



## Editorial Board

**The members of the Editorial Board review the manuscripts entirely voluntary and do not receive any money reward for this activity.**

 **SONYA ILIEVA, BULGARIA**  
**Editor in Chief**

Professor DSc in Sociology. Lecturer in Department of Social Work at Konstantin Preslavsky – University of Shumen. Teaches social sciences in Social Activities, Social Pedagogy, Journalism and Public Relations. Implements expert and consulting activities in the work of the NGOs. Compiler and editor of four scientific collections with authors students, graduate students and lecturers. Author of 17 monographs and textbooks and over 30 articles and papers in Bulgarian and international issues. Participate in organizing and conducting of 13 sociological surveys. She is a member of the team of more than 10 national, regional and institutional research project. Present reports in over 15 Bulgarian and international scientific conferences. Member of: National Trade Union "Higher Education and Science"; National Association "Women in Science"; Union of Scientists in Bulgaria - Section "Sociological Studies".

 **NELI STOYCHEVA DIMITROVA, BULGARIA**

**Vice Editor in Chief of International Cooperation**

Associate professor PhD of Methodic of technology education  
Teaching lectures at at Konstantin Preslavsky – University of Shumen – Bulgaria

National and international members of the editorial board:



**KHASH ERDENE SAMBALKUNDEV,  
MONGOLIA**

Academician of World Academy "Chenghis Khan." Professor DSc. Academician of International Academy of Geopolitical Problems of the Russian Federation. Vice Rector for International Relations and Innovation at Institute Margad. Chairman of Mongolian knowledge Society.



**KONSTANTIN KOSSEV,  
BULGARIA**

Academician of the Bulgarian Academy of Sciences /BAS/, Professor DSc of historical sciences. He was Vice Chairman of BAS. He is currently a member of BAS. Lecturer of New Bulgarian history.



**LOLA ZVONAREVA, RUSSIA**

Academician of Russian Academy of Natural Sciences /RANS/. Professor DSc of historical sciences. Leading contributor to Institute for the family and upbringing of the Russian Academy of Education. Secretary of the Moscow Union of Writers.



**ZHIVKO ZHEKOV, BULGARIA**

Academician of the Bulgarian Academy of Sciences and Arts /BASA/. Professor DSc in Technical Sciences, Lecturer at Konstantin Preslavsky - University of Shumen. Before taking this position he worked in Institute for Space and Solar-Terrestrial Research of BAS.



**DMITRIY POLYVYANNYY, RUSSIA**

Professor of New and Modern history in Ivanovo State University. In his professional path he was dean of Faculty of History and Vice Rector for academic activities.



**RICHARD TEMPEST, USA**

Associate Professor PhD in University of Illinois – USA. Since 2007 he is Director of Russian, East European and Eurasian Center in University of Illinois. Lecturer of Slavic languages, Theory of culture and Political science.



**VESELINA ILIEVA, BULGARIA - Publisher of the journal**

PhD at Konstantin Preslavsky - University of Shumen.

## Impact Factor and Indexing



Национален референтен списък на съвременни  
български научни издания с научно рецензиране



### Scientific Journal Impact Factor

Impact Factor for 2019 = 5.985  
Impact Factor for 2018 = 5.507  
Impact Factor for 2017 = 5.536  
Impact Factor for 2016 = 4.922  
Impact Factor for 2015 = 4.308  
Impact Factor for 2014 = 3.32



### Cosmos Impact Factor

Impact Factor for 2018 = 3.938



### International Scientific Indexing



### Eurasian Scientific Journal Index

Impact Factor for 2018 = 2.446  
Impact Factor for 2017 = 1.357  
Impact Factor for 2016 = 0.899  
Impact Factor for 2015 = 0.741



