THE IMPACT OF THE FINANCIAL CRISIS ON THE FINANCIAL POSITION OF COMPANIES LISTED ON BUCHAREST STOCK EXCHANGE

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Abstract: : The financial crisis has strongly eroded the financial standing of a significant number of romanian enterprises.Exception from this fact was made not even by the large companies,listed on Bucharest Stock Exchange, which, due to the contraction of commodity markets and to the limitation of financing access, have registered fluctuations of their financial results.In order to point out the impact of the financial crisis on the financial position of these companies, within the paper we are analysing the financial position ratios (liquidity and solvency ratios,working capital, necessary working capital , net treasury etc.) for a significant number of companies listed on Bucharest Stock Exchange, which activate in several domains (food industry,pharmaceuticals,oil industry etc.).The ratios were calculated based on the data provided by these companies throughout their financial reports,starting from 2007 (before the financial crisis), until the 30 th of June 2012.

JEL classification: G01, G32

Key words: financial crisis; commodity market; financial position; listed companies, area of activity

1. INTRODUCTION

Financial management has as fundamental purpose the maximization of the enterprise’s market value, goal which can be accomplished only by carrying out a profitable activity and maintaining a state of financial balance.The increasing pressure put by shareholders as well as limited financial resources makes companies identify the means to increase the efficiency of assets, in order to maintain their competitiveness.

The importance of the eneterprise’s financial position diagnosis is also recognized by specialized literature.Thus, Monica Achim considers that „the first step in analysing the financial position is its general analysis, by pointing out the evolution and structural shiftings produced within the framework of assets, debts and principals”.

A practical view of Carole R.Engle states that „financial position is determined by comparing the strengths and weaknesses identified through a series of financial ratios and indicators ”.

The balance of an eneterprise’s financial position depends directly on its financial liquidity and solvency, Halpern P. considering liquidity to be „the ability of the company to pay its short-term liabilities with a short maturity period”.

In this context, appears the opportunity to realize a study on the impact of the financial crisis on the financial position of companies listed at Bucharest Stock Exchange, in a period of time which includes both the period preceding the crisis (2007-2008) and the one affected by this unfortunate phenomenon (2009-30.06.2012).

There have been selected eighteen companies belonging to seven areas of activity of the most varied, just to be able to deliver relevant conclusions relating to the way that different industries have crossed this unfortunate period and how their financial position has evolved.

2. OBJECTIVES

After the study is complete, its potential readers will be able to observe aspects like:

1.Which Romanian industries have maintained a satisfactory evolution of their financial position during the financial crisis and which haven’t.

2.How many enterprises have managed to maintain a stable financial balance during the crisis.

3.Which enterprises have managed to ensure financial safety through the values reached by several financial indicators.

3. METHODOLOGY

Evaluating the financial position of an enterprise, according to the IFRS(2011) involves the analysis of various elements, such as assets, debts or principals.

Information on these financial structures are mainly offered by the Balance Sheet an Proffit and Loss Account, but, in addition, also other elements of the financial statements may provide useful information.

In order to carry aut the financial position diagnosis of the enterprises within the study,there were calculated a series of indicators:

- Fixed assets rate = Fixed assets * 100/Total assets;
- Current assets rate= Current assets *100/Total assets;
- Financial stability rate = Long-term capital *100/Total capital;
- Global financial autonomy rate = Principal *100/Total capital;
- Financial leverage = Loan capital/Principal;
- Current liquidity ratio = Current assets * 100/Current debts;
- Immediate liquidity ratio = (Current assets - Stocks) * 100/Current debts;
- General solvency ratio = Total assets*100/Total debts;
- Working capital = Long-term capital – Fixed assets;
- Necessary working capital = Stocks + Claims – Current debts;
- Net treasury = Working capital - Necessary working capital;
- Average term of supplier payment = Commercial debts * 365/Turnover;
- Average term of claim collection = Commercial claims * 365/Turnover;
- Average number of rotations of current assets = Turnover/Current assets;
- Average day time of a rotation = Current assets * 365/Turnover;

4. ANALYSES

The companies were selected so that a wide range of sectors to be covered, just in order for the analysis and conclusions of the study to give a faithful picture of the magnitude of the impact of the financial crisis on various areas of activity, more details in this respect being offered by Table no.1.

Table no.1

No.	Area of activity	Companies
1	Food industry	Albalact, Moara Cibin
2	Pharmaceutical industry	Antibiotice Iasi, Biofarm, Zentiva
3	Oil industry	OMV Petrom, Rompetrol Well Services, Oil Terminal
4	Device manufacturing	Electroarges, Electromagnetica
5	Retail trade	Mercur, Napotex, Unirea Shopping
6	Constructions	Condmag, Transilvania
7	Chemical industry	Artego, Azomures, Prodplast

The yearly domain average values for a series of financial position indicators are presented in Tables no.2,3,4,5,6,7 and 8.

