

Economics Basis of the Bulgarian Model for Optimization Finance and Accounting Management

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Having overthrowing the totalitarian regime Bulgaria has undergone fundamental economical changes that strongly influence its accounting theory and practice. The present paper analyses some particularities of Bulgarian accounting education within the country's specific transition economy. For the accounting education's modernization in orthodox East Europe is introduced so called Optimization accounting. It was developed on the basis of Russian mathematical economics and Anglo-Saxon theory of capital structure. Bulgarian founders of the adequate financial and accounting educational model consider it as an alternative of Western management finance and accounting. As a main reason for their development pointed out is the present enormous financial indebtedness between the companies in Bulgaria. Characterized are the major features of the Optimization accounting for assets and liabilities, as a symbol of new accounting teaching in Eastern Europe.

Key words: economic basis; optimization finance and accounting; transition economy; capital structure.

Almost a quarter of century after the victory of democracy in little Bulgaria – ex-socialist country in South East Europe – it became possible to outline the major developments of its accounting science. This is possible due to the application of historically-systematic method of research to the evolution of the adequate science. In this relation it should be mentioned that the academic accountants in Bulgaria always put strong emphasis on theoretical development of the accounting knowledge. The last was developed on the ground of the preliminary clarification of its deep philosophical, economic and financial basis. From the part of philosophy kept in mind is the influence of the German philosophy from 19th century, especially the theory of dialectic (J.Hegel) and from the 20th century the theory of sciences and scientific revolutions (K.Popper, T.Kun). On the basis of economic theory kept in mind is the influence of the Anglo-Saxon economics – neoclassical or marginal theory (A.Marshall), neoclassical synthesis (P.Samuelson) and Russian theory of optimal planning and management L.Kanthorovitch (Nobel prize winner, 1975). Finally as the contemporary financial basis of Bulgarian accounting science is used the theory of optimal capital structure, developed from F.Modigliany and R.Merton.

1. Theoretic value model of the pre-war Bulgarian finance and accounting sciences (1900 – 1945)

The necessity for development of modern financial and accounting science in Bulgaria has sharply grown in the years of transition economy. In this connection were reassessed there relatively long traditions, methodology and investigation opportunities for its further analytical perfection. The main aim was logically to unify the best features of the East- and West European theoretic-economic basis of the finance and accountancy.

The specifications of Bulgarian educational model are conditioned from the different socio-economic ages under which it developed. They are as follows:

- (1) Pre-war less-developed capitalism (1900-1945);
- (2) Command economy (1945-1990);
- (3) Contemporary transitional development towards market economy.

In Bulgaria under the command regime was completely integrated the ex-Soviet system of *Operational finance and accounting* system.² Specific causes born from the current deep economic crisis however conditioned the Bulgarian *Operational finance and accounting* system eagerly to look for its own solutions to the native economic and financial problems, respectively for its own face.³

The East-European ex-socialist countries used considerably different models for financial and accounting education, especially different between the countries of Central Europe and orthodox East

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² Some contemporary Russian authors (Enthoven *et al*, 1993) exaggerate that under conditions of totalitarian economy *Cost and Management accounting* of Western type were not interpreted separately but as inherent parts of unitary system of financial accounting.

³ As concerns the financial accounting its adjustment passed relatively easy because it is unconditionally organized on the basis of International Accounting Standards. Accounting and financial reporting in Bulgaria are regulated by the Accountancy Act of 1991, several time amended. The introduced accounting principles are in general in accordance with Directive IV of the European Union and the IAS.

Europe. Under the name of “orthodox East Europe” are meant countries like Russia and Bulgaria, and partially Rumania. Ex-socialist Central Europe (Poland, Czech Republic, Hungary) more or less realized financial and accounting adjustments to the respective Western (mainly German) finance and accounting. This is specified by the large number of publications in western journals for the finance and accountancy in orthodox Russia and Bulgaria and the other countries in Central Europe.⁴ Bulgarian accountancy for example is mentioned neither for its earlier, nor for its present state. The situation with the development with the Bulgarian finance is better. Generally in the near past for that “contributed” the heavy regime that directly forbid to Bulgarian academicians with free economic conscience to publish papers in Western journals.

