DID THE DANUBE DELTA PENSIONS MANAGED TO OVERCOME THE ECONOMIC CRISIS?

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Abstract:
In the knowledge economy and competitiveness, economic and financial analysis of a company in every industry generally, the hospitality industry in particular, is an indispensable tool, which aims radiography entire business of the company, to diagnose strengths and weaknesses but also identify opportunities and threats coming from the market.

One of the most important indicators measuring the economic performance of a company is turnover. This indicator enables research dimension, held in place within the industry, market position, economic entity's ability to initiate effective and efficient. Thus, the turnover reflects the degree of health of the company. In this paper we analysed in terms of economic and financial representative guesthouse in the Danube Delta to see the actual situation of tourism in the area. The main purpose was to see if the pensions of Delta managed to overcome the economic crisis global and national.

Keywords: crisis, Danube Delta, economic analysis, financial analysis, turnover.

JEL: A12, C00, D02, E00, O12, Q01, Z32, Z33.
1. Introduction
Among the specific operational indicators are turnover and net turnover. This indicator, first in the income statement, reflects sales assessment of an economic entity over a period of time. It includes all proceeds from sales by type of product or type of activity, and providing specific services the current activity of the economic entity after deducting fees related turnover, trade discounts and value added tax. Net turnover holds the largest share of operating revenue in class in terms of sustainable economic activities.

Material and method
The series of values ordered in relation to the succession of periods / time points, time series form. It is the raw material, processed by statistical methods or specific econometrics, can highlight issues repeatable analogies conditioning benchmarks.

To identify the level of profitability is determined profits and rates of return: commercial, consumed resources, financial and economic. To determine rates of return commercial and consumed resources using profit related to net turnover, calculated as the difference between net turnover and turnover related expenses, according to the formula:

Equation (1)
\[ Pr = \sum qv \cdot p - \sum qv \cdot c \]

Profit for net turnover compared to net turnover is the rate of return on sales (DRR), reflecting (Robu & all, 2014) profit of the turnover accumulated to 100 lei turnover, after deducting the expenses incidental to achievement and promotion production and goods turnover.

Equation (2)
\[ R_{RC} = \frac{\sum qv \cdot p - \sum qv \cdot c}{\sum qv \cdot p} \]

The rate of return of resources consumed (RRCOM) is determined as the ratio of profit for the same turnover and turnover expenses.
Equation (3)

\[ R_{\text{CON}} = \frac{\sum q_{u,p} - \sum q_{u,c}}{\sum q_{u,c}} \]

The evolution of these indicators mentioned above will be analyzed further, building on information provided by a representative pension of the Danube Delta.

RESULTS AND DISCUSSIONS

Pension Eden Crisan has 10 rooms and 20 places and a development indicator: net turnover, total revenues, total expenses, gross profit, net profit, for a period of 6 years (2009-2014) presented in the table below:

<table>
<thead>
<tr>
<th>TOURING DELTA LLC</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDEN PENSION - CRISAN / 10 rooms</td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Net turnover - lei</td>
<td>84.133,00</td>
<td>106.055,00</td>
<td>113.709,00</td>
<td>122.429,00</td>
<td>105.155,00</td>
<td>127.651,00</td>
</tr>
<tr>
<td>Total revenues - lei</td>
<td>102.663,00</td>
<td>137.717,00</td>
<td>143.334,00</td>
<td>158.332,00</td>
<td>113.780,00</td>
<td>136.286,00</td>
</tr>
<tr>
<td>Total expenses- lei</td>
<td>98.074,00</td>
<td>128.175,00</td>
<td>138.941,00</td>
<td>157.398,00</td>
<td>108.320,00</td>
<td>120.844,00</td>
</tr>
<tr>
<td>Gross profit - lei</td>
<td>4.589,00</td>
<td>9.542,00</td>
<td>4.393,00</td>
<td>934,00</td>
<td>5.460,00</td>
<td>15.442,00</td>
</tr>
<tr>
<td>Net income - lei</td>
<td>1.722,00</td>
<td>6.317,00</td>
<td>3.351,00</td>
<td>627,00</td>
<td>2.047,00</td>
<td>11.483,00</td>
</tr>
<tr>
<td>The</td>
<td>2.05</td>
<td>5.96</td>
<td>2.95</td>
<td>0.51</td>
<td>1.95</td>
<td>9.00</td>
</tr>
</tbody>
</table>
The net turnover recorded a slight upward trend in 2009-2013, ranging between 7.22% and 26.06%. In 2012-2013 the indicator decreased by 17,274 lei, respectively 24.11% as a result of the financial crisis that affected Romania and thus selling the services of the pension Eden. During 2013-2014, net turnover increased by 22,496 LEI, respectively 21.39%, this being due to new marketing strategies applied by the pension.

