

# Aspects Regarding the Evolution of the Main Financial Indicators in the Financial and Accounting Balance Sheets of the Companies in Constanta County

Jugănaru Mariana

"Ovidius" University of Constanta, Faculty of Economic Sciences

[juganaru.mariana@yahoo.com](mailto:juganaru.mariana@yahoo.com)

## Abstract

*The economic activity carried out in Constanta County is the expression of the efforts made by the companies operating in this administrative unit, as well as of many external factors, able to generate a favorable or unfavorable conjuncture for the business environment.*

*This study includes a meso-economic analysis of the evolution of the economic activity between 2016 and 2017, based on the main financial indicators from the accounting and financial balance sheets of companies in Constanta County.*

*The data were processed by the SPSS statistical software and by quantitative statistical methods. The interpretation of the results provided the support in order to present significant aspects of the economic activity in Constanta County during the two analyzed years, i.e. 2016 and 2017, and to highlight the evolution recorded over this period, without identifying and explaining the factors/ causes that determined this evolution.*

**Key words:** balance sheets, indicators, companies, evolution, county

**J.E.L classification:** C10, C40, M10, M20, M21, O11, O12

## 1. Introduction

The main objective of this study is to carry out an analysis on the economic activity, in a static and dynamic profile, at the level of Constanta County, by processing certain financial indicators from the financial and accounting balances of the companies in this county, between 2016-2017.

## 2. Theoretical background

Highlighting the level of economic development, its trends and the way in which the resources of a national economy are used require the measurement of the results entailed by the economic activity. The legal framework in Romania, established by the Accounting Law no. 82/1991, as subsequently amended and supplemented (Official Gazette no. 902 of December 11, 2014), states:

"Accounting, as an activity specialized in the measurement, assessment, knowledge, management and control of assets, debts and ownership equity, as well as the results entailed by the activity of the legal and natural persons stipulated in art. 1 must ensure a timely and systematic recording, processing, disclosure and storage of information on the financial situation, financial performance and cash flows, both for their internal requirements and for dealing with existing and potential investors, financial and commercial creditors, public institutions and other users" (Accounting Law No. 82/1991, Official Gazette no. 902/11, December 2014; Mătiș.; Pop. 2007)

The main objective of financial statements is to provide information on the financial situation of a company operating on the Romanian territory and subordinated to Romanian laws. At the same time, Order no. 1802/2014 for the approval of Accounting Regulations on annual individual financial statements and annual consolidated financial statements stipulates that "Annual financial statements are clearly drafted" (according to the legislative framework) and "they must provide a true and fair view of the assets, debts, financial situation and profit or loss of the entity". It is

considered that this information may be necessary for the users of financial statements in order to estimate the future cash flows of the company and their degree of certainty.

### 3. Research method

In order to achieve the proposed objective, we have performed a quantitative research of static and dynamic profile on the size and evolution of some financial indicators from the financial and accounting balance sheets of companies in Constanta County, between 2016 and 2017. (Jugănaru, 1998; Jugănaru, 2000)

The data were processed by the SPSS statistical software (Field, 2009) and by several quantitative statistical indicators, i.e. average values, indices and rates of change (Aivaz K., 2007, p., 329; Aivaz K., 2007, p. 99).

The quantitative data used in this study were selected from a large database, represented by the financial and accounting balance sheets submitted by taxpayers at the end of 2016 and 2017, respectively.

The selected and used indicators are: "Net turnover", "Operating profit", "Staff expenses", "Gross profit", "Equity", "Expenses with other taxes, fees and similar payments", "Average number of employees", "Overdue debts related to the social insurance budget", "Taxes and duties not paid at the local budget deadline".

### 4. Data, results and discussion

We started from the absolute values of the financial indicators from the financial and accounting balance sheets of companies in Constanta County and we calculated, on the one hand, their average values, recorded in 2016 and 2017, and, on the other hand, we calculated the indices and rates of change in order to highlight their evolution. The results entailed by the calculation of statistical indicators, i.e. average values, indices and rates of change, are shown in the following table.

