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# THE IMPORTANCE OF SMALL BUSINESSES IN THE REPUBLIC OF CROATIA AND THEIR ROLE IN DISTRIBUTIVE TRADE

Nikola Knego, Ph.D.<sup>1</sup> – Tonci Lazibat, Ph.D.<sup>2</sup> – Bozo Matic, Ph. D.<sup>3</sup>

## Abstract

Small businesses, made up of companies and crafts, are an extremely important segment of the Croatian economy. Its contribution to overall employment, revenues and share in the overall number of entrepreneurs is exceptional.

On the basis of size, about 95% of all Croatian companies were categorized as small companies between the years 1993-2003. About one hundred thousand crafts are registered in Croatia, which employ about 2.5 people on average. Small businesses realized 45.4% of revenues in 2003. They show a marked concentration in four segments of economic activities. They are: trade, real estate turnover, processing industry and construction.

Small businesses are concentrated according to territory. Accordingly, about 73% of all businesses are located in five Croatian counties. Small businesses are plagued by a number of problems. The key problems are found in entrepreneurs lacking in know-how and the lack of warranty funds.

Most small businesses are found in the segment of distributive trade, which is particularly fragmented. Fragmented trade becomes an easy prey to foreign competition, which has reached the Croatian market through the internationalization process.

# PRIVATIZING ELECTRICAL UTILITIES IN POLAND

Dr. Thomas M. Fitzpatrick<sup>4</sup>

## Abstract

This study consists of an extensive review of the literature related to the topic of privatizing the electrical utility industries in the Visegrad country of Poland. The intent of the study is to examine the status of the Polish privatization campaign, review of privatization strategies used and an assessment of successful or unsuccessful campaigns.

The review of the literature to date reflects the relative youth of these privatization initiatives. Unlike the UK privatization effort, which is over 25 years old, this 10-year-old campaign has far less written on the subject and a paucity of empirical analysis available on the Polish campaign. The majority of the literature available consists of press releases and feature stories that would appear in the business and financial sections of newspapers and magazines. This study of the literature provides the historical, political, and economic foundation and context for empirical study.

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# **THE MANAGEMENT OF INTEREST RATE RISK IN SMALL AND MEDIUM BANKS**

**Halid Konjhodžić, Ph.D<sup>5</sup> - Tonći Svilokos, B.Sc.<sup>6</sup>**

## **Abstract:**

The business banks make its decisions in the condition of certainty, risk and uncertainty. The risk is a condition when the possibility of every event is known. The risk can be measured with distribution of probabilities. The risk of interest rate is one of the main risks that bank have. They can suffer unfavourable changes of active and passive interest rates. The changes of interest rates have various influences on bank balance statement and on bank market value, so it is necessary to anticipate and to develop the methods to measure the risk and to manage the risk of interest rate. In theory and in practice there are various methods that use small and medium banks to manage the interest rates risk and this paper investigate the methods such are the management of assets and liabilities gap, the analysis of average time deposits, the futures contracts, options on interest rates and interest swap.

## **WOMAN IN BUSINESS: DETERMINANTS FOR VENTURING IN MALAYSIANS SMEs**

**Norudin Mansor<sup>7</sup>**

## **ABSTRACT**

Motivational conflict toward the involvement of women entrepreneur in SMEs is getting the capital but the inner psychological drive that mobilized their energy to venture becoming more prominent. Thus this paper attempts to empirically discuss the effect of environmental, financial and psychological factors in encouraging women to be in business.

With the understanding that traditionally, women in Asia are not encouraged to work but the trend of their involvement becoming more serious and relevant. Is it due to rising cost of living? Is it due to the nature of industries requiring them to be in the business? Is it just to pass the leisure time? Despite the decision to start one's own business has long been regarded as a high-risk decision to make but facts and figures indicates that, women nowadays are involving in business twice as fast as men.

Previous studies demonstrate various implications for motivation to be in business. The finding of the study technically demonstrate that psychological and environmental factors are very relevant, whereas the possibilities of financial factors may be very limited across the region.

While it is possible that the entrepreneurship venturing always relate to male but the impact of the women entrepreneur on the development and subsequent success in new venturing has been demonstrated in certain business sectors which reflects their strength, limitation, commitment and best practices

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# **LE RÔLE DES OBJETS-FRONTIÈRE DANS LA COLLABORATION INTERNE**

**Jean-Michel Viola, PhD<sup>8</sup>**

## **Résumé**

Dans ce papier nous présentons, à travers une étude de cas, une approche en quatre étapes pour bâtir la collaboration interne. Nous insistons, plus spécifiquement, sur l'importance des objets-frontière dans ce processus. Nous montrons comment de tels artefacts, qui représentent le produit de l'externalisation des connaissances, sont utilisés par les acteurs comme un espace partagé, au sens de Schrage (1995), base commune indispensable au partage et à la véritable collaboration.

# **SMALL AND MEDIUM ENTERPRISES - CHANGING SCENARIO IN A CHANGING WORLD ORDER: A CASE FOR SMALL AND MEDIUM ENTERPRISES OF INDIA**

**Dr. Halima Sadia Rizvi<sup>9</sup>**

## **ABSTRACT**

Like every economy in its growth process, Indian economy too over the decades has undergone several structural transformations both in the main sectoral components as well as in the intersectoral transformation. What is more noticeable and significant is not the change from small scale to medium scale and to large scale production sector but a broad based change within the composition of products, production techniques and the resultant technical efficiency.

