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Conference

**From Liberalization to Globalization:**

Theme:

**Challenges in the Changing World**

**Book of abstracts**

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**First International Conference for Business,  
Economy and Finance- ICBEF 2012**

**Book of abstracts**

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# First International Conference for Business, Economy and Finance- ICBEF 2012

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**Dear colleague,**

With great pleasure, I would like to send a warm greetings to all authors who participated with their papers at the First International Conference on Business, Economics and Finance organized by the Faculty of Economics, Goce Delcev University – Stip, Macedonia which is held on 13-15 September 2012 in Stip.

The Conference topic, „From Liberalization to Globalization – Challenges in the Changing World“ apparently has been attractive and intriguing enough , so that 80 authors have participated with 65 scientific papers , trying to present their views researches, and innovative solutions for the current and forthcoming challenges in the globalized economy .

This book presents the abstracts of the Conference full papers, as a part of the ICBEF Conference proceedings. The book of abstracts is sorted in seven chapters, according to seven topics that were presented at ICBEF.

Sincerely yours,

***Prof. Risto Fotov, Dean***

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**GLOBALIZATION AND FINANCIAL  
MARKETS AND INSTITUTIONS**

## ECONOMIC AND FINANCIAL ASPECTS OF THE GLOBALIZATION PROCESS

Risto Fotov, PhD<sup>1</sup>

### **Abstract**

*When we talk about globalization in economic terms this means: integration of national economies into the international economy, foreign direct investment, free capital flows, migration and proliferation of technological innovations. Undoubtedly, globalization as a mean of applying the doctrine of neoliberalism, is a process of transformation of local or regional phenomena into global. Globalization as a process involves a combination of economic, technological, sociocultural and political forces.*

**Key words:** *globalization, international trade, transformation.*

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## **GLOBALIZATION OF FINANCIAL MARKETS: DOES THE FOREIGN DIRECT INVESTMENTS PROMOTE ECONOMIC GROWTH**

Ljubica Cikarska<sup>1</sup>

### **Abstract**

*The financial globalization as a very familiar topic is often discussed among economists who often agree that is the most significant for increasing the economic growth in one country. The term is usually defined as a flow of capital and corporate investments between various countries. Due to the fact that there are many measures of financial globalization such as : Foreign Direct Investment (FDI) , portfolio equity flows, long-term bank flows and short-term borrowing, for the purpose of this paper there will be used data of FDI for particular countries as one of the most popular form of capital inflow and the most beneficial for economic growth.*

*Therefore, the aim of this paper is to find out whether the FDI , as a measure of the financial globalization , promote economic growth in specific countries, mainly in the transition economies. For the purpose of this research, a few econometric analyses (models of regression and coefficient of correlations), will be applied , which are made by different authors and the goal is to see the linkage between the FDI and economic growth in those countries.*

*The results are expected to show a positive relationship between FDI and the economic growth, where FDI give its contribution through: increase of productivity growth in the economy, improvement of the efficiency, transfer of advanced technology, increase of the competition etc.*

*Finally, it can be suggested that each country, should develop and consider different policies and strategies in order to attract foreign direct investment as one of the important drivers of economic growth in every transition economy.*

**Key words:** *financial globalization, foreign direct investments, econometric analyses, economic growth.*

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<sup>1</sup> Ljubica Cikarska

## THE FINANCIAL CRISIS AND THE DEBT OF COMPANIES

liudmila Marinova Doncheva, PhD<sup>1</sup>

### **Abstract**

*In terms of the economic and financial crisis in Bulgaria, as a consequence of the global crisis, there was a great increase of the inter-company indebtedness. The country is located in an extremely difficult period, due to the fact that the debt of non-financial sector in 2010 increased by 6% and reached 157.6 billion euro. Obligations between companies amounted 104.2 billion, including obligations towards suppliers.*

*It causes the interest of economic analysis for the problems of debt of the enterprises. The report makes a summary of long-term and short-term debt, resulting from claims and liabilities in accordance with the possible changes in the accounting documentation of the enterprises. Therefore, there are considered two possible approaches in research of claims and repayment of the company's obligations.*

*The traditional approach is presented briefly, focusing on deficiencies in modern market conditions. The second approach, called the management can be presented as revealed, technological several different analytical calculations, assessments and coordination procedures. Going through each of the presented seven stages is a prerequisite for achieving effective management of claims and obligations of the company. We believe that modern market conditions require a change in approach to the analysis of debt. Requirements for management present research approach of the obligations, which would turn into a real component analysis of its complete financial policy in the quality of the practical realization of the financial strategy of the enterprise. Rational financial policy of the company in the field of debt management 'is expressed not in packaged review and regulation of receivables and payables, and complex research and coordination. Transition from conventional approach to the economic analysis of the debt management company should be considered as a prerequisite for its successful management.*

**Key words:** financial crisis, economic analysis, receivables, obligations, inter-company indebtedness

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## THE FINANCIAL CRISIS THROUGH THE HISTORY COMPARED WITH THE CRISIS FROM YEAR 2007

Marija Gogova Samonikov, Msc<sup>1</sup>, Elena Veselinova, Msc<sup>2</sup>

### **Abstract**

*The research goal of this paper is the historical flow of the finances and their misbalances. The paper goal goes in the direction of comparison of the financial crisis through history, for the reason that the past should serve as a lesson for the future actions, and on the other side in an area where the globalisation has a primary effect (as is the financial area) the effects from certain flows should be anticipated and react on them on time according the lesson from before.*

*Methods of research are statistically analyzed data and their comparison for getting one summary result.*

*Expected results from the research are reviews of how the history repeats, how the crisis from the past are overlapping with the crisis from the 2007 in the GDP domain, prices level, public debt level, unemployment, real estate prices etc.*

*The signification of the paper is in the direction of financial sector and more coordinated control from reason that the prediction of some financial flows can mean salvation for a whole economy.*

**Key words:** *financial crisis, regulation, financial flows*

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**ENTREPRENEURSHIP AND THE  
GLOBAL MARKET**

## ENTREPRENEURSHIP AND JOBS CREATION

Jovan Pejkovski, PhD<sup>1</sup>

### **Abstract:**

*Entrepreneurship and growth appear to be positively related at the level of the individual firm. Much evidence also suggests that entrepreneurship and growth are linked at the industry level. There is, for example, evidence that industries with higher rates of entry by small firms have above average rates of productivity growth and innovation. At the same time, smaller and younger firms appear to be more innovative than their larger counterparts. Smaller and newer enterprises tend to have systematically higher growth rates than average. Some studies in the field of economic geography indicate that regions with higher new firm formation rates tend to enjoy higher rates of economic growth. Many results also point to a positive relationship between economic growth, entrepreneurship and jobs creation.*

*The question is how entrepreneurship causes jobs creation and economic growth? The answers of this question will be presented in the paper through the comparative analysis of different countries and cross-sectional findings that business ownership rates are associated with employment growth. The interest in the paper will be concentrated on the country level in the OECD; and compare with situation in the Republic of Macedonia. The main issue is: What are the correlations between “total entrepreneurship activity” and national growth rates? Also the interaction between entrepreneurship and R&D is the “knowledge filter” between the creation and exploitation of knowledge. That is, entrepreneurs found new firms in order to exploit opportunities created by knowledge spillovers. Both knowledge creation and exploitation are crucial ingredients of growth.*

*Innovation, entrepreneurship and growth come together with the jobs opportunity creation and recognition literature at this juncture. The role of the government intervention to promote entrepreneurship as a growth-enhancing strategy will be discus as an important vehicle for generating innovations and stimulating growth.*

**Key words:** entrepreneurship, jobs, employment, grow, development

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## THE COMPETITIVNES OF THE SMALL COMPANIES IN CONDITION EXPRESSED PROCESSES OF GLOBALIZATION

Kiril Postolov, PhD, Marija Magdincheva-Shopova, PhD<sup>1</sup>

### Abstract

*Globalization processes are dominant social phenomenon that affects all aspects of social life including entrepreneurship and small enterprises as an important economic segment. Research competitiveness of small enterprises by analyzing the threats and opportunities that arise as a result of the phenomenon of globalization, the characteristics of the entrepreneur 21st century, change entrepreneurship model and the emergence of new trends in the economy and entrepreneurship, just confirm the fact that globalization an inevitable process that requires small businesses substantially and institutionally to adapt. Competition involves a set of activities that continuously check its own advantages and mutual relations with competing enterprises in the environment in order to detect features that are advantageous. Small businesses achieve a competitive positioning through constant improvement and increase of the acquired advantages but also by creating new, original benefits that are different from the previous acquired. In this research will be used in the methods of analysis of the literature on the impact of globalization on small businesses and entrepreneurship. The research will also be used and the synthetic method as well as inductive, deductive and comparative method. The research starts from the notion that globalization processes as one of the most important features of current residence which is characterized by rapid technological progress and rapid development of information and communication technology are inevitable processes in which small businesses must be involved in order to achieve economic development. The purpose of this paper is to elaborate on certain issues related to increasing the competitiveness of small enterprises in the conditions of globalization and economic integration. Sources of competitive advantage for small enterprises can be both internal and external and the activities undertaken by small enterprises through appropriate strategies to maintain competitive advantage contribute to reducing the negative effects of globalization on integration.*

**Key words:** *small companies, processes of globalization, competitiveness, entrepreneurs*

<sup>1</sup> Kiril Postolov, PhD, Marija Magdincheva-Shopova, PhD

## **STRENGTHENING OF ENTREPRENEURSHIP AND ACCESS TO GLOBAL MARKET THROUGH VOUCHER COUNSELING SYSTEM**

Ljubisha Nikolovski<sup>1</sup>

### **Abstract:**

*Countries worldwide have accepted the logic of the support role of the state in areas where achieving greater competitiveness of the economy in the international framework. Among these areas are located and creating an entrepreneurial climate, with an effective support network that includes various forms of technical assistance, financial assistance instruments, technological parks and business areas. Entrepreneurship is the driving force of sustainable economic growth. Therefore it needs external business support, especially during the early stage of development of small and medium enterprises, would create opportunities for growth and development. In that sense, government agencies have developed numerous initiatives including a “voucher” system aimed at support in consultation with opportunities to combine with information and training. As part of the government program for entrepreneurship development, since 2005 actively involved Voucher system for subsidized counseling. This support system is introduced as a tool to improve performance in small businesses by subsidizing specific advisory services in accordance with the needs of entrepreneurs. Objectives of the voucher program (subsidized) counseling are: (1) greater number of potential entrepreneurs to start implementation of new business, and (2) a growing number of firms to achieve higher growth rates. The paper presents the basic concept of the “voucher” system, methodology, rules and procedures for full access as well as organizational structure and functions of various stakeholders. In addition the paper presents the results of recent research by the method of survey and interviews (end of 2011 and beginning of 2012) for different aspects of the voucher system of subsidized counseling: (1) Profile of companies involved in the system, (2) causes for their involvement, (3) areas of counseling, (4) satisfaction with counselors and organizers – enforcers of the voucher system, (5) the impact of counseling on general business, (6) challenges and problems of Macedonian entrepreneurs.*

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*The novelty and value of the Voucher counseling system presented in this paper, primarily contained in: (1) facilitating access to entrepreneurial career at all innovative and creative individuals, (2) improving the quality of the entrepreneurial process, (3) increasing number of dynamic companies and encouraging the implementation of their development plans in the area of technology, innovation of products and services, production processes, and (4) entry into new markets.*

**Key words:** *Entrepreneurship, “Voucher” system of counseling, Consulting, Regional Support Center, Small and medium enterprise*

## THE INFLUENCE OF THE DUTIFULNESS OF THE MACEDONIAN ENTREPRENEURS ON THE EMPLOYEES IN THE PROCESS OF CREATING COMPETITIVE COMPANIES

Lazar Gjurov, PhD<sup>1</sup>, Angelina Taneva-Veshovska, PhD<sup>2</sup>

### **Abstract**

*Enterprise sector in the contemporary Macedonian independent economy have a relatively short history of existence, which is largely tied to the period of independence of the state. Unlike Macedonia, the more developed countries in the world can boast a truly developed entrepreneurial structure, practices, legislation and in accordance with the scientific research in this area. In Macedonia, despite the expansion of higher education institutions, with regret, we can conclude that the lack of systematized explorative quantitative and empirical research in the field of entrepreneurship. It is this type of research can be of tremendous benefit for Macedonian companies strive to become more competitive in the global market.*

*The purpose of this paper is to investigate the impact of the efficiency as a personal characteristic of the Macedonian entrepreneurs on the autonomy of employees as an important aspect of organizational climate. Established scientific hypothesis is that: The efficiency of the Macedonian entrepreneurs have a crucial impact on employee autonomy. For the purposes of the survey will be used instruments for measuring personality traits - NEO PI-R by Paul T. Costa and Robert R. McCrae and instrument for measuring organizational climate - Work Environment Scale - WES by Rudolf H. Moos and Paul M. Insel. Concrete will be measured variable fulfillment of the NEO PI-R instrument and variable Autonomy instrument Work Environment Scale. The study will include 32 entrepreneurs and 198 employees in these companies in the Republic of Macedonia. Obtained quantitative values will be carried out statistical analysis of the relationship between these two variables thus obtain scientifically compelling evidence for confirmation or rejection of the established hypothesis of the research.*