*Table no. 1 Average values and evolution of the main financial indicators from the financial and accounting balance sheets of companies in Constanta County, between 2016 and 2017*

<b>Balance Sheet indicator</b>	<b>2016</b>	<b>2017</b>	<b>Absolute change</b>	<b>Index%</b>	<b>Rate %</b>
1. Net turnover	2.174.994,2	2.190.522,8	15.528,6	100,71	0,71
2. Operating profit	118.889,78	117.485,59	-1.404,19	98,82	-1,18
3. Staff expenses	209.122,38	218.882,2	9.759,82	104,67	4,67
4. Gross profit	73.956,52	125.031,59	51.075,07	169,06	69,06
5. Equity	506.031,17	647.530,1	141.498,93	127,96	27,96
6. Expenses with other taxes, fees and similar payments	18.940,85	17.189,24	-1.751,61	90,75	-9,25
7. Average number of employees	7,13	6,72	-0,41	94,25	-5,75
8. Overdue debts related to the social insurance budget	35.107,95	33.552,69	-1.555,26	95,57	-4,4
9. Taxes and duties not paid at the local budget deadline	959,2	718,01	-241,19	74,85509	-25,1449
Total assets	2.509.569,1	2.497.966,3	-11602,8	99,53766	-0,46234

*Source:* Data obtained by processing the information from the financial and accounting balance sheets of active companies in Constanta County

The data shown in Table 1 refer to the average values calculated for each balance indicator (expressed in currency (RON) and number of persons) for 2016 and 2017, as well as for their change, calculated and expressed both in absolute and relative values.

This table shows the situation and evolution of the economic activity of the companies in Constanta County over the analyzed period, based on the main financial indicators in the financial and accounting balance sheets of active companies in Constanta County (those with turnover higher than zero and at least one employee).

- ✓ **The net turnover** increased by 15.528,6 RON, which represents a growth rate of 0,71% per annum.
- ✓ **The operating profit** decreased by 1.404,19 thousand RON, the decrease rate being 1,18%.

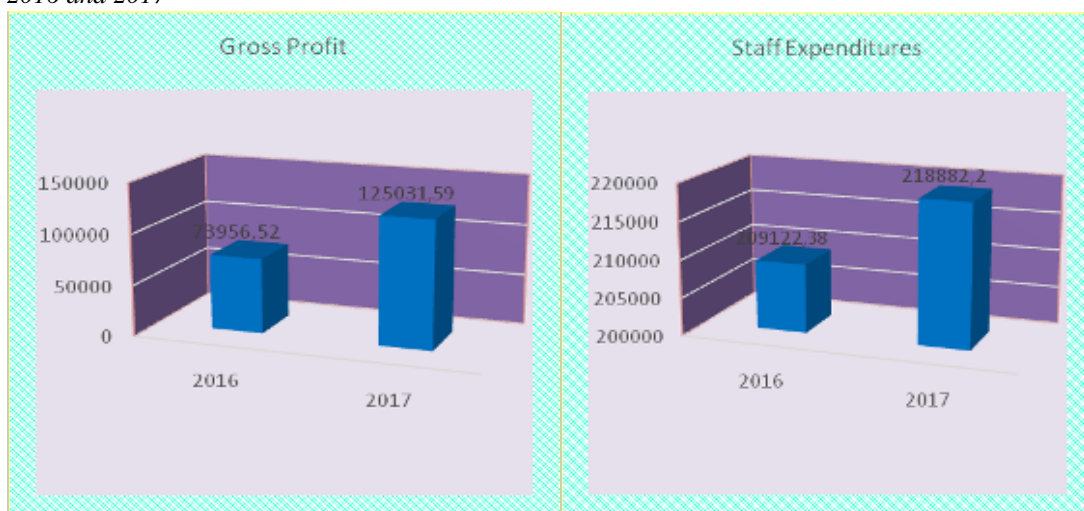
Figure no. 1 Evolution of Turnover and Operating Profit at companies in Constanta County, in 2016 and 2017



Source: Data obtained by processing the information from the financial and accounting balance sheets of active companies in Constanta County

- ✓ **The Gross profit** increased by 51.075,07 thousand RON in absolute value, and by 69,06% in relative value.
- ✓ **Staff expenditures** increased by 9.759,82 thousand RON in absolute value, and by 4,67% in relative value.

