

**Monica Violeta ACHIM, Sorin Nicolae BORLEA – CONSIDERATIONS ON BUSINESS RISK OF BANKRUPTCY / 5**

**Abstract:** *The “new economy” has set new economic and financial development models and consequently new models to predict failure for companies. In this article we intend to do an overview of the bankruptcy concept, of the bankruptcy causes, of the national and international statistics on bankruptcy. Also, we highlight the additional criteria of that improvement in order to predict the business risk of bankruptcy in the current context of sustainable development culminating with the actual financial crisis context. This paper is a synthesis of the business bankruptcy risk issues, issues that must be known by any company manager in order to ensure business continuity.*

**Key words:** *bankruptcy risk, prediction, financial analysis, financial rates, discriminant analysis*

**JEL Classification:** *M21*

**Irina Marilena BAN – THE LIBERALIZATION OF THE ROMANIAN GAS MARKET / 31**

**Abstract:** *The main purpose of the present paper is to analyze the natural gas market in Romania and the impact of the liberalization process that has begun in 2004. We proposed the Granger causality methodology based on VAR models in order to reveal the determinants of gas price in Romania. On one hand, our results show that between 2007 and 2011 there are no others factors of influence for the price of gas except ANRE, the institution that sets its level for captive customers. On the other hand, when estimating a demand function of the market, we noticed that the consumption of gas is influenced by price and not by income level.*

**Key words:** *natural gas market, liberalization, captive consumers, eligible consumers, Granger causality*

**JEL Classification:** *C22, D42, D43*

**Boróka-Júlia BÍRÓ, Bíborka-Eszter BÍRÓ – ROMANIAN RURAL REGIONS APPROACHING TO THE NEW CHALLENGES AFTER 2013 / 49**

**Abstract:** *The aim of this paper is to stress the importance of preparation of Romanian regions for the new challenges of the cohesion- and of the common agricultural policy changes after 2013. Romanian regions are mainly predominant rural (59.3% of territory, 45.8% of population and 32.1% of GVA) and intermediate regions (39.9% of territory, 43.8% of population, and 42.6% of GVA) so in these regions the approach of the regional and rural interface is crucially important. An efficient Europe 2020 strategy presumes close coordination between Cohesion Policy and other EU policies, so the correlation of the Cohesion policy and of the Common Agricultural Policy, mainly the second pillar, the rural development policy constitutes an important research subject. In this paper we intend to characterize the present situation of Romanian regions and on the base of literature overview on the changing directions of the Cohesion and of the Common Agricultural Policy after 2013 we are going to analyze the level of vulnerability of the Romanian regions against these changes.*

**Key words:** *characteristics of Romanian regions, the strengths and weaknesses of regions, new directions in Cohesion Policy and of Common Agricultural Policy, vulnerability of regions*

**JEL Classification:** *Q18, Q58, R11, R12, R23, R58*

**Stefano BONINI** – ECONOMIC IMPACTS OF FINANCIAL MARKET INTEGRATION OF EURO AREA AND CENTRAL-EAST EUROPE COUNTRIES: A STRUCTURAL VAR APPROACH / 79

**Abstract:** *In recent years, financial markets have become increasingly integrated, both domestically and internationally. During past financial crises in emerging market economies it has been observed that spillover does not affect only different asset markets in the same countries, but also markets in other countries. The global financial crisis supports the evidence that increasingly integrated financial markets originate a large degree of co-movements across markets through shocks transmission. The analysis of the level of integration between financial markets can help to understand how financial crises, in a specific Country or in an economic area, can be transmitted to other countries. Understanding the growing international interconnection of asset prices requires a complete and comprehensive modeling of the transmission channel. The paper adopts a new methodology based on the identification of a structural VAR. The results yield some insights into the shocks transmission between international financial markets. Strong co-movements between the Euro area corporate bond market and the EMBIG indices seem to characterize the relationships between financial markets in Europe. The analysis also provides some evidence that the effect of a shock to the emerging markets on the mature ones is stronger than vice versa.*

**Key words:** financial markets, crisis, structural VAR, shocks transmission

**JEL Classification:** C01, G01, G15

**Mihaela BRATU (SIMIONESCU)** – MACROECONOMIC FORECASTS ACCURACY IN ROMANIA / 99

**Abstract:** *In this study the forecasts accuracy of some macroeconomic variables was assessed, the predictions being made by the Institute of Economic Forecasting (IEF) and by the National Commission of Prognosis (NCP). Only the forecasts for the exchange rate and the GDP index based on Dobrescu model are better than those based on the naïve model on the forecasting horizon 1997-2011. NCP provided forecasts with a higher degree of accuracy than those gotten using Dobrescu model on the horizon 2004-2011 for the following indicators: inflation, unemployment, GDP deflator, export rate and exchange rate. ARIMA models were used to predict the inflation and the unemployment rate, but for 2010-2011 only the unemployment forecasts were better than the naive predictions and the static prognosis were superior to the dynamic ones.*

