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## Articles

Globalization of Financial Markets  
Assoc. Prof. Venelina Trifonova, Ph.D.

A long-lasting discussion on the role and effects of the financial integration in developed and emerging countries exists among the academics and policy-makers during the last years. In the center of this discussion are mostly the positive and the negative effects from the globalization of financial markets. In this connection, firstly, in the current study an analysis is made on the nature, theoretical foundations, characteristics and arguments for the process of globalization and the consequences resulting from this process. Key attention is drawn on the integration and globalization of financial markets and the interrelationship of these processes with the financial crises having in mind the sharp financial and economic crisis, experienced in the global economy during the period 2007-2009. With regard to this, secondly, in this paper a research is made of the key trends during the global crisis, its specific features and a set of measures undertaken by the international financial institutions, governments and central banks. Thirdly, a great importance is attached on the performance of the Bulgarian economy during the global financial crisis and the position of Bulgaria in the world financial system.

**Key words:** globalization; financial markets; integration; liberalization.

**JEL:** E02; E44; E61.

New Moments in International Regulation of  
Banking Liquidity  
Assoc. Prof. Silvia Trifonova, Ph.D.

The key objective of the paper is to analyze the new international framework for the banking liquidity management. This global framework is established by the Basel Committee on Banking Supervision and known as Basel III Accord. The new regulatory framework aims to introduce a global standard for liquidity of credit institutions in order to enhance the banking sector's capacity to absorb shocks arising from financial and economic stress. The global financial crisis, which began in mid-2007, put an emphasize on the role and importance of the liquidity for the stable functioning of financial markets and banking sector. With this regard, the current study is focused on the role of banking liquidity in time of crisis and the introduced new Basel liquidity standards for enhancing the resilience of banks in short run and long run in response to the world crisis. On this basis the paper also includes an analysis of the major trends in the liquidity stance of the Bulgarian banking system and the measures undertaken by the BNB in the liquidity regulatory framework in order to improve the banking system's capacity to meet any liquidity pressure.

**Key words:** liquidity standard; liquidity risk; bank regulation; Basel III.

**JEL:** E58; G21; G32.

The Lease – an Alternative for Funding Investments in Real Estate  
Assoc. Prof. Yordanka Yovkova, Ph.D.

This article is dedicated to the use of leases in funding investments in real estate, which still is not very common in Bulgaria, although a growth in the relative share of leasing has already been noticed in the portfolios of Bulgarian companies.

The article places an emphasis on the legal aspect of leasing real estate (a combination of contracts – lease, credit, purchase, construction) and its financial features as a combination of monetary relationships and cash flows.

Attention is paid to the specific types of financial leasing of real estate – leasing of new construction, leasing of the buy-and-lease type, sale and leaseback, leasing through closed-end real estate funds.

The advantages of leasing for the three parties to the real estate lease transaction – lessor, lessee and creditor, are explained, as well as the specifics of some financial conditions – lease payments, the distribution of the various types of expenses, connected to the management of the property, between the lessor and the lessee, etc.

It is noted in the conclusion that the leasing of real estate is a promising form of funding of investments, the development of which would contribute to a more dynamic real estate market.

**Key words:** leasing, real estate, investments, funding.

**JEL:** R21, R33.

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Design of a Composite Indicator for Measuring and Assessment of Employment and Unemployment Trends and Dynamics  
Chief Assist. Prof. Todor Todorov, Ph.D.

The present article deals with the problems related to measuring and assessment of employment and unemployment dynamics. A composite indicator is designed with the purpose of identifying the overall level of performance with respect to a universe of pre-selected labour market indicators for a given country, object of study. Based on the adopted methodological approach, which uses the radar-chart as an analytical tool, empirical studies on the dynamics of employment and unemployment in EU Member States, as well as Croatia and Turkey in their capacity of accession countries are conducted for the period 2007-2010. The analysis performed allows for outlining the main labour market trends in the examined countries as well as identifying the extent to which the negative effects of the world financial and economic crisis on the demand for labour have been overcome so far. Special attention is paid to the labour market problems in Bulgaria and some of its major weaknesses are identified.

**Key words:** composite indicator; employment; unemployment.

**JEL:** J21, J64.

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On The Nature of the Right to Determine the Beneficiary in the Insurance Contract “Life” in Case of Death  
Chief Assist. Prof. Maria Valkanova, Ph.D.

This article discusses some issues related to the legal nature of the designation of a beneficiary under the contract of life insurance in the event of death in favor of a third party.

A distinction is made between the act of designation the beneficiary and the third party clause. In the first case a unilateral act of will is presented, while in the second - a contractual agreement on a clause in favor of a third party.

Special attention is paid to the subject and nature of the right of designation. In order to determine the subject's right of designation the beneficiary the nature of the law itself is examined. His character is also important to determine the nature of certain other rights of the insured such as the right to revoke the designation and the right to ransom life insurance policy.

As a result of the analysis it is concluded that similar to other laws, which explicitly accept its strictly personal character it is necessary in our country to be confirmed *de lege ferenda* personal nature of the right of designation the beneficiary.

**Key words:** contract, life insurance, beneficiary, designation.

**JEL:** G22.

### Discussion

Crises – an Attempt for Dialectical-Holistic Approach to Them  
Prof. Velcho Stoyanov, D.Sc.

