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Scientific Life

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Articles

The Impact of Exchange Rate Changes
on Economic Processes in the Contemporary World
Associate Professor Yordanka Stateva, Ph.D.

As the global financial and economic crises still unfold, the volatility on the foreign exchange market has dramatically increased in the last year. In 2006 and 2007 a decline in currency volatility was registered, in fact 2007 was the year of historical lows. Then 2008 was the year of unprecedented high currency volatility. This is the fact defining the importance of the current analysis.

There are several main aspects, in which the impact of exchange rate changes on economic processes has been analyzed.

First, exchange rate changes affect the trade in goods and services, respectively the financial positions of importers and exporters.

Exchange rate changes can have a significant impact on capital flows and on borrowers in foreign currencies too. There are contemporary examples concerning Hungary, Poland, Iceland, included in the material.

The tourist industry in Bulgaria is seriously hurt by the current crisis and the currency factor is very important in this respect. Exchange rate

changes have a significant impact on international tourism.

At the beginning of 2009, the financial crisis and the recession still feed each other in a way that make them both worse. The currency factor, the currency crises in some countries, the unprecedented currency volatility are an important element in the global financial and economic picture.

Key words: exchange rate, foreign-currency borrowing, strong currency, weak currency.

JEL: F31.

Chain Stores and Their Positioning on the Market
for Fast Moving Consumer Goods
Chief Assist. Prof. Ivanka Nikolova, Ph.D.

The spreading out of foreign chain stores across the Republic of Bulgaria has triggered changes in our commerce. Chain stores influence the structure of trade, the competitive environment and the relationships among the participants in the marketplace, as a result creating new customer requirements and expectations. This article carries out research on the influence of some components of consumer behaviour on the market share of the chain stores in Bulgaria and their positioning on the market for fast moving consumer goods.

In the period between 2005 and 2007 a change was obvious in the positioning of the chain stores on the market for fast moving consumer goods in Bulgaria - a market which can be defined as normal from the point of view of competition and as having a low level of concentration. The composition of the ten leading chain store

companies in the country has changed. It was noticed that the bigger market share of small grocery shops was due mostly to the high consumer loyalty as an element of consumer behaviour. There has been a drop in the market share of small grocery shops in contrast to an increase in the share of both super- and hypermarkets and of discount shops as well.

Key words: chain stores, market positioning, fast moving goods, consumer behaviour, decomposition of market share.

JEL: L11, L25, L81.

Bounds Testing (ARDL) Approach to Cointegration Analysis of Gross Domestic Product and Exports in Bulgaria

Chief Assist. Prof. Plamen Petkov

This article tests the validity of causal relationships between GDP and exports. Based on quarterly data for Bulgaria, covering the period from first quarter 1996 to fourth quarter of 2008, long-run relationships are investigated using the ARDL (or bounds testing) procedure, developed by Pesaran, and short-run dynamic parameters are obtained by estimating an error correction model (VECM). The results show that when GDP and exports are present in comparable prices and do not take into account the impact of the trend, there exist two-way causal relationships. With the inclusion of a trend in the model, the data provide support for the export-led growth hypothesis. When GDP and exports are deflated by consumer price index, there is support for the output-led growth hypothesis.

Keywords: output growth, export growth, co-integration analysis, long-run relationships, short-run relationships.

JEL: F1; F4; O47.

Method for Long-term Storage of Accounting Information on Magnetic Media of Type Diskettes and Magnetic Tapes According to Accounting Law
Chief Assist. Prof. Pavel Petrov, Ph.D.

The purpose of this study is to provide a method of preservation for a long period of time of accounting information recorded on magnetic media of type diskettes and magnetic tapes in accordance with the Accounting Law of the Republic of Bulgaria. Key points in proposed method are: storing information in multiple file formats, duplication of information media and periodic transfer of the information to new as age and as type magnetic media.

Key words: Accounting Law, long-term information storage, magnetic media, diskettes, magnetic tapes.

JEL: M48, C81.

Relevant Factors in the Construction of Commercial Strategies of Commodity Exchanges
Chief. Assist. Prof. Svetoslav Iliychevski, Ph.D.

The dynamics of modern trade in grain and asymmetry of information for participants makes understanding of the business extremely insufficient to achieve optimal results. Successful business can not exist without accurate and timely information, knowledge of the risks and tools for their management. Those facts have a significant impact on the development of production, supply and demand, prices. Experienced analyst reported the impact of these and many others factors and makes projections for the expected changes for the future development of various economic sectors and economic agents who represent them.

Participants in the exchange trade rely to obtain maximum income and elected by the whole variety

of stock assets those who bear the greatest efficiency in terms of investment/speculative preferences. Modeling suggests many prices and labor studies of the value of the assets of organized markets in comparison with the real market opportunities for future profits. With its help give estimates of the expected future value and therefore, the expected future price of the asset. On this basis, make recommendations on the advisability of the purchase or sale of assets.

Key words: fundamental analysis, technical analysis, technical indicators.

JEL: G12.

Using the Small Area Estimation Methods for the Local Unemployment Identification
Assist. Prof. Alexandar Naidenov

The article presents the results of the experimental production of unemployment rates for Bulgarian municipalities, using the small area estimation methods. The need for that kind of estimates is determined by the necessity for highly disaggregated territorial data for the correct localization of different kind of policies. In the article exposition the basic concepts are explained and a generalized theoretical model of the estimation process is shown. A short review of the sources of information is added too. The concrete results for each method are presented in tables and maps with short critical reviews in addition. Concerning the practical realization of the small area estimation process a number of formulas and statistical programs are described too.