### Scientific Indexing Service

Impact Factor for 2015 = 0.932



### Scholar Article Impact Fac

Eurasian Scientific Journal Index

Impact Factor for 2018 = 2.446

Impact Factor for 2017 = 1.357

Impact Factor for 2016 = 0.899

Impact Factor for 2015 = 0.741



Scientific Indexing Service

Impact Factor for 2015 = 0.932



Scholar Article Impact Fac

# Issue 90, February 2022



KONSTANTIN PRES LAVSKY - UNIVERSITY OF SHUMEN

FACULTY OF NATURAL SCIENCE

DEPARTMENT OF GEOGRAPHY, REGIONAL DEVELOPMENT AND TOURISM

FOURTH SCIENTIFIC CONFERENCE WITH INTERNATIONAL PARTICIPATION

„GEOGRAPHY, REGIONAL DEVELOPMENT AND TOURISM“

*Celebrating the 30th Anniversary of the Establishment of Geography Program in Konstantin Preslavsky University of Shumen and the 50th Anniversary of the University*

*The scientific forum is supported by the Bulgarian National Science Fund, Contract № КП-06-МНФ/15*

## Current Aspects of Regional Research

- 1) **Ivaylo Vladev (Bulgaria), Milena Stoyanova (Bulgaria), Milen Penerliev (Bulgaria), Dimitar Vladev (Bulgaria), Dimcho Zahariev (Bulgaria), Veselin Petkov (Bulgaria)** - PROMOTION OF CYCLING ROUTES IN SHUMEN REGION DEVELOPED UNDER THE PROJECT LET'S CYCLE AT THE BLACK SEA - LETSCYCLE BSB-998, OPERATIONAL PROGRAMME "BLACK SEA BASIN 2014 - 2020"), CROSS-BORDER COOPERATION BLACK SEA BASIN PROGRAMME (2014 – 2020)
- 2) **Kamen Petrov (Bulgaria)** - PROMOTION OF RESEARCH IN THE FIELD OF ECONOMIC, SOCIAL AND LEGAL SCIENCES THROUGH THE ELECTRONIC JOURNAL OF MANAGEMENT SCIENCE & APPLICATIONS
- 3) **Cane Koteski (North Macedonia)** - OPPORTUNITIES FOR TOURISM DEVELOPMENT OF THE CITY OF KRUSEVO IN THE REPUBLIC OF NORTHERN MACEDONIA
- 4) **Juan Esteban Yupanqui Villalobos (Peru)** - SECRETS OF NATIVE AMERICAN WRITING IN SOUTH AMERICA
- 5) **Atanas Vasilev (Bulgaria), Rositsa Pehlivanova (Bulgaria), Eva Marinovska (Bulgaria), Petar Petsinski (Bulgaria), Emanuil Kozhuharov (Bulgaria)** - MARINE GAS HYDRATES: ACTUALITY
- 6) **Borislav Alexandrov (Bulgaria), Dobroslav Dechev (Bulgaria)** - BULGARIAN TIDE GAUGE STATION ON LIVINGSTON ISLAND - BUILDING AND PERSPECTIVES
- 7) **Raina Hristova (Bulgaria), Borislav Aleksandrov (Bulgaria)** - EXPERIMENTAL DATA ON THE HYDROLOGICAL CHARACTERISTICS OF THE OCEAN WATERS IN THE WATER AREA OF THE BULGARIAN ANTARCTIC BASE ON LIVINGSTON ISLAND
- 8) **Natalia Krasko (Ukraine), Lyudmila Nedyalkova (Bulgaria)** - FOOD, FOOD CULTURE AND HOSPITALITY OF THE BULGARIANS IN TAVRIA AS A RESOURCE FOR DEVELOPMENT OF GASTRONOMIC TOURISM IN THE REGION