*The concrete empirical results of this paper will be clear and unambiguous fact and will emphasize the necessity of cooperation of science and practice in the successful development of the competitiveness of Macedonian companies in the global market.*

**Key words:** *entrepreneurship, dutifulness, autonomy, personal characteristics organizational climate, competitive companies.*

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## **INCREASING INNOVATIVENESS OF MACEDONIAN ENTREPRENEURS AS A PRECONDITION FOR SUCCESSFUL INTEGRATION INTO THE WORLD GLOBAL PROCESSES**

Martina Krstevska, Msc<sup>1</sup>, Mila Zibak, Msc<sup>2</sup>

### **Abstract**

*The paper is devoted to the importance of improving the innovativeness of the Macedonian entrepreneurs in order to successfully integrate into the world global processes that are based on knowledge and innovation. The importance that the European Union pays to the innovation can be seen from the fact that innovation is at the "heart" of the Lisbon Agreement and the "Europe 2020" Program. This Program provides Europe to transform into a society in sustainable development, based on knowledge. In this sense, for the Republic of Macedonia it is particularly important to strengthen the innovative policy of supporting SMEs, reinforcing the existing measures of support and enriching them with new ones, using the experience of the EU policy in innovation support, as well as exchanging the best practices with the European countries in the field of research policy, with the final goal to establish a society based on knowledge.*

*The aim of the research paper will be to summarize and synthesize the European Union policies, measures and instruments that support the innovation of the Member States; to elaborate in details the measures that support innovation in the EU, such as: Business innovation centers, Network support of European e-Business, Center for assistance with intellectual property and others.; to elaborate the EU programs that support innovation and to select those measures that support innovation in the EU and would be applicable in Republic of Macedonia, but still do not exist.*

*The analysis in the paper is based on the method of induction which will identify the measures and the policies that support innovation in small businesses in the individual Member States; comparative analysis that will compare the EU applied measures that support the innovation with the ones in the Republic of Macedonia, and the method of deduction, which will be applied when drawing conclusions about the benefits of Macedonia from supporting the innovation of entrepreneurs.*

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*The EU successful practices in support of the innovation will serve as a guideline and basis for policy creation to enhance the innovation in Macedonia, as an imperative for successful integration into the world global processes.*

**Key words:** *Innovation, entrepreneurship, global processes, “Europe 2020”, successful practices*

## THE AUTONOMOUS REGULATION OF THE RELATIONS IN THE COMPANIES AS A FACTOR FOR SUCCESSFUL ENTREPRENEURSHIP STORY IN THE GLOBAL ENVIRONMENT

Biljana Conevska, Msc<sup>1</sup>

### Abstract

*The claim that modern capitalism couldn't develop if there were no companies is generally accepted not only in the law of companies in our country, but worldwide. But the question arises: "How to start a successful entrepreneurial story in the global environment and who are the factors that influence the formation of a new own business?"*

*Exploiting the opportunity offered by the Company Law of the Republic of Macedonia for autonomous regulation of the majority of relationships in companies, at the very beginning of establishment of the company, with founding act, is one of the important factors for stable development of new companies that allows a solid structure that would survive great shocks that could occur in the life of the company. By using this opportunity that the law offers, and the self regulation of number of issues within the founding act, companies become more competitive in the market, are able to successfully built their reputation and avoid problems that can occur in the operation of the company at the very beginning, and thus would avoid costly and lengthy court procedure.*

*The main point and intention of this paper is to show the meaning of self regulation - how the autonomous regulation of relations in companies are used, and to make the general economic public aware of the importance which an autonomic regulation of all relationships has in the process of building a successful business. In the autonomous regulation of the relationships among the LTD, the Company Law allows some 40 paragraphs, which is considered a great freedom, unlike the join stock company as another form of company, which provides a number of imperative norms. Therefore the entrepreneurs are allowed to independently model their company as more or less open or closed.*

*Starting from the main aim and motive of the making of this paper, through the methods of analysis and synthesis, using a research technique - questionnaires, I will try to answer several questions: 1. "What is the current situation in the Republic of*

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<sup>1</sup> Biljana Conevska, Msc

*Macedonia on this subject?"; 2. "What is the knowledge of entrepreneurs about the opportunities offered by the Company Law of autonomous regulation of relations?"; 3. "How many of our companies exploit these provisions?" and at the end I will make a comparison with EU countries. Issues concerning the autonomous regulation of relations with the founding acts in companies in Macedonia are very important because they deal with relationships that arise between investors themselves, issues that are of particular importance to the company's existence, as well as relationships that arise between the company and the wider community in which it lives and exists.*

**Key words:** *capitalism, company, entrepreneurship, autonomous regulation*



**MARKETING AND MANAGEMENT  
IN THE GLOBAL ECONOMY**

## **BUILDING SUCCESSFUL E-COMMERCE SOLUTION FOR SMALL AND MEDIUM BUSINESSES TO ENTER THE GLOBAL MARKET**

Miroslav Lutovac, PhD<sup>1</sup>

### **Abstract**

*Small and medium enterprises (SMEs) are the most important economic components in economy of developing countries. Today is commonly adopted to use e-business and electronic commerce solutions by SMEs. Small companies are gaining a competitive advantage by using the Internet for direct selling and for communication with suppliers, customers, partners, and competitors thus yielding better customer service, greater efficiency, and improved products. The strategic goal is entering into new markets without harming or cannibalizing brick and mortar operations. According to market-data firms, most consumers use the Internet even more than TV. Wrong strategic decisions on how to enter the market using Internet were fatal to many companies. Internet presence is unavoidable issue in marketing audit checklist in SWOT analysis and strategic decisions on determine goals and objectives. On the other hand, many entrepreneurs believe that Internet access is impractical, expensive, or unaffordable for SMEs.*

*In this paper we present an implementation of e-commerce solution based on open source software. The solution is especial suitable for SMEs because it is inexpensive and very simple. The importance of implementation different business models and Internet marketing analysis is also presented.*

**Key words:** e-commerce, SMEs, SWOT analysis.

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## RATING SYSTEM FOR ANALYSIS OF COMPETITIVENESS ON HOTEL CHAINS IN REPUBLIC OF BULGARIA

Rositsa Koleva, PhD<sup>1</sup>

### Abstract

*The problem for the competitiveness of tourism businesses is being examined in many economic elaborations, but recently became one of the most topical problems of tourism industry. The development of that industry, the contemporary trends, new socio-economic conditions and modified standards and requirements for quality and competitiveness are major challenges for the hotel chains. For purposes of analysis of competitiveness is justified the need to implement a system to manage it.*

*This system is a set of tools which acts to improve the tourist product and meet customer requirements as a prerequisite for the prosperity of any hotel chain. In addition to increasing the competitiveness seriously, implementation and effective use of management system reduces production costs, improve productivity, increase profits and eliminate inefficient business process. In this regard, efforts are directed to turn Bulgaria in modern developed tourist destination, aimed at promoting quality tourist product as the basis for the competitiveness of hotel chains.*

*The main aim of this paper is to offer a rating system for analysis and management of the competitiveness of hotel chains. In this regard, the following paper perform a few objectives: to develop a methodological apparatus for examination of the relationship "quality of tourism product – the competitiveness of business"; to model a system for analysis and management of competitiveness, to determine the competitiveness based on the results of the comparative analysis of two hotel chains.*

*The main object of study in this paper are a hotel chains which have mountain and seaside hotels. The examination covers three- and four-star hotels, restaurants and accompanying service for 2007-2010.*

*This suggested methodological apparatus of examination on the strongly expressed interdependence between the quality of tourism products and competitiveness of tourism enriches economic theory in the field of business analysis.*

**Key words:** competitiveness, quality, indicators, system, rating.

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## THE EFFECTIVE STRATEGIC LEADERSHIP IN THE GLOBAL COMPETITIVE ENVIRONMENT

Trajko Miceski, PhD<sup>1</sup>

### **Abstract**

*This paper focuses on strategic leadership and its importance as a potential source of competitive advantage in today's era of globalization.*

*Strategic leadership can be defined as ability to: influence without coercion, prediction, vision, maintaining flexibility, anticipation of positive change, mobilizing and effectuation of human resources and many other activities that allow the company to the forefront in the global competitive environment.*

*The top managers who are performing their role of strategic leaders must lead the company in a way that will be resulting in forming of a strategic intent and strategic mission. This leadership prefers attainment of competitive goals that affect everyone in the organization in aim to improve their performances.*

*The paper is completed with a description of the nine key components of effective strategic leadership: development impact without coercion, developing a vision, determining the strategic direction, use and maintenance of the essential advantages, developing human capital, maintenance of an effective organizational culture, emphasis on ethical principles, set of balanced systems of organizational control and analyzing and evaluating feedback information.*

*The aim of the paper is to indicate for the role of the effective strategic leadership to achieve competitive participation in the global market.*

**Key words:** *strategic leadership, globalization, competition, influence, vision, strengths, ethical practices.*

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## FORMULATION OF THE MARKETING STRATEGIES OF THE COMPANIES FOR A SUCCESSFUL PRESENTATION AT THE GLOBAL MARKET

Trajko Miceski, PhD<sup>1</sup>, Silvana Pashoska, PhD<sup>2</sup>

### Abstract

*The global strategic position allows the company to maintain competitive advantage in the future. That advantage should be maintained on long-term basis and is based on strategic competence of the enterprise and array global advantages in the global market. The primary factor for it is the enterprise and the impact on consumers and their financial and strategy performances.*

*The companies that are oriented to the international market servicing can choose the same market segments on the global basis, the market segments on national basis or to combine global and national segments.*

*It means, the market segment should be selected and classified according to their contribution to overall global competitive position of the company.*

*The adaptation of the marketing strategy in the global market is conditioned by the global market segmentation as a process of identifying specific segments groups of consumers who will show similar behavior.*

*A successful strategy creates a unique marketing program that should not cause more efficient company with lower costs.*

*Nowadays, responding enterprises must be conducted in accordance with the requirements consumers in the global market for reasons that they have more choices of more products.*

*That means that, they need to apply global marketing concept which helps to gain competitiveness in the world production.*

**Key words:** *marketing strategies, global market, strategic options, global brand, globalization, market segments*

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## ASPECTS OF COMMUNICATION MANAGEMENT IN THE GLOBAL WORLD

Suzana Dzamtoska-Zdravkovska, PhD<sup>1</sup>

### **Abstract**

*In today's global world where computer culture and information society reaches their progress, no organization or company can imagine to position itself effectively on the global market, without constant flow of information.*

*Considering that the essence of every communication is the transfer of information, the management of communications in an organization gains greater importance and priority role. This is why communication management receives increasing attention worldwide, tending to separate as a special area of study.*

*The paper analyzes the theoretical aspects of the importance of communication management, its purpose and role in the organization with a focus on communication as a key factor for successful conduct of the other functions of management. All of this with aim to reflect and elaborate the evolutionary dimension of communication management according to dynamic changes in the modern world.*

*The analysis leads to the conclusion that communication management is not a fixed, unchangeable category, but rather dynamic, which incorporates in itself the new conditions that are caused by globalization.*

**Key words:** *communication, communication management, organization, exchange of information.*

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## **ANALYZING CUSTOMER SPENDING PATTERNS AND BUYING PREFERENCES WITH DATA MINING TECHNIQUES**

**Cveta Martinovska, PhD<sup>1</sup>, Biljana Teohareva Filipova<sup>2</sup>**

### **Abstract**

*Apart from using information systems for management of procurement data, sales and purchase transactions, warehouse operations, finance and human resources, information technologies are increasingly used for analysis, planning and control of business processes. In contemporary economy companies need various business intelligence techniques for analyzing business data, such as sales revenue or production costs.*

*The term business intelligence (BI) was first introduced by Howard Dresner, Gartner Group analyst, to denote "concepts and methods to improve business decision making by using fact-based support systems". Business intelligence as it is understood today provides tools for online analytical processing, data mining, process mining, business performance management and predictive analytics. Numerous data mining methods are used for marketing, sales and customer support: market basket analysis, clustering, neural networks, decision trees, genetic algorithms, association rules, statistical methods, etc.*

*There are a lot of programming tools for data mining present on the market, produced by leading software companies. For example tools which are part of the statistical program packages, like Enterprise Miner (SAS) and Clementine (SPSS), specialized tools for general or business usage, such as Intelligent Miner (IBM) and Data Miner (SAS), OLAP tools, as Hiperion, Pentaho and IBM Cognos Business Intelligence.*

*Some DBMS include data mining tools, as for example Microsoft SQL Server Business Intelligence and Oracle Data Mining suit Darwin. Besides the above mentioned tools, there are many others on the market such as: Advanced Miner, Affinium Model, DataDetective, DataLab, Kalidara Advisor, XLMiner and open source data mining systems as WEKA, Orange, Tanagra, Rapid Miner, KEEL, KNIME, MiningMart, MLC ++.*

