EFFICIENCY AND MANAGEMENT OF THE INTERMEDIATION SERVICES IN THE AGRI-FOOG MARKETING CENTRE DEZMIR - CLUJ

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Abstract: The study of efficiency is intended for a location well defined and known for the services offered. The purpose is to identify the economic indicators and the possibilities for increasing the efficiency of this business. The information corresponding to the 2015-2017 period has been taken from the accounting balance sheets of the Company Agro Transilvania Cluj SA, and based on it report indicators have been determined, mainly capital reports as service intermediation factors, and also ratio indicators – profitability, liquidity and general indebtedness, financial autonomy and patrimonial solvency. Identifying deviations from such ratios enables us to evaluate the quality of the intermediation service management in the agri-food business. Following the assessment of profitability ratios a performance diagnosis can be expressed, estimated on two levels: profitability diagnosis (strengths) and risk diagnosis (weaknesses).

Key words: market service, market, efficiency, management, economic indicators

INTRODUCTION

The economic activity carried out in the company Centrul Agro Transilvania Cluj SA – a public company [8] – can be described according to its achievements, effects, as well as by how the preset objectives were accomplished [2,14,15]. Emphasizing the management efficiency and the quality of the activity carried out here implies its comparison with other recorded results but also with the objectives established or proposed. In the context of the researched business of agri-food products intermediation, we can consider that “an activity is efficient when the desired goal is attained with minimum effort” [13]. However, the realities of the economic activity researched imply a delimitation of the degree of coordination between the results obtained and the goal proposed, from which the efficiency starts. This limitation or delimitation of the level of efficiency indicators, in this case profitability, are set as an Addendum to the General Manager’s trustee contract and can be considered as calculation basis of the variable pay that can be obtained by him [4].

MATERIALS AND METHODS

The data processed in my research are taken from the 2015-2017 accounting balances of the company Centrul Agro Transilvania Cluj SA. The research method is that of economic and financial analysis and profitability analysis [1], respectively, by using performance ratio indicators as follows:

- The analysis of general profitability ratio
One of the most relevant calculation indicators of relative profitability emphasises the total resource consumption. The calculation method [1, 6, 10] is:

\[ R_{rg} = \frac{P_n}{C_{ht}} \times 100 \]

where: Pn - net profit; Cht - total costs
The analysis of financial profitability ratio expresses the efficiency of using the capital invested by shareholders. The calculation method [3, 12, 13].

\[ Rf = \frac{Pn}{Kpp} \times 100 \]

where: Kpp - own capital; Pn - net profit

Analysis of general solvency ratio
Expresses the self-funding ability of the company as well as the measure in which it can face its payment obligations. The calculation method [7, 11, 12].

\[ Rsg = \frac{Assets}{Liabilities} \times 100 \]

where: asset - total assets; liabilities - total debts

Within the economic and financial analysis other categories of indicators, namely reports were used, as follows:
Report: own capitals/share capital, expresses the performance of using the capital employed in CAT as well as the company’s solidity seen by its capitalization elements [5, 9].

The reserve to capital ratio expresses the company’s potential in terms of share capital increase by the granting of free shares, after incorporation of reserves [5, 10].

RESEARCH RESULTS

Synthetic indicators, namely profitability ratios assess under the form of percentages the profitability of the company Centrul Agro Transilvania Cluj SA (CAT), in that they reflect the final results obtained by this service provider (intermediations with agri-food products). The profitability of this business is established by the use of ratios, as follows:

General profitability ratio, also known as resource consumption rate or expense profitability ratio, records a growing trend for the period 2015-2017, as an effect of a faster net profit growth rate as compared to the expense growth rate. In 2017, the profit is 55.75% higher than that of the previous year, whereas expenses are just 6.86% higher as compared to those of 2016.

Profitability ratio is also known as relative pay of shareholders, i.e. if such compensation covers the risk assumed. Moreover, the general manager and the development manager of the company are interested by this ratio in order to maintain their positions and reach the established performance criteria. In 2017 the level of this ratio exceeds by 5.34% the ratio recorded in 2016 and by 4.99% the ratio recorded in 2015. The 36.44% ratio for 2017 is also an effect of the net profit growing faster than capitals. As the
The majority shareholder in this public entity is Cluj County Council, it can pursue a long-term investment within the company and will not ask for immediate capital compensation, but it will follow a profit capitalisation as high as possible. The other shareholders, minority shareholders, are interested only by the size of the cashed dividends and less by the profit achieved or the company’s investment policy.

![Figure 2. Profitability ratio](image)

General solvency ratio, as the ability of the researched public company to face long- and medium-term deadlines, is a priority objective of the management of the company wishing to maintain its financial autonomy and management flexibility. For the researched period, the 14.46% growth in 2016 as compared to 2015 and by 39.12% in 2017 as compared to 2016 indicates an intense concern for cashing debts on time, of having availabilities for the payment of commercial debts, salary and income tax liabilities by deadlines.

![Figure 3. General solvency ratio](image)

The analysis conducted by the report method, namely own capitals and capital reserves of the company:

- The performance of using the capital invested by the shareholders is expressed by percentages of 16.38% higher in 2016 as compared to 2015 and by 32.95% higher in 2017 as compared to 2016.
- The possibility of increasing the capital stock following incorporation of reserves is expressed by percentages of 26.73% higher in 2016 as compared to 2015 and by 25.50% higher in 2017 as compared to 2016.
CONCLUSIONS

Profitability ratios of consumed resources determined as current management ratios of the business are the expression of the profit corresponding to services performed obtained at 100 RON of incurred expenses. The growth from one year to the next of this ratio proves an interest in the management of income-generating costs.

The established profitability ratios are between 30% and 40%, without knowing if the level of this profitability is imposed by the majority shareholder or is just a result of the administration and management activity of the company’s general manager.

The determined general solvency ratios denote a good ability of the company to face deadlines, namely the size of debts with longer deadlines. The company has no ongoing debts, but the contracts with clients include the clause of reimbursement guarantees. In addition, the seasonal nature of a part of the Company’s activity should be considered, situation in which the debts have no such seasonal nature.

The results of the researched public company are of permanent interest for the current shareholders, namely how high is the performance of the invested capital as compared to the invested capital of another public company, and also how much the reserves accounted in accordance with the applicable laws are liable to increase the capital invested in this company and grant free shares following the incorporation of reserves.

Beside the traditional indicators of the economic efficiency proposals can be brought for improving the range of economic efficiency indicators such as marginal consumption and marginal revenue.

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