The yearly individual values of working capital, necessary working capital, net treasury are presented as part of the Annexes, through Tables no.9, 10 and 11.

Table no.2

Indicator	Food industry					
	2007	2008	2009	2010	2011	2012
Fixed assets rate(%)	53.13	68.67	69.35	63.30	64.13	64.67
Current assets rate(%)	46.87	31.33	30.65	36.70	35.87	35.33
Financial stability rate(%)	59.93	77.15	80.31	71.84	72.14	72.45
Global financial autonomy rate (%)	48.27	55.61	57.89	53.38	52.44	52.96
Financial leverage	0.62	0.48	0.49	0.52	0.38	0.46
Current liquidity ratio (%)	143.89	145.02	262.98	162.33	168.46	141.24
Immediate liquidity ratio(%)	112.47	109.39	222.69	133.32	141.32	114.93
General solvency ratio (%)	203.85	226.49	249.11	220.99	217.93	213.17
Average term of supplier payment (days)	*	38.63	35.68	29.79	34.13	43.46
Average term of claim collection (days)	*	52.65	68.89	69.58	62.27	80.31
Average No of rotations of current assets	*	3.27	3.34	3.29	3.76	1.93
Average day time of a rotation	*	111.71	120.48	124.65	97.61	111.89

In the ***food industry*** the fixed assets rate registers an ascending evolution in tthe first three years of analysis,from 53,13% in 2007 to 69,35% in 2009,after which slightly decreases,gravitating around the value of 64% in 2010,2011 and 2012.The growth phase is equivalent to an upgrade in the companies'infrastructure, with favourable effects on their credibility to investors and creditors.

The current assets rate registers an opposite evolution compared to the previous rate,decreasing in the first three years of analysis and growing afterwards,registering an average value of 36% in 2010,2011and 2012.The proportion of 2/3 fixed assets,1/3 current assets is considered normal for the production-based companies.

Regarding the financial stability rate,it constantly increases until 2009 (80%),after which registers a considerable decrease in 2010, the 72% level from this year being maintained in the following period, respecting the parameters of optimal functioning (over 60%).The global financial autonomy rate registers a similar evolution to the previous rate,pendulating between 50 and 60% in the five analysed years,levels which are included in the financial safety interval, of [30-100%].

The financial leverage registers rather high values,in 2007 and 2010 exceeding even the 0,5 highest accepted level,throughout the values of 0,61,respectively, 0,52.

The current liquidity ratio registers unsatisfactory levels most of the time, being either too low,of aproximately 140% in 2007,2008 and 2012, affecting the low-term solvency,or too high,of 260% in 2009.The only years in which the short-term financial balance of the activity in assured are 2010 and 2011,when the current liquidity ratio registers 162,respectively,168%.Regarding the immediate liquidity ratio,it exceeds 100% during the entire time,an unfavourable aspect because it implyes an inadequate administration of claims and treasury.The general solvency ratio registers an ascending evolution until 2009,followed by a decrease in the following three years,the level exceeding, though, 200% and revealing,thus, a favourable situation.

Concerning the working capital, necessary working capital and net treasury, these need to be analysed individually, and not as a domain average.Thus, Albalact registers favourable results only in the first two years of analysis, in 2007 being in a state of stable financial balance and in 2008 in a state of relative stable financial balance.The situation changes afterwards, when until 2012 it is registered a negative working capital,pozitive necessary working capital and negative treasury,the outcome being a lack of financial balance.On the other hand, Moara Cibin registers a lack of financial balance only in 2007,after which the working capital becomes positive, but not sufficient to cover the necessary working capital, the outcome being a state of relative stable financial balance.

Regarding the average terms of payment and collection, the food industry does not show a satisfactory evolution, the claim collection being done in twice the time of debt payment,fact which causes a treasury shortage.

About the rotation speed of current assets, the companies from this domain register an average of 3 to 4 rotations/year, with unimportant differeneces towards the acceleration or the slowing down of it.