## Natural Geography

THE IMPORTANCE OF MANAGEMENT'S FINANCIAL DECISIONS FOR THE OPERATIONS OF TOURISM ENTERPRISES

GJORGJI PETKOSKI, CANE KOTESKI,  
ZLATKO JAKOVLEV 255-260

- 1) **Tzanko Tzankov (Bulgaria), Svetla Stankova (Bulgaria)** - BREGALNITSA MORPHOSTRUCTURAL ZONE
- 2) **Alexey Stoev (Bulgaria), Ognyan Ognyanov (Bulgaria), Penka Maglova (Bulgaria)** - MONITORING OF CATASTROPHIC PROCESSES OF COSMIC AND TERRESTRIAL ORIGIN
- 3) **Gergana Droumeva-Antonova (Bulgaria)** - TRENDS OF GROUNDWATER QUANTITATIVE STATUS ACCORDING TO REGIME OBSERVATIONS IN BULGARIA
- 4) **Dimitar Vladev (Bulgaria), Sonya Koicheva (Bulgaria)** - CHARACTERISTIC FEATURES OF THE WINTERS IN THE TOWN OF SHUMEN (2010-2020)
- 5) **Stanislav Iskrenov (Bulgaria)** - AUTUMN PRECIPITATION IN NASAN-TRIGRAD KARST BASIN
- 6) **Svetlana Solodyankina (Russia), Svetla Stankova (Bulgaria)** - LANDSCAPE SCIENCE AND LANDSCAPE PLANNING AS ASSOCIATED DISCIPLINES IN GEOGRAPHICAL EDUCATION
- 7) **Georgi Belev (Bulgaria)** - NEOGEN-QUATERNARY GEODYNAMIC LOCALITIES IN RANGE OF STRUMA GRABEN VALLEY (SW BULGARIA)

#### **Human Geography and Regional Development**

- 1) **Kamen Petrov (Bulgaria)** - OPPORTUNITIES FOR IMPROVING THE REGIONAL DEVELOPMENT OF THE TERRITORY OF SLIVEN ADMINISTRATIVE DISTRICT
- 2) **Stanka Delcheva (Bulgaria)** - CHANGES IN THE REGIONAL DEVELOPMENT POLICY MANAGEMENT APPROACH AND ITS RELATIONSHIPS WITH THE POLICY OBJECTIVES AND CAPACITIES OF THE STAKEHOLDERS
- 3) **Tihomir Lichev (Bulgaria)** - REGIONAL POLICY AND PROGRAMS FOR TERRITORIAL DEVELOPMENT AND TOURISM
- 4) **Veselin Petkov (Bulgaria)** - CULINARY ASPECTS OF TERRITORIES AND DESTINATIONS - CONCEPTS AND APPROACHES
- 5) **Polya Yordanova (Bulgaria)** - TRADE AND ECONOMIC AND INVESTMENT COOPERATION BETWEEN RUSSIA AND THE CYPRUS CONTEMPORARY DIMENSIONS
- 6) **Miroslav Katsarov (Russian Federation)** - CITIES IN RUSSIA WITH A POPULATION OF OVER ONE MILLION
- 7) **Albina Halili (North Macedonia), Ivica Milevski (North Macedonia), Faton Sherifi (North Macedonia)** - THE LANDSCAPE FEATURES IN MACEDONIA IN THE FUNCTION OF ITS ECONOMIC DEVELOPMENT
- 8) **Veselin Petkov (Bulgaria), Milen Penerliev (Bulgaria)** - LABOUR MARKET CONDITION IN BULGARIA DURING THE COVID-19 PANDEMICS THROUGH AN ANALYSIS OF THE WORKFORCE SUPPLY
- 9) **Ivaylo Vladev (Bulgaria), Rositsa Vladeva (Bulgaria)** - HEALTHCARE PROBLEMS – ONE OF THE MOST IMPORTANT MODERN GEOGLOBAL PROBLEMS
- 10) **Mina Spasova (Bulgaria), Penka Stoeva (Bulgaria), Alexey Stoev (Bulgaria)** - THE ANCIENT COSMOS AS A BOUNDARY OF GENERALIZATIONS AND THE GEOGRAPHICAL WORLD
- 11) **Andrey Edrev (Bulgaria)** - GEOGRAPHICAL AND GEOPOLITICAL LOCATION OF BULGARIA. THE NATIONAL SPACE OF BULGARIA
- 12) **Ivaylo Totev (Bulgaria)** - CONTEMPORARY CONDITION AND ISSUES ON DEVELOPMENT OF AGRICULTURE OF BRAZIL
- 13) **Ivan Popov (Bulgaria)** - IMPORTANCE OF DOBRUDZHA AND THE NORTHEASTERN REGION FOR THE DEVELOPMENT OF BULGARIA

