THE FINANCIAL ACCOUNTANT MANAGEMENT OF THE AGRO-ALIMENTARY ENTREPRISES

MANAGEMENTUL FINANCIAR – CONTABIL AL ÎNTREPRINDERILOR AGROALIMENTARE

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Abstract. *The financial management is related to the approach of the goals and the roles of the general management, to the features of the financial activity which takes place in every business (private company, trading company, self-governing administration etc.).*

The management process concerns the ensemble of the (material, human, financial, informational etc.) resources which are necessary to achieve some established goals, while the management functions refer to those activities that are specific to the decision-making process.

Rezumat. *Managementul financiar se raportează la abordarea obiectivelor şi funcţiilor managementului general la specificul activităţii financiare care se derulează în cadrul oricărei afaceri (societate privată cu răspundere limitată, familială, societate comercială, regie autonomă etc.).*

Procesul de management vizează ansamblul resurselor (materiale, umane, financiare, informaţionale etc.) necesare atingerii unor obiective stabilite, în timp ce funcţiile managementului se referă la activităţile specifice actului decizional (planificare, organizare, conducere şi control).

De o importanţă primordială pentru orice obiectiv economic (afacere) este activitatea de finanţare, începând cu sursele de constituire, modul de folosire a capitalului bănesc şi încheind cu stabilirea rezultatelor financiare şi plasamentele viitoare.

În acest context, managementul financiar, în măsură, se substituie funcţiei financiare a întreprinderii în care decizia de finanţare ocupă un loc central.

The financial management refers to the approach of the objectives and the functions of the general management to the specific of the financial activity which takes place in every business (private society with limited responsibility, commercial society, self-governing management etc.).

The management process aims at the amount of resources (material, human, financial, informational etc.) which are necessary to achieve established goals, while the management functions refer to the activities that are specific to the decisional process (planning, organizing, leading, control).

For any economic objective (business), the activity of financing has an essential importance, starting with the constitution sources, the way that the funds are used, and concluding with the establishment of the financial results and the future investments.

In this context, the financial management takes the place of the financial function of the enterprise in which the financing decision has a central position.

There are some reference questions for any businessman and, especially for the financial management:

- Where do I get the necessary money from in order to promote a business?
- How much can I obtain at a reasonable cost?
- How must these resources (which are so different as nature and expense) be combined in order to properly serve the owners' purposes?
- How will I refund the future credits?
- Can I take advantage of the relative liberality of the capital market and the fiscal economy that accompanies it?

Most of the financial theoreticians and analysts place at the foundation of the financial management the financial analysis activity, and its elaboration is made depending on the used methodology:

- statistical or external analysis (indicators method);
- dynamic analysis (flows);

The financial analysis has as a result the financial diagnosis which can serve the tactical and strategic decisions of the business management.

In order to simplify and better understand the necessity of the financial diagnosis, the explanatory approach is oriented to the accountant notes' interpretation.

This determines us to adopt an analysis methodology of the financial states.

Three methods of analysis must be considered:

a) the financial weight method – able to detect effective problems of the financial structure, liquidations and profitableness;
b) the ratio method (indicators);
c) the flows method – complex enough, but the most accurate, as it emphasizes the significant evolutions and it explains the controversy between the accountant profit and the treasury crisis;

Beforehand any financial analysis it is necessary to work out the accountant information.

It means that there has to be found an instrument that allows the building of the funds and the financial means of the enterprise from a functional point of view (production cycle – exploitations, investment cycle and treasury cycle), as well as the determination of the liquidity, advantageousness and profitableness.

The financial balance sheet is such an instrument. The financial balance is a reconsidered situation of the accountant balance (which is an essential document). From its analysis we can easily identify the three cycles of operations that correspond to the way that the enterprise's activity takes place:

1. the investment operations cycle (net corporal immobilizations + financial immobilizations);
2. exploitation operations cycle: supply, production, sale (stock, advances for orders, claims, clients and assimilates, bookkeeping expenses in advance);
3. treasury operations cycle or current financing (movable investment values, availability in cash and bank accounts).