Presently the nature of *Operational finance and accounting* system in orthodox East Europe is well popularized on West. In this aspect are considered the papers of D. Bailey (1991, 1995) and A. Jaruga (1988). Not known are however the realized attempts of Bulgarian freethinkers under planning economy and contemporary transition stage to reform the operational finance and accounting into a new system of *Optimization finance and accounting* with its two phases:

a) Development in the period 1970-1990s of *Optimization assets management*. Because the business use of company's assets led to carry on their value in the form of costs, under the centralized planning for decades the main financial and accounting task was to optimize the “costs – volume” matching. The model of practically applied Income statement was built on the basis of worldly recognized achievements of the Russian mathematical economics, headed by L. Kantorovitch.

b) Efforts for further methodological development of an *Optimization liabilities management* under existing democracy in Bulgaria (after 1990s). Its logical foundation became the Anglo-Saxon theory of capital of J. Hicks (1939) and the optimum capital structure's theory, as part of the contemporary applied financial economics. Financial economics is characterized by Eatwell *et al.* (1989, preface) as follows: “Forty years ago primarily the province of business specialists who dealt descriptively with ‘corporate finance’ and ‘stock markets’, today it is a coherent branch of applied economics that among its other tools makes brilliantly perceptive use of value theory in order to understand the real workings of financial markets.”

The major problems of the *Optimization assets management* under the centralized economy were in some degree solved (at least theoretically) in Bulgaria, but not so profoundly as this was done in Western finance and accounting subjects. However for a long time the Bulgarian freethinking scholars had no information that long existed Western managerial finance and accounting systems includes concepts and methods for optimization of company's capital structure and costs. Very late was acquired the contemporary Anglo-Saxon theory for optimal capital structure in order to properly integrated for practical purposes. But in our humble opinion it is reasonable to speak for a specific Bulgarian approach to the development at least of an *Optimization liabilities management* under transition economy, especially integrated in the accounting area. Will this part of the accounting science get a recognition in near future is not clear yet, but for the successful solution of some current complex financial and accounting reporting problems it faces considerable approval from professional Bulgarian financials and accountants.

The history of Bulgarian finance and accounting education is relatively short – almost 100 years. In the first half of 20th century (1900 – 1945) it developed under conditions of pre-war less-developed capitalism, while in the second half of the century the adequate education went ahead under the pressure of centralized ruling and ideological dogmas. Up to 1945 Bulgarian educational model followed the principles and organization of West European finance and accounting systems largely explaining their macroeconomic grounds.⁵ However by their essence they had been more or less analogous to the methodology of the respective systems in West European countries. For example initially pre-war Bulgarian accountancy had been similar to French *Comptabilité analytique* based on the economic theory of the French physiocrats, respectively the so-called Natural-Law economics of Francois Quesnay and others. Lately it was organized on the basis of the German *Interne Rechnungswesen*, grounded on the national-economic doctrine (or so-called “historic economics”). At least in our days Bulgarian management accounting partially adopted the specific methodology of the Anglo-Saxon *Cost and Management accounting* but still need practical application. The basic accounting matching principle in the beginning has been realized through the compulsory used method of Full costing method, based on the cost diversification as direct and indirect. In this case the impact of the West-European finance and accounting knowledge was very strong and the influence of the Anglo-Saxon classical economics of A. Smith, D. Ricardo and others over Bulgarian finance and accounting was more than obvious. Lately with the extension of British neoclassical economic knowledge (Cambridge school of Alfred

⁴ In 1995 *The European Accounting Review* dedicated a special issue to East European accountancy that included papers investigating accountancy in Russia, Czech Republic, Hungary, Poland, Rumania, Yugoslavia, Slovenia and the Baltic States. The only missing country was Bulgaria. During the period 1994-2001 in *Management Accounting Research* among the few papers interpreting the theory and practice of management accounting in Eastern Europe there was no one from Bulgarian author.

⁵ In one of the first a pre-war works the founder of Bulgarian accounting theory D. Dobrev (1920) specifically described in details the British finance and accountancy at this time, underlining the deference between book-keeping and accounting.

Marshall) into the countries of Balkan Peninsula methodologically had been integrated the ideas and analytical techniques of Anglo-Saxon system of Marginal costing and pricing with its additional financial ratios. From this point of view in 1990s with the incoming democracy Bulgarian free-minded researchers regretfully found out that under the country's pre-war primitive capitalism had been created and for long time used all necessary theoretical premises for building of a modern managerial financial and accounting knowledge of Western type.

