

# **Elaboration and Application of the Stability Dynamic Model meant for Risks Analysis and Evaluation**

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## **Abstract**

The lack, in the national practice, of the methods applied, which would allow the realization of a complex analysis and evaluation of the risks in entrepreneurial activity is one of the primary problems outlined in the process of organizing the management system of the risks of local enterprises.

In the work hereby, a new model of risk analysis and assessment at the level of an entity with production activity has been elaborated, approved and proposed for use, generated by the intent to increase the efficacy of the whole process in the field. The presence of these aspects of scientific investigation gives the article originality and update.

In the process of the research, the universal method of dialectics and its procedures have been used: induction and deduction, analysis and synthesis, scientific abstraction, analogy, correlation, as well as the economic-mathematical, economic-statistics methods, and those of the economic analysis of information procession: comparison, grouping, the method of the financial coefficients, etc.

Putting into practice the mentioned recommendations will enhance the efficacy of the analysis and assessment process in a business environment in continuous change and will contribute both to underlining more extensively the possibilities of the risks reduction in local enterprises, as well as to determining more correctly the size of the provisions for risks. The results obtained based on the research will improve the quality and efficiency of the managerial decisions taken by the economic agents in the conditions of the market relations development and, consequently, will enhance their stability on the market, will enhance their stability in the competition environment.

**Key-words:** risk, method of evaluating the risks, dynamic model of stability (DMS), activity regime, standard order of the indicators.

**JEL Classification:** C44, L25, M41, O21.

## Introduction

Every enterprise tending to meet the demands of the market economy, irrespective of the activity profile, legal form, dimension and socio-economic space where it activates, has to adapt all the time to the risky situations likely to appear both in the current activity, and in the perspective one.

Thus, the problem of the risks evaluation and management has a significant importance in the field of the management theory and practice, internal planning and control of the enterprise. Choosing an optimal correlation, from the analytical point of view, between the level of risk and the results of the activities held, becomes a component part of the essence in the process of taking and realizing managerial decision in a changing business environment.

The decision-making process is linked to risks and namely: the uncertainty factors, unexpected situations likely to influence the activity of any economic subject. However, this fact implies not only assessment of the decision-making environment, but also the correlation between phenomena, as this is the goal of knowledge and science.

It is important that in the process of the risks analysis, the persons taking the decision and those interested in taking them, are able to understand the essence of the activities organized by the enterprise, to notice the least noticeable links and logistic correlations from the material, financial and informational flow (Savinskaia N. A. and Bagieva M. N. 1999).

- The material flow represents the production, stocks in totality with different operations (transport, loading–uploading, storage, etc.).

- The financial flow. If the material flow implies the real existence of the services and products, the financial flow represents their exchange value, as well as the receivables and debts, as means of exchange.

- The informational flow represents a circuit of messages within the logistics systems, between these and the external environment, characterized by a certain periodicity, a certain amount of information, speed of transmission, control and related coordination of the situation in the related field.

In my opinion, a related approach in this case is the *logistics one*, which implies a complex analysis of the correlations between the component parts of the material, financial and informational, etc. flows, of the economic resources for insuring a justified approach of the general and complex system of the enterprise functioning.

The logistics approach allows adhering the methodology and tools of the system examination and of the complex analysis in the study of the enterprise risks. As a basic conceptual model for the related study, they propose using the matrix scheme of analysis of the enterprise risks, based on the „inter-functional compromises” logistics model.

The complex analysis of the risks implies the analysis of both the risks related to the main functional directions of the examined activity, and of the risks related to the strategic directions of development of this activity in a business environment in continuous change.

I consider that, for the full analysis and evaluation of the risks in the entrepreneurial activity, it is reasonable to use *the dynamic model of stability (DMS)*. The idea of elaborating dynamic models for forming an efficient regime of realizing the economic-system functions has