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*In this paper we are considering the implementation of methodologies for market segmentation, discovering the profile of typical customers for particular kind of products, their buying preferences and cross selling motivators. We use several data mining techniques, such as Bayesian network, decision tree and neural network, to determine the factors that affect the spending pattern and buying preferences of the customers.*

*From the obtained results several conclusions can be drawn. Customer's income affects the spending pattern compared to other factors, such as age, marital status, and the number of children. Issuing loyalty cards combined with promotional activities and discounts for pairs of associated products can increase the profit. Using decision tree and market basket analysis the spending patterns of the customers with loyalty cards were discovered.*

**Key words:** *customer spending, buying preferences, business intelligence, data mining,*



## MANAGING WITH THE BUSINESS PERFORMANCES THROUGH APPLICATION OF BUSINESS INTELEGENCE

Ljupco Davcev, PhD<sup>1</sup>, Marina Radosavljevic-Bojcheva, Msc<sup>2</sup>

### Abstract

*Managing business performance is actually a set of integrated analytical processes which using technology is directed towards financial and operational activities in a company. The creation and management of business development performance is not a simple one-time process. The emergence of new technologies and changes in company objectives that go along with contemporary economic trends have a huge impact in the management of companies. Managing business performance influences the process of reducing costs, increasing revenues and strengthening the competitive advantages of companies. This can be implemented using the technologies of business intelligence. Along with setting the basics of business performance management, it is necessary to precisely define the key-performance indicators. Balanced scorecard in turn provide a framework for organizing strategic objectives in four different fields, namely financial, customer, internal business processes and development. This paper is the beginning and giving directions to the ways of implementation of business performance management in software tools, where using the balanced scorecard will overcome difficulties with the management of data related to indicators of performance that the company collected from different sources.*

**Key words:** *managing, business performance, analytical processes, business intelligence, software tools*

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## **CONDITIONS AND PERSPECTIVES OF THE ELECTRONIC COMMERCE IN REPUBLIC OF MACEDONIA**

**Zlatko Bezovski<sup>1</sup>**

### **Abstract**

*During the last few years, in the Republic of Macedonia conditions for development of electronic commerce were formed gradually and many businesses started to offer their products and services online. First of all, the number of Internet users rapidly increased forming substantial pool of potential customers, thus, several options for efficient online payments were offered by the banks and the post services were liberalized what enabled competitive shipment of small packages around the country.*

*One of the major challenges that Macedonian online businesses are facing with, is building a critical mass of customers in order to reach profitability and to enable long term growth. In this paper we would analyze past development, current circumstances and future perspectives of e-commerce in Republic of Macedonia.*

**Key words:** *e-business, e-commerce, online payment, internet marketing, information and communication technologies.*

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## **CORPORATE REBRANDING PROCESS IN THE TELECOMMUNICATION INDUSTRY**

Snezana Ristevska-Jovanovska, PhD<sup>1</sup>, Ezeni Brzovska, Msc<sup>2</sup>

### **Abstract**

*Corporate brand management theory emphasizes the importance of linking the vision of the corporate brand with organizational culture and image of the company. Beside the increased tendency of corporate rebranding campaigns, there is a lack of theoretical content and academic research in this field. Corporate rebranding causes change in the companies, with main focus on implementing rebranding procedures in all organizational units. All organizational units accept new culture and different way of thinking during the process of rebranding. In the paper is stressed the meaning of the corporate rebranding in the telecommunication industry. We analyzed telecommunication industry as the industry with the largest partaking of the corporate rebranding.*

*The goal of this paper is to highlight the significance of the corporate strategy for rebranding and its methodological implementation in the companies. Therefore, telecommunication companies should understand and implement integrated marketing strategy in the corporate rebranding process.*

*Corporate managers that explore the rebranding possibilities must decide how to implement the change. They have option to choose one or combine several strategic options.*

*Corporate rebranding campaigns have a role to redefine corporate brand identity according crucial changes in structure, strategy and performances in company.*

*The corporate rebranding process might result in increased risk of destroying long lasting marketing efforts for building the value of the corporate brand. Designing the adequate brand vision for the process of corporate rebranding, should be balanced between the need to preserve the basic ideology of the corporate brand, and the parallel refreshment of the brand which is in line with the always changing conditions on the market. This way, the successful corporate management creates link between the existing and the modified corporate brand.*

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*In this paper it will be examine the major reasons for the corporate rebranding and the problems that executives during the process of corporate rebranding are facing with.*

*Considering the fact that currently available literature for corporate rebranding is not sufficient to provide conceptual framework for the potential threats during the implementation of the rebranding process which the executors might face with, we hope that this paper will contribute the theoretical contents and researches for the rebranding process to get into focus.*

**Key words:** *corporate rebranding, telecommunication companies, brand identity, brand vision, marketing strategy.*

## ESTABLISHING POSITIONING AND REPOSITIONING STRATEGY IN BUILDING THE COMPANY'S IMAGE

Goce Menikinoski, PhD<sup>1</sup>, Pece Nikoloski, PhD<sup>2</sup>

### Abstract

*Positioning is one of the central problems in marketing. It is also a key stage in target marketing that follows after segmentation and selection of target market. Due to this fact, the goal of research in this paper is solving the problem of creating a strategy for positioning and repositioning.*

*For that purpose the methods of analysis, synthesis and comparison will be used and a questionnaire will be prepared to collect primary data problem, which will further be used to draw the appropriate conclusions.*

*This research is expected to reveal some strategies that would be effective in positioning the company to determine their impact on the image of company. Positioning actually position the product in the minds of consumers. It is the result of ranking, based on some attributes that are important to consumers. Positioning is evaluated by measuring the perception and performance of the target segment. Differences and similarities between the products and the brand image created multidimensional space called the map of perception.*

*This paper will contribute in terms of defining the company positioning strategy. It will obtain information about the most important attributes that have the greatest impact on consumer attitudes. Based on these attributes companies need to continue to build a strategy of positioning which in turn affects their image. The image is built over a long period of time and once it is gained, it is very difficult to change it. Due to this fact, it is very important in positioning to build a good image of the company.*

**Key words:** *positioning, repositioning, competition, image attributes, consumers attitudes*

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## THE ROLE OF THE INTERNET IN CREATING COMPETITIVE VALUES FOR THE COMPANIES FROM THE FIELD OF TELECOMMUNICATION INDUSTRY

Snezana Ristevska-Jovanosvska, PhD<sup>1</sup>, Maja Petrushevska, Msc<sup>2</sup>

### **Abstract**

*The purpose of this paper is to highlight the opportunities for creating competitive advantages offered by the Internet and to analyze the reasons why it is important for companies to take advantage of its benefits as a modern means of communication with its customers. Enormous influence of the Internet has the ability to create competitive advantage is not yet sufficiently understood, and in some cases is underestimated by companies. After only a few years since the launch in 1990, it became globally indispensable communication tool for millions of people worldwide. With his help, the traditional way of trading completely change and enable new consumer more comfortable buying experience, which also saves time and money. Survival of companies in the global market is important to identify, maintain and increase their competitive advantage, thus ensuring you stable long-term market success. One of the ways to create competitive advantage is precisely the application of the Internet in the implementation of company marketing strategies. Telecommunications companies in the field of offer almost identical telecommunications services, but not each of them is able to offer online services that will be available to consumers at any time or to develop a positive online public relations campaign. How one company successfully apply the advantages offered by the Internet, the easier it will be able to create an advantage over its competitors.*

*Expected results are consistent with the goals of labor. Thus, on the one hand enabled synthesized and systematic presentation of the modern concepts of the role of the Internet in creating competitive benefits companies, and labor on the other hand creates a basis for future research that will confirm and extend these findings. In the preparation of this paper, we applied several methods of research. The method of induction is performed systematize foreign and domestic professional literature, the method of deduction will be applied during execution of appropriate suggestions and conclusions, while presenting a paper will serve theoretical and empirical analysis method.*

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*Labor can be of assistance to companies wishing to increase their awareness of the need to include online marketing in their work, especially in the current conditions of the development of technology and the need for constant global communication with consumers*

**Key words:** *internet, competitive advantage, on-line marketing, web sight, telecommunications.*

## THE VALUE CHAIN AS A SOURCE OF COMPETITIVE ADVANTAGE FOR THE TEXTILE COMPANIES

Elena Veselinova, Msc<sup>1</sup>, Marija Gogova, Msc<sup>2</sup>

### **Abstract**

*The textile companies in Macedonia are numerous, some more, some less successful. One thing is common for all: they engage a good part of the working population across the country and realize significant foreign exchange inflows from their export activities. However, there is a general opinion that the textile companies rarely practiced strategic planning. Their function is basically reactive to changes in the environment. The share of the textile industry in the creation of gross value added in the national economy is low.*

*This paper is devoted to the analysis of the current competition and offers ways to create sustainable competitive advantage of companies in the textile industry. The textile company's competitive advantage is a common denominator of all the activities it performs. Therefore, the competitive advantage comes from those individual activities such as designing, manufacturing, marketing, distribution and sale of products or services. Each of these activities has contributed to the formation of the relative cost-position and the basis for differentiating products; and at the same time each activity adds value to the final product.*

*There is a systematic approach to examining all activities and their mutual interaction and influence in creating the companies' competitive advantage. The basic tool for conducting this analysis is the value chain. Its analysis is the research subject in this paper. The methods of analysis and synthesis, as well induction and deduction lay in the basis of the research. The research results and findings suggest that textile companies should concentrate more on those activities which significantly contribute to improving the cost-position of the company or strengthen its competitive advantage based on differentiation. Regardless of the alternatives, the result would be higher added value, and the latter is the basis for higher profitability.*

**Key words:** *textile companies, competitive advantage, value chain*

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## PROCEDURAL APPROACH FOR CREATING OF E-BUSINESS SOLUTION-AN EXAMPLE OF A MACEDONIAN TOURIST AGENCY

Kalina Trenevska Blagoeva, PhD<sup>1</sup>, Sasho Josimovski, PhD<sup>2</sup>

### **Abstract**

*The main goal of the paper is to explain the process of creating integrated e-business solution for a specific client- Macedonian travel agency. Creating an e-business solution for the organization is a necessity for Macedonian tourist agencies. Tourism industry is important for the Republic of Macedonia because of its unused potentials and for the multiplicative effects that this industry has on the economy, mainly employment. E-business solution incorporates web presence inline with business processes. The formal well known BPM methodology was applied to analyze, model and design business processes. The consecutive phases of strategy formulation, competitive analysis, contextual inquiry and paper prototyping led to model of the core business processes. The importance of this exercise is that as a methodology it can be used in the process of creation of e-business solutions for other domestic travel agencies.*

**Key words:** e-business, tourism, BPM, strategy, experience modeling

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## MARKET GROWTH BASED ON DEMAND BUILDING AND FORECASTING: THROUGH THE PRISM OF SME'S

Tamara Jovanov Marjanova, Msc<sup>1</sup>, Mitre Stojanovski, PhD<sup>2</sup>

### **Abstract**

*This paper places attention to the importance and the ways of building and predicting market demand, because one of the primary ways for growth of the enterprise on the market is through growth of its sales or demand for its products. The main objective of this research is to make insights into ways of building demand and identify patterns of current and future demand prediction, which are appropriate and can assist in the operation of small and medium enterprises (SMEs), bearing in mind the strategy of the European Union for 2020, according to which SMEs are one of the Fundamental tenets of economic development in the future. The significance of the demand comes from planning and proper allocation of resources within an enterprise. In this paper the methods of induction, deduction, analysis and synthesis, and methods of research, were applied. Also, data were derived both from secondary, and primary sources from the confectionery industry, and a representative statistical sample of 38% of total registered enterprises in the Republic of Macedonia was analyzed. The survey indicates significant difference of interpretation of the market, focuses on nine basic ways of building the market through demand, confirms the connection of predicting market demand with the successful operation of an enterprise and shows the qualitative and quantitative models predict that can simply be applied by SMEs to improve their business. The restriction of the research comes from the narrow range of the primary research, and a recommendation for further research is to expand that range and include other industries with mainly small and medium enterprises, to examine the current state of the problem of larger statistical sample.*

**Key words:** demand building, SMEs, models for demand forecasting, market growth.

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**ANALYSIS OF THE FACTORS DETERMINING THE COSTS OF  
WHEAT-PRODUCTION  
(Results of a Study)**

Stela Tsanova, PhD<sup>1</sup>

**Abstract**

*The subject of this study is analyzing the prime cost in wheat production by economic components, as well as investigating the impact of the changes in the areas, the average yields (production, respectively) and the costs of a unit of produce on the product's prime cost. The main objective of the study is to accomplish a comprehensive assessment of wheat production costs; to investigate the shift of the costs over the two monitored economic years in total, as well as the alteration of each component of the costs by economic elements with regard to the total shift of costs. For investigating the variation of each constituent part of the costs according to economic components against the total variation we implement the index factor analysis.*