2. Optimization assets management under centralized economy in the light of dilemma “Kanthorovitch versus Marx” (1945 – 1990)

The changing concepts for an effective costs and revenues' matching in Bulgarian accountancy and rationale incoming and outgoing cash flows' matching in Bulgarian finance under the centralized planning (1945-1990) are linked with the differentiation of its following stages:

a) *Averaging* finance and accounting analysis for the purposes of state enterprises' internal control. Extensive development of production forces in orthodox East Europe and the dominant Marxist doctrine conditioned the only quantitative measurement of full and average magnitudes of the matched costs and revenues, respectively incoming and outgoing cash flows. Today the officially imposed under the command ruling specific *Operational finance and accounting* system, originated from ex-USRR is considered as quite backward in comparison to the pre-war Bulgarian adequate economic subjects. In accordance with the view of Bailey (1991) the Russian industrial accounting after 1917 did not reach any significant development. The merger of state and civil society and the formation of closed economy were the obstacles for the lack of knowledge about the financial and accounting technology in the other countries.⁶ Having been based on full cost calculation for the aims of monopoly positioned centralized pricing until 1990s it lacked whatever contemporary modeling approaches and techniques.

b) *Optimization* finance and accounting for the management decision-making, typical for the second half of 20th century. Since 1970s the already introduced intensive economic growth and finally recognized Russian mathematical economics conditioned the reasonable integration of the concepts and methods of economic optimization. Bulgarian financial and accounting theorists with liberate economic thought founded an *Optimization assets finance and accounting* system, completely based on the theory of the academician L.Kanthorovitch for optimal planning and management of the fully centralized socialist economy. To no inconsiderable degree it can be seen as an alternative to Anglo-Saxon marginal costing. The Income statement's format according to the non-conformist Bulgarian *Optimization assets finance and accounting* is given in Table 1, column “a”.

In 1980s the Bulgarian finance and accounting researchers (Trifonova, Trifonov, 1989) that enthusiastically followed Kanthorovitch's investigation of the optimal economic plan's structure and internal business laws for its building, advocated the *Optimization assets management* with the invented (together with T.Kupmans) dual theorems and the interpretation of the optimal plan's shadow prices. According to Katzenelinboigen (1997) in 1930s Kanthorovich and others successfully solved the state owned enterprises' local economic problems with relatively simple mathematics.

The author wrote: “*One of the considerable Kanthorovitch's achievements is the overcoming of the distortion between the functional analysis and applied mathematics. His results have been so important that even in the memorable 1949 – so on the top of the fight with the “cosmopolitanism” (read “with Russian Jews”) Kanthorovitch reached the Stalin's premium... In the middle of 1930s as a young mathematician Kanthorovitch already raised to unbelievable heights of the mathematic Olimp in relevance with the law of Schumpeter for “the ideas” of 1930s... The solution of Kanthorovitch to an optimization problem in 1938 was a great achievement. Theoretic and practical results permitted to Kanthorovitch to use its energy towards serious economic problems that required an optimal resources exploitation... In 1948 during the attack to the “cosmopolitanism” the deadly shock was given to the specialists of production flaws headed by the laureate of the Stalin's premium B.Katzenbogen. But the leading mathematician succeeded to survive. The publication of the Kanthorovitch' book in 1959 was possible due to the circumstance that the author could save his life. The principal circumstances on the road of using the decisions optimization theory in USSR emerged because of the ruling economic autocracy's hostility to it.*” Regretfully even up to 1990s the views of the academic bureaucrats for Kantorovitch's economic optimization doctrine were negative because of the ideological prejudices that dual prices contradict to the abstract Marxist prices as not clear “socially-necessary costs”.⁷

⁶ According to Bailey (1991) the Russian industrial accounting after 1917 did not reach any significant development. The merger of state and civil society and the formation of closed economy were the obstacles for the lack of knowledge about the accounting technology in the other countries.

⁷ In nowadays it became known that due to this ideological suspicion even the life of Kanthorovich had been endangered and only his engagement in mathematical modelling of nuclear reactions saved him.

Table 1

a) Income statement based on the Optimization assets management in 1970s	b) Income statement based on the Optimization assets and liabilities management in 1990s
<ol style="list-style-type: none"> 1. Revenues from sales 2. Costs of goods sold (Proportional costs): Direct materials and labor Variable indirect production costs Variable sales costs Variable administrative costs 3. Marginal profit (1 – 2) 4. Fixed costs: Indirect production costs Sales and administrative costs Financial expenses (Interests received) 5. Accounting profit before taxes (3 – 4) 6. Corporate taxes 7. Net profit (5 – 6) 	<ol style="list-style-type: none"> 1. Revenues from sales 2. Costs of goods sold: a) Progressive costs b) Proportional costs: Direct materials and labor Proportional indirect production costs Proportional sales and administrative costs c) Digressive costs 3. Marginal profit (1 – 2) 4. Fixed costs: Fixed production indirect costs Fixed sales & administrative costs 5. Counter-proportional production costs 6. Accounting profit before interests/taxes (3-4-5) 7. Financial expenses (Interests paid and others) 8. Corporate taxes 9. Net profit (6 – 7 – 8)

