

CRITICAL ASPECTS REGARDING THE ACTIVITY OF ENTITIES DURING THE CORONAVIRUS EPIDEMIC

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Abstract:

The appearance of the Coronavirus epidemic in our country as well as worldwide has led to major changes in the activity of entities in any field of activity, especially in the field of tourism, production and import-export. This study includes the presentation of the measures taken on the COVID -19 epidemic by the Member States of the European Union as well as the measures taken at the level of an entity with production activity in our country.

Another aspect analyzed in this paper is the presentation of the facilities from a financial point of view offered by the Romanian state to the entities affected by the Coronavirus epidemic.

Key words: entity, epidemic, Coronavirus, measures

JEL classification: M41

1. INTRODUCTION

The appearance of the COVID -19 epidemic worldwide as well as on the territory of our country, led to circumstantial changes on the activity of entities in any field of activity and on the world economy. This causes the entities to change the way they approach the activity carried out so far and to consider a postponement of the investment and development plans.

Lack of liquidity affects both long-term and short-term entities, which is why they have to implement new exit measures.

In a comprehensive analysis of the global situation of countries affected by the coronavirus epidemic, of the 90 countries affected, only 40% of countries are affected, including EU Member States seeking solutions to survive the COVID-19 pandemic.

Portugal proposes a number of measures to support entities affected by the coronavirus epidemic. These measures are aimed at protecting the Portuguese economy in times of crisis. The measure imposed by the Portuguese Government is the issuance of a law on the temporary suspension of employment contracts for entities that are losing 40% of sales over a period of three months, compared to last year.

Italy provides for a series of measures to reduce the economic impact, by suspending the obligation to pay bills, taxes, taxes, mortgages, which causes concern about the settlements suffered by the Italian state, which has to resort to other sources of financing.

Lisbon is helping entities affected by the COVID-19 epidemic by opening a € 200 million government credit line for entities with a turnover of less than 20% over last year.

(FORBESFORWARD, 2020)

On 12 June 2020, the Austrian Minister of Finance announced a support measure for the areas affected by the coronavirus pandemic, namely a 5% reduction in VAT on food and beverage deliveries to restaurants and catering establishments.

The Belgian Government is also adopting a temporary measure, from 8 June 2020, to reduce VAT from 12% to 6% for restaurant and catering services. (prd-gvo-web.azurewebsites.net)

In our country, the economic effects of coronavirus are felt quite strongly on entities with different types of activity. The most affected areas are: tourism, production and import-export, which are forced to reorient to other areas of activity, but there are also entities that developed their activity during the pandemic, such as: entities with online trade and courier entities.

2. PAPER BODY

Dealing with international applicants, partners and markets is now bigger than ever for large and small companies. This trend is often future to a globalisation of markets. The global economic turn, cross-border free trade agreements and technology improvements, have facilitated the expansion of global businesses. Companies can now have more customer markets around the world. Buyers also have higher prices around the world. Not surprisingly, this increased economic utility of competition. Globalisation of economies has certainly affected businesses, allowing individual customers access to a wider range of products.

The number of training courses completed are employee accreditation courses that must be able to provide managers with performance indicators, both financial and non-financial, so that they can assess the organisation's progress towards its objectives.

The economic system of the business helped by business accessibility during the 21st century depends on a company's ability to manage change. Today's companies face many new challenges, including technological innovations, global competition and increased demand for information relevant to decision-making.

Selectively, market forces oblige entities to develop adaptable and innovative organisational structures that promote more efficient production processes and closer relationships. These changes in the business environment affect all managers, not just decision-makers at the executive level. Many routine activities, often that intensify the workforce are now carried out through technology. In an age where data preparation and distribution occurs at low or no cost, managers are expected to use their knowledge and skills that enable them to provide information that contributes to business success.

Strategic planning also discussed how strategic planning helps a company meet the expectations of customers, investors and other stakeholders. As we have advanced, this process requires managers to evaluate both their current and future business operations. However, such an analysis depends on the intense awareness of market forces that can potentialise a business. Therefore, several major business forces shaping today's market and their effects on companies and business professionals, in particular entities, will be brought up.