*The direction one must follow and perform accordingly is towards optimizing production costs so that for a unit of cost a bigger average yield is obtained through the choice of appropriate varieties of wheat (giving higher yields), adhering to the necessary procedures when cultivating the land, etc... Practice has shown that when using good sowing material and appropriate for the region varieties, when observing agricultural requirements, adverse climatic conditions do not have a significant impact on wheat yield and quality.*

**Key words:** *index factor analysis, prime cost in wheat production, average prime cost, average yield, total production costs, average purchase price for a ton*

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## TRANSPARENCY OF BUSINESS OPERATIONS AS A FACTOR OF FAVOURABLE BUSINESS SETTING

Živko Erceg<sup>1</sup>, Predrag Đurić<sup>2</sup>

### **Abstract:**

*A starting point of this empirical study has as its aim to convince us that transparent business operations nowadays, under the conditions of the globalization on one side, and on the other “deep” economic and financial crisis, creates a positive climate for the development and improvement of business success of the company (with a special accent being put on the Doboj municipality). Doboj municipality constantly works on the development of strategic options through which it strengthens its competitive position at the regional level, thereby contributing to the development of Republic of Srpska. The problem we start from in this paper is an analysis of the joint stock companies (with a special accent being put on the companies that belong to the sector of small and medium enterprises) from this municipality and in aim to establish the extent to which they are willing to follow the principles of transparent business operations and from the aspect of respect of ethic code and timely delivery of materially significant reports. A special accent is being put on a delivery of legally defined reports on management structure, business achievements for a current period as well as those on the possession of corporate calendar for future period which should demonstrate achieved level of transparent business operations. Research topic formulated as a question is as it follows: Do the transparent business operations as a factor of favorable business setting, contribute to the increase of a company success, in the observed municipality? Aim of research, that is, the whole flow of this empirical analysis shall be directed to the search for a response in a stipulated problem of research. Research methods we’ll use in this paper are: selection of sample used to do the measurement (basic set being sampled), quantitative and quality methods among which the most significant ones are statistic-mathematical methods, comparison methods, descriptive method and the method of contents analysis. Beside the theoretical overview made by the distinguished home and world authors on this issue, most of the paper shall be focused on the presentation of the results during the research.*

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*In order to get measurable and reliable results, we'll compare results of our empirical analysis with the results of similar empirical researches by other authors in our country, as well as in the region. Based on the results produced in the discussion, we'll make a judgment on transparent (non)business operations of our companies and shall draw attention to eventual problems/benefits coming out of entire research. The largest benefit (potential beneficiaries) from this original scientific study shall have companies from the Dobož municipality, local authority, academic institutions as well as all those interested in the domain of management and entrepreneurship too. All factors, except those having the impact on transparent business operations and creation of a sound business setting, we'll neglect and declare as constant.*

**Key words:** *ethical code, transparent business operations, management structure, business success, corporate calendar.*

**IMPACT OF PUBLIC INFORMING TO THE INCREASE OF  
SUCCESS OF THE FIRM:  
An Empirical Study on Dobož Region**

Predrag Đurić<sup>1</sup>, Boris Novarlic<sup>2</sup>

**Abstract:**

*This research is focused on a problem of a low level of public informing concerning a business policy of the firms existing within the Dobož region (one of five regions in Republic of Srpska) quoting at Banja Luka Stock Exchange. If we observe the structure of information being published, they are primarily related to obligatory material information such as financial reports, reports on business operations of the firm as well as reports made by the external audit. Practice we have seen so far concerning public informing on the business operations of joint stock companies in Republic of Srpska (and thereby joint stock companies from the Dobož region) quoting at Banja Luka Stock Exchange, relate to information defined by rules as mandatory. Therefore, all other data not being defined by a Code of corporative management of the company at the Banja Luka Stock Exchange are not published or are published in a small percentage which represent one of main issues for achievement of a better business success of these companies. Since the problem of this research is of economic nature, research topic is the area of economy being specially explored in the domains of theoretic economy and management with the accent on corporative management. There is an increasing need for publishing regular, timely, accurate and comparable information, by creating own web sites on which information will be regularly updated, all in aim to improve transparency of business operations, increase of social accountability and easier profit making (by attraction of investors). Methods that are to be used for the purpose of research include: induction method, deduction, analysis, synthesis, classification and comparison. Techniques that are to be used for the purpose of collection of data include: contents analysis, interview and statistical processing of empirical data. By the use of classification method we will come to factor having impact on a business success of the company, we will establish existence of cause and effect dependency between public informing on one side and a business success of the company on the other side.*

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*This empirical study should demonstrate whether publishing of regular and accurate information has an impact on the increase of business success of a company and should additionally establish whether adoption of international, acknowledged Code of corporative management can have a positive impact on the increase of a final business success of the companies from the Dobož region. This research has, as a result, stimulation of investors to progressively invest in a subject region and a scientific contribution to the interested public too. Since a business success represents a wide notion, this paper shall focus on the creation of business success of the company which is oriented to the satisfaction of potential investors.*

**Key words:** *business success, material information, voluntary publishing, corporative management, transparency of business operations, stimulation of investments, internet sites of the joint stock companies.*

## **ECONOMIC COST-EFFECTIVENESS OF THE IMPLEMENTATION OF THE QUALITY STANDARD ISO 9001 IN THE HEALTH SECTOR**

**Petkovska Sofija<sup>1</sup>, Gjorgjevska Biljana<sup>2</sup>**

### **Abstract**

*Quality Standard ISO 9001 helps and enables organizations, independently in which sector they exist, to implement the quality management properly. Recent years attracted attention to the possibilities of implementing this standard in the health sector and the economic viability of that long-term investment. Healthcare organizations are recognizing the value system that combines all the criteria for managing quality, including management of business, compliance and management of procedural steps and most importantly the total quality management. In general, the implementation of ISO 9001:2008 standard for quality in health care institutions are seen as an opportunity to improve the quality of health care, and the entire process to be completed by reducing costs and improving services in the sector.*

### **Objectives**

*The implementation of quality standard is directed toward patients, medical staff and management in order to achieve reduction and complete relief from the pain, correct and professional service, services to be conducted with an appropriate skilled and professional care to achieve results comparable with known standards and protection services with an appropriate insurance policies and the management expects the implementation of quality system to justify and return their investment.*

### **Materials and methods**

*The methods used in this paper are based on the quality system ISO 9001:2008 - System quality management and guides for improving the performance, made by and based on ISO 9004:2000, System Quality Management - Guidelines for continuous improvement. These guides contain the biggest part of the text in ISO 9004:2000, but they are supplemented with specific guidelines for their implementation in the health sector.*

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### **Results**

*The implementation of the system and monitoring guidelines evidently contributes to the overall resolution and closure of problems in over 50% of cases. This results in saving money for the institution, but it also globally leads to reduced variation in the healing process, thus shortening the time for treatment of a patient an additional savings and improve efficiency.*

### **Conclusion**

*The expected benefits of the implementation of this system provide a solid basis for obtaining all the necessary facilities, reduce costs by reducing the inappropriate staff at certain departments, the implementation of future accreditation processes is accomplished in a much shorter period of time, improved communication and cooperation between departments. Improved working system, processes and final results inevitably contribute to happy and healthy patients.*

**Key words:** *ISO 9001, ISO 9004:2000, guides for improving performance, systems for managing quality.*

**CONCEPT OF SUSTAINABLE DEVELOPMENT  
IN THE WORLD ECONOMY**

## **SUSTAINABLE DEVELOPMENT CHALLENGES IN THE CHANGING WORLD- THREATS AND CHALLENGES**

**Viktor Simončić, PhD<sup>1</sup>**

### **Abstract**

*Idea of sustainable development is well known. Less known is how to realize this approach in daily life, having in mind so differently developed societies? How to overcome neo-liberal traps and how to use possible globalization advantages in developing countries? It seems there are some possibilities using self-governance approach.*

**Key words:** *Sustainable development, self-governance, liberalization, globalization*

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## **POST CRISIS REMODELING OF THE ECONOMY FOR THE SUSTAINABLE GROWTH OF SOUTH-EASTERN EUROPEAN COUNTRIES**

**Tome Nenovski, PhD<sup>1</sup>**

### **Abstract**

*Every bigger economic crisis, as the current one, leaves behind a huge material damage to the world economy, and to separate national economies as well. However, every such crises reminds national authorities of the mistakes done in the past while creating and running macroeconomic policy and teaches them how they should overcome them in the upcoming period.*

*The economic growth model of selected South Eastern European economies (Albania, Bosnia, Macedonia, Serbia, Slovenia, Croatia, Bulgaria and Montenegro) during pre-global economic crisis was based mainly on foreign demand and capital inflows which created big external imbalances in those countries. It was main reason why those countries were exposed to big vulnerability of external shocks. But, the crisis reshapes the world economic map. Competition on world markets gets new forms and players. The lessons learnt from economic crisis say there is a need for revising the pre - crisis economic growth model in the selected countries as they to be less vulnerable to external shocks. New economic model will enable their long lasting and more sustainable economic growth in future. One approach of remodeling their economy is presented in this paper.*

*The main finding of this research is that instead of experiencing external 'push' factors for economic growth by the Governments, a promotion of internal resources is needed in order to enable for "the catching up" process of these countries to continue.*

*But, all those countries are members or candidates for becoming EU members. That means there is no room for application on entirely new economy growth model since those countries have to create economic model which has to be convergent to EU one. There must be different approach by individual countries in remodeling their economies.*

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*The findings of this survey are intended to indicate the policy makers of the selected SEE countries the mistakes they made before and during the economic crisis and the need and directions for remodeling their economies in the post-crises period that will enable their long lasting and more sustainable economic growth in future.*

*The position assumed for this research is interpretative using qualitative methods of research. In order to ensure comparability among results, the proposed methodological design will be multiple-case study research on the selected SEE economies.*

**Key words:** *crisis; lessons; growth; remodeling; harmonization.*

## CUSTOMS COOPERATION FOR SUSTAINABLE DEVELOPMENT

Zornitsa Gantcheva<sup>1</sup>

### **Abstract**

*The common European market demands that new methods of control on behalf of customs authorities need to be introduced. The role of those methods is complex, as on the one hand, they should facilitate international commerce, and on the other hand, they need to combat fraud and illegal activities and guarantee citizens' safety by preventing the import of goods that might put to risk their health or life.*

*Therefore, in order to ensure that the 500-million-people internal market functions effectively, customs administration authorities of member states need to coordinate their activities and cooperate by applying common regulations on the external borders of the European Union.*

*Customs cooperation has been considered in three major aspects in the exposition: cooperation at the level of customs administration units; customs conventions; cooperation with related control institutions.*

*Cooperation at the level of customs administration units is achieved through:*

- *Communication of information;*
- *Verification of documents;*
- *Implementation of joint activities;*
- *Exchange of best practices.*

*The cooperation with other control institutions related to customs activities involves:*

- *The Food Safety Agency (FSA)*
- *The Commission on Consumer Protection (CCP)*
- *The State Agency for Metrological and Technical Surveillance (SAMTS)*
- *The Bulgarian Drug Agency (BDA)*
- *The Ministry of Agriculture and Food (MAF)*
- *The State Forestry Agency (SFA)*
- *The Ministry of Culture (MC)*
- *The Ministry of Economy and Energy (MEE)*
- *The National Revenue Agency (NRA).*

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*The systematic and the structure approach have been applied. The major conclusions in the exposition have been drawn by employing the methods of analysis and synthesis.*

**Key words:** *cooperation, customs administration, customs control, control institutions, joint activities, communication of information, European Union.*

## **DOES THE EXISTING LEVEL OF GLOBALIZATION OF THE MACEDONIAN ECONOMY ALLOW SUCCESSFUL DEVELOPMENT OF DOMESTIC BUSINESS**

**Miroslav Andonovski, PhD<sup>1</sup>**

### **Abstract**

*Considering the data on trade of the Republic of Macedonia abroad, and the level of foreign direct investment, it can be concluded that the Macedonian economy is insufficiently integrated into the global economy, and it is with low globalization level which, on the other side, limits the level of competition in the domestic market.*

*The question for the reasons that are relevant to this situation is the basis of this paper through whose response will try to detect the adverse conditions in the area that is subject of research .*

*For achieving the objectives of the research the existing theoretical knowledge and scientific experience will be used, as well as the data from the relevant state and public institutions .*

*Taking into account the existing knowledge about the level of globalization of the Macedonian economy , there is necessity to take measures to promote it, especially in the area of reducing the barriers for international trade, facilitation in customs and administrative procedures and more information about the features and advantages of exports. This feedback will be strengthening the microeconomic foundation for the global competitiveness of our country, and rapid growth of the national economy.*

*However, the undertaken measures and activities in this direction until today, are inadequate and therefore additional conditions for faster growth in exports need to be provided, which is possible only through greater dynamism of the domestic economy. In this context there is a need for institutions that will work better and be committed to creating a favorable business climate.*

*Generally, it can be concluded that the long-term competitiveness of domestic firms at the international level can only be achieved through increased flexibility in the work of Macedonian firms, both in terms of diversification of production and in terms of competitive prices domestic products and services.*

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*After the realization of the research it is expected to gain knowledge about the situation in the globalizations of the Macedonian economy and its implications to the domestic business.*