Nevertheless during this time the ideas of Kanthorovich's school were successfully applied in Bulgarian *Optimization assets finance and accounting*. A new philosophy for optimum accounting categories was introduced that meant substantial re-evaluation in all parts of the imposed orthodox theory of costing and pricing, including the Full costing system. The Russian mathematical economics conditioned a profound research for "costs – revenues" and "incoming – outgoing" dynamics and further perfection of their co-measurement. Thus the period of 1970-1990s in small Bulgaria could be characterized as a new stage of the conventional financial and accounting education.

A sharp ideological antagonism, however, emerged between the adepts of orthodox Full costing system and the new *Optimization assets finance and accounting* system. In fact it was a natural continuity of the fundamental macroeconomic debate, well known in the western literature as "*L.Kantorovich versus K.Marx*". The Russian macroeconomists Kotov (1972) vainly tried to reconcile Marxist political economy and the neoclassical (marginalist) theory stating: "*To oppose to the contemporary marginalism.... is lawfully and necessary, but at the same time it would be rough mistake to see.... in the methods of marginal analysis a contradiction with Marxism. The serious use of mathematics in economics is impossible without using marginal magnitudes.... the objective character of marginal utility estimations for input factors and their scientific Marxist economic interpretation gives additional information for argumentation and strong scientific criticism of the contemporary marginal theory.*" The orthodox socialist scholars that strongly occupied the ruling academic research and educational positions did not agree at all important issues of the abstract Marxist political economy to be victimized in the name of worldly recognized Kanthorovich's optimization concepts. This had strongly negative impact on the financial and accounting higher education and provoked a heavy opposition between the opponents and adherents of the modern financial and accounting teaching. At this time the acquaintance of Bulgarian accountants with the achievements of world financial management and managerial accounting was not at all easy. Even in the middle of 1970s there was no almost any information of what was happening in the respective world economic subjects. In this aspect positive role played a conference in 1972 of the East-European countries, where were revealed some parts of the Anglo-Saxon theory of Variable costing and pricing in the reports of ex-socialist theorists from Hungary and Poland. The Polish financial and accounting management became known from the works of Yaruga (1976) and others, clearly outlining the difference between the different costing and pricing methods.¹ According to the Polish authors in the midst of 1990s the basic financial and accounting systems in some socialist countries were fully consistent with Marxist principles and it was expected that the respective educational subjects in the times of command economy will start to wither away, if market economy concepts ever gain upper hand. Emblematic for the orthodox negativism of leading ex-Soviet financials and accountants to the achievements of their native mathematical economics were the conventional works of academics like Chumachenko (1971) and Sheremet (1974). In this relation, however, is difficult to agree with some western researchers (Mueller *et al.*, 1994) that what is referred to as managerial finance and management accounting did not existed at all on the economic scene in orthodox East Europe. It was naturally those alternative forms of Western managerial subjects in the region to be developed, but because of the ideological causes they faced no opportunities for world popularization.

Optimization assets' finance and accounting's teaching in orthodox East European region was objectively conformed to the real business under the centrally planned national economy. Its structure was

built on the basis of costs diversification as progressive, proportional, digressive, fixed and counter-proportional. That was realized in the specific economic works of researchers from ex-USSR like V. Ivashkevitch (1974), from Hungary like R. Sholtz (1984), from Poland like A. Jaruga (1976) and many others. Initially was searched complete construction of the optimization finance and accounting models based on mathematical programming concepts not without some degree of economic naivety. But gradually in the postulates of the new *Optimization assets finance and accounting* overcame the realistic business vision for what obviously contributed the conclusions of Kantorovich (1972), made after his long efforts to expand his optimization theory for the managerial needs of the state owned enterprises. He had to acknowledge the evergreen costing and pricing problem that it is very difficult to realize theoretically irreproachable definitions in the real business activity. Since the production cost encompasses subjectively allocated indirect (fixed) expenses it is impossible to present the complex “costs – revenues” and “incoming – outgoing” matching as a common linear programming model. Thirty years lately this view of Kantorovich was again confirmed in the Russian mathematical economics. Astahov (2000) wrote that the direct effect in subjects where the linear programming model found practice is expressed by quite modest results - no more than 5-10%. This confirms the earlier thought of P. Samuelson (1982) that very little part of the businessmen understands how practically to use the mathematical programming which in fact is not their first care into the times of contemporary economic crisis.