Table no.3

Indicator	Pharmaceutical industry					
	2007	2008	2009	2010	2011	2012
Fixed assets rate(%)	46.71	40.43	37.81	33.85	33.65	32.71
Current assets rate(%)	53.29	59.57	62.19	66.15	66.35	67.29
Financial stability rate(%)	82.66	80.39	80.64	80.34	74.05	73.57
Global financial autonomy rate (%)	81.99	80.02	80.46	80.18	73.97	73.54
Financial leverage	0.07	0.10	0.10	0.09	0.09	0.09
Current liquidity ratio (%)	337.45	349.63	387.95	404.21	280.01	269.56
Immediate liquidity ratio(%)	288.82	297.64	363.05	359.97	245.20	231.45
General solvency ratio (%)	668.50	585.17	659.96	586.43	420.78	399.86
Average term of supplier payment (days)	*	43.44	47.58	39.65	66.09	52.86
Average term of claim collection (days)	*	143.12	182.60	147.69	185.89	200.78
Average No of rotations of current assets	*	1.01	0.87	0.95	0.91	0.50
Average day time of a rotation	*	363.98	431.05	390.18	404.18	364.36

In the ***pharmaceutical industry*** the fixed assets rate registers a descending evolution during the entire analysed period of time,from aproximately 47%in 2007 to 33%

at the 30 th of June 2012, being situated below the minimum recommended level of 40%. At the same time, the current assets rate registers permanent increases,reaching 67% in 2012, level considered to be liable to generate short-term liquidity problems.

The financial stability rate keeps up around the value of 80% until 2010,after which it is noticed a significant decrease, until 74% in 2011 and 2012,caused in higher degree by the reduction of the financial stability rate of Zentiva. The global financial autonomy rate registers values close to the ones of the previous rate,which implyes that the companies belonging to this sector haven't resorted almost at all to medium and long-term loans in order to support their activity.Both rates fit into the optimum interval of financial stability.

The financial leverage is situated between 0,07 and 0,1 during the entire time,values considered to be favourable from the financial safety point of view.

The current liquidity ratio registers extremely high values,exceeding every year the highest recommended level of 250%, fact which indicates a poor administration of current assets.The immediate liquidity ratio registers similar values,exceeding in 2008,2009 and 2010 even three times the recommended level of 100%.Keeping the same tendency, also the general solvency ratio registers way too high values, close to 600% between 2007-2010 and decreasing until aproximately 400% in 2011 and 2012.

Concerning the correlation among working capital, necessary working capital and net treasury, the best evolution is observed at companies Biofarm and Zentiva, which register a stable financial balance during the entire analysed period of time.The third company, Antibiotice Iasi, doesn't dispose of sufficient resources to cover its needs and appeals to short-term loans, being found in a state of relative stable financial balance.

Regarding the average terms of payment and collection,this sector shows the highest discrepanccy between the two indicators, suppliers being paid three, even four times faster than customer claims are being cashed, with effects in the reduction of available cash and the need for treasury loans.

About the rotation speed of current assets, enterprises from this branch register only one average rotation per year, level considered to be insufficient and which reflects an inadequate organization.

Table no.4

Indicator	Oil industry					
	2007	2008	2009	2010	2011	2012
Fixed assets rate(%)	75.06	73.79	75.45	73.35	74.23	74.48
Current assets rate(%)	24.94	26.21	24.55	26.65	25.77	25.52
Financial stability rate(%)	78.29	79.85	80.68	80.08	81.63	80.80
Global financial autonomy rate (%)	77.20	76.90	76.98	76.29	79.02	77.82
Financial leverage	0.00	0.04	0.06	0.08	0.05	0.07
Current liquidity ratio (%)	140.30	242.65	243.96	251.45	222.88	191.11
Immediate liquidity ratio(%)	118.89	209.32	217.50	234.88	203.69	175.92
General solvency ratio (%)	515.73	694.32	741.46	722.91	791.56	745.67
Average term of supplier payment (days)	*	27.23	33.28	33.87	42.03	35.30
Average term of claim collection (days)	*	35.59	46.58	53.50	70.71	75.37
Average No of rotations of current assets	*	3.97	3.31	3.48	3.82	1.90
Average day time of a rotation	*	106.87	159.97	156.48	159.99	158.35

The oil industry sector shows a rather constant evolution regarding the fixed assets rate, the average being located around 74-75% in the five years of analysis,level seen as normal for enterprises from the heavy industry.Obviously, also the average level of 25-26% of the current assets rate fits into the parameters of an efficient activity.

The financial stability rate increases slightly from one year to another, from 78% in 2007 to 81% in 2012, increases considered as being favourable. The global financial autonomy rate doesn't register major fluctuations, registering values between [76-79%] during the entire time.The differences between the two rates are quite low, which indicates that companies from this sector contract long-term loans only in proportion of 3-4% of their total capital.

The financial leverage registers a very low value of 0,002 in 2007, value which encreases considerably in the following years,reaching 0,065 in 2012. A notable fact is that Rompetrol and Oil Terminal present an almost null leverage during the entire analysed period of time,these companies having very little long or short-term financial debts.

The current liquidity ratio follows an ascending evolution in the first four years of analysis,rising from 140% in 2007 to 250% in 2010, after which the tendency is inverted, in 2012 being registered the value of 190%.The immediate liquidity ratio exceeds 200% during four of the six years analysed.From this sector, only one company,Oil Terminal, fits into the optimum considered interval of [50-100%], Rompetrol and OMV Petrom registering either much higher or much lower values.Also,the general solvency ratio itself registers values of 500-800%,considered to be too high.