*The proposed findings and solutions will help the local entities for directing the business activities towards the internationalization of their business.*

**Key words:** *globalization, economics, business, international, development.*

## COMPARATIVE ANALYSIS OF THE MARKETS OF ELECTRIC ENERGY

Vasilija Sharac, Dragan Minovski<sup>1</sup>

### **Abstract**

*During the 2005/2006 the reforms in the energy sector have been started , and their implementation was especially intensified by the entry into force of the Energy Community of South East Europe.. According to these rules the member states should harmonize their legislation in the energy field with European Union regulations. This was initiating moment for the reforms in the internal energy market of the Republic of Macedonia that allow competition in the area that was previously regulated by the state.*

*The most important element in the establishing the energy free market is the Energy Law which was passed in 2006. This Law distinguish the production of electricity from distribution and supply. Macedonia thus began a process of formation of market power which in its ultimate goal to allow competition in the electricity supply which is of considerable interest for modern economies that rely on reliable and economical power supply. In this paper an analysis of the electricity markets in Australia and the Republic. Macedonia have been made. Thus it have been indentified electricity market participants, their responsibilities and the rules applicable to trading in wholesale electricity. Functioning of the electricity market is explained by pricing rules of the electricity market in Australia. Compared given analysis of the electricity market in Macedonia, its main participants and the types of trade agreements concluded through which its operation and power supply both households and large industrial facilities.*

**Key words:** *electrical energy market, participants in the market of electrical energy, price of the electrical energy..*

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<sup>1</sup> Vasilija Sharac, Dragan Minovski

## THE GLOBALIZATION AND THE OPPORTUNITIES FOR DEVELOPMENT OF THE MACEDONIAN ORGANIZATIONS

Angelina Taneva-Veshoska, PhD<sup>1</sup>, Lazar Gjurov, PhD,<sup>2</sup>

### **Abstract**

*All countries in the world are impacted by globalization, i.e. by its positive and negative effects. Therefore, there is a need for any organization to monitor changes occurring in the global world and find ways to adapt, use the opportunities that are offered, as well as to deal with the obstacles that arise.*

*World of globalization is a dynamic, daily variable, where the greatest advantage have large organizations. They penetrate and position themselves much easier at the new markets, follow the benefits of new discoveries in technology, production and transportation.*

*In this paper an attempt has been made to answer the question: What is the perception of the organizations related to globalization? Whether Macedonian businessmen have found their way in the world of globalization? Whether they think to establish themselves globally and expand their business into new markets?*

*Research conducted in various organizations in the Republic of Macedonia has helped us to answer questions. Survey results show that the organizations need help to cope and survive in the global world.*

**Key words:** globalization, organization, competitive advantage.

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## WHAT IS AND WHAT SHOULD BE TAKEN BY THE COMPETENT INSTITUTIONS FOR INTERNATIONALIZATION AND SUSTANABILITY OF THE MACEDONIAN ECONOMY

Miroslav Andonovski, PhD<sup>1</sup>, Ljupco Markusoski, Msc<sup>2</sup>

### **Abstract**

*Taking into account the level of globalization on the Macedonian economy and the causes for it, in the previous period, the competent institutions (the Parliament, Government, etc.) have undertaken several activities for increasing the globalization of the Macedonian economy.*

*Exactly these activities were crucial for conducting such research.*

*What has been taken on this plan until today and what is planned for the future will be determined through a retrospective of the past activity of the state institutions and their planned activities in that area.*

*According to the current knowledge of the scientific thought and practice it can be concluded that Macedonia can achieve greater globalization within the international economy through efficient trade, but only if there is cooperation and coordination among all relevant institutions. In this direction it is needed to implement the policies that lead to improving the conditions for international trade.*

*As the globalizations expressed through the liberalization of international trade means performance of the business entities in the world market, it directly becomes a factor that encourages business. There is no doubt that globalization and the free international trade follow the development of the business, and provide increased sales and market share, which in turn means expanding the scope of operations, entering at new markets, creating jobs and ultimately, economic growth and development.*

*Attracting foreign direct investment plays a significant role in the development of any economy, in terms of the production quality and quantity increase, as well as for creating new jobs.*

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*And to accomplish this, it is necessary to continue much more intensively with the structural reforms, ie. the measures and instruments for significantly increase of the microeconomic efficiency of the Macedonian economy, whose low level for a longer period is the most important cause of the overall inefficiency.*

*According to the information that will be get from the analysis of the existing regulation conclusions will be suggested about its appropriateness or inappropriateness of the needs of the Macedonian business entities and will be proposed measures for further improvement of the standards in this field.*

*The obtained knowledge can serve to the competent institutions responsible for creating a favorable business environment and the associations of the business sector and the business entities themselves.*

**Key words:** *globalization, internationalization, business, measures, activities, regulation.*

**REPUBLIC OF MACEDONIA AND NEIGHBOURHOOD ECONOMIC  
COOPERATION: PAST TRENDS AND FUTURE PERSPECTIVES IN  
TRANSPORT INFRASTRUCTURE**

Riste Temjanovski, PhD<sup>1</sup>

**Abstract**

*This paper consider some basic factors for neighboring economic cooperation: transport infrastructure and trade facilities.*

*Transport represents one of the most important human activities worldwide. It is an indispensable component of the economy and plays a major role in spatial relations between locations. In recent decades the international flow of trade and finance has grown to unprecedented levels and become essential to the world economy. The impact of transportation infrastructure on regional cooperation (Western Balkans region) can be reflected through changes in the accessibility of the region affected. Lack of connectivity implies lack of choice, higher transport costs and trade barriers. Good transportation networks are necessary to inter-link potential growth centers connect to border trade points and support economic, social and security needs and promote tourism.*

*The transport sector has an important role in the Macedonian national economy. In addition, the Republic of Macedonia should take advantage of its position, because such as South-East European country, it is at intersection of routes to Balkans, Mediterranean and Caspian Region and Asia. Republic of Macedonia is promoting the concept of EU Neighbourhood Policy into the transport field for better connection the EU with the neighbouring countries and regions. The major transnational axes are those which contribute most to promote the international exchanges and traffic as well as to enable regional cooperation and integration. Creation of a common market is necessary for the region to develop as an entity and realize the goals of peace and prosperity innovation and intellectual opportunity.*

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*But one mode of transport is consistently predominant in transport and trade of passengers and goods in transport policy of Republic of Macedonia. Road transport was the main mode of transport used for trade with neighboring and European countries. The analysis of external trade shows that road transport was by far the most used mode of transport for trade. Road transport was the main mode for 92% of exports and 79% of imports by value (the same transport mode participate with 89% over the five past years of export by volume and 72% of import by volume) with 92% by value. Also showing a higher percentage in terms of volume than value, rail transport accounted only between 12-20% by volume and between 5-10% by value.*

*The integration of Macedonia's transport system into that of the EU should be taken into account in implementing the Trans-European transport policy; the EU has drawn up its transport policy with a focus on three areas: improvement of the quality of transport with the help of modern technology, taking into consideration the environment and safety; improvement of the internal market mechanisms by expanding the range of transport options available to passengers, whilst keeping in mind the standard of living; expansion of the volume of work for transport companies by improvement of transport connections between countries and the penetration of new markets. Macedonia must improve transport infrastructure for closer integration with neighbouring countries.*

**Key words:** *transport infrastructure, transport policy, external trade, Western Balkans, common market.*

## GLOBALIZATION AND DEVELOPING COUNTRIES

Vlatko Pacheshkoski, Msc<sup>1</sup>, Krste Shajnoski, PhD<sup>2</sup>

### **Abstract**

*The theoretical approaches towards the term globalization formally are very different, but still essentially similar. The differences are reduced to hues, because “de facto” all of them are defining one and a same tendency which final goal is new, global world order.*

*In the broadest sense of the word the globalization is interpreted as a process of unifying of national systems and in all their segments (societal, economical, social, cultural, etc.). As for the economic interpretation of the globalization, one approach on the term as a process of integration that is universalization of the national economies in a unique, mutual, world economy whose differential specifics are a new form of organization, a new type of functioning and a new style of managing with the economic flows.*

*Others understand the globalization as a process of transformation of the national economies in a global system of production, consumption and exchange (the distribution stays disintegrated?!).*

*Also, it can be found the opinions that define globalization as a process of forming an integral, mutual market, and through the liberalization of the markets of goods/services, technology, labor, capital and information. Thus, standing out all the advantages of the process of globalization-better allocation and exploitation of the recourses thereby the production growths, and thus the living standard, better approach to the technological achievements (to the know-how) and their dispersion, better assortment and quality of the consumption; better and cheaper information... But right here one question emerges: which countries in the world economy absorb the advantages of the globalization?*

**Key words:** globalization, asymmetry, developing countries

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## THE MACEDONIAN ECONOMY IN THE PROCESS OF GLOBALIZATION

Krste Shajnoski, PhD<sup>1</sup>, Vlatko Pacheshkoski, Msc<sup>2</sup>

### Abstract

*The general idea of the positive impacts of globalization processes on the national economies doesn't imply for the Macedonian economy. High levels of poverty, huge unemployment, low growth rates and the tendency of deterioration of the country's external balance more arguments for the "victims" of globalization than user benefits from it. But such a conclusion reflects the truth about the relationship of the Macedonian economy and objective process of globalization.*

*It is a condition for rational participation in the international division of labor. However, the problem is its lack of coordination and unsynchronized with appropriate export-oriented development strategy, in conditions of market economy.*

*A special problem is substituting the economic development with stabilization policy. Such a practice, in the initial period of independent development of the country, had its raison to be, given the knowledge that the stabilization of prices and exchange rate assumption for successful development.*

*However, the goal has stopped at the moment when this policy began to generate unfavorable economic results. It is high time that the stabilization policy to comply with the development in order to ensure not only stability (at any cost) but a satisfactory sustainable development*

**Key words:** *liberalization, globalization, development strategy, stabilization policy, exchange rate*

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## THE ROLE OF FISCAL POLICY IN ENVIRONMENTAL PROTECTION

Margarita Matlievska<sup>1</sup>

### **Abstract**

*Due to problems with environmental degradation and depletion of natural resources that receive global scale, developed countries adopt and implement laws regulating the fiscal policy that is determined to environment protection. The process of approximation of national legislation with the Acquis of the European Union resulted in the development of numerous laws regulating different areas, including the environment. As a result, Macedonia adopted a basic set of laws in the field of protection of the environment and its media, including the financial instruments. Despite this, for overall environment protection, the financial instruments should be included in the legislation that regulates other areas, as well.*

*The main aim of this paper is to determine whether the fiscal policy of Macedonia is in the direction of environmental protection as one of the foundations of sustainable development.*

*In this paper, the subject of research is the fiscal instruments (taxes, customs duties, excise taxes, subsidies, etc.) regulated in the environment legislation. Furthermore, legislation, regulating the tax policy is the subject of research in this paper. Based on the results of the analysis, it can be concluded that fiscal instruments are well covered and addressed in the laws in the area of fiscal policy, and in the laws related to the environment, and contribute to its greater protection.*

*This paper emphasis the interconnection between the fiscal instruments and environment protection and improvement, and provides basis for their further increase. This research is of particular significance for the business community of the country.*

**Key words:** Taxes, Excise duties, Sustainable development, Environment.

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## INDICATORS FOR SUSTAINABLE TOURISM DEVELOPMENT IN MACEDONIA

Tatjana Dimoska, PhD<sup>1</sup>, Biljana Petrevska, PhD<sup>2</sup>

### **Abstract**

*Due to the fact that sustainable tourism development means applying the concept of sustainability in the field of tourism, it is an idea economically viable, ecologically sustainable as well as socially equitable. Despite of its noticeable and inevitable value, there is no exact methodology for sustainability measurement, so the way out is detected in indicators assessment. With regards to application of sustainable tourism development indicators, various problems occur towards numerous criterions.*

*This paper attempts to estimate sustainable tourism development indicators in Macedonia. In this respect, the research is based on various analyses made upon available secondary data collected through desk-research on descriptive statistics. The outcomes point out that Macedonia, opposite the most tourism-oriented countries, notes very modest results. Finally, the paper emphasizes the need for undertaking measures for improving the sustainability issue in general and particularly in tourism development. Moreover, it urges the necessity for identifying effective framework for enhancing tourism sustainability within all stakeholders involved in tourism process in Macedonia.*

**Key words:** Sustainability; Tourism development; Indicators; Macedonia

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## THE GLOBALIZATION AS AN ASPIRATION TOWARD ECONOMIC UNIVERSALITY

Gordana Bilbilovska, PhD<sup>1</sup>, Ivana Bilbilovska, Msc<sup>2</sup>

### **Abstract**

*The aim of this article is to explore globalization, which brings good and bad and social processes move in fictitious boundaries in which there is free movement of the factors of labor, goods, capital and information. Today states and companies act according to international standards, criteria, rules for quality production, trade, finance and technology. Content, forms, purposes and benefits determines the equity interests, influence and power of the strongest countries in the world. Simultaneously reduced the importance of nation-states.*

