjustified payments.

Regarding to all of those reasons, a joining of accruals with cash may be an important factor for a correct evaluation financial statements.

Key words: accrual – engagement accounting, cash – treasury accounting, liquidities, present – actual value, IAS
JEL Classification: M4

THE EFFECTS OF THE MINING ACTIVITY OVER THE WATERS FROM JIU VALLEY

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Abstract:

The upper Jiu Valley, around Petrosani and Lupeni, is Romania's principal coal mining region. Many miners feel that coal mining in Romania is a moribund industry that will never regain its position of significance. Environmental contaminants associated with mining activities may affect wildlife species in many ways and at many levels within the ecosystem. Some contaminants associated with mines (e.g., lead, arsenic, cyanide, etc.) may cause acute or chronic effects on resident wildlife.

In 1950–1989, the quality of the waters of the Jiu River has constantly worsened. Because of the restriction of the social–economic activities, after 1990, the situation of the waters of the Jiu River and of the waters in Romania has continually improved. In the same time, in 1990 there is a transfer to a more rigorous management of the environment which also includes legislation according to the international norms.

Keywords: mining activity, environment, waters pollution, heavy metals.
JEL Classification: O13, P28, Q25, Q53, Q56

JOHN RUSKIN'S SOCIAL AND POLITICAL THEORY IN HIS ECONOMIC WRITINGS

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Abstract

Art, poetry and political economy were instruments that John Ruskin attempted to reshape the man of his time with. The appreciated Victorian writer, literary and art critic and political philosopher tried to apply to the artistic riches the general idea of economic riches such as: discovery, utilization, accumulation and distribution. According to *Ruskin's conception economists have as a task to state what things provide life and to decide how they can be acquired and distributed.*

Key words: political economy, wealth, man, education, intellectual progress, moral progress
JEL Classification: A11, A13

SPORTS SPONSORSHIP – MEANS OF COMMUNICATION

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Abstract:

Sport sponsorship represents, nowadays, an indispensable way of attracting additional funds that grants sports development, an important factor in the very existence of sports entities, sportsmen and sports events. That is why sponsorship aims at occupying a first–rate place in sports organizations' marketing activity. It is also an important means of communication that allows companies to promote their brand or products by associating them with sport events.

In Romania the Law of sponsorship had, in the course of time, since the overthrow of communism in 1989, an agitated history characterised by repeated changes that several decrees came to pass. Besides general aspects related to sports sponsorship the article discusses this issue too.

Key words: sponsorship, sports, sponsor, sponsored organization, sports event
JEL Classification: A12

A SWOT ANALYSIS OF SMES' DEVELOPMENT IN ROMANIA

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Abstract:

Nowadays, the importance of the SME field becomes more and more a real basis for establishing and developing a modern, dynamic knowledge–based economy. The experience of the European Union clearly demonstrates that the SME sector can make a substantial contribution to Gross Domestic Product, enhance employment opportunities and stimulate export growth. SMEs have the ability to respond flexibly in a strongly competitive market and to adapt quickly to cyclical and structural changes in the global economy. Therefore, a dynamic SME sector is needed to ensure continued economic growth, to stimulate the employment and the improvement of the living standards.

The accession of Romania to the European Union involves a lot of challenges and opportunities for the Romania SMEs sector. In this context, the SWOT analysis will reveal the main strong and weak points of this sector development, the threats but also the ooportunities. Starting from this, there are presented the principles that will be followed for the development of this sector and the national strategy for the support and promotion of Romanian SMEs.

Keywords: SMEs, financing, performance indicators, SWOT analysis, development strategy, Romania
JEL Classification: F36, O16

COMPREHENSIVE MACRO – MODEL FOR THE US ECONOMY

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Abstract

We present a comprehensive macroeconomic model for the US There exist strict long–term relations between real GDP, price inflation, labor force participation, productivity, and unemployment. The evolution of real GDP depends only on exogenous demographic forces. Other macro–variables follow up the real GDP. The links between the variables have been valid during the last several decades.

All relations were (successfully) tested for cointegration. Statistical estimates are also presented. The relationships allow a reliable prediction of the macroeconomic state at very large (more than 9 years) time horizons.

Keywords: US economy, GDP, inflation, unemployment, labor force, productivity, demography
JEL Classification: E1, J1, J2, D3

FINANCIAL INTEGRATION AND FINANCIAL DEEPENING IN THE SELECTED EUROPEAN TRANSITION ECONOMIES

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Abstract:

International financial integration of transition countries from the region of Central, Eastern and South–Eastern Europe suggests an interesting example of the relation between the overall macroeconomic performance and the changes in the height as well as the structure of the cross–border capital inflows and outflows. Structural changes, high economic growth and dynamic convergence toward the Western European countries stimulated the pressures on the domestic capital base of the transition countries. Current account and international investment position deficits that many of the European transition countries have experienced till the present days emphasize their role on the foreign markets as net debtors.

In the paper we examine main trends in the international financial integration of the selected European transition economies (Bulgaria, the Czech republic, Romania and the Slovak republic). At the same time we explore the essential features of the financial deepening of the selected group of the countries. The objective is to identify the country specific aspects in the international financial integration and financial deepening as well as the potential linkage between them.

