

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

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Abstract

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

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

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

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

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

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

1. Introduction

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

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

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

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

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

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

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

3. Methods and materials applied

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

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

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

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

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

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

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

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

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

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

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

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

5. Assessment of financial stability through the indicators

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Conclusions

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

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

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

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Rezumat

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

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

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

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

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

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

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

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

Аннотация

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

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

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

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

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

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

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

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