The importance of small and medium scale enterprises in the process of economic development of the Indian economy becomes more glaring and significant when we examine its contribution to Gross Domestic Product, Gross Domestic Capital formation, employment generation capacities as well as promotion of exports. Nonetheless, since globalization of the Indian Economy a move towards liberalized economic policy, the small and medium sector has not reflected any positive co-relations between opening up and attainment of greater growth targets.

The present study aims to examine the reasons for this lacuna and suggest measures to policy planners which can be implemented not only by India but also by many developing countries in their similar situations of growth process.

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# CONTRIBUTION OF FDI TO THE PRIVATISATION IN THE MANUFACTURING SECTOR IN ROMANIA. SUCCESS AND FAILURE STORIES

**Maria Birsan<sup>10</sup>, Camelia Moraru<sup>11</sup>, Romana Cramarenco<sup>12</sup>, Stela Andrei<sup>13</sup>**

**Abstract:** The aim of the present study is to provide a picture of some aspects concerning the FDI contribution to the privatization process in the manufacturing sector in Romania. First part of the study analyses statistics on FDI presence in different sectors in Romania. Successful or failure cases illustrate different stories in the privatisation process. Investigations were made, based on questionnaires, on the situations in 7 large FDI companies in the manufacturing sector. The second part of the study presents findings concerning the impact of FDI on the human capital issues in the respective foreign companies. Given the limited investigated sample, the findings are to be taken as examples, and not to be generalised.

## SMALL CONSTRUCTION FIRMS - MATERIAL MANAGEMENT MODEL IN COMPUTER MEDIA

**Olcay ÇETİNER<sup>14</sup>**

### **Abstract**

In this study, The design an information system which will enable to reach needed information to manage material for construction realizations of the small construction firms and the subject of producing a software where it can be used to apply this designed system are considered. The quick improvement of equipment and techniques of gathering and analyzing information by the usage of computers and information technologies engenders computers and information technologies to become the indispensable components in realization of material management, one of the functions within construction management in the sector of AEC (Architectural Engineering Construction).

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# ROMANIAN CLOSED-END FUNDS – AN OVERVIEW

Cornelia Pop, PhD<sup>15</sup> - Adina Calugaru, MBA<sup>16</sup> - Mihaela Marcu<sup>17</sup>

**Abstract:** Closed-end funds are less known compared to open-end funds to most of investors. Due to their classical discounts, their behavior on the stock markets is less understood by the individual investors.

These two statements are true on the mature capital markets, but on the Romanian emerging capital market, the closed-end funds were and still are the individual investors' darlings.

The closed-end funds' position on the Romanian capital market can be – mildly – viewed as peculiar.

The present paper would try to answer several questions like:

- Why are the Romanian closed-end funds more popular than the open-end funds?
- Which was the closed-end funds' contribution to the development of the Bucharest Stock Exchange?
- How did the structure of the Romanian closed-end funds' portfolios evolved/ changed over time?
- How did the prices and premiums of the Romanian closed-end funds behave since their listing date at Bucharest Stock Exchange?

# PROMOTION STRATEGIES AND THEIR EFFICIENCY IN THE CASE OF BRANDING TRANSYLVANIA AS A TOURIST DESTINATION

Smaranda Cosma<sup>18</sup>  
Monica Maria Coroş<sup>219</sup>

## Abstract

The current paper is dedicated to present the promotion strategy (the international marketing and communication plans) and the evaluation of the branding implementation process [both referring to Transylvania]. The steps that we considered to undertake were the implementation of the brand and the communication strategies, the evaluation of the results, and the periodical adjustment of the strategy.

In order to be able to fulfill our objective of promoting the brand *Transylvania, the Heart of Europe – International Multicultural Ecotourism Destination*, we consider that three strategies are needed. For ensuring an efficient implementation of the strategies, we need also to consider testing and evaluating them.

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# THE FRAMEWORK OF GLOBALIZATION

Stefan Vuza<sup>20</sup>

## Abstract

Globalization is a stage in the general process of political, economical and cultural development of mankind. A few decades ago, Marshall McLuhan spoke about “the world wide village”, synthesizing with this expression the essence of the phenomenon; he also mentioned the nowadays technology that makes communication easier, accessible, reduces distances, enhance integration of the financial and commercial markets, the globalization of manufacture processes , the development of transnational identities.

Globalization and consequently, the growing competition, are becoming obvious on all the markets of the world, and therefore it stimulates all the organizations to be flexible and adopt adequate structures for each and every market. Under these terms, the success of an organization is the result of a thorough understanding of the environment to which it belongs and of a successful implementation of these strategies and organizational structures that suit this situation.

When it comes to the multinational companies, the concrete establishing of the organizational structure can be done only if we take into account specific details and if we analyze the parameters that influence them, such as: the environment dynamics, the diversification range of the business and the business expansion in foreign countries through the number of branches abroad. The size of a company is no longer considered an advantage; therefore the strong point of a firm will be ‘the adequate size in order to handle successfully the competitors’ and the latest progresses/successes achieved by the small firms sustain this statement.

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