On the other hand, there can be identified the financing cycles (financial resources depending on the exigibility degree, pointed out in passive, as well as the arranging of the passives after the patrimonial criterion (personal and borrowed):

- the permanent financing cycle (strengthened financings), reflected through net non-corporal immobilizations (installation expenses, research and development expenses, licenses, patents, brands etc.) and the long and medium-term loans (convertible loan, other necessary loans, bank loans, other financial debts – TLM);
- exploitation cycle or the current operations financing (advances and payment on account on received orders, purveyor debts, fiscal and social debts, incomes recorded in advance);
- treasury cycle (current bank credits);

<u>The account of result</u>

With the help of this instrument the incomes and expenses of a business are grouped, for a determined period of time (usually a year) and the accountant result is established.

It can take two forms:

- "in account" – incomes on credit and expenses on retail;
- "in list" – as a table where there are the incomes and the expenses. The financial results are established by making the difference between these two.

The incomes are structured in three categories:

1. incomes from exploitations (coming from the current activity which develops on the business' profile):

- the sold production (Pv);
- reselling the wares (Rm);
- stored production (Ps = final sold – initial sold);
- immobilized production (Pi);

The business profit (CA) and the financial exercise production (PEF) can be determined depending on the elements that compose the exploitation incomes:

$CA = Pv + Pm; \quad PEF = CA \pm \Delta Ps - Pi$

2. financial incomes:

- incomes from participations;
- incomes from investments;
- cashed interests;
- positive differences in currency exchange;

3. extraordinary incomes:

- incomes from management operations;
- incomes from liquidation of fixed funds;
- incomes from supplies and expenses transfers;

The expenses are also structured in three categories:

a) exploitation expenses:

- materials;
- warrants;
- various services;
- taxes, duties and assimilated payments;
- salary expenses;
- social expense;
- endowments;
- various expenses;

b) financial expenses:

- assimilated interests and expenses;
- negative differences in currency exchange;
- expenses from placement values transfer;

c) extraordinary expenses:

- expenses for management operations;
- expenses for fixed funds liquidation;
- endowments in paying offs and supplies;

The financial result determined on the three levels corresponds to the notion of profit. The gross financial result is particularly interesting because it is used in the analysis of the financial profitability and structure.

In common language, the terms advantageousness and profitability are used with the same signification.

The advantageousness refers to the result of the invested capital and it is obtained from the relation between profit and invested capital. Thus, it is groundless to speak of a commercial advantageousness, relating the profit to the sold production, which actually represents the profitability.

As a result, some observations are necessary:

a) the economic advantageousness = $\frac{\text{global obtained profit (net profit + interests)}}{\text{the sum of invested capital (total actives or passives)}}$

b) financial advantageousness = $\frac{\text{net profit}}{\text{own capital (net active)}}$

c) The profitability represents an indicator that allows assessing the effectiveness of sales and it is obtained as a relation between exploitation activity profit and business profit (CA).

It is necessary to understand that the net profit reflected in the result account (profit and loss account) does not necessarily designate the liquidity.

The profit represents a difference between registered incomes and expenses (effectively cashed incomes + counted incomes – effectively paid expenses – counted expenses) while the liquidity, usually estimated through the net liquidity or treasury flows, represents a result of cashing and payments.

The financial theory has substantiated and the financial analysis practice has assigned a liquidity typology, related to the reference object. Thus, if we refer to an organized form of business we can distinguish: the liquidity of the enterprise, the bank liquidity, the international liquidity.

The liquidity of an enterprise represents its capacity to economically and conveniently face the actives that they dispose of at the payment exigible obligations on short term. In the enterprises financial activity a distinction is frequently made between liquidity and solvency.

The solvency expresses the enterprise's potential to honor its payment obligations in certain period of time. In other words, the solvency is a potential liquidity and it is assessed through the self-financing capacity, while the liquidity represents the real payment capacity of exigible obligations and it is assessed through "cash – flow".

CONCLUSIONS

The financial management of the enterprise must aim at a maintenance of the financial equilibrium and a good liquidity. This objective must not affect the production activity and the investment programs. In other words, the conservation of the equilibrium between the input and output monetary flows must not affect the advantageousness.

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