The article attempts to approach crises in Herder's view, i.e. on a larger dialectical-holistic basis. We are referring to both main types of crises – natural and social. The focus, for obvious reasons, is on social and economic crises, in particular, as the main focus is on the global financial crisis, which started in 2007/2008 in the U.S. and spread to (almost) whole world.

**Key words:** dialectical-holistic approach, social crisis, economic crisis.

**JEL:** B41.

The Crisis in the Construction of South-eastern Europe after the "Cold War" as a Test for the Bulgarian Foreign Policy  
Prof. Dinko Dinkov, Ph.D.

For a long time, ever since the early XIX century, the Balkans are approved as a special part of the European continent as a region of confused historical time. It stays away from the important processes that give the appearance of modern Europe – the Renaissance, the rising of national-state concept and the formation of modern European national states, the industrial revolution, etc. The received delay in the development of the Balkan peoples due to certain circumstances could not be overcome. In the XXI century, solutions to old problems are sought after by applying the approaches used in different historical times. Assuming that the path of the Balkan peoples to modernity passes through the creation of national states in the late XX and early XXI centuries, the international community accepted as normal the emergence of new countries in the region. Once again it appears as if the attempts to solve the Balkan problems do not seek entry into the achievements in understanding the social development. Fragmentary references to historical facts handy in past times are used to support politically motivated decisions. Is it certain that today the creation of nation-states may have the same meaning as in the XVIII and XIX centuries? At least historians have concluded that the attempts to repeat the historical process are manifested as farces.

The purpose of this paper is to address the changing functions of South-eastern Europe

in the restructuring international system after the "Cold War". The ignoring of the new tendencies continues to hold the taking of policy decisions in the trap of the area's Balkan past.

**Key words:** Stability Pact for South Eastern Europe, Western Balkans, strategy of stabilization and association of the Western Balkan, Regional Cooperation Council.

**JEL:** F01, F02.

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The New Economic History: a Historical Retrospective Experience  
Assoc. Prof. Marcho Markov, Ph.D.

In this paper there is made a historical retrospect of the development of new economic history – an important area of neoinstitutional economic theory. There are revealed the logical stages through which it passes, its most prominent representatives and the basic research that traced its way through the last fifty years. The new economic history is a result of the integration of history, economic theory, statistics and mathematical modeling. The thesis is proved that the new economic history achieves noticeable results powering unsuspected layers of scientific ideas in different branches of social science. According to the author, knowing these achievements in their variety and depth is essential for a quality preparation of students in economics, for the effective actions of managers and intentional actions of politicians in the modern world.

**Key words:** new economic history, cliometrics, new historical school, historical economics, the new economic history, cliodynamics, institutions.

**JEL:** B25, B23, B52.

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## Review

Discussion on the Costing Systems in Banking  
Chief Assist. Prof. Lilia Rangelova, Ph.D., CPA

In the conditions of a market economy the issue of adaptation of the Bulgarian accounting theory and practice to the European and global tendencies has emerged. This new environment determines the need to re-examine the applicability of management accounting in banking, which have been misjudged and laid under the shade of financial accounting. Establishment and implementation of a functioning costing system in the banks is a topic of present interest because of the lack of researches, in both areas of theory and practice, about the expenses in banking institutions. This paper presents an analysis of the existing costing systems based on actual, budgeted (planned) and standard expenses, as well as the prospects to implement them in the banks, and with the overall aim to inspire a debate. The necessity of mentioned information is related with the possible reductions of bank product costs, better control over the expenses, optimization of the ratio "incomes-expenses", achieving of the maximum profit and providing higher dividends to the shareholders. In this context, the author expresses hope that the reached conclusions will provoke thinking of the accounting professionals and researchers and will also be useful for the managements of banking institutions.

**Key words:** banks, expenses, costing systems, cost.

**JEL:** M41, G21.

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Essence and Characteristics of Marketing Planning  
Chief Assist. Prof. Emil Hristov

Publications available in Bulgaria, which explain marketing planning - an essential component of

marketing management having major influence on the overall efficiency of marketing activities in an organization, are quite limited. In this regard, the article presents the essence and characteristics of marketing planning in a generalized and systematic way according to and basing on the ideas of prominent scholars and practitioners in this field of study.

Firstly, the article presents some of the more popular definitions of marketing planning, given by various authors. Furthermore, the paper clarifies the interrelations between this kind of planning and strategic business planning, the place and role of marketing planning in corporate planning, and why marketing and marketing planning are essential for business planning. The impact and interrelations of marketing and marketing planning with other functional areas of company management, including planning in their frames, are extensively described. Later on, the article reveals various marketing plan definitions given by famous scholars and practitioners in this sphere. A detailed classification of various types of marketing plans is made, based on commonly used criteria in specialized literature and practice and the characteristics of these plans

are clarified. Then a sample marketing plan is presented revealing the key elements in its structure (content), which on the one hand reflects the viewpoints of many specialists in this field of study, and on the other hand has universal application in various profit and non-profit organizations. Finally, the article describes in detail the characteristics of strategic and operational marketing planning, the interrelations between them and the reasons why practitioners dealing with marketing planning must be familiar with the specifics of these two types of planning and be able to make clear differentiation between them.

**Key words:** marketing planning, strategic and operational marketing planning, marketing plan and marketing plan types.

**JEL:** M31.

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### Contents and Article Summaries

### Guide for Authors