*The paper is expected: to capture the nature and image of globalization with opposing sides; to consider the advantages and disadvantages of globalization; interpreted as to get to the better living of the people in the poorest countries in the world; and to define opportunities Macedonia's participation in today's global processes.*

*It is clear that people are unreasonably apply when their survival is endangered, but the fact is that enthusiasm does not exist even in the most powerful countries in the world. The giant companies crumbling village ahead newly concurred spaces, there is a mass impoverishment, unemployment and social hopelessness of the population in many countries in the world.*

*In this paper a new count of globalization can't be reversed towards happier life to people in the world, should be adopted new rules of the game and develop in the modern world. They should label the leap towards a fairer distribution of the world's wealth and be an established relationship between states in which there will be no separation of the very rich and the very poor and will not affect the right of the stronger. In the name of law, poor countries need to strengthen their administration and to fight against corruption and crime, and the developed countries to open their markets and to cancel the debts of poor countries in the world. Should be represented ethical norms that would enable developing countries to contribute and benefit from globalization.*

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*The new globalization with its objectivity need to connect the world, building a new model of globalization. At the request of the new models can be used with globalization slogan against violent globalization, because there is room for opportunities for release, ie higher security of the people living on the planet. Are the new globalization in the future will create member BRIKS?*

**Key words:** globalization, markets, contradiction, poverty, wealth, new rules.

## **ECONOMIC GROWTH AS THE TRANSMISSION MECHANISM OF THE PROCESS OF GLOBALIZATION**

**Srdjana Dragomirovic<sup>1</sup>**

### **Abstract**

*Over the past fifty years and more, every region in the world suffered some of the transformations which significantly affected economic growth. That was how some regions had a longer period of sustainable growth, while the other part of the world didn't have the period of economic growth until the few past decades. Nowadays, many developing economies grow fast, but still most of the countries function in conditions of low economic growth and high level of poverty. There are big differences between the level and division of GDP among countries. Developing countries, especially in the 1990s, became an integral part of the world's economic community. Very diverse results among the developing countries imply that the consequences of globalization depend on the way how countries integrate in global economy.*

*This paper will point at particularity of modern economy which is, by intensifying the process of globalization, completely different from the economy of twenty or thirty years ago. While defining the connection between the economic growth and the process of globalization, the method of abstraction will be used in this paper. By separating important from unimportant elements, using the method of concretization, the attention will be directed to the important factors which are conditioned by economic growth. By further analysis of economic growth, combined with epistemological approach, finding the internal connections and dependence between economic growth and the process of globalization will follow.*

*In the end, the paper is supposed to point at the fact that further globalization is inevitable, and what remains unknown is its intensity where the final outcome, like economic growth, depend only from the manner how national economies in that comprehensive process behave and which rules of functioning are accepted. The conclusion follows that the benefit from globalization is extremely large, if the subjects behave in the manner which is led by honest, real and utterly rational goals.*

**Key words:** *economic growth, process of globalization, developing countries...*

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## RECENT TRENDS IN SUSTAINABLE DEVELOPMENT AND INVESTMENT IN RENEWABLE ENERGY

Bisera Gjosevska, PhD<sup>1</sup>, Goran Karanovic, Msc<sup>2</sup>

### Abstract

*Sustainable development is a concept which implies a process of responsible governance and protection of natural resources as well as the human environment, advanced in order to secure the needs for the future generations. Sustainable development had developed from the ecological movement of the 1970's and is based both on ecological and economic principles, implying the harmonization of two opposite ideologies. Today the biggest part of the world economy is founded on the principles of the western socioeconomic paradigm — Capitalism — focusing primarily on the postulate of the maximization of profits. Standing in stark contrast to Capitalism is the ecological socio-paradigm that implies a sustainable ability to keep the natural processes in balance with the available resources and the human environment.*

*The key challenge for the generation of today is the endeavor to harmonize the ecological and economical attitudes for the benefit of all the future generations. One of the key preconditions for the success of the sustainable development is a wider usage of renewable energy. Thus, the primary aim of this paper is to research global trends of investments in the renewable energy from the entry into force of the Kyoto protocol on the global level.*

*Another aim of this paper is to focus on the knowledge of what share of total investments have been invested in research and development of new technologies at world level. The research methods used for conducting this research are the statistical method, the historic method, the inductive-deductive method, the method of generalization and specialization as well as other general and specific scientific methods.*

*Given that investments in the renewable energy are not yet profitable, world economies must put additional efforts to finance investments in renewable energy with grants, and other forms of incentive. The expected results of the conducted research can be found in detecting the new world trends and selecting the most desirable renewable resources for investment both on the global level, and on the level of total investments in renewable energy.*

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*The conclusions reached in this work aim to shed some new light to the scientific and professional public interested in sustainable development and the world economy, especially with regards to capital budgeting and in capital investment projects in the renewable sector.*

**Key words:** *renewable energy, sustainable development, Kyoto protocol, capital budgeting, globalization*



## THE SOCIAL DIALOGUE AS FACTOR OF POSITIVE SOCIAL (ECONOMIC-SOCIAL) CHANGES IN THE WORLD WITH ACCENT OF THE REPUBLIC OF MACEDONIA

Andon Majhosev, PhD<sup>1</sup>

### **Abstract**

*The fundamental motive to write this paper is to answer the elementary question: How much does Social dialogue influence the social changing in the national and global level in the economic-social sphere.*

*Research analyses the relation among: Trade Union , Assotiation of Employers and Government.*

*Social dialog is very important factor of positive social change in every society if he is effective. The object of the research is focused on the internal and external factors of the social dialoge, as a process of positive change in the society.*

*The most important external factors which make substantial impact on effective social dialog can be found through researching of a Frame Law, International financing institutions (IMF, Worl Bank) and Labor Market.*

*The effective social dialogue we will recognized through: Function of bepartism and tripartism, creation of accordance economic and social politics, brake of regulation (laws), reaction of social partners, especial Trade Union.*

**Key words:** *Social dialogue, social (industrial) peace, social conflict, consensus, compromise, economic progress.*

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## **GLOBALIZATION AND THE DEVELOPMENT OF TOURISM INDUSTRY IN REPUBLIC OF BULGARIA**

Galia Kusheva,<sup>1</sup>

### **Abstract**

*In the tourism industry and other sectors of the economy, the trend of globalization reflects on relationships and interdependencies between countries and social organizations in the political, economic, cultural and other fields.*

*Tourism is a socio-economic phenomenon, associated with the daily life of millions of people. He is determined unanimously by scientists and specialists as a phenomenon of modern society. Globally, tourism is one of the most dynamic sectors of the economy in the twentieth century and the beginning of the twenty-first century, stimulating the development of many other sectors in the economy. The report is part of a larger research, it's a project between department of "Control and analysis of business" and "Mathematics and Statistics". The project research the competitiveness of the tourism business and developing a model of a rating system for analysis and management of the competitiveness of hotel chains. The main goal of the study is to analyze the state of tourism in Bulgaria and comparing trends into local and global level to assess the impact of globalization on the development of tourist industry in Bulgaria.*

*In accordance with the main target, we can formulate the following objectives:*

- 1. Analysis of the current condition of tourism in Bulgaria;*
- 2. Identify global trends in the world and comparative analysis of tourism development in Bulgaria;*
- 3. Assess the impact of globalization on the development of tourism industry in Bulgaria;*

*The report used universal scientific methods and typical economic analysis tools such as: detail, systematization, factor analysis, comparative analysis, inductive and deductive approach. Sources of information include data from National Statistical Institute (NSI), Ministry of Economy, Energy and Tourism of Republic of Bulgaria, by the World Tourism Organization (UNWTO).*

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*The expected results are related to: compare the current trends in tourism development in Bulgaria and the world; assessing the positive and negative impacts of globalization on tourism industry in Bulgaria; enrichment theory in the analysis of the tourism business.*

**Key words:** *globalization, tourism, hospitality, development, trends, JEL L83, M20*

**THE CHALLENGES OF  
INTERNATIONAL BANKING**

## OPERATIONAL EFFICIENCY OF THE CENTRAL BANKS – A CASE STUDY FOR THE NATIONAL BANK OF THE REPUBLIC OF MACEDONIA

Ljube Trpeski, PhD<sup>1</sup>, Bogoljub Jankoski, PhD<sup>2</sup>

### Abstract

*In this paper we make analysis of the basic aspects of the operational efficiency of the central banks.*

*Nationwide there is no institution that can be a benchmark for comparison with the central bank in terms of operational efficiency as is the case in the private sector. Hence, in order to determine the level of operational efficiency of the central bank we need to make a comparison with other central banks worldwide. To make a proper comparison, it is necessary to take into account several elements: the influence of executive authorities, i.e. the level of central bank independence; the size of the country, its population, the size of GDP, and the like.*

*The definition of operational efficiency of the central bank could boil down to an analysis of how the central bank uses the resources or inputs (labor and capital) in performing its legally entrusted functions, to achieve its objective or output, compared with other central banks worldwide.*

*In the paper we make comparative analysis of the operational efficiency of central banks of several transitional countries. We use several standard indicators for measurement of the level of the operational efficiency of the central banks that are subject of the analysis.*

*The analysis of the operational efficiency of the National Bank of the Republic of Macedonia, measured by the standard indicators, suggests that there is adequate room for its increase. In this sense, spending smaller resources for so-called non-core activities and directing the resources available to the so-called core activities is an imperative for the National Bank of the Republic of Macedonia. NBRM should follow the modern trend of advanced central banks in using outsourcing for the service functions and activities performed at the Central Bank, i.e. the activities not directly related to achieving its primary objective.*

**Key words:** *operational efficiency, core activities of the central bank, efficiency measuring indices, outsourcing*

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## THE EU MEMBERSHIP AND ITS EFFECTS ON THE BANKING SYSTEM IN REPUBLIC OF MACEDONIA

Evica Delova Jolevska PhD<sup>1</sup>, Ilija Andovski Msc<sup>2</sup>

### **Abstract**

*The aim of this paper is to examine the effects from the EU membership on the banking system in Macedonia. EU enlargement is a complex process with enormous impact on the economy of the new member countries. This process is accompanied by major changes in the economy of the new member.*

*The financial system of the new member country, and the banking system as a part of it, faces with the challenge of integration in the EU financial system. The banking system in the new member by the membership becomes directly liable to global economic trends and influences. In order to analyze the impact on the banking system from the accession of Macedonian in EU, best evidence is the analysis of the basic characteristics of banking systems on the countries that became members in the last 20 years.*

*It is very likely that the banking development in new EU member countries will follow some main tendencies known from the old EU members. One characteristic common for all Western European banking is the process of restructuring in the banking system through consolidation which leads to increased concentration. The existence of this process will be analyzed in the new EU members and having in mind the structure of Macedonian banking system possible effects will be appraised.*

*The banking system of the new EU country also brings access to global money markets. It is important to examine whether significant efficiency improvements were achieved in the banking systems of the new EU countries as a result of the cheap funding sources or some other factor. Also the low level of financial intermediation in new EU countries leaves space for increasing the range of financial services and their scope.*

*This condition and the alternative funding possibilities can lead to further enlarge of the market share on non-bank financial intermediaries in new EU members.*

**Key words:** *European Union, banking sector, financial system, new member countries, funding, financial intermediation*

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## THE ASPECTS AND ACTIVITIES OF INTERNATIONAL BANKING

Ljupco Davcev, PhD<sup>1</sup>, Violeta Madzova PhD<sup>2</sup>

### **Abstract**

*Banking is an information based industry and banks develop relationships with and obtain information on their customers. Following them abroad, therefore, is a motivating factor for banks to continue providing banking services. Liberalization, international trade agreements and reduced trade barriers and more open markets have allowed banks to expand internationally. The range of services that a bank offers results from the strategy and is influenced from the sources of the bank. International banking is comprised of cross-border banking services which can be provided through foreign offices to its home country and to third countries and it requires a foreign presence to originate the business and to deliver the service. The theories of international trade explain why firms, including banks, transact business internationally. While there are barriers to trade in all industries, the banking industry is particularly characterized by barriers to trade and establishment, restrictions on the ownership of banks and the type of business permitted mostly due to the industry's role in economies. The paper is discussing the theories of international banking, but also the theories of international trade that needs to be applied for deeper explanation of international banking.*

**Key words:** *cross-border trade, service factors, service products, international trade, international financial centers*

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## THE IMPACT OF THE INTERNATIONAL BANKING ON THE MACEDONIAN BANKING SECTOR IN THE GLOBAL FINANCIAL CRISIS

Violeta Madzova PhD<sup>1</sup>

### **Abstract**

*The financial crisis of 2007-09 was a major test for the global financial system as a whole. Without the influence of the international banks over domestic banking operations, the global financial crisis would instead have been several national banking crises, not necessarily erupting at the same time and with far fewer contagion effects – but probably with (even) greater damage to the nations hurt most. But international banks also provide substantial benefits to the economies they operate in – during the crisis, e.g., the presence of Western European banks had a stabilizing effect on credit flows in the Eastern Europe and West Balkans countries.*