The evolution of net turnover for the period 2009-2014 is shown in the chart. A thorough analysis of income and expenditure in the period under review increased by 34.14% indicates revenue in 2010 compared to 2009 and by 30.69% of spending, which generated a profit of 4,953 lei, namely 107,93%. In the period from 2010 to 2011 revenues increased slightly, with only 4.08%, while expenditures have doubled which is 8.4% (chart no. 2).

Chart 1. Evolution of turnover in the period 2009-2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Turnover</th>
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<tbody>
<tr>
<td>2009</td>
<td>84,133</td>
</tr>
<tr>
<td>2010</td>
<td>106,055</td>
</tr>
<tr>
<td>2011</td>
<td>113,709</td>
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<tr>
<td>2012</td>
<td>122,429</td>
</tr>
<tr>
<td>2013</td>
<td>105,155</td>
</tr>
<tr>
<td>2014</td>
<td>127,651</td>
</tr>
</tbody>
</table>

Net turnover

Chart 2. The evolution of income and expenditure during the period 2009-2014
Compared to 2010, results of the indicators for 2011 were reduced respectively gross profit decreased from 9.542 lei to 4.393 lei, as shown in Table 2. Analysing indicators for 2012 can be seen a modest increase in revenues (158.332 lei) to expenses (157.398 lei), which generated a positive gross result of only 934 lei, much less dynamic compared to the previous period. Reducing gross profit by 78.74% in 2012 compared to 2011 resulted in a reinvention of the marketing strategy; the results are visible in the next 2 years. In support of guesthouses in Crisan, this time, came local authorities that have attracted a number of European funds to improve the quality of life. In 2013, the gross result registered pension Eden was 5.460 lei, 484.58% higher than in 2013, as in 2014 it will triple from 15.444,2 lei and 182.82% higher than the same period 2013. In the chart below you can follow the evolution of the gross and net.

Chart 3. The evolution of the gross and the net result in the period 2009-2014
In chart no. 3 we can follow the evolution of gross profit, which increased from 4.589 lei to 9.542 lei, respectively 4.953 lei (107.93%) in 2009-2010. In the next two years due to the decrease in gross profit recorded economic crisis, falling from time to time with 53.96% and 78.74%, which is the turning point. 2013 and, especially, 2014 are, for the pension Eden, years of economic boom, gross profit increased by 485.58% and 182.82%, a sign that the crisis had been overcome.

For the next period, at least three years are necessary to draw up a sustainable strategy to attract as many tourists as, the Danube Delta having a huge potential in terms of ecosystem, unique in Europe and worldwide, as well as habitat for birds in increasingly rare.

Table 2. Absolute and relative growth rate of economic and financial indicators

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Net turnover</td>
<td>21.922</td>
<td>126.06</td>
<td>7.654</td>
<td>107.22</td>
<td>8.720</td>
<td>107.67</td>
<td>17.274</td>
<td>85.89</td>
<td>22.496</td>
<td>121.39</td>
</tr>
</tbody>
</table>
In conjunction with gross profit we can analyse the evolution of net profit which is calculated as the difference between gross profit and income tax. The evolution of the financial year net profit is similar to the evolution of gross profit, knowing that a substantial increase in 2009-2010, to 4,595 lei, respectively 2.66 times; followed by a 2-year period of decline of the indicator with 46.95% and 81.29%. 2012 is considered a turning point, when profits reached its lowest value of the range 2009-2014 of 627 lei. Analysing the chart no.3 in conjunction with Table 3 reveals, a positive indicator for both the period 2012-2013 - 1,420 lei, respectively 2.26 times in 2013-2014, when this indicator registered a substantial increase 9,436 lei, respectively 4.6 times.