#### **Tourism**



- 1) **Gjorgji Petkoski (North Macedonia), Cane Koteski (North Macedonia), Zlatko Jakovlev (North Macedonia)** - IMPORTANCE OF MANAGEMENT FOR THE OPERATION OF COMPANIES IN THE FIELD OF TOURISM
- 2) **Gjorgji Petkoski (North Macedonia), Cane Koteski (North Macedonia), Zlatko Jakovlev (North Macedonia)** - THE IMPORTANCE OF MANAGEMENT'S FINANCIAL DECISIONS FOR THE OPERATIONS OF TOURISM ENTERPRISES
- 3) **Vanya Vasileva (Bulgaria)** - ANALYSIS OF THE TOURIST EXCHANGE BETWEEN BULGARIA AND THE CZECH REPUBLIC
- 4) **Darko Majhoshev (North Macedonia), Cane Koteski (North Macedonia)** - INTERNATIONAL CULTURAL AND SPORTS EVENTS IN EUROPE AS A FACTOR FOR URBAN TOURISM DEVELOPMENT
- 5) **Faton Sherifi (North Macedonia), Cane Koteski (North Macedonia), Përparim Qahili (North Macedonia)** - OPPORTUNITIES FOR DEVELOPMENT OF SPA TOURISM IN MACEDONIA
- 6) **Përparim Qahili (North Macedonia), Cane Koteski (North Macedonia), Albina Halili (North Macedonia)** - SPA TOURISM IN THE MUNICIPALITY OF KLOKOT
- 7) **Përparim Qahili (North Macedonia), Zija Zimeri (North Macedonia), Erda Shabani (North Macedonia)** - THE DIFFERENCE BETWEEN TWO BRANDS (HOTELS) BUSINESS SYSTEMS IN TOURISM AND CATERING
- 8) **Nikolay Yotovski (Bulgaria)** - EFFICIENCY OF MEASURES TO SUPPORT THE TOUR OPERATORS UNDER CONDITIONS IMPOSED BY COVID-19 DURING 2020 (RESULTS OF A SURVEY CONDUCTED AMONG TOUR OPERATORS)
- 9) **Penka Stoeva (Bulgaria), Dessislava Alexova (Bulgaria), Angel Jilanov (Bulgaria), Alexey Stoev (Bulgaria)** - MOON-SOLAR OBSERVATORY WITH PAINTED SOLAR CALENDAR FROM PREHISTORY AS THE BASIS OF ARCHAEOLOGICAL PARK IN GORNA MALINA MUNICIPALITY
- 10) **Galina Todorova (Bulgaria)** - THE ROLE OF VARNA AND BOURGAS AIRPORTS FOR THE DEVELOPMENT OF MARITIME TOURISM
- 11) **Yordan Adolfov (Bulgaria)** - AVIATION CATERING - A CHALLENGE IN TOURISM
- 12) **Christian Rangelov (Bulgaria)** - WINE TOURISM – A STRATEGIC SEGMENT IN THE ECONOMIC DEVELOPMENT OF BULGARIA
- 13) **Dora Kabakchieva (Bulgaria)** - THE RELIGIOUS TOURIST RESOURCES OF BULGARIA – POTENTIAL AND PRACTICES
- 14) **Milena Stoyanova (Bulgaria), Ekaterina Keremidarska (Bulgaria)** - OPPORTUNITIES FOR CULTURAL TOURISM DEVELOPMENT ALONG THE RIVER STRUMA VALLEY
- 15) **Lubomira Georgieva (Bulgaria)** - CORRELATION BETWEEN GAMBLING, TOURISM AND SOCIO-ECONOMIC DEVELOPMENT
- 16) **Petar Stefanov (Bulgaria), Dilyana Stefanova (Bulgaria)** - ANALYSIS AND EVALUATION OF TOURISM DEVELOPMENT IN THE KRUSHUNA KARST GEOSYSTEM
- 17) **Stela Stefanova (Bulgaria)** - IMMOVABLE ROMAN ARCHEOLOGICAL SITES OF NATIONAL IMPORTANCE IN THE CONTEXT OF CULTURAL TOURISM
- 18) **Sevdzhan Sabrieva (Bulgaria)** - CURRENT STATE AND OPPORTUNITIES FOR DEVELOPMENT OF SPECIALIZED FORMS OF TOURISM IN THE TOURIST REGION OF THE RHODOPE
- 19) **Stefka Hristova (Bulgaria), Milena Stoyanova (Bulgaria)** - ADVANTAGES AND DISADVANTAGES OF IMPLEMENTING THE INFORMATION AND COMMUNICATION TECHNOLOGIES IN MICE TOURISM