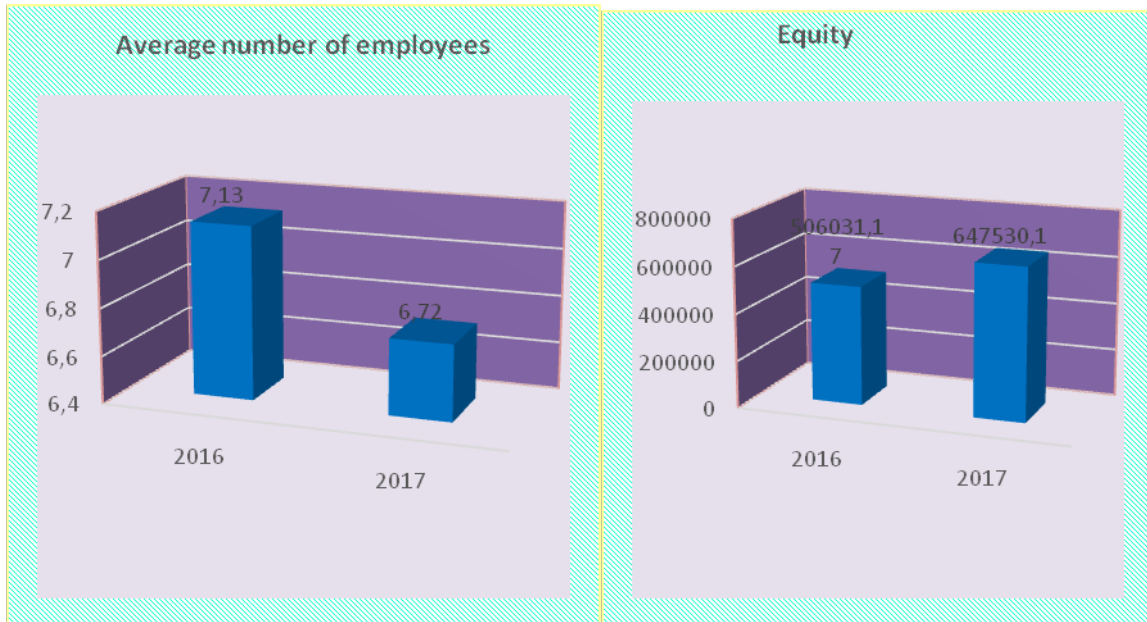
Figure no. 2. Evolution of Gross Profit and Staff Expenditures at companies in Constanta County, in 2016 and 2017



Source: Data obtained by processing the information from the financial and accounting balance sheets of active companies in Constanta County

- ✓ **The average number of employees** decreased by 0,41 persons, recording a decrease of 5,75%
- ✓ **The Equity** increased at a rate of 27,96%, which in absolute value amounted to 141.498,93 thousand RON

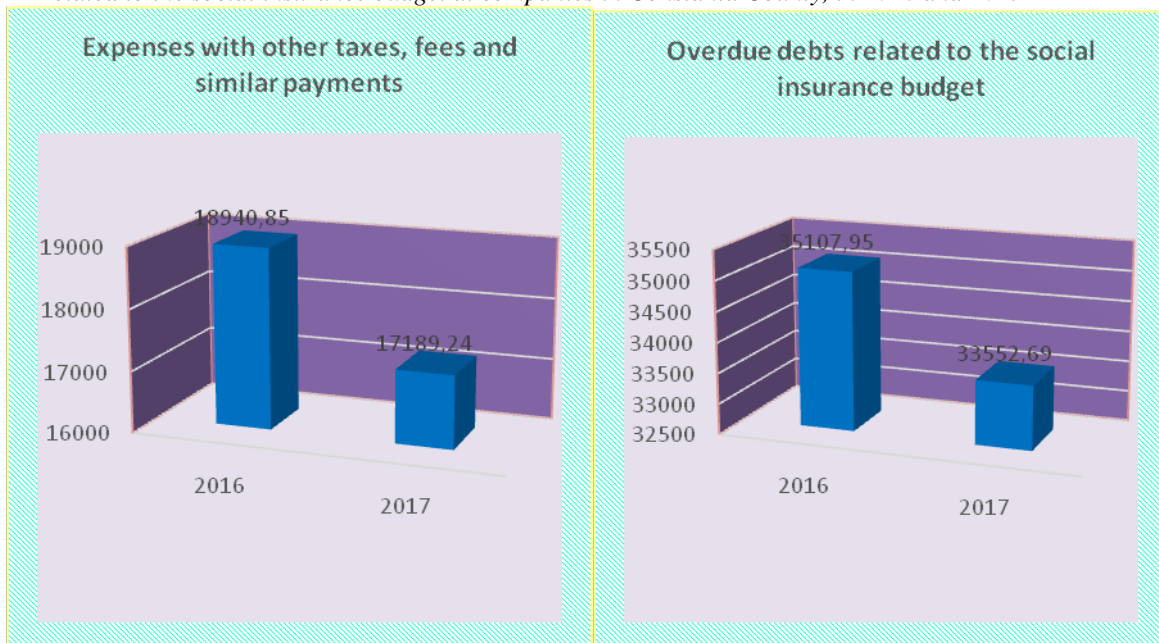
Figure no.3. Evolution of Average number of employees and Equity at companies in Constanta County, in 2016 and 2017