Based on indicators presented can make in-depth analysis on the performance indicators of the pension in 2009-2014, respectively tax at 1 LEU turnover rate commercial profitability, etc. The commercial rate can be calculated as the ratio of profit related to turnover, result indicator, gross margin over the cost of capitalized assets or net profit and turnover. It is an indicator of performance met both Romanian and foreign literature in English under the name of Return on Sales - ROS). The advantage of this is that the rates may be based on information from the profit and loss account, is easily calculated by those who do not have access to data from enterprise management accounting. The commercial rate, however, present a limited informational value because net income can be influenced and result from operations other than sales or financial result, extraordinary result, fiscal policy and economic entity. The value of financial rate varies between 2.9% and 10.5% in the textile industry in the field of public utilities in US companies. There is an inverse relationship between the rate of return on net trade and rotational speed of total assets.

In Romania, practical studies carried out on economic entities listed on the stock market in 1996-2000 demonstrates that the rate of return on net trade
(the ratio of net profit for the year and turnover) registered the most moderate levels of median 0.74 % - 4.84%, which confirms that the rate of return is the least affected by inflation, the takeover simultaneous effect of inflation on both profit and turnover costs.

The commercial rate calculated on data from the guesthouse Eden in the Danube Delta in the period 2009-2014 was in the range 0.51% - 9%, with an upward trend during 2009-2010, 2012-2014 and one descending period 2010 -2012, sensitive period affected by the economic and financial crisis. Turnover in tourism may be obtained from various activities, namely: food, accommodation, transportation, additional services offered to tourists etc. Most of the volume of receipts or turnover in tourism is played by the accommodation, which in turn is influenced by the flow of tourists in the period under review, the accommodation capacity available, that number available places; the accommodation capacity occupied or occupied many places.

To determine the occupancy rate of available capacity or utilization of available capacity and efficiency of a busy place in the guesthouse Eden, you can use the following model factor analysis:

Equation (4)

\[ CA = Ld \times \frac{Lo}{Ld} \times \frac{CA}{Lo} \]

where:
CA = turnover specific for tourism activity
Ld = available accommodation capacity of the guesthouse
Lo = capacity of occupied accommodation
\( \frac{Lo}{Ld} \) = the occupancy rate of available capacity or utilization of the available capacity
\( \frac{CA}{Lo} \) = return of occupied place

Table 3 presents the evolution of the indicators mentioned above for Eden pension, on the period 2009-2014.
Analyzing the data in Table 3 we can highlight the relationship between the three factors of influence, namely: turnover, the occupancy rate of available capacity or utilization of the available capacity and efficiency of a busy place. When occupancy is approaching to the size of available capacity unit (0.400 to 0.950), turnover increase (from 84.133 lei to 127.651 lei), which is the purpose of any economic entity. Occupancy depends on various factors: competition in the area, seasonality in tourism activity that is essential and deltaic ecosystem is a special case, charges of pensions, quality of supply, the strategy of marketing etc. Yield increases usually a busy place when accommodation rates increase. In order not to affect the occupancy of available capacity, price increase is necessary to be economically substantiated: improving the quality of services offered, services supplementation, modification category of accommodation (number of stars), rising costs etc. A thorough analysis of the last two years can still achieve, based on data provided by the following table:

Table 4. Working situation for factorial analysis of the turnover from tourism

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net turnover</td>
<td>CA</td>
<td>105.15 5</td>
<td>127.65 1</td>
<td>22.496</td>
<td>121.39</td>
</tr>
<tr>
<td>Number of seats available for accommodation per year</td>
<td>Ld</td>
<td>7.200</td>
<td>7.200</td>
<td>0</td>
<td>100.00</td>
</tr>
</tbody>
</table>
Number of seats occupied per year | Lo | 5.760 | 6.840 | 1.080 | 118.75 |
--- | --- | --- | --- | --- | --- |
Occupancy of available capacity | Lo/Ld | 0.800 | 0.950 | 0.150 | 118.75 |
Return of occupied place | CA/Lo | 18.256 | 18.662 | 0.406 | 102.23 |