Concerning the correlation among working capital, necessary working capital and net treasury,the most favourable evolution is observed at Rompetrol,which is in a state of stable financial balance during the entire period of time taken into consideration.Not the same situation is encountered at Petrom and Oil Terrminal, which oscillate between the state of risky financial balance,which indicates the enterprise's dependence upon thirds, and the one of critical financial situation.

About the average terms of payment and collection,neither the oil industry doesn't succeed to outrun the supplier term of payment throughout the claim term of collection, the digression between the two periods increasing constantly , from a difference of 8 days in 2007 to 40 days in 2012.

Regarding the rotation speed of current assets, it is noticed that companies from this sector register a number of rotations close to the one of food industry enterprises, of aproximately 3-4 rotations per year.

Table no.5

Indicator	Device manufacturing					
	2007	2008	2009	2010	2011	2012
Fixed assets rate(%)	59.54	57.73	54.64	47.15	45.68	42.02
Current assets rate(%)	40.46	42.27	45.36	52.85	54.32	57.98
Financial stability rate(%)	60.10	62.57	65.20	67.79	71.22	70.28
Global financial autonomy rate (%)	50.40	54.06	58.77	66.03	70.98	70.07
Financial leverage	0.68	0.75	0.38	0.03	0.05	0.09
Current liquidity ratio (%)	110.33	122.48	154.24	175.63	188.84	192.41
Immediate liquidity ratio(%)	67.73	52.77	97.70	128.24	121.48	140.93
General solvency ratio (%)	393.57	394.60	453.42	454.59	449.85	413.39
Average term of supplier payment (days)	*	28.03	25.27	22.22	22.29	29.01
Average term of claim collection (days)	*	10.71	12.89	15.13	19.73	27.93
Average No of rotations of current assets	*	5.74	5.63	5.59	4.48	1.67
Average day time of a rotation	*	72.11	67.77	68.24	87.23	114.80

The ***device manufactuting*** sector, like the pharmaceutical industry, registers a decreasing tendency regarding the fixed assets rate during the five years taken into consideration, from aproximately 60% in 2007 to 42% in 2012, level close to the minimum limit for this area of activity.At the same time,the current assets rate values increase permanently, reaching 58% at the 30 th of June 2012.

The financial stability rate registers upward values,increasing steadily from 60% in 2007 to 70% in 2012, the same favourable tendency being also observed at the financial autonomy rate, the increases of this rate being even more consistent,from 50% in 2007 to 70% in 2012.This fact indicates that the enterprises from this branch have managed to avoid significant long-term debt,financing the development of their activity on behalf of capitalising their results.

The evolution of the financial leverage is a very volatile one in this sector, oscillating from 0,75 in 2008 to 0,086 in 2012, the levels registered after 2009 fitting into the [0-0,5] interval of optimum values.

The current liquidity ratio is situated below 150% in the first two years of analysis but shows an ascending tendency, reaching 192% in 2012.The same evolution is noticed at the immediate liquidity ratio, which increases from 53% in 2008 to 141% in 2012. The values of the two rates indicate an optimum position in terms of financial safety. The general solvency ratio oscillates around 400% during the analysed period, indicating the security of the companies towards banks and creditors.

Analysing the correlation among working capital, necessary working capital and net treasury, it is noticed that Electroarges manages to rise above the lack of financial balance state in which it was found in 2007, registering a relative stable financial balance in 2008 and 2009, only to upgrade in 2010,2011 and 2012 to the ideal state, that of stable financial balance.

Concerning the average terms of payment and collection, it is noticed that device manufacturing is one of the few industries with a favourable situation, in which the supplier term of payment outruns the claim term of collection, even though in 2011 and 2012 the difference between them doesn’t exceed the five days safety limit.

Regarding the rotation speed of current assets,it is noticed that this branch registers a satisfactory number of rotations until 2010, of over 5,5 rotations.Starting from 2011 it takes place a slowing down of the rotation speed,which is agravated in the last year of analysis, when the reached average is of only 1,7 rotations until the 30 th of June 2012.