- 20) **Zahariy Dechev (Bulgaria)** - SPECIFICITY OF THE MAIN CONCEPTS IN THE CULTURE OF POPULATION SAFETY AND PROTECTION IN DISASTERS
- 21) **Veliko Velikov (Bulgaria), Krasimir Levkov (Bulgaria), Plamen Lakov (Bulgaria)** - STATE AND PROBLEMS OF TOURISM IN KENYA. THE CASE OF THE BLUE MARLIN BEACH HOTEL
- 22) **Erhan Fikret (Bulgaria), Teodora Mihaylova (Bulgaria), Sema Alieva (Bulgaria)** - CULTURAL-HISTORICAL HERITAGE OF MUNICIPALITY ISPERIH
- 23) **Hrisiyana Yankova (Bulgaria)** - RIVER TOURISM AT THE RIVER DUNAV
- 24) **Maria Hristova (Bulgaria)** - PARIS IN THE MEMOIRS OF VESELIN SMYADOVSKY  
**Geographical Education**
- 1) **Stella Dermendzhieva (Bulgaria), Tamara Draganova (Bulgaria)** - FROM THE REFORM TO THE CHANGES IN THE CURRICULA IN GEOGRAPHY AND ECONOMICS FOR VI GRADE
- 2) **Stella Dermendzhieva (Bulgaria), Tamara Draganova (Bulgaria)** - DETERMINED CHANGES AND ADDITIONS TO THE CURRICULA IN GEOGRAPHY AND ECONOMICS FOR VI GRADE
- 3) **Rositsa Angelova (Bulgaria)** - THE PROTESTANT COLLEGE ON THE ISLAND OF MALTA AND ITS BULGARIAN GRADUATES /1846-1861/
- 4) **Rositsa Angelova (Bulgaria)** - THE PROTESTANT COLLEGE ON THE ISLAND OF MALTA AND ITS BULGARIAN GRADUATES /1862-1865/
- 5) **Rositsa Angelova (Bulgaria)** - SHUMEN STUDENTS ON STUDY IN CONSTANTINOPLE - GENERAL CHARACTERISTICS AND TRENDS /XIX-30S OF THE XX CENTURY/
- 6) **Semra Nezhdet (Bulgaria)** - TEST SPECIFICATIONS AS CRITERIA FOR COMPILING TESTS AND ASSESSING STUDENT ACHIEVEMENT ADAPTED ACCORDING TO THE CURRICULUM IN GEOGRAPHY AND ECONOMICS – IX GRADE
- 7) **Zhivka Todorova (Bulgaria)** - THE ROLE AND MEANING OF GEOGRAPHY LESSONS FOR THE DEVELOPMENT OF GEOGRAPHIC CULTURE AND ENVIRONMENTALLY CONSCIOUS BEHAVIOUR IN STUDENTS
- 8) **Milka Asenova (Bulgaria)** - NORMATIVE DETERMINANTS FOR GEOECOLOGICAL EDUCATION IN NON-FORMAL ENVIRONMENT
- 9) **Miroslav Katsarov (Bulgaria)** - CURRENT ASPECTS OF GEOGRAPHICAL EDUCATION IN RUSSIA
- 10) **Teodora Mihaylova (Bulgaria), Sema Alieva (Bulgaria)** - APPLICATION OF INFORMATION AND COMMUNICATION TECHNOLOGIES IN THE TEACHING OF GEOGRAPHY AND ECONOMICS ON THE EXAMPLE OF WEB 2.0