Key words: small area, municipality, unemployment rate, experimental results, estimation, issues, software.

JEL: C13.

System-Forming Sides (Parties) of Trust when Rendering a Municipal Administrative Service
Georgi B. Nikolov

The problems concerning the trust in public services of population have always been a question of present interest. Nowadays these issues are strengthening their positions in view of the reforms which are being fulfilled in all spheres and activities. At the same time the democratic course of events inevitably caused "blurring" of the trust in different aspects of free entrepreneurship, in trade relations, in the quality of the services, etc.

The following tasks are being exposed out of the aim and the hypothesis of the article:

Terms introduction;

Trust and municipal administrative service;

Summary (general conclusion, generalization) of the system-forming sides (parties) of trust when rendering a municipal administrative service.

Key words: trust, municipal administrative service, trusty good, relation "client-administrator".

JEL: H41, H76, H83.

Strategic Management Development and Promotion of Competitiveness of Industry in Serbia
Zhviorad Gligorievich, Ph.D.
Goritsa Boshkovich, Ph.D.

Modern processes, that are being developed in world economy, lead to ever growing competition among enterprises on international market level. Thus, the phenomenon of competition outbreak and becomes more important bringing a lot of attention of legal entities.

No matter of the growth phase of industry in Serbia, the issue of competitiveness represents

one of key questions to be answered. In that sense, with a goal of promotion and development of competitiveness, Serbia has to have long-term vision of the development of industry.

Key words: strategic management of growth, industry, competitiveness, the concept of development of industry, production orientation, export-oriented development strategy, industrial policy.

JEL: D2, D24, D41.

Operating Cost Management for Commercial Firms Competitiveness

Chief Assist. Prof. Silvia Terezova, Ph.D.

The article describes some main theoretical and practical problems associated with merchandise firms operating cost management. For a company to survive in the conditions of global economic crisis and increasing competition in commerce industry a company must, at least temporarily, achieve a competitive advantage. Cost leadership is one of the ways for a firm to achieve this advantage. Cost advantage is becoming an integral part of any corporate strategy and is an essential tool to improve the competitive edge. Changes of commercial business, triggered by global competition and technological innovation, have led to remarkable innovations in the operating cost management system. The system which enables to classify operating costs into logical grouping based on some common features and combinations of measurement tools and techniques can be employed. Total cost management is one of the most powerful tools that commercials can wield in their quest for competitive advantage. Total cost management is an integrated approach, involving both strategic and operating areas, and a company-wide systematic and structured approach, which provides a holistic framework to control, reduce and eliminate costs,

throughout the value chain. As merchandise firms are particularly concerned about inventory management, the article represents also the problems of inventory management costs. Some techniques for determination of direct variable costs, carrying and ordering costs.

Key words: operating expenditures, operating profit, gross margin, Total cost management.

JEL: L81.

Knowledge Creation and Transfer in Bulgaria: A Regional Comparative Analysis

Chief Assist. Prof. Stela Raleva, Ph.D.

The paper presents the results of an empirical study of the knowledge creation and knowledge transfer in South and East Bulgaria, based on the data gathered through interviews with representatives of 20 universities and research institutions as well as through the formation of a focus group. The types of knowledge supplied and the knowledge sources and recipients; the basic knowledge disciplines and the knowledge assets supplied; the main barriers to knowledge transfer and knowledge acquiring; and the priority of future policies are among the main issues studied. The data obtained are compared to the relevant information for the regions of Yorkshire and Humber in UK, East Macedonia and Thrace (including Thessaloniki) in Greece and the Western Turkey from Istanbul (inclusive) to the Greece and Bulgarian borders of Turkey. The general conclusion is that in the Bulgarian region there are a number of similarities with the other two Balkan regions, and a lot of differences with the British one. All the Balkan knowledge creators are concentrated mostly on training and training programs. The South-East Bulgarian region rates Business and Administration as the disciplines of highest importance. Bulgarian universities and research institutions act simultaneously as the major knowledge creators and knowledge recipients.

They find out that the better network creation with companies is a key priority of their future policies in comparison with the knowledge creators from all other regions. The main barrier of knowledge transferring identified by the Bulgarian knowledge suppliers is the lack of public support which is typical also for the Turkish region. The firms in all Balkan regions pointed out the lack of financing and access to skilled labor as the most important barriers.

Key words: innovations, knowledge creation, knowledge transfer.

JEL: C42, Q32.

Formation of Competency Model for Recruitment Management
Petya Georgieva

The competency based approach in human resources management and in particular using the competency approach in one or more activities in human resources management are becoming very popular method in modern management prac-

tices. In order to achieve more effectiveness in the process of management, every organization requires result-orientated approach reflecting its goals, strategy, vision and corporate culture.

The research results herewith reflect the implementation of a competency model for recruitment of human resources in Human Resources Directorate in BTC AD. The processes of the identification of the pile of fundamental competencies have been discussed as well as formation of the competency model itself. Herein the advantages of competency model usage has been analyzed

Key words: competency, competency model, recruitment.

JEL: M54.

Contents and Article Summaries

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