*For some time during 2008 and 2009, it looked as if one of the most fundamental trends the banking industry underwent in the past decades – the internationalization of their business activities – might be dealt a serious blow. The crisis brought the return to center stage of the state, as an investor of last resort and as a rule-setter, and by nature national governments focus on national markets.*

*Virtually unprecedented global turmoil in financial markets and an ensuing heart attack of the real economy that at times looked like the beginning of a second Great Depression led to extreme uncertainty in the banking sector and made managers refocus on the very core of their banks' activities – attention concentrated on the home market business.*

*Stabilization measures by national governments gave a further push in that direction as they often came in exchange for banks' committing to continue lending towards domestic clients. However, in a period of restructuring, shrinking and deleveraging, this implied fewer resources were available for international operations.*

*This paper aims to analyze the changes of the banking policy of the international banks as result of financial crisis loses as well as to analyze that impact that the international banks have made to the banking sector to Macedonian banking in terms of creating better or worse lending environment. The analysis would be also speared over the issue whether the international banks import the post-financial crisis symptoms from their origin countries.*

**Key words:** international banks, post-financial crisis, lending policy.

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## THE INTERNATIONAL BANKING, THE NEW LIQUIDITY RULES AND THE MONETARY POLICY

Emanuela Efremovska, Msc<sup>1</sup>

### Abstract

*Globalization has contributed to the rapid development of economic activity in which the international banking has played a significant role. Simultaneously allow market economies to capitalize on their comparative advantages. Capital movements became responsive to changes in savings and investments globally. International banking facilitate capital flows in many countries by bank transfer technology and expertise. The recent financial crisis has revealed the vulnerability of the international financial system and international banking. This raised the issue of the impact of international banking on the choice of the monetary policy transmission mechanism. The crisis led to the first comprehensive framework for measuring and monitoring bank liquidity, which has important implications for international banking operations. International concerted liquidity framework published in December 2010 by the Basel Committee on Banking Supervisory Basel III contains international framework for liquidity risk management, standards and monitoring documents, details of global regulatory standards on bank liquidity. This framework is the first international set of rules for the management of the minimum liquidity requirements of banks, which is based on the principles of liquidity risk management since 2008. This paper aims to cover the impact of the activities of international banking in the domestic financial system and monetary policy in market economies, as well as the new liquidity rules which affect the operation of international banking.*

*Stricter rules on liquidity resulting in restrictions on lending. Liquidity requirements are prudential monetary instruments that affect the responses of exchange rate fluctuations in the economy. Important role of international banking pose challenges in monetary and financial stability in market economies. The first challenge, the important role of international banking can affect monetary policy because international banking operates differently from domestic banks. The second challenge, new strained liquidity rules are expected to strengthen the banking financial system. Finally, when changes in global liquidity conditions, long-term loans issued by banks should provide a sustainable source of domestic financing.*

**Key words:** bank liquidity, globalization, international banking, international financial system, monetary policy.

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**MACROECONOMICS FLOWS  
AND THE GLOBALIZATION**

## MACROECONOMIC IMBALANCES IN DIFFERENT GROUPS OF COUNTRIES

Gjorgji Gockov, PhD<sup>1</sup>, Kiril Jovanovski, Msc<sup>2</sup>

### Abstract

*This paper has a goal to determine the movement of the major macroeconomic variables among different groups of countries in last several years. With comparison and analysis of the key macroeconomic indicators in the countries with different economic development, the paper will try to define the macroeconomic ambient that has been created by the macroeconomic policies in the period before the last economic crises appeared.*

*With the analysis of the macroeconomic ambient, the paper will determine the reasons for triggering the recent economic crises, and measure its intensity among different countries. This paper also presents the measures of the macroeconomic policies that the countries accepted in terms of reducing the negative effect of the crises.*

*With detailed comparative analysis of the reliable data from the national statistics, the paper presents movements of the GDP growth rate, inflation, budget deficit, public debt, current account balance and other macroeconomic variables. In that term, the paper gives special consideration for the macroeconomic ambient in Macedonia. With that we will define the consistency of the macroeconomic policy with regards to the risks bearing from its measures in our country.*

*In this paper, the comparative analysis of the key variables, policies and recommendations, gives profound basis for making conclusions related to the different macroeconomic policies behavior in terms of bad economic performance. Identification of the key factors for such imbalances, national or international, and the effects from the policy responses for amortizing or even eliminating its effects, should give an answer for the dilemmas about the consistency of certain measure in terms of economic turbulences.*

*The contribution of the paper can be seen in the measurement and quantification of the macroeconomic imbalances level in different countries.*

**Key words:** GDP, budget deficit, public debt, inflation, capital account balance, stability, risks.

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## MAASTRICHT CRITERIA AND THEIR (NON)COMPLIANCE BY EU MEMBER STATES

Ljube Trpeski, PhD<sup>1</sup>, Gjorgji Gockov, PhD<sup>2</sup>

### **Abstract**

*Lately we have witnessed the problems of macroeconomic nature facing the member countries of the eurozone. Namely, despite recessionary movements, which in greater or lesser intensity are present in almost all countries, certain countries of the eurozone are facing the problem of so-called „debt crisis“. This problem stems from the high amounts of debt held by certain countries within the eurozone caused by relatively higher budget deficits realized by these countries in the past. Simultaneously, these macroeconomic developments caused an increase in interest rates on countries debt for financing their government budget deficits. Considering that public debt, budget deficit and long-term interest rates are one of the five quantitative economic criteria for countries' membership in the euro area (so-called Maastricht criteria) one important question is the impact of these macroeconomic developments in terms of meeting the Maastricht criteria by the Member States of the euro zone. The question of the Maastricht criteria and the extent of their compliance by member states is the main subject of research in this paper.*

*Besides analyzing the current (non)fulfillment of the Maastricht criteria by the Member States of the euro zone, the paper explores the degree of fulfillment of these criteria before the countries' entry into the euro zone. The analysis will include the Republic of Macedonia in order to see whether and to what extent the Republic of Macedonia meets these criteria. Research will be done through quantitative analysis of relatively large series of statistical data on macroeconomic developments in individual EU member states.*

*Through the research in this paper we want to emphasize: (1) a relatively large number of EU countries that do not adhere to the Maastricht criteria, (2) the importance of these criteria in terms of achieving sound, stable and sustainable macroeconomic policies and (3) the case of the soundness of macroeconomic policies in the Republic of Macedonia. Non-compliance with the Maastricht criteria lead to the relativisation of the economic aspects of EMU the Maastricht criteria are relative economic aspects of EMU, on account of political, which calls into question the character of the euro zone as an optimal currency area.*

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*This paper gives a contribution to the enhancement of research on macroeconomic developments by measuring and quantifying the degree of (non) fulfillment of the Maastricht criteria by certain member states. Special novelty is the inclusion of Macedonia in this analysis, with the hope that the results of the analysis would be relevant to the macroeconomic policymakers, particularly in the Republic of Macedonia.*

**Key words:** *Maastricht criteria, public debt, budget deficit, inflation, interest rates*

**TAX ISSUES OF THE INTERNATIONAL CAPITAL FLOWS (WITH SPECIAL ANALYSIS OF THE INTERNATIONAL CORPORATE TAX POSITION OF REPUBLIC OF MACEDONIA)**

Ilija Gruevski, Msc<sup>1</sup>, Stevan Gaber, PhD<sup>2</sup>

**Abstract**

*In the world of perfect global economy, the level of the international capital flows is determined by the international interest rate, which in this case is equivalent to the investor's required rate of return. But, the existence of national corporate tax systems, especially the ones with exceptionally high tax rates, might limit the overall international capital flows. The reason for the distortive effect of the corporate income tax is that the international investors require higher rate of return on their international investment projects for the amount of the corporate tax liability generated by the project. Therefore, in order to avoid the negative effects from tax distortion, as well as to promote the domestic economy as a favorable and attractive destination for the foreign capital, most of the countries tend to lower their national corporate tax rates. This global tax policy is called "race to the bottom" or with other words "corporate tax competition".*

*The goal of this article is to analyze the international corporate tax position of Republic of Macedonia. For that purpose, the basic methodology is consisted of the comparative method, and the method of the average effective tax rates. The second is an internationally acknowledged method especially developed for evaluation of the tax attractiveness of certain specific location (evaluation of discrete investment choices in open economy). In addition of the main method, the coefficient of the marginal effective tax rates will be used occasionally, for the need of the comparative analysis.*

*This article might be of a great practical value for the companies, institutions as well as the investors interested for information about the level of the international corporate tax position of Republic of Macedonia, or more specifically, about the effective corporate tax burden in this country. Beside the empirical value, the text may serve as a theoretical foundation, or a start point for much deeper and essential researches especially in the domestic country, as it promotes the contemporary methodological approaches in this field commonly used by the developed countries.*

**Key words:** taxes, corporate income tax, foreign direct investment, corporate tax competition, statutory tax rate, average effective tax rate (AETR), marginal effective tax rate (METR).

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## INTERNATIONAL TAX EFFICIENCY CONSIDERATIONS OF CONTEMPORARY CORPORATE INCOME TAX REFORM

Ilija Gruevski, Msc<sup>1</sup>, Stevan Gaber, PhD<sup>2</sup>

### Abstract

*In international context, corporate taxes represent one of the major limiting factors of the international capital flows. High corporate tax rates might distort the investment decision on the international projects, and as a consequence, limit the international efficiency level. The corporate tax system can affect the company's behavior in a number of ways: it might influence the choice of the sources of finance in favor of debt or retained earnings; high tax rates can trigger tax planning activities to shift taxable income from affiliates in high tax countries to affiliates in low tax countries; next, corporate tax can seriously affect market dynamics on mergers and acquisitions as well as the legal organizational form chosen by the firm; and it can also promote tax evasion as well as reduce the capital mobility, etc.*

*In order to eliminate these negative effects, national countries might implement different tax measures, and therefore improve their corporate income tax efficiency level. These international tax efficiency considerations are part of the contemporary corporate income tax reform and they include some certain measures with great potential for this purpose such as: lower statutory tax rates, integration of corporate income and personal income taxation, introduction of the alternative corporate tax systems (the "Cash flow corporate tax system" and the "Comprehensive business income tax system– CBIT"), implementation of the thin capitalization rules as well as the transfer pricing rules, etc.*

*The article's objective is to present the latest trends of the contemporary tax reform from an international corporate tax efficiency aspect. More precisely, the intention is to introduce the measures that might effectively decrease the possibilities for corporate income tax distortion in international context. Generally, the basic methodology is consisted of the analytical, comparative and the narrative method. For the purpose of better illustration on the conclusions, diagrams and scenario analysis will be used adequately.*

**Key words:** *distortion, corporate income-tax, transfer pricing, average effective rates, thin capitalization, integral corporate tax, tax system based upon cash flows.*

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## GLOBAL TRENDS OF THE FOREIGN DIRECT INVESTMENTS-BEFORE AND AFTER THE LAST FINANCIAL CRISIS

Magdalena Tondeva Pavlovska, PhD<sup>1</sup>, Nako Tashkov, PhD<sup>2</sup>

### **Abstract**

*The aim of the research was on a basis of an analysis of the statistical data about the flows and stocks of the foreign direct investments in the world to detect the trends with respect to their growth, geographic distribution as well as trends with respect to their components and forms. Further, the aim of the research was to identify how the last economic and financial crises affect the trends of the foreign direct investments.*

*Our expectation was that the last crisis has affected the trends of the foreign direct investments and not only their growth and geographical patterns, but also their components and forms. The analysis of the results of the statistical data show that the trend of growth of before the crises was present in developed, developing and transition economies, but both the inflows and outflows were concentrated in few countries. Actually, the developed countries have domination in this respect. However, the last crises increased the importance of developing countries both as sources and destinations of the foreign direct investments. After the crises the green field investments increased their importance over the mergers and acquisitions as forms of FDI. Also the trend of domination of the retained earnings as a FDI component continued after the crises.*

**Keywords:** *Foreign direct investments (FDI), flows and stocks of FDI, geographical patterns, forms and components of FDI, green field investments, mergers & acquisitions*

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**ACCOUNTING AND AUDITING IN THE  
GLOBAL WORLD**

## **ETHICS IN THE LIGHT OF THE AUDIT QUALITY CONTROL SYSTEM**

**Silviya Kostova, PhD<sup>1</sup>**

### **Abstract**

*This paper reviews the ethical principles, underlying the structure of the audit quality control system. The opinions presented are based on practical research and views stipulated in the International Audit Standards.*

*Special attention is paid to the characteristics of the audit quality control system at the levels of auditor commitment, professional organization (the Institute of Chartered Accountants in Bulgaria), and supervision exercised by the Commission for Public Oversight of Statutory Auditors.*

*The object of research is the ethical framework within the audit quality control system. The subject of the paper is the process of integration, the interdependence and the influence of inbuilt professional principles on audit quality.*

**Key words:** *audit, ethics, principles, system, quality control.*

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## SYSTEM OF STATE FINANCIAL INSPECTORATE IN THE CIRCUMSTANCES OF EUROPEAN INTEGRATION

