

ECONOMIES OF ECONOMIC ENTITIES

Content of the course:

Topic 1. ECONOMIC ENTITIES AS THE BASIC LINK OF NATIONAL ECONOMY

The nature, purposes and principles of operation of economic entities in current conditions. Normative acts regulating the activity of entities.

The external environment of economic units. Factors influencing the activity of economic entities. PESTLE analysis. Government regulation of activity of economic entities: forms and methods.

Types of entities. Classification of economic units looking to ownership, branch, characteristics, organizational and legal forms. Legal forms of entities in Moldova. Advantages and disadvantages of different form of business entities. Starting and organizing of business activity. Forms of business organization: rent, lease, franchising. What does the franchisor provide? The advantages and cost to the franchisee. Franchising in Moldova.

Topic 2. PLANNING OF ENTITY'S ACTIVITY AND EVALUATION OF PRODUCTION CAPACITY

Methodological bases of planning of entity's activity. Essence and stages of preparation of the plan of activity and the development of economic entities. The methods used in planning and forecasting of economic activity of entity. Planning indicators. Integrated planning. Relationship between strategy, tactics and operational plans.

The economic essence, importance and stages of the development of the production program. Natural indicators of production program and their characteristic features. Value indicators and methods of their evaluation. Dynamics of indicators of production program.

Determinants of the size of production capacity. Operating rate. Causes of under-utilization of capacity. Problems arising from low capacity utilization. How to improve the degree of utilization of productive assets? The structure and content of business plan. Basic components of business plan.

Topic 3. STAFF OF THE ECONOMIC ENTITY AND INDICATORS OF ITS USING

The characteristic features and the composition of the personnel of the economic entity. . Employed staff. Categories of employees. . Turnover ratios of personnel: turnover ratio on the admission of personnel, staff turnover ratio, replacement ratio. How to reduce the staff turnover ratio? Balance of the work time.

Human resources planning. Basic methods of determining the necessary number of personnel. Balance of the working time.

Labor productivity indicators: annual average productivity of an employee/of a worker, average productivity per day/hour of a worker. Ways of increasing of labor productivity.

Topic 4. MOTIVATION OF PERSONNEL AND REWARD SYSTEM OF THE ECONOMIC ENTITY

The essence, forms and systems of remuneration of staff of the economic entities. The reward system and its components. Extrinsic rewards and intrinsic rewards. The characteristics of effective reward systems.

Payroll forms and systems: the time – based system of wages/salaries, the piece – rate system of wages/salaries, mixed system. The system of bonuses and incentives applied in the economic entities. Goals in wage/salary administration. The role of fiscal policy and experiences in the use of the forms and systems of remuneration of labor.

Topic 5. FIXED ASSETS OF THE ECONOMIC ENTITIES.

The definition of fixed assets and their importance. Fixed productive and non-productive assets. Intangible and tangible fixed assets. Active and passive fixed assets. Methods of valuation of fixed assets (historical (original) or acquisition cost method, residual value, liquidation value, replacement cost, balance sheet value). The average annual value of fixed productive assets.

Moral and physical depreciation of fixed assets. The annual depreciation rate and expenses. Methods of calculation of depreciation expenses (unit-of-production depreciation, straight-line depreciation, sum-of-year (SYD) method, double-declining-balance method (DDB).

Indicators of efficient use of fixed assets. The capital productivity or the rate of return on assets. The capital-to-labor ratio. The rate of capital intensity of production.

Extensive and intensive use of fixed assets. Sources of financing of fixed assets: equity and long-term debts.

Topic 6. CURRENT ASSETS OF THE ECONOMIC ENTITIES.

The characteristic features and composition of current assets. (cash, accounts receivable, prepaid expenses, inventory, and marketable securities). The current assets section of the balance sheet.

Current assets requirement determination (Revolving Fund). Inventory and its cost. The economic order quantity (EOQ) of inventories. Material requirements planning (MRP). Sources of financing of current assets: equity and short-term debt. Methods of effective management of the current assets. Indicators of efficient use of current assets: turnover ratios, operating and cash cycle.