The final results from the involvement of mindful Bulgarian scholars within the mental power of Kantorovich's school enriched the theory of financial pricing and accounting costing, but under the command economy this had no any positive influence on financial and accounting education model. Bulgarian *Optimization assets finance and accounting* system continued to develop unrecognizably as an alternative theoretical construction. But most dangerous for its founders was the perfidious critic from the orthodox economist in the fields of finance and accountancy about its non-Marxist basement and contradiction to the principle of the state centralized pricing.

3. Optimization liabilities management in the finance and accountancy under the transitional economy

Bulgarian accounting science has always been developed in accordance with the dialectic methods for investigation, including the scientific deduction. Its use under the democracy (after 1990s) has raised the problem to *determine next finance and accounting system for optimal value measurement*. In the beginning of 1990s this was viewed as new scientific challenge for Bulgarian business investigators of 21st century. The effect of Bulgarian scholars' efforts to cope with this challenge was the creation of *Optimization liabilities finance and accounting* system under conditions of consecutive transition to market economy. This was a completely lawful phenomenon whose emerging was caused by the sharp country's economic crisis.

The first cause was the full carelessness of the orthodox business researchers to the capital structure's problems in the state owned enterprises, i.e. for the leverage or relationship between the equity and debt into the company balance sheet's right side. Emphasized was that all-over planning socialist state will always ensure its enterprises with financial resources and will protect them in situations of liquid assets crisis and heavy insolvency. The bank loans played minor role and the interest was a secondary financial instrument. That is why the totalitarian finance and accounting education simply completely missed the complex topic for the state enterprises' capital financing. Categories like equity costs, debt costs, weighted average capital costs or operational and financial leverage (gearing) were not integral part of the orthodox financial and accounting vocabulary.

The next even more substantial and complex cause was the general and exclusively sharp financial indebtedness between the companies in post-totalitarian Bulgaria. Meaningful are the following data for the year of 2006: a) Bulgarian GDP is \$17 billions while the between the companies indebtedness reached \$22 billions; b) Unified the state and companies debts are \$35 billions, i.e. twice more than the GDP; c) Average per year between the companies indebtedness in the country grows at 26-28%. Precisely this great economic problem is major cause for Bulgarian free-minded theorists to pay great attention on the accounting estimation of corporate capital structure and its costs. In nowadays the problem for optimum capital financing continues to be exclusively important and even far more meaningful for the financials and accountants, compared with the “costs – volume” optimization. And that is why since 1990s Bulgarian accounting theory and education directed themselves mainly to the development of *Optimization liabilities finance and accounting* system. Its initial stage was the conventional explanation of how business economists should mix the available internal and external sources of capital to balance out the expected risks and returns, leading to an understanding of the real forces that affect the company's worth. The present state of sophisticated statistic methods' use to analyze the dichotomy “risks – returns” in Bulgarian firms is the same (if not worse) as that described by Grinyer and Wooller (1975) in a large study of major UK companies. They found out that only 25% of the larger companies used statistic methods in their decision-making.

As it was shown a methodological basis for the *Optimization liabilities management* were defined in the Anglo-Saxon theory of capital structure and the famous “MM” models for the optimum capital structuring from 1960s as a nucleus of the applied financial economics. Bulgarian scholars in the field of economics and business under the current market democracy accepted the concepts of J. Hicks (1939) that: a) the category of capital is linked with the cash value, numerically fixed in the company financial statements; b) the theory of

capital and its accumulation should be regarded as an optimization problem for the company. That has had a crucial meaning for the adoption of capital's financial concept, the maintaining of company's capital and the direction of researchers' attention towards the total capital and liabilities optimization. By this way after the contradictory and useless discussions about the assets optimization in 1970s the advanced Bulgarian scholars during transition in 2000s could turn face to capital structure's optimization without facing the brutal ideological obstructions.

Presently the financial and accounting research of the liabilities in conformity with the "MM" models is realized regarding two kinds of companies: (a) non-taxable and taxable; (b) non-levered and levered. In those both aspects calculated are the three well known basic ratios: 1. Company value. 2. Cost of equity. 3. Weighted average cost of capital. The corresponding finance and accounting analysis is made with the financial economics' formulae and graph, but using the specific category *Accounting Profit Before Interest and Taxes*. The adopted approach is presented in fig. 1.