This discussion highlights the important roles that planning and business information plays in managing change in the 21st century. Understanding those roles will allow you to distinguish between the usefulness of data and information for decision-making and will give you an appreciation for the analytical skills needed to transform one into the other.

In order to achieve strategic planning, it is necessary to know the basics, such as defining the economy as 'the mechanism by which, using scarce resources, the production, distribution and consumption of their goods and services are organised to meet their needs'.(Ciurea I.,2011)

According to several researchers, the Romanian industry over several years is going through several economic cycles, one of which would be the economic crisis of 2008 when the country's economy was shaken financially. After this crisis, the Romanian and global financial system received a boost in the future development of entities. The Romanian industry is not very different from European industry, so it can benefit from a much more appreciated future recovery.

The national economy is 'the set of economic activities which have been constituted in sectors of activity, branches, sub-branches, etc., at the level of a country, between which mutual links are established, on the basis of which the movement of their goods and services is carried out, the functioning and economic development of society is ensured'.[7]

The industry is 'a branch of material production and the national economy, comprising all enterprises (factories, power plants, factories, mines, etc.) engaged in the production of labour tools, the extraction of raw materials, materials and fuels and the subsequent processing of the products obtained'.[8]

Industrial branches undergone changes during the crisis. The industrial system is modified according to the size of the entity, their flexibility in changes in the market. In Romania, the industry is aimed at economic growth and the creation of new jobs.

As Vlad Năstase, GEO of Concilium Consulting, in the magazine *Economica net*, predicts in the analysis performed on Romanian entities about the coronavirus epidemic that "I do not think that 2020 will be a year of growth and development for entities, but one of survival".

The most affected areas of production entities are the supply department and human resources.

Entities with production activity are severely affected:

- the area of supply of raw materials, as it was largely supplied from China, a country hard hit by the coronavirus epidemic, and will have a strong impact on the prices of finished products of the entities producing electrical and electronic products;
- the labor force which, following studies carried out on the pandemic, found that one million employees in a local entity are at risk of becoming unemployed or being made redundant.
- decrease in sales which leads to a decrease in turnover, resulting in late payments;
- restricting the activity, eliminating the non-profit generating activities;
- a solution before the closure of the activity would have been the insolvency, but due to the current situation in our country, according to law 113/2020, with the entry into force on July 11, which provides for the increase of the threshold from 40,000 lei to 50,000 lei and the disappearance of the provisions of the condition by which the request for insolvency is made only if the amount of budget debts is less than 50% of the total declared debts. (Alexandru Nanu, 2020)

It should be mentioned that the debtor who is in a state of insolvency on the date of entry into force of law no. 55/2020, or who reaches a state of insolvency, may during the state of alert must address a request according to law no. 85/2014, which provides in art. 66, that the measures are not applicable until the date of cessation of the alert state, the date from which the 30-day period provided for begins to run. At the same time, the provisions of art. 66, paragraphs (2) and (3) of Law 85/2014, with the amendments and completions in force. (Law 55/2020)

Proposals as possible solutions offered as state support:

- banks will freeze for several months the rates help by entities and individuals in the affected areas;
- Grants, repayable advances or tax advantages in the EC Communication - Temporary framework for State aid measures to support the economy in the context of the current COVID-19 epidemic (2020 / C911 / 01), published in the Official Journal of the European Union of 20.03 .2020, as amended by the EC Communication - Amendment of the Temporary Framework for State Aid Measures to Support the Economy in the Context of the Current COVID-19 Epidemic (2020 / C 112 I / 01), published on 4.04.2020, and by the EC Communication - Amendment of the Temporary Framework for State aid measures to support the economy in the context of the current COVID-19 epidemic [C (2020) 3156 final], published on 5.05.2020, as well as by the EC Communication - Third Amendment to the Temporary Framework for State aid measures to support the economy in the context of the current COVID epidemic19, published in the Official Journal of the EU of 29.06.2020; (Tamaş Atila, 2020)
- amending the legislation on the Labor Code and the flexibility of the legislative framework: temporary work, work from home, tele-work;
- extension of deadlines with payments of taxes and social contributions;
- refunding a share of the profit tax paid before the COVID -19 pandemic, for the entities that have no obligation to the state, coming as a financial support;
- simplification of VAT;
- for the future to make a reserve fund of 20% of the profit, or the size of salaries for a period of three months.