Topic 7. COST OF PRODUCTION

The concept of cost of production. Expenses and costs. Classification of cost of production. Manufacturing cost. Direct and indirect manufacturing cost. Fixed and variable cost. Total cost and per unit cost. Marginal cost. Dynamics of different types of cost. The structure of cost looking to economic elements. The structure of cost looking to articles of calculation

Methods of calculating of cost of production. Economies of scale. The ways of cost minimizing.

Topic 8. THE PRICING POLICY OF THE ECONOMIC ENTITIES.

The nature and functions of price. The price formation in different models of market structure (pure competition, monopoly, oligopoly, monopolistic competition).

Internal and external factors affecting price decisions (demand, state regulation, production costs, competition and so on).

The structure of price. Pricing objectives and methods (cost-based or cost-plus pricing, demand-based and competition-based methods).

Pricing strategies: new product strategies, discounting, psychological pricing strategies, geographic pricing strategies.

Topic 9. PROFIT AS THE FINAL RESULT OF ECONOMIC ACTIVITY

The definition and classification of revenues and expenditures of the economic entity. The meaning of profit and methods of calculation of gross profit, operating profit, profit from other activities, profit before tax and net profit. The determinants of the size of profit. Net profit distribution.

The profitability as the relative measure of the profit. The ratios of profitability (gross profit margin (GPM), net profit margin, operating margin (OM), return on assets (ROA) , return on equity (ROE), return on sales (ROS) or asset turnover). The essence and the calculation of the break even of an economic entity.

Topic 10. FINANCIAL ACTIVITY OF THE ECONOMIC ENTITY

Notion of financial sources and their structure: owned sources and sources attracted. Financial relations of the economic entity.

The system of financial indicators (liquidity ratios, profitability ratios, solvency ratios) and methods of their calculation.

The general characteristic feature of the tax system. The impact of taxes and fees on the financial results of economic unity.

Topic 11. INVESTMENT ACTIVITY OF THE ECONOMIC ENTITY

The meaning of investments and their classification. The stages of investment activity of the economic entity. Classification and composition of investment projects

The stages of elaboration and realization of investment project.. Criteria for selection of investment projects. Methods for the evaluation of investment projects. Sources of financing of investment projects: self-financing and external funding.

Topic 12. ECONOMIC EFFICIENCY AND COMPETITIVENESS

Economic efficiency as major economic category. Indicators of measuring of the efficiency of labor resources (labor productivity), of fixed assets (capital productivity ratio), of current assets (current assets turnover ratio), of material resources, of investment projects (return on investment), of foreign economic activity of the entities (ratio of import / export).

The nature of competitiveness. The diamond of Porter. The indicators of competitiveness. The link between efficiency and competitiveness. Ways of increasing the efficiency and competitiveness of the economic entities. The scientific-technical progress and its impact on the efficiency and competitiveness.

Topic 13. THE ACTIVITY OF ECONOMIC ENTITY IN THE OPEN ECONOMY

The economic bases for international activity of economic entities. The methods by which a firm can organize for and enter international markets.

Export policy of the economic entity. The specifics of the import transactions of economic entities. Peculiarities of the activity of economic entities with foreign capital. State regulation of foreign economic activity of the economic entities.

Bibliography:

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4. Blaj I., Ciornâi N. Economia firmelor contemporane, Ed. Prut internațional, Chișinău, 2003.
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6. Волков О., Девяткин О., Экономика предприятия. Москва, ИНФРА-М, 2005.
7. Standardele Naționale de Contabilitate cu aplicare de la 1 ianuarie 2014, Monitorul Oficial Nr. 233-237, din 22 octombrie 2013.
8. Strategia Națională de Dezvoltare a Republicii Moldova 2012-2020
9. Strategia Națională de dezvoltare regională 2016-2020
10. Strategiei securității naționale a Republicii Moldova 2011.