**Key words:** macroeconomic forecast, accuracy, error, static/dynamic forecast

**JEL Classification:** C51, E24, E31

**Mirela CINI, Frederik ÇUÇLLARI, Majlinda BELLO** – THE WAY TOWARD EUROISATION OF THE ALBANIAN ECONOMY / 121

**Abstract:** *This paper seek to evaluate euroisation benefits and costs of the Albanian economy. The Albanian economy has experienced the financial euroisation since the beginning of the transition. In the case of Albania the unilateral euroisation could be an option for adopting the euro, considering the development stage of the Albanian economy. A cost-benefit analyses therefore has to assessment the value of the all future net benefits of the unilateral euroisation. The Albania's way to EU integration passes through the challenges of euroisation. In conclusion, the question that arises is not if will be the Albanian economy euroised but when this will happen.*

**Key words:** euroisation, benefits, costs, integration, Albania

**JEL Classification:** F15, F33, F36

**Dragan KESIĆ, Andrej BERTONCELJ – INVENTIVE MEDICINES – COSTLY MIRACLES OR MAYHEM OF THE MODERN SCIENCE / 139**

**Abstract:** *The aim of paper is to evaluate the complexity of research and development process in world pharmaceutical industry. We found out that considerable declines in research and development productivity challenge the sustainability of the current business model of world pharmaceutical companies. We may stipulate that one of the major drivers of decline in the last decade in pharmaceutical industry has been the increased rate of failure in research and development. We found out that number of new pharmaceutical products having been launched in the last years has considerably lowered. The research and development of a new drug is highly complex, demanding, costly and risky process. We proved this in our research by presenting a significant case of pharmaceutical product branded Zimulti (rimonabant). We may conclude that in endeavour to bring new drugs to world markets, pharmaceutical companies tend to search for new business models, where consolidation has predominantly prevailed.*

**Key words:** pharmaceutical industry, research and development, new medicines, consolidation

**JEL Classification:** I15, L65, O32

**Gheorghe POPESCU, Florin MADA, Marius MIHUȚ – FINANCIAL DERIVATIVES MARKET AND WORLD ECONOMIC CRISIS / 155**

**Abstract:** *This paper concentrates on observing the shared links between the financial derivatives market and economic crisis, as it is focused on showing the general issues that appear as being the result of the conditional interaction between the two. The topic became one of great interest as nowadays financial markets count for the most important part of world economic transactions, being the economic branch with incremental development in techniques, methods and theory, and a branch where theory and practices did not meet goals. The majority of studies in this field covered a narrow strip, exploring those models and methods that could optimize the way in which portfolios were administered, few of them being focused on the manner in which financial markets affect economic stability and could be a generator of economic crisis. Our study tries to point out those issues and factual links that make us consider financial markets as certain causes for the economic crises in general.*

**Key words:** financial markets, economic crisis, unstable model, “virtual economy”

**JEL Classification:** E44, G15

**Cătălin POSTELNICU – SOME ASPECTS CONCERNING ACTUAL CROSS-BORDER MIGRATION OF LABOUR FORCE / 163**

**Abstract:** *Increasing international mobility is more important to depict global migration patterns and its characteristics, not only in receiving countries, but also in origin ones. With the growth and diversification of migration flows to developed countries in the past 15 years, migration of labour force occupy now a prime place on the political agenda of many governments. Due to the current economic crisis, associated with deterioration in the employment situation in most countries, it seems very important to examine the factors that determine migration, relative importance of migration in different regions of the world, and understand more clearly its mechanisms. The purpose of this study is to identify and analyze the main trends of international migration, which plays a significant role in our days, in helping to fill the shortfall in labor supply in many countries and of the fact that fewer young people are entering the labor markets. In addition, we try to answer by identifying the short-term effects of economic crisis on labor migration, what are the recent changes, quantitatively and qualitatively in migration of labor force and how the immigrants could be integrated.*

**Key words:** migration, workforce, economic crisis, employment

**JEL Classification:** F22, J61

**Abstract.** *The values of the Bucharest Exchange Trading index recorded in the period 10.09.1997-28.09.2012 constitute the subject of this study. Our aim was to identify a model able to explain the mean and volatility behaviour of the log-return series. The series shows some first order autocorrelation and carries the signs of the specific GARCH effects (high second order autocorrelations, volatility clustering and fat-tailed distribution). Using the Akaike, respectively Bayesian information criteria and the likelihood ratio test, we find that the most parsimonious model fitting our scope is a combined ARMA(5,4) & GARCH(2,1) model, which is validated by the results of the post-estimation analysis, regarding the lack of second order autocorrelations in case of the standardized innovations, the stationarity of the model and its applicability for forecasts.*

**Key words:** *Bucharest Exchange Trade index, ARMA&GARCH mean-volatility model, model selection, model validation*

**JEL Classification:** *C22, C51, C52, C58, G10*