Table no.6

Indicator	Retail trade					
	2007	2008	2009	2010	2011	2012
Fixed assets rate(%)	79.78	76.21	78.55	78.61	77.58	77.29
Current assets rate(%)	20.22	23.79	21.45	21.39	22.42	22.71
Financial stability rate(%)	91.13	94.34	95.03	93.96	95.41	93.15
Global financial autonomy rate (%)	84.31	90.23	90.23	89.60	91.44	89.70
Financial leverage	0.12	0.06	0.07	0.07	0.06	0.04
Current liquidity ratio (%)	232.67	406.93	373.70	408.18	517.14	288.08
Immediate liquidity ratio(%)	173.37	321.78	312.73	363.34	440.58	216.34
General solvency ratio (%)	1158.23	1719.96	1505.17	1378.14	2609.94	2523.17
Average term of supplier payment (days)	*	35.02	24.47	29.63	24.93	21.95
Average term of claim	*	15.43	20.28	25.88	24.36	17.40

collection (days)						
Average No of rotations of current assets	*	3.04	2.34	2.02	2.49	1.40
Average day time of a rotation	*	169.94	204.78	242.57	249.81	282.88

In the ***retail trade*** sector the fixed assets rate presents a relative linear evolution, the values being part of the interval [77-79%] during the entire considered period,level which is relative high for this sector.

The financial stability rate indicates a moderate growth from 91% in 2007 to 94% in 2008, after which it fluctuates around the values 94-95% until 2012, values considered relative high considering the area of activity. Also in this sector the financial autonomy rate presents values close to those of the financial stability, of approximately 90% in the analysed period, which shows the very high proportion of the principal in the total capital.

The values registered by the financial leverage indicate a minimum use of loans by the enterprises from this sector, the average being determined almost completely by the individual value of Unirea Shopping, Mercur and Napotex, registering null values or close to null.

The current liquidity ratio registers, excepting the year 2007, values of over 250% in the analysed period, which, considered together with the values of over 200% reached by the immediate liquidity, shows a faulty administration of both the total short term assets as well as claims and cash availability. As far as the general solvency, the retail trade sector registers the record for this indicator, with values between 1158% in 2007 and 2609% in 2011, a sign that shows that these companies do not finance their investments or exploitation activities via loans.

As far as the correlation among working capital, necessary working capital and net treasury, the enterprises from this sector evolve in a different way. Thus, Mercur S.A, except for the year 2009 has an overplus of resources incorrectly assigned on the whole analysed period, aspect often encountered at commercial entities. Napotex varies between the state of relative stable financial balance and that of stable financial balance, its evolution being a favorable one. Not in the least, Unirea Shopping shows the most pronounced oscillations from one year to the other, going from a critical financial situation in 2007,2008 to the relative stable financial balance in 2009, to an overplus of resources incorrectly assigned in 2010,again to a critical financial situation in 2011, only to register a risky financial balance in 2012.

Concerning the average terms of payment and collection,in the retail trade sector also it is encountered a claim term of collection lower than the supplier term of payment, a favourable situation for the enterprises belonging to this branch.

Analysing the rotation speed of current assets, the companies taken into consideration present a slowed down rotation speed between 2007-2010, situation which begins to straighten starting from 2011, the average value registered in this year being of 2,5 rotations.

Table no.7

Indicator	Constructions					
	2007	2008	2009	2010	2011	2012
Fixed assets rate(%)	68.21	72.72	70.39	68.96	67.72	67.78
Current assets rate(%)	31.79	27.28	29.61	31.04	32.28	32.22
Financial stability rate(%)	72.38	85.26	83.38	79.54	82.48	82.68
Global financial autonomy rate (%)	50.32	69.89	72.63	72.76	70.86	70.37

Financial leverage	0.36	0.13	0.09	0.07	0.15	0.20
Current liquidity ratio (%)	112.32	175.77	166.58	142.62	180.35	183.06
Immediate liquidity ratio(%)	87.58	139.69	136.73	91.26	102.54	101.33
General solvency ratio (%)	201.58	373.58	435.88	438.21	343.21	338.16
Average term of supplier payment (days)	*	28.64	28.60	42.15	65.61	57.18
Average term of claim collection (days)	*	51.28	67.12	65.89	86.02	102.61
Average No of rotations of current assets	*	3.05	2.49	2.15	1.26	0.55
Average day time of a rotation	*	122.39	161.09	169.83	290.29	329.76

In the ***constructions*** area, an increase of the fixed assets rate can be observed in 2008 (73%) compared to 2007, followed by a decreasing tendency until 2012, oscillating around the value from 2007, of 68%. This indicates investments in fixed assets made by enterprises from this branch in the year 2008, which leads to the increase of current assets in the following years.

The financial stability rate presents a substantial growth from 72% in 2007 to 85% in 2008, after which it fluctuates around the values of 80-82% until 2012. The evolution of the financial autonomy rate indicates a decrease in the long-term debts of the companies in the period 2007-2012, followed by a new loan in 2011, the difference between the two rates begining to increase starting from this year. The values of the two indicators show a stable evolution in terms of financial safety.

