

THE FINANCIAL AND THE LACK OF FINANCIAL BALANCE

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Abstract:

The economic growth and development problems are related to steady state and economic imbalance, taking into account the complex and ever dynamic needs and resources. The economic balance must be understood as a trend, which doesn't exclude insignificant irregularities or discrepancies that doesn't affect normal operation of the overall economy.

Key words: economic, balance, market, resources

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The macroeconomic equilibrium expresses the relationship between aggregate supply and demand in the market of goods and services, labor, monetary, capital, the national economy as a whole, which is based on a rational allocation and use of resources, a normal structures economic interdependence.

In order to understand the economic equilibrium operating are used the notions of aggregate supply and demand, assuming a monetary expression and the ability to measure and compare.

It should also be taken into account the relationship between production, income and expenses, meaning that production gives rise to flows of goods and services, which in turn determinates income streams distributed to holders of production factors. Thus, supply and demand are linked through the income, being really important to know their response on price movements and income.

Macroeconomic balance requires consideration of the interdependencies between markets, respectively, of the partial economic equilibrium. Steady state or, conversely, the imbalance in one or other of the markets is reflected in part, directly or indirectly, in a proportion or another, and the overall functioning of the national economy.

The economic balance must be understood as a trend, which doesn't exclude insignificant irregularities or discrepancies that doesn't affect normal operation of the overall economy. The economic growth and development problems are related to steady state and economic imbalance, taking into account the complex and ever dynamic needs and resources.

One of the conditions to achieve economic goods market equilibrium implies that aggregate supply is equal to aggregate demand. The offer is embodied in the size of gross national product or national income, is allocated for consumption and savings. The application consists of demand for consumer goods and investment goods demand.

The most important pre-requisites which allow the existence of balance in the economy are:

1) The market economy consists of a whole, a lot of phenomena and processes taking place at the same time but with different meanings, which makes any time to show opposite trends. They may temporarily lead to a relative line. However, the economy is a sequence of economic phenomena and processes, a permanent move

involving determinations about cause and effect and functional links between the economic system.

2) The structures of the national economy is another prerequisite for economic equilibrium. They are numerous, according to the criteria used, the most important are: technological structure, ownership structure, industry structure and sectorial territorial structure. Among the various structures of the economy are closely inter-, which makes a point to structures to manifest a greater or lesser degree of mutual compatibility which means the extent to which a particular structure allows the efficient realization of the objectives (functions) to other structures. As factors of production develops and deepens the division of labor, ensuring compatibility of the components of the economic system becomes increasingly important issue. Structural compatibilities with the highest degree of generalization are between accumulation and consumption (which defines the amount of resources that can be simultaneously allocated for development and raising living standards of the population) between the structure of branch (sectorial) economic and territorial .

3) Economic activity is a constant struggle with scarcity of resources and goods, which involves a set of links between technical factors, scientific, cultural, social, ecological, to ensure consistency between attitudes and decisions related to attracting people and economic resources the production, circulation, distribution and consumption of goods, in line with their economic needs and interests. It is intended as a dynamic equilibrium between the forward trajectory of the economy and unlimited satisfaction of needs of people through more efficient use of assets and resources are relatively rare.

4) The economy is not only the interdependence between the factors of production employed, between producers and users of production factors between production and consumption, but also between economic and other spheres of society, which manifests itself as a set of trends and intensity pulsed on different parts of the economy moving. Predominant social and economic factors provide the link between economic components, tends to maintain the status of the given economic system.

Economic balance means equality of two measurable quantities interdependent, and economic imbalance is the unequal sizes of two interrelated measures. In today's economy means that economic equilibrium state toward which economic goods market, money market, capital, labor and national market as a whole or on the Equalization of demand and supply, such that at the differences between them not exceeding limits considered normal and does not create serious social tensions.

On the goods and services market takes place the meeting of the supply and demand and the equilibrium quantity and price rise, achieving market balance of each item. An asset market equilibrium is dynamic, subject to changes in demand and supply.

Making the labor market equilibrium condition implies a rationalization of labor, so that exploitation of human resources to effectively do not abuse, in order to achieve a high level of labor productivity. The most important factors shaping labor market balance supply and demand are working, so it has a significant relationship between the bidder and the job that demands that role, the relationship to meet the needs of its two components, focuses on the object exchange (work) and value (salary).

Money market equilibrium is influenced by several factors, including interest rate has a significant weight. At a certain size of the interest rate, assuming other conditions unchanged, the movement of currency supply and demand tend to achieve money market equilibrium. This is done when a certain amount of interest rate, money supply equals money demand, both being equal to the amount of money balance.

There are several factors that determinates the dynamics of economic equilibrium, namely:

- population, which by its number, age structure and socio-professional groups, skill levels of workers, causes corresponding changes in overall demand;
- scientific and technical progress, leading to new necessities, new sub-branches, the changes in the structure and levels, and also the renewal of supply and aggregate demand;
- the economic behavior, which changes, bringing about new guidelines in the use of incomes.

Any country's economy is dominated by the imbalance. Economic imbalances are the expression changes of resources and technologies, restrictions on buying consumer goods and services, including general economic policy errors in the long term, reflecting the mismatch between demand and aggregate supply. Economic imbalances is manifested in the form of economic crisis, budget deficits, unemployment and inflation.

Inflation is one of the most serious macroeconomic imbalances, beeing a danger to development and economic progress.

Unemployment is an excess of supply over demand for labor, as a macroeconomic imbalance, a phenomenon which embodies labor underemployment.

One of the forms of economic imbalance is the excess demand in the economic assets, known as state pressure, because the amount exceeds the existing demand. Consequently, buyers have a choice, and bidders producers face difficulties in selling goods, is also an incentive towards increasing production and quality of restructuring.

Another form of economic imbalance is the goods market excess demand and excess supply in the labor market. The property market there is a greater demand than existing offerings, which lead to a situation known as absorption. In this case, economic agents producers are unable to meet the entire demand: the supply of goods does not keep pace with demand at a good or another, not stimulated any interest to diversify and improve product quality is increasing surplus labor and increase unemployment.

Excess demand of economic goods market, labor market and money market is another form of economic imbalances, with differences in relief, depth disorders, which are the inability to absorb the long-term supply of labor, to ensure normal development of the supply of economic goods and money. As a result, inflation is increasing unemployment, deteriorating living conditions of a significant proportion of the population.

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