Keywords: financial integration, financial deepening, external capital portfolio structure, transition economies
JEL Classification: F15, F36, F41

ROBUST TWO–STAGE LEAST SQUARES: SOME MONTE CARLO EXPERIMENTS

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Abstract

The Two–Stage Least Squares (2–SLS) is a well known econometric technique used to estimate the parameters of a multi–equation econometric model when errors across the equations are not correlated and the equation(s) concerned is (are) over–identified or exactly identified. However, in presence of outliers in the data matrix, the classical 2–SLS has a very poor performance. In this study a method has been proposed to generalize the 2–SLS to the Weighted Two–Stage Least Squares (W2–SLS), which is robust to the effects of

outliers and perturbations. Monte Carlo experiments have been conducted to demonstrate the performance of the proposed method. It has been found that robustness of the proposed method is not much destabilized by the magnitude of outliers. The breakdown point of the method is quite high, somewhere between 45 to 50 percent of the number of points in the data matrix.

Keywords: Two–Stage Least Squares, multi–equation econometric model, simultaneous equations, outliers, robust, weighted least squares, Monte Carlo experiments, unbiasedness, efficiency, breakdown point, perturbation, structural parameters, reduced form
JEL Classification: **C13, C14, C63, C15, C01**

ADVANCES IN KNOWLEDGE DISCOVERY IN DATABASES

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Abstract:
The Knowledge Discovery in Databases and Data Mining field proposes the development of methods and techniques for assigning useful meanings for data stored in databases. It gathers researches from many study fields like machine learning, pattern recognition, databases, statistics, artificial intelligence, knowledge acquisition for expert systems, data visualization and grids. While Data Mining represents a set of specific algorithms of finding useful meanings in stored data, Knowledge Discovery in Databases represents the overall process of finding knowledge and includes the Data Mining as one step among others such as selection, pre–processing, transformation and interpretation of mined data. This paper aims to point the most important steps that were made in the Knowledge Discovery in Databases field of study and to show how the overall process of discovering can be improved in the future.

Keywords: KDD, Knowledge Discovery in Databases, Data Mining, Knowledge Management

RATING AND OTHER FACTORS EXPLAINING THE CORPORATE CREDIT SPREAD: EMPIRICAL EVIDENCE FROM TUNISIAN BOND MARKET

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Abstract:
This is an examination of the determinants of corporate bond credit spreads using both primary and secondary market spreads for Tunisian corporate bonds. The factors which I use as explanatory variables in our estimations can be divided into three categories: market variables, issue and issuer characteristics. To some extent, these three categories correspond to the different types of risk, namely interest rate risk, liquidity risk and credit risk. Using OLS regressions, our empirical results indicate that primary market spreads are sensible to issue characteristics such as rating. Also, spreads observed in secondary market are sensible to market variables namely Exchange Index and Slope, characteristics issuers and issues (Rating and Time to maturity). This is the first study to indicate that the explanatory power of factors depends of spreads modelled. Hence, corporate credit spreads are driven by both default and interest rate risk for the secondary market and only by default risk for the primary market.

Keywords: credit spread, interest rate risk, liquidity risk, rating.
JEL Classification: G12, G24, G33

THE RELATIONSHIP BETWEEN TEAMWORK EFFECTIVENESS AND INFORMATION TECHNOLOGY

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Abstract:
Even organizations that are better served by a team model find disadvantages. These include an increase in time to communicate, poor communication between members and groups, poor coordination between group members, and competing objectives. Some self–managed teams never reach their full potential or fail to be functional altogether, because they were not set up correctly and the other aforementioned negative results occur. Other teams increase productivity and quality in organization. In this article the authors have investigated how information technology can increase teamwork effectiveness.
Keywords: teamwork, organization, information technology, development.

ADVANCES IN DECISION ANALYSIS. EFFICIENT METHODS IN FINANCE

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Abstract:
Decision analysis offer workable solutions in domain such as the environment, health and medicine, engineering and operations research and finance. In finance area we can observe a big variety of method and techniques for research fluctuates from economy and financial date.

Most economic decisions are related to monetary variables. Since money has a capacity to connect the present and the future, conflicts among long–run and short–run economic goals and uncertainties of the future make economic decisions very complicated.

In this paper we will introduce some models to show how monetary variables can be investigated real aspects of economic development. We discusses problems encountered in financial models, describes efficient method and show how to apply them to practical problems in finance.

Key words: decision analysis, mathematical modeling, dynamic models, money.
JEL Classification: C6, E4

NATURE OF THE FIRM: A STUDY ON DEVELOPERS IN CHINA AND HONG KONG

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Abstract:
In Hong Kong, dwellings are fitted with neat and tidy paintings, well decorated floor and wall tiles. Equipped with world–renowned kitchen and bathroom appliance, housing owners can move in with a bag of cloths. Builders in China, however, only provide fundamental elements such as windows, doors, ironmongery and grayish wall. By the time home purchasers receive their dwellings, they need to do a lot of shopping before they can move in. They need to buy water closet, tiles, towel rings and so on. Scope of services provided by Hong Kong developers is much wider than those in China's. Ronald Coase, Nobel economist 1991 addresses two questions in his 1937 paper: why firms exist and what determines their scale and scope. What are the major determining factors which affect the size of the developers and their scope of services? Few or even no paper has studied this issue. This paper reviews that unpredictable rules and regulations couple with poor law drafting decrease firms' incentive in vertical integration.

Keywords: firm, developers, Hong Kong, China
JEL Classification: K40, L16, L22

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