The financial leverage manifests a descendent tendency between 2007 and 2010, a tendency that is being reversed starting with 2011. The interval of oscillation [0,07 – 0,35] does not present a risk for the financial safety of the companies.

The current liquidity ratio presents a relative satisfactory evolution in this sector because, although there are decreases between 2007-2010, the status returns close to normal in 2011 and 2012, when values of 180% are reached. The immediate liquidity ratio registers values close to 100% in the analysed period, in 2008 and 2009 oscillating around the value of 140%. As for the general solvency ratio, it steadily increases until 2010, when it reaches 438%, after which it stabilizes around the value of 340%, the whole sector's evolution being a favourable one.

Analysing the correlation among working capital, necessary working capital and net treasury, it is noticed a good evolution of the company Condmag, one which registers a stable financial balance until 2011, in 2012 being necessary the contracting of short-term loans ,given the fact that it is found in a state of relative stable financial balance. The company Transilvania on the other hand, evolves from an overplus of resources incorrectly assigned in 2007 and 2008 to a short period of stable financiar balance in 2009, so that starting from 2010 to remain in the area of relative stable financial balance.

Concerning the average terms of payment and collection, the constructions sector presents an unfavourable and unpredictable evolution, with a negative difference between the claim term of collection and the supplier term of payment, which varies between 20 days in 2011 and 45 days in 2012.

Regarding the rotation speed of current assets, in the constructions secotor it is noticed an unsatisfying evolution throughout a speed decrease, the annual number of rotations decreasing constantly , from 3 rotations in 2007 to 1,3 rotations in 2011.

Table no.8

Indicator	Chemical industry					
	2007	2008	2009	2010	2011	2012
Fixed assets rate(%)	43.27	35.10	33.65	36.94	30.55	29.37

Current assets rate(%)	56.73	64.90	66.35	63.06	69.45	70.63
Financial stability rate(%)	70.96	67.81	70.67	75.55	77.02	79.83
Global financial autonomy rate (%)	70.80	67.79	70.57	75.51	77.01	79.83
Financial leverage	0.22	0.25	0.20	0.18	0.18	0.18
Current liquidity ratio (%)	257.36	347.33	545.85	703.88	660.08	1824.29
Immediate liquidity ratio(%)	160.65	215.36	387.03	534.95	517.11	1705.34
General solvency ratio (%)	446.77	497.60	736.97	949.18	861.16	2273.72
Average term of supplier payment (days)	*	22.22	25.48	21.58	26.60	21.20
Average term of claim collection (days)	*	26.95	38.56	44.15	57.30	46.82
Average No of rotations of current assets	*	2.62	1.74	1.98	1.79	0.86
Average day time of a rotation	*	154.75	216.36	199.31	213.83	226.32

In the ***chemical industry*** the fixed assets rate registers a descending evolution, excepting 2010 when a slight increase takes place, in the last years of analysis the values reach only 30%,level considered insufficient for production-based companies.

The financial stability rate presents an opposite evolution compared to the constructions branch, decreasing from 71% in 2007 to 68% in 2008, after which it increases to 80% in 2012.The extremely close values of this rate to the ones of the financial autonomy rate indicate the lack of long-term loans as a financing way, the increase of the two indicators being possibly determined by short-term debts reimbursement.

The financial leverage shows a slight increase in 2008 as compared to 2007, followed by a favourable descending evolution, registering 0,18 in 2012.Within this sector, only Artego turns to financial debt,at a level that exceeds the limits of financial safety, this company registering financial debts of over 50% of its own capital during the entire period of time.

The current liquidity ratio of this branch registers spectacular increases from one year to the other, from 258% in 2007 to 1824% in 2012, evolution closely followed by the immediate liquidity ratio as well,indicating an inadequate management of current assets.The general solvency ratio registers a similar tendency, peaking at over 2200% in 2012.

Analysing the correlation among working capital, necessary working capital and net treasury, the most favourable evolution is noticed at Prodplast, which benefits of sufficient resources to cover its current needs, being found in a state of stable financial balance during the entire period of time.The second company in terms of favourable evolution is Azomures, which overcomes the shortcoming of ensuring total intern financing of its needs encounterd in 2007 and 2008, reaching a stable financial balance starting from 2009.Last but not least, the company Artego registers the least favourable evolution compared to the previous two, the situation being one frequently encountered in the market economy, that of a relative stable financial balance during the five years taken into account.

Concerning the average terms of payment and collection,in this area too the customer-claim conversion cicle is way longer than the payment cicle, the difference in number of days becoming larger every year between 2007-2011, with slight improvement perspectives in 2012.

Regarding the rotation speed of current assets, the chemical industry enterprises register favourable values only in 2007, with over 2,6 rotations per year, starting from 2008 until present not reaching even 2 entire yearly rotations.