Source: Financial Statements 2013-2014, data from pension, personal calculations

**Model factor analysis and factor analysis scheme:**

Equation (5)

\[ CA = Ld \times \frac{Lo}{Ld} \times \frac{CA}{Lo} \]

Quantifying the direct influences of three factors:

Equation (6)

\[ \Delta CA = CA_1 - CA_0 = 22.496 \text{ lei}, \text{ from which:} \]

The influence of accommodations change available on turnover:

Equation (7)

\[ \Delta Ld = (Ld_1 - Ld_0) \times \frac{Lo_0}{Ld_0} \times \frac{CA_0}{Lo_0} = 0 \text{ lei} \]

The influence of change in occupancy rate of available capacity or utilization of the available capacity on the turnover:

Equation (8)

\[ \Delta \frac{Lo}{Ld} = Ld_1 \times \left( \frac{Lo_1}{Ld_1} - \frac{Lo_0}{Ld_0} \right) \times \frac{CA_0}{Lo_0} = 7.200 \times (0.15) \times 18,256 = 19,716.48 \text{ lei} \]
The influence of the modification yield a busy place on turnover:

Equation (9)

$$
\Delta \frac{CA}{Lo} = Ld_1 \times \frac{Lo_1}{Ld_1} \times \left( \frac{CA_1}{Lo_1} - \frac{CA_0}{Lo_0} \right) = 7.200 \times 0.95 \times 0.406 = 2.777,04 \text{ lei}
$$

Checking:

Equation (10)

$$
\Delta Ld + \Delta \frac{Lo}{Ld} + \Delta \frac{CA}{Lo} = \Delta CA
$$

$$
0 + 19.716,48 + 2.777,04 = 22.493,52 \text{ lei}
$$

**Conclusions**

Compared with 2013, considered the base year, the turnover of the pension Eden Crisan, Delta grew in 2014, with 22493.52 RON, respectively 21.39%, a situation considered to be favourable. This is due to three factors with direct action: the accommodation capacity available, the occupancy rate of available capacity or utilization of available capacity and efficiency of a busy place. Available accommodation capacity (number of seats available bed) was constant in the analysed period 2013-2014 guesthouse featuring 10 rooms with 2 seats. During the year, 7200 resulted accommodation pension, during this period by not extending the accommodation capacity, maximum occupancy is not reached.

The occupancy rate of available capacity or utilization of the available capacity increased number of 0.800 to 0.950, respectively 0.150 or 18.75% in the period, approaching the size of the unit in 2014, which indicating a relationship directly proportional to turnover, which is the purpose of any economic entity. This indicator was calculated as the ratio between the number of seats occupied per year and the number of seats available for accommodation per year.

Return a busy place increased from 18. 256 lei / place to 18.662 lei / place to stay, or 2.23%, this being due to higher turnover from 105,155 lei to 127,651
lei, ie 22,496, respectively 21.39%, to increase the number of seats filled per year, from 5.760 to 6.840 lei places, ie 1,080 lei, 18.75% respectively. Thus increasing the yield of a busy place may be due either increase the number of seats held either increase the rates. This increase in tariffs should be based on economy, not to affect employment. It imposes a tariff increase due to the provision of additional services, increase comfort by improving the accommodation services offered in general, reclassification or increase the number of flowers / flowers, rising costs etc.

It can be concluded from the foregoing that the pension Eden is in a favourable situation in economically that has successfully passed the economic crisis in the country, but imposed a number of measures for the future in order to maintain this position or why not improve it: improving the quality of services offered; infrastructure development; modernization of communications; knowledge needs of tourists, which are constantly changing, knowing that the number of foreign tourists visiting the Danube Delta is increasingly higher, and resources are limited; the opportunities for European funds; and so on.

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