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Scientific Life

Scientific Symposium, Dedicated to 70 Years
of Prof. Kamen Mirkovich, D.Sc.
Assoc. Prof. Vera Pirimova, Ph.D.

Articles

Global Trends in the Development of European
Tourism
Assoc. Prof. Tanya Parusheva, Ph.D.

In the article global trends in the development of European tourism are examined and analyzed to some extent. Questions about the factors of the global outside environment and their impact on economic, political, social and ecological trends are scrutinized.

Changes in the lifestyle, consumer models of tourists and their effect on tourist demand are examined. Modifications in transport services and IT, which influence the global tourist industry, are also mentioned and discussed.

A stress is put on the effects of global transformations and the perspectives of European tourism. The opinion of the author that European tourism will satisfy the need of a new vision on how to spend our free time and will create opportunities for the development of new specialized types of tourism, is supported.

The article has a particular practically applied direction. The main conclusions are made on the base of a range of theoretical theses and empirical studies of The World tourism organization, the

European tourism commission, etc. A large part of them can pass on some important for the practice information and knowledge.

Key words: European tourism, global trends, tourist demand, transport, IT.
JEL: L83.

Management Performance Measures Based
on Portfolio Returns' Standard Deviation –
Are They Applicable in a Low Liquidity Market
Environment?
Petar Atanasov

Limited liquidity is one of the major differences between small and low-liquid emerging capital markets, such as the Bulgarian one, and the developed ones, on which the financial theory is based. Low liquidity causes significant market distortions and this hinders the application of financial theories on such markets directly. The aim of this article is to analyze the distorting effect of low liquidity on the management performance measures based on overall risk, measured by the standard or semi-standard deviation of portfolio returns – Sharpe Measure, Sortino Ratio, etc. Basing our conclusions on empirical tests we argue that during a phase of both rising market or a market correction, the lower the liquidity of stocks is, the higher their standard deviation and this relation most probably strengthens during a time of decreasing markets. During a period of rising markets however, as the probability distribution of stocks returns with lower-liquid stocks tends to be positively skewed, the higher standard deviation of returns shows profit potential rather than risk. During market correction, the skewness of the distribution of these stocks' returns tends to "shrink" closer to zero and the standard devia-

tion of returns further increases. Thus, standard deviation becomes a more adequate measure of risk and this risk has increased. This risk, however, remains "hidden" for the classical management performance measures while the market is rising and becomes visible only after correction has started and the investors have suffered losses. Empirically we prove that the low liquidity of the market is among the major reasons for the limited information power of management performance measures.

Key words: management performance (measurement), return, risk, overall risk, Sharp Measure, Sortino Ratio, probability distribution of returns, standard deviation, semi-standard deviation, skewness, liquidity, VaR-analysis

JEL: G31.

Discussion

Flat Tax and the Crisis: Fiscal Effects and Social Defects

Review

Concepts of Results-Oriented Budget.

Assist. Prof. Petar Mitev

Theoretical and Practical Aspects of Value-Based Pricing

Chief Assist. Prof. Tatyana Netseva-Porcheva, Ph.D.

In today's world consumers are faced with complex choice of products and brands, prices and suppliers. When make buying decision, customers assess what their proposal has a greater value.

Objective value for the customer is the measure of the benefits that the product provides,

regardless of whether the customer is aware of them or not.

Perceived value is that the customer believes that its product provides, i.e. realized benefits. The perceived value represents the maximum price that the customer is willing to pay for the product.

The marketing efforts should be focused on actions related to removing the gap between objective and perceived value of the product. Therefore, the other elements of marketing mix should be used actively – product, distribution and promotion.

The perceived value should not be considered an abstract definition. The perceived value is manageable similar to the cost. The marketing specials should make the following steps to manage the perceived value of the product: detailed examination, measuring, analyzing, evaluation of the perceived value and finding ways for added value creation.

Key words: value-based pricing, value for the customer, perceived value, customer value map, fair-value line, pricing cube.

JEL: M31, M39.

Management of Business in Small and Medium Enterprises

Assoc. Prof. Rumen Varbanov, Ph.D.

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