5. CONCLUSIONS

Financial management has as fundamental purpose the maximization of the enterprise's market value, goal which can be accomplished only by carrying out a profitable activity and maintaining a state of financial balance.

The study had as informational basis the financial data of eighteen romanian enterprises listed on Bucharest Stock Exchange, classified into seven domains of activity, based on which were calculated both individual values and yearly domain averages in the timeframe 2007-30 th of June 2012 of the following indicators:fixed and current assets rates, financial stability and financial autonomy rates, financial leverage, current and immediate liquidity and general solvency rates, working capital, necessary working capital and net treasury, average terms of supplier payment and claim collection,number of rotations of current assets and the number of days necessary for a complete rotation.

After analysing the assets rates of structure, it is noticed that the branches whose evolution fit into the specific proportion for their area of activity are food and oil industry and constructions, with an average ratio of 2/3 fixed assets and 1/3 current assets.At the same time, there are identified sectors with a fixed assets rate too high(retail trade:77-80%)or too low(chemical industry:30-40%) for their domain.

Observing the average values registered by the financial stability and global financial autonomy rates, all the branches register satisfactory evolutions.The values, although sometimes descending, are placed above the recommended values of 60%, respectively, 30%,a predictable aspect given the fact that these indicators aren't normally affected by the economic crisis. Noticeable is the device manufacturing industry, which shows the only ascending evolution.

Regarding the financial leverage, almost all analysed branches register favourable values, below the maximum accepted limit of 0,5, three of which (oil industry, pharmaceutical industry and retail trade) even registering values below 0,1.The only domain of activity at which this indicator reaches rather high levels with possible unfavourable consequences, is the food industry .

After analysing the evolution of the current and immediate liquidity and general solvency ratios it is noticed that most of the branches register very high levels of these indicators, way above the recommended safety limits, which means that, generally speaking, romanian enterprises don't resort to long or short-term loans in order to finance their investment or operational activity, but to a low extent, a surprising fact given the crossed period of time.In practice, it has been ascertained that companies which encounter difficulties tend to improve their liquidity in order to have financial resources for payment of creditors.In this respect, needs to be mentioned as extreme the retail trade sector, which registers general solvency rates within 1100-2600%.

Concerning the correlation among working capital, necessary working capital and net treasury, the best branch-level evolutions are found in the pharmaceuticals and chemical industry areas, the included companies reaching a state of stable or relative stable financial balance throughout the entire analysed period of time.On the contrary, the most unsatisfactory evolutions are seen at companies like Albalact, OMV Petrom, Oil Terminal or Unirea Shopping Center, at which alternate the four unfavourable situations from the financial balance point of view.

From the standpoint of average terms of supplier payment and claim collection,it has been ascertained that enterprises from industries like device manufacturing or retail trade show the only favourable evolutions, in which the payment cicle exceeds the customer-claim conversion cicle throughout the entire time taken into consideration.

Regarding the rotation speed of current assets,it has been ascertained that no sector registers accelerations,but only slowing downs or, at the best, standstills.Thus, as satisfactory evolutions are mentioned both food and oil industry, meanwhile the least favourable evolution is noticed in the area of pharmaceuticals, where most of the time enterprises manage to reach not even one entire average rotation per year.

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ANNEXES

Table no.9

Company	Working capital (RON)					
	2007	2008	2009	2010	2011	2012
Albalact	31.363.164	2.969.911	-6.879.049	-11.631.983	-8.403.985	-6.086.923
Moara Cibin	-4.146.417	11.221.809	22.386.841	21.684.408	17.655.700	18.175.747
Antibio-tice Iasi	94.088.829	90.149.171	89.269.058	99.383.372	116.329.909	135.870.997
Biofarm	42.222.909	52.066.953	67.339.540	78.884.587	85.411.182	87.126.967
Zentiva	176.829.962	206.417.779	201.878.388	201.878.388	170.298.131	157.598.446
OMV Petrom	-3.085.652.206	-4.624.384.477	-5.324.132.713	-6.982.303.041	-7.504.682.450	-8.814.069.335
Rompe-trol	23.226.155	43.475.258	45.580.144	57.637.593	68.009.223	67.000.607
Oil Terminal	-4.123.261	-4.545.918	-5.448.544	-6.553.735	-11.961.631	-8.996.681
Electroar-ges	-580.430	1.001.596	2.460.314	9.677.631	17.713.010	28.625.667
Electro-magne-tica	7.616.483	15.506.589	29.376.043	38.590.776	41.501.725	47.725.041
Mercur	8.883.816	12.416.013	13.105.345	13.829.986	16.074.670	14.976.220
Napotex	470.307	631.102	406.814	115.729	449.972	377.235
Unirea Shopping	-25.808.853	-23.794.912	7.973.071	7.973.071	-19.943.540	-20.916.983
Condmag	10.747.604	27.154.001	38.783.057	35.156.208	40.249.666	41.658.983
Transilva-nia	151.809	6.630.453	4.767.629	4.767.629	14.946.236	14.734.295
Artego	20.055.892	15.718.158	18.543.141	12.472.483	20.518.249	21.596.936
Azomu-res	107.480.079	129.932.278	151.719.748	305.873.551	650.559.147	833.639.719
Prodplast	38.364.604	27.889.950	32.597.700	35.009.643	38.265.237	40.166.580