Source: Data obtained by processing the information from the financial and accounting balance sheets of active companies in Constanta County

- ✓ **The Expenses with other taxes, fees and similar payments** decreased by 9,25%, or by 1,751.61 mil. RON
- ✓ **Overdue debts related to the social insurance budget** decreased by 4,4% and 1,555.26 mil. RON

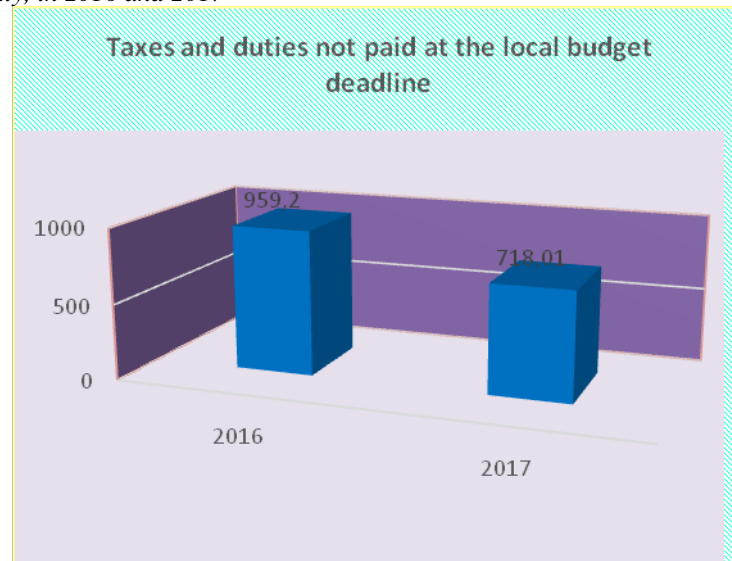
Figure no. 4. Evolution of Expenses with other taxes, fees and similar payments and Overdue debts related to the social insurance budget at companies in Constanta County, in 2016 and 2017



Source: Data obtained by processing the information from the financial and accounting balance sheets of active companies in Constanta County

✓ **Taxes and duties not paid at the local budget deadline** decreased at the significant rate of 25,14%; in absolute value, the decrease was of 241,19 mil. RON.

Figure no.5. Evolution of Taxes and duties not paid at the local budget deadline at companies in Constanta County, in 2016 and 2017



Source: Data obtained by processing the information from the financial and accounting balance sheets of active companies in Constanta County

## 5. Conclusion

The physical and value assessment (in a static and dynamic profile) of the economic and financial results obtained by the economic agents is an essential preoccupation for the measurement of their own performance, for the substantiation of decisions aimed at guiding the activity on different time horizons, at micro, mesoeconomic and macroeconomic levels.

The existence/ availability of information on the value of some financial indicators published in the financial and accounting balance sheets of companies in Constanta County was an opportunity to carry out a quantitative analysis of the situation of the entire economic activity carried out in this county. The local and national business environment can capitalize the results obtained in this study.

## 6. References

- Aivaz K., 2007. *Statistică Economică*. Constanța: MUNTENIA Publishing House
- Aivaz K., 2007. *Econometrie-studii de caz*. Constanța: MUNTENIA Publishing House
- Field, A., 2009. *Discovering Statistics Using SPSS*. London: Sage Publications Ltd.
- Mățiș D., Pop A., 2007. *Contabilitate financiară*. Cluj-Napoca: Alma Mater Publishing House
- Accountancy Law no. 82/1991 with subsequent amendments
- Constanta Chamber of Commerce, Industry, Shipping and Agriculture, 2017. Directory Major Companies-Constanța County 2016
- Constanta Chamber of Commerce, Industry, Shipping and Agriculture, 2018. Directory Major Companies-Constanța County 2017
- Order of the Ministry of Public Finance no.1802 of December 29, 2014 for the approval of the Accounting Regulations on the individual annual financial statements and the consolidated annual financial statements
- Ministry of Public Finance, <http://www.mfinante.gov.ro/pjuridice.html?pagina=domenii>