In the current context of the ever-evolving coronavirus epidemic, electrical and electronic products that play a significant role in production entities have presented new and unprecedented challenges.

The appearance of the pandemic brings us, by regulating some measures established by the military ordinance no. 3 / 24.03.2020 on measures to prevent the spread of COVID-19. Within the studied entity these measures were established exactly, namely they rearranged the work tables in the hall, by spacing the tables at a distance of 1 meter, ventilating the hall every 2 hours, strictly complying with the measures of safety by wearing masks by employees and hygiene rules.

From a financial point of view, the measures taken are:

- ➔ following the reduction of the number of orders received by customers;
- ➔ division of staff into two groups, thus reducing the number of people in an entity, the first group remained at work, and the second group was sent into technical unemployment for a period of two weeks;
- ➔ purchase of a large quantity of disinfectant and disposable gloves, which leads to additional costs;
- ➔ employees are informed about measures to prevent COVID infection - 19 through a series of posters and messages displayed at work points;
- ➔ implementation of an employee screening procedure to prevent asymptomatic people from accessing work (eg cough, fever, dizziness, headache, etc.).

The coronavirus pandemic has led to a good collaboration between the entities with the same object of activity, with the dissemination of information on the measures adopted, regarding the stopping and spreading of the COVID-19 virus and keeping employees safe. The next affected are the suppliers of the studied entity who make huge efforts to meet the delivery deadlines, the transport being important.

Industry Outlook affected by covid 19

Industry at European level must take into account measures that must address the challenges and shortcomings encountered in a new approach to the whole system.

The industrial sector is invited to:

- ➔ to pursue the prospects of the internal market of the electrical and electronic industry, which was implemented in 1999 together with the whole of the European Union, aims to organise competitive markets at cross-border level, in order to offer customers, whether they are natural or legal persons, the opportunity to choose new business opportunities, competitive prices, effective signals in investment materials, improving the quality of services, etc.
- ➔ provide that Directive 2003/54/EC of the European Parliament and of the Council and Directive 2009/72/EC make significant contributions to the internal market by providing new opportunities and challenges for market participants
- ➔ provide that on 15 July 2015 the Commission's 'new benefits for energy consumers' appear, information about the retail market serving consumers, including the link to the retail markets
- ➔ to analyse the fact that the Commission of the European Council of 23-24 October 2014, provides for urgent measures to ensure that a target of at least 10 % of existing electricity interconnections is met, as a matter of urgency and by 2020 at the latest, with a view to achieving a target of 15 % by 2030.onsolidating relations between different entities with the same object of activity, related to measures taken within entities on employee safety and finding solutions that affect the activity of entities as little as possible. Entities dealing with product distribution make huge efforts to be able to comply with contracts relating to delivery deadlines, as they can greatly influence the activity of entities.

3. CONCLUSIONS

The analysis performed on the critical aspects on the activities of the entities during the coronavirus epidemic, shows that although the entities were strongly affected, they are looking for measures to survive and remedy the situation of economic-financial activity.

The starting point in conducting the analysis was to identify the negative effects of COVID - 19 on the activity of entities, the presentation of the business environment on the national and international market before the pandemic and the presentation of cross-border agreements used to expand the global economy.

The COVID 19 virus has led to a strengthening of relations between different entities with the same object of activity, related to the measures taken within the entities on employee safety and finding solutions that affect as little as possible the activity of the entities. Entities dealing with the distribution of products make a huge effort to be able to comply with contracts regarding delivery times, as they can greatly influence the activity of the entities.

This analysis also provides the way in which the measures and facilities granted by the Romanian state to the entities affected by the coronavirus pandemic are identified

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