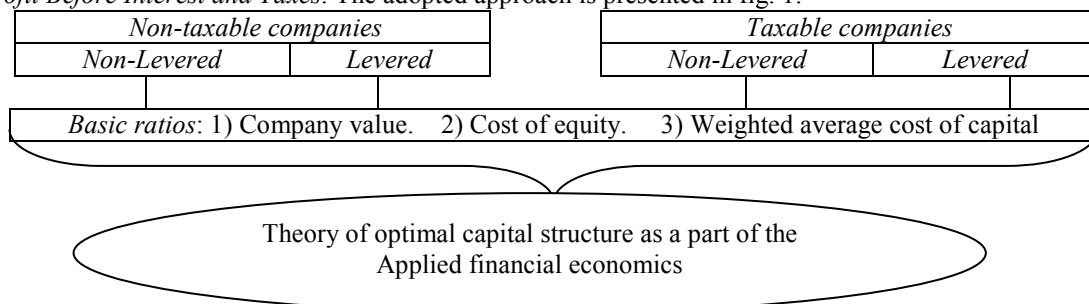


Fig. 1

The orthodox scholars oppose to the building of an *Optimization liabilities financial and accounting management* with the arguments: a) There is no information that such system exist at all in Western management systems, nevertheless that the theory of capital structure and the applied financial economics were founded from Western macroeconomists; b) The problems of optimal capital structure and its inherent leverage ratio should be part of financial reporting and ratio analysis; c) The hypothesis for optimal capital structure is valid for a perfect capital market, that does not exist in transitional Bulgarian economy, so it has no positive effect on company's market valuation.

The mentioned scholars however "modestly" ignore the problem of heavy capital costs for Bulgarian enterprises and their optimal magnitudes that should be treated within the company's business analysis. As concerns the lack of deep theoretic interpretation of capital's optimization aspects in Western finance and accounting the suggested explanation is that the problems of insolvency and indebtedness were not first-rate care for western companies. True is the argument that the Anglo-Saxon proposition of optimum capital structure in perfect capital market has no effect on company's market valuation.⁸ Moreover its founders (Modigliany, 1987) with sense of humor argued that the core issue that received biggest academic attention, namely finding out what exactly is the optimum capital structure, was not at all really an issue. But now judging impartially the humorous approach of the considered founders it is estimated that almost 50-years old Anglo-Saxon theory of capital structure with the respective costs is quite perfection and practically proved. So its concepts and methods can be properly used as foundations of the *Optimization liabilities finance and accounting system*.

From this viewpoint the topic for optimization of company's liabilities is an integral part of the last issue of an adequate Bulgarian textbook (Trifonov, 2002) for financial and accounting educational purposes. Suggested in it is also a new Income statement's format (Table 2, column "b") that corresponds to the idea of liabilities' optimization. In the corresponding scientific work the new *Optimization liabilities finance and accounting system* is elaborated as a conglomerate of the concepts of both Russian mathematical economics and Anglo-Saxon theory of optimum capital structure. The subtraction of external capital costs (interest paid) from the other production, selling and administration costs and their separate positioning is a core issue of the proposed statement. At the same time the suggestion for a respective Income statement's practical implementation is accompanied by a complete explanation of its expected knowledgeable effects and utilities for the realization of a rational corporate financial management.

Having been taught for several years on academic level the unified *Optimization assets and liabilities accounting* is already substantial part of Bulgarian educational model. Now it is considered as deserving its appropriate use in the finance and accounting practice and also to be subjected to a foreign competent evaluation. In our days we can proudly say that the adequate Bulgarian system was positively estimated from the American specialists Cathrine and Jhoe Sletzer (2005). They wrote: *Dr Trifon Trifonov details how he and his colleagues are catching up to the rest of the world, and he describes some of the ways*

⁸ Modigliany (1987) pointed out that his works in collaboration with M. Miller from 1957 has been meant to upset his colleagues in financial economics by arguing that the optimum capital structure was not really a methodological problem.

that international management accounting interests can help their work.” The essential fact is that this unified business system for modern assets and liabilities management was built on the basis of the unity of fundamental economic knowledge and actual visions for the development of finance and accounting. The incoming complex task before the authors in the near future is to improve the adequate system for business management on the basis of the elaborated *Institutional economics* under conditions of the current world financial crisis in order to raise the welfare of the small and poor country.

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