Table no.10

Company	Necessary working capital (RON)					
	2007	2008	2009	2010	2011	2012
Albalact	14.480.367	18.014.093	18.136.272	11.153.460	108.737	12.672.653
Moara Cibin	8.308.123	11.756.046	22.426.098	29.796.631	17.463.855	19.607.038
Antibio-tice Iasi	108.699.925	118.562.370	160.438.659	164.961.597	193.406.628	211.290.286
Biofarm	13.067.943	16.584.853	29.933.021	11.715.328	11.182.811	14.986.017
Zentiva	96.946.574	109.170.306	102.941.321	60.796.137	160.070.744	143.596.866
OMV Petrom	-3.838.294.593	-5.309.321.151	-5.421.389.540	-8.007.342.855	-7.601.550.899	-8.111.743.729
Rompe-trol	7.192.212	34.127.189	37.864.129	46.372.809	51.299.342	45.843.097
Oil terminal	-3.867.454	-6.283.687	-6.849.168	-8.778.278	-11.818.024	-10.213.263
Electroar-ges	3.861.602	4.757.062	4.631.175	4.619.958	7.088.047	15.479.032
Electro-	-7.727.829	7.581.285	-4.339.635	5.086.880	36.285.863	13.703.762

magne-tica						
Mercur	-1.147.807	-372.642	323.587	-276.554	-350.094	-2.716.480
Napotex	450.702	586.062	478.544	222.053	343.665	273.233
Unirea Shopping	-10.800.310	-5.667.196	10.711.027	-7.481.329	-3.063.797	-24.869.564
Condmag	9.554.242	26.169.199	19.348.177	18.911.507	29.887.057	44.064.014
Transilva-nia	-4.234.010	-2.169.142	754.191	5.183.025	15.166.732	20.074.868
Artego	41.976.764	53.841.199	60.537.705	52.453.310	59.006.411	64.842.942
Asomu-res	190.982.904	156.822.673	65.006.463	23.034.839	462.734.385	472.327.681
Prodplast	10.130.417	12.626.589	13.062.069	18.307.546	13.013.695	7.357.968

Table no.11

Company	Net treasury (RON)					
	2007	2008	2009	2010	2011	2012
Albalact	14.480.367	18.014.093	18.136.272	11.153.460	108.737	12.672.653
Moara Cibin	8.308.123	11.756.046	22.426.098	29.796.631	17.463.855	19.607.038
Antibio-tice Iasi	108.699.925	118.562.370	160.438.659	164.961.597	193.406.628	211.290.286
Biofarm	13.067.943	16.584.853	29.933.021	11.715.328	11.182.811	14.986.017
Zentiva	96.946.574	109.170.306	102.941.321	60.796.137	160.070.744	143.596.866
OMV Petrom	-3.838.294.593	-5.309.321.151	-5.421.389.540	-8.007.342.855	-7.601.550.899	-8.111.743.729
Rompe-trol	7.192.212	34.127.189	37.864.129	46.372.809	51.299.342	45.843.097
Oil Terminal	-3.867.454	-6.283.687	-6.849.168	-8.778.278	-11.818.024	-10.213.263
Electroar-ges	3.861.602	4.757.062	4.631.175	4.619.958	7.088.047	15.479.032
Electro-magne-tica	-7.727.829	7.581.285	-4.339.635	5.086.880	36.285.863	13.703.762
Mercur	-1.147.807	-372.642	323.587	-276.554	-350.094	-2.716.480
Napotex	450.702	586.062	478.544	222.053	343.665	273.233
Unirea Shopping	-10.800.310	-5.667.196	10.711.027	-7.481.329	-3.063.797	-24.869.564
Condmag	9.554.242	26.169.199	19.348.177	18.911.507	29.887.057	44.064.014
Transilva-nia	-4.234.010	-2.169.142	754.191	5.183.025	15.166.732	20.074.868
Artego	41.976.764	53.841.199	60.537.705	52.453.310	59.006.411	64.842.942
Azomu-res	190.982.904	156.822.673	65.006.463	23.034.839	462.734.385	472.327.681
Prodplast	10.130.417	12.626.589	13.062.069	18.307.546	13.013.695	7.357.968