Nadezhda Tsvetkova, PhD<sup>1</sup>

### Abstract

*In recent years major changes have occurred in different aspects of public life. In practice, these occurred in the field of education, which was oriented to the new, modern requirements of the European Union. This kind of transition to the circumstances of European integration requires a change in policy in higher education and its consistent output as high quality, effective and near to the maximum extent to practical requirements and current trends. And all this focus on modern education and training of students, which inevitably leads to the realization of students.*

*This research will analyze opportunities for professional realization in the system of the State Financial Inspectorate. The main focus is related to the employment in this system based on competitive start. It will define the requirements for applicants for admission to competition and their subsequent participation. Realization is essential for students to compete in the diverse labour market, but in line with new realities: European requirements; Advanced modern training; Parallel between theoretical knowledge and practical skills. Thus outlined aspects are necessary in today's working conditions in the institutions monitoring on behalf of the state. In practice it comes to the realization that comes after our students receive our educational resources and training. This is an important issue to resolve from our alumni.*

*One of these job opportunities in the profession is the system of state financial inspectorate. State Financial Inspectorate is an institution with deep traditions in the field of financial control and numerous metamorphoses from a position of totalitarian rule, developed market economy and European integration. It may be noted that inspection is part of the modern Bulgarian control system that specifically protects the interests of inspected establishments. This state structure accumulates staff qualifications acquired primarily on the theory of control, economic and financial control, tax control, bank control and others. Therefore, participation in competition is an important and complex step in the implementation of personnel control.*

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*The data will be presented in this report were collected through the survey method and questionnaires developed № 1 and № 2 for goals and objectives of the study. It's Project № 37 – “Conditions and options for adaptation to the economic environment to bachelors and masters training in financial control” in 2010-2011 It was developed at the Institute for Research of the Academy of Economics Svishtov and participation of various control institutions in Bulgaria.*

*The conclusions that can be made are aimed at allowing candidates to participate in competition, the required document, the distribution of theoretical and practical issues and the negligence and irregularities that are characteristic of competition within the public inspection.*

**Key words:** *financial control, students, professional realization, state inspection carers, financial inspectorate, state control, competition*

## **COSTS AND BENEFITS OF INTERNATIONAL STANDARDS FOR FINANCIAL REPORTING**

**Aleksandar Kostadinovski, PhD<sup>1</sup>, Blagica Jovanova, Msc<sup>2</sup>**

### **Abstract**

*The products, services, capital markets are characterized by its global dimension. It certainly increases the pressure on global transnational companies for more efficient way of organizing their businesses in terms of convergence and reorganization of the elements of national infrastructure, including markets, legislation, accounting and auditing, and corporate management. Therefore, companies are looking for introducing a global standard for efficiency in all its operations. The process of globalization of capital markets is the main argument for developing and implementing a single set of international standards for financial reporting, or a single "financial language".*

**Key words:** *globalization, capital, accounting, auditing, convergence, comparability*

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**A STUDY ON PERSPECTIVES OF DIFFERENT GENDER STUDENTS,  
STUDYING AT DEPARTMENT OF ACCOUNTING PROFESSION AND  
ACCOUNTING EDUCATION AT VOCATIONAL COLLEGES**

Hakan Ahmet Ozkurkculer, PhD<sup>1</sup>, Mehmet Burak Ceran, PhD<sup>2</sup>

**Abstract**

*Considering that a man spends most of his time on working, one can easily see how much the profession is important. In addition, the basic foundation of being successful at work and workplace is to love the profession and fulfill the requirements. Accounting profession is two sided; one of them is state and the other side is taxpayer, it is actually a career. In this study, a survey is conducted to determine the perception of the future members of accounting profession on accounting education and accounting profession. The survey is applied to final year students of business management and accounting and tax applications departments at 4 different vocational colleges in Selcuk University. 486 students were contacted out of 1313 in total. 285 of them are females and 201 are males. The data of the survey are analyzed through frequency and chi-square using SPSS statistical program and the results obtained are presented.*

**Key words:** Accounting Education, Accounting Profession Education, Vocational Colleges

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## THE IMPACT OF GLOBALIZATION ON THE ACCOUNTING HARMONIZATION PROCESS

Olivera Gjorgieva-Trajkovska, PhD<sup>1</sup>, Blagica Jovanova, Msc<sup>2</sup>

### Abstract

*Globalization is a historical process, created by the need to increase the efficiency of allocation of resources and develop broader markets for a global economy. Globalization becomes a new dimension to the world. The main goal of our research is aimed at analyzing the consequences that globalization with its existence and manifestations, cause on the field of accounting.*

*The accounting system has a vital role in the overall information process in society and is therefore called "language of business." One of the major international processes that occur as a result of the globalization process is the harmonization of national accounting practices. The process of harmonization of the accounting system is influenced by various factors such as cultural, political, economic and sociological.*

*The efforts of the authors are focused on the presentation of the evolution process of accounting harmonization, and the advantages and disadvantages that this process generates. Special emphasis is placed on the role of an accounting most important organization: IASB (International Accounting Standards Board), whose efforts are directed towards achieving a broad process of convergence of accounting practices and also offer financial world of a single, unified accounting model. As the globalization of world trends becoming more pronounced, it also continues to impose new professional and personal challenges to accountants, creating opportunities for improving their career.*

*The analysis of the process of harmonization of accounting should answer several questions: why national accounting standards are becoming closer to the new international financial reporting standards; why companies understand the process of compliance with international accounting standards as a new way of strengthening their financial performance in global economy and what accountants have to do in order to succeed in the profession, which over time, will become more globalized.*

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*In striving to answer these questions and objectives, the researchers use descriptive, statistical and survey research methods. The survey results should provide a scientific contribution to the recognition of the importance which has the process of accounting harmonization in the complex mechanism of changes and movements that brings contemporary globalization. Because the creation of a global world, with harmonized information systems do not necessitate minor changes in the already established systems of the countries, but necessary process of completely restructuring and transition.*

**Key words:** *globalization, accounting harmonization, international, standards, unification*



## THE SIGNIFANCE OF THE INFORMATION FUNCTION OF THE AUDITED STATEMENTS IN MAKING ADEQUATE ECONOMIC AND BUSINESS DECISIONS

Pece Nikoloski, PhD<sup>1</sup>, Goce Menkinoski, PhD<sup>2</sup>

### Abstract

*Information obtained from the analysis answer the question as business entity in the previous period and how to function in the next period to be maintained better result. The main goal of any business entity is achieving greater profits. Maximization of the profit is striving to achieve the possible cost less and also the achievement of greater revenues. Profit shown in the financial statements may differ from reality depending on the way you handled the financial statements or in other words the way reports display where they can be concealed large gains and losses. Therefore, the auditors are those who weigh the reality of participants' data in financial reports. How the financial result is a real set, so will be better and better decisions are made based on such information.*

*The advantages of better financial reporting are significant, hence the actions needed to achieve those benefits are complex and comprehensive.*

*The main and primary objective of financial reporting is to provide access balance between financial reporting and audit requirements of the Republic. Macedonia, which means meeting the needs of different users of financial information but also will be complex to burden the functioning of the corporate sector.*

*The purpose of this paper is to find ways how to achieve that balance. To accomplish this purpose will use methods of analysis and comparison. You will use secondary data already recorded by the relevant institutions and through analysis of these data is expected to get a response to a defined problem.*

**Key words:** *audited statements, business decisions, detailed information, data, profits, revision*

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## WILL THE PROFESSION CERTIFIED ACCOUNTANTS IN MACEDONIA BECOME REALITY?

Janka Dimitrova, PhD<sup>1</sup>

### **Abstract**

*Are you looking for Accountant?*

*Here, I can be. I have a computer; have accounting software; my mom, ant, my uncle were accountants, they shared craft to me. Well it is not so important that I am by vocation (nursing, mechanical technician, high school boy, electrical engineer with primary education, etc.). I will handle.*

*This was the way how the accounting profession worked in Macedonia, so far. The previous legislation required only business entity to determine who will be authorized accountant without taking into account the knowledge, skills and suitability of education that the accountant owns.*

*Accounting is the process of maintaining, auditing and processing of financial information to help managers, investors, tax authorities and other decision makers in the resources allocation. It is a painstaking job that requires extraordinary commitment not to make omissions and errors that can have numerous negative consequences both financially and from a business perspective. After all, accountants are those that indirectly contribute to filling the state budget that is necessary to be able to cover all public expenditures (budget consumption).*

*The last few months on the horizon is the preparation of Law for accounting matters which (we hope) will bring order in the accounting profession in terms of professionalism, knowledge, continuing education, and in terms of actual valuation of labor and responsibility which on their shoulders the accountants are caring.*

*The most important of all this is a gradual recognition of the economic faculty as the only (as for many other professions so, law, pharmacy, technical faculties etc.) which can obtain professional title accountant and authorized accountant. As a lawyer can only be completed by a person with law faculty, the pharmacist with completed pharmaceutical faculty and auditor with economic faculty also the accountant should be authorized only with economic faculty.*

**Key words:** *accounting, computer, software, expertise, commitment, continuing education*

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## AUDIT OPINION FOR THE FINANCIAL STATEMENTS IN THE ROLE OF GLOBAL INFORMATOR

Janka Dimitrova, PhD<sup>1</sup>

### Abstract

*Financial statements are form part of the process of financial reporting. The information presented in financial statements in the form of quantitative figures, can be combined, compared, put in line to get indicators and ratios that would mean more than numbers, or to obtain qualitative information about the company's operations.*

*Indicators of financial statements meet the general needs of most users in making economic decisions for:*

- *Deciding when to buy, store or sell equity investments;*
- *Assess the management and accountability of management;*
- *Assess the ability of the business entity to pay and provides other benefits to its employees;*
- *Assess the security for the amounts borrowed to the business entity;*
- *Determine tax policies;*
- *Identify revenues and dividends for distribution;*
- *Prepare and use statistics for national income, or*
- *Regulate the activities of the business entity.*

*It is good to have information and insight into relevant and credibility performance data of the companies. Even better would be if that information and data have been confirmed by people who are highly professional, objective, impartial and independent – auditors. An audit includes examination and evaluation of operations, organization and business functions, method of making business decisions, functioning information system with auditors, and other issues relevant to their work.*

*The audit increases the credibility (reliability) of data presented in financial statements. Although the future is uncertain and can not predict with 100% reliability, however, if the predictions are based on the quality and revised information, the risk of bad decisions will be horrendously minimized.*

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*The technical and technological development and particularly development of the information technology enabled the rapid expansion of business worldwide, which deleted or are gone all trade barriers – boundaries. Products and services markets, securities markets, as well as opportunities to quickly obtain usable information (using information techniques and technology) allow investors, bankers, entrepreneurs, manufacturers and all other business entities to expand their business worldwide.*

*Providing the necessary information is done through appropriate information systems that allow getting a picture of the current financial condition and results from operation of the business entity. In the economic entities the main informational activities is performed by accounting system, so the importance of this system and its organization in all countries around the world is mandatory and is striving to standardize.*

**Key words:** *audit opinion, financial statements, standardization, information, decisions*

## COMPETENCIES OF TAX CONTROL BODIES

Emiliyan Tananeev, PhD<sup>1</sup>

### **Abstract**

*Control and tax control in particular as a social relationship reflect the nature of cooperative public labor. Despite not mentioning the category of control specifically, Marx works out the interdependence between public production and the need for control. He seeks the contingency between control and the essence and character of unity in collective labor.*

*Control as a social function is accepted as reality in the system of state and economic control, regardless of the social and political order.*

*In a theoretical aspect, there is a relatively well developed work on the status and problems related to the necessary competencies of tax officers. The important problems of inner disposition and ability to control the taxation process remain outside the handled scope.*

*These are two of the significant components of a single entity, which defines the general competency of tax bodies.*

*This circumstance gives us sufficient justification to devote attention to their substance and development in the present expose.*

**Key words:** *tax control, taxation process, competencies, professional skills, motivation*

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## **CYBERCRIME CONTROL (CYBER CONTROL)**

**Ass. professor Pepa Stoykova, PhD<sup>1</sup>**

### **Abstract**

*Cybercrime research enables uncovering cybercrime manifestations in different spheres – social, economic, legal, etc. Based on classification and analysis of cybercrimes, we may draw conclusions for preemptive, ongoing and follow-up control over them.*

*The present study is based on a comparison between the current effective national and international legislation and the forms of deviant, unlawful or socially unacceptable behavior in the virtual environment. Cybercrimes classification provides for their better understanding by control, executive and judicial authorities. The globalization of economic and social processes puts up new challenges in front of control bodies related to the fulfillment of their legal functions.*

*Cybercrime control requires interdisciplinary knowledge and multifunctional approach. The present study is intended for individuals and legal entities that make use of computer and internet technologies, store and exchange data in a virtual environment. They may become victims of improper behavior, which threatens their financial, professional, social and even physical security.*

*The results of the study may be of use for improving the safety of internet technology usage. They may complement the traditional methods, means and theoretical establishments of control. The conclusions and recommendations are directly related to virtual activities of personal, collective and public nature.*

**Key words:** *cyber control, cybercrime, cybersecurity, cyber safety, cyber monitoring*

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