## THE IMPORTANCE OF MANAGEMENT'S FINANCIAL DECISIONS FOR THE OPERATIONS OF TOURISM ENTERPRISES

**Abstract:** One of the essential things of management activities is making business decisions, including financial decision-making. Financial decision-making in tourism management is characterized by the need for action and the existence of several guidelines for its realization. At the same time, the connection of the listed activities to the function of proper financial decision-making is the basic requirement and task of the financial manager in tourism. Of course, all this in the direction of achieving the ultimate goal, increase in shareholder share price. In that sense, the financial management in the enterprises in the field of tourism should give an answer to the optimal use, i.e. use of funds, provision of sources of financing, providing sources of financing, providing optimum cost of the engaged capital, deciding on the distribution of profits, as well as the dividend policy.

### Author information:

#### Gjorgji Petkoski

PhD Student

University "Goce Delchev" - Stip,

Faculty of Tourism and Business Logistics – Gevgelija

✉ [gjorgji.petkoski@yahoo.com](mailto:gjorgji.petkoski@yahoo.com)

🌐 North Macedonia

#### Cane Koteski

Prof. Dr.

University "Goce Delchev" - Stip,

Faculty of Tourism and Business Logistics – Gevgelija

✉ [cane.koteski@ugd.edu.mk](mailto:cane.koteski@ugd.edu.mk)

🌐 North Macedonia

#### Zlatko Jakovlev

Prof. Dr.

University "Goce Delchev" - Stip,

Faculty of Tourism and Business Logistics – Gevgelija

✉ [zlatko.jakovlev@ugd.edu.mk](mailto:zlatko.jakovlev@ugd.edu.mk)

🌐 North Macedonia

### Keywords:

financial management, management,  
financial decisions, business finance,  
tourism, tourist enterprises

## Introduction

The subject of the research of this paper is the role of financial management and making quality financial decisions for effective and efficient operation of tourism companies and tourism development. This paper is expected to create a clear picture of the perception of financial decisions in companies in the field of tourism. Theoretical research and understanding of the role and importance of financial decision-making by management will develop the basic ways of tourism development. The complex treatment of this issue in the paper is expected to be a benefit from a theoretical and practical point of view. In that way, it would contribute to the dynamic development of tourism and its adequate promotion.

### 1. The concept of financial management

Financial management covers a wide range of economic activities dedicated to capital that creates surplus value. The term "financial management" consists of two words. The word "finance"

(English "finance", German "Finazien", Italian "finanze") comes from the French word "finance", which means "money", and the word "management" means management<sup>1</sup>.

Financial management can be viewed bilaterally - as a scientific discipline and as a function of a tourism company. Financial management as a scientific discipline develops from the science of finance and studies financial management in the enterprise. Financial management is closely related to other scientific disciplines, especially accounting and economics. Financial management is a specialized type of management.

Financial management as a function of the enterprise in the field of tourism covers the activities of the enterprise that relate to the acquisition, financing and management of property, having in mind the basic purpose of operation. The management of the finances is done through the management of the cash flows of the tourist enterprise. The management of the financial activity is realized on the basis of knowledge of: economics, financial law, informatics, accounting, mathematical and statistical methods, the theory of forecasting and planning and others. Also, financial management requires good knowledge of other fields of finance, such as financial markets and institutions, because the responsibility and field of work of the financial manager is to mediate with the financial environment and raise funds. Knowledge of investing is also required, because investing in shares requires knowledge of the principle of shares and rules of stock portfolio management and because the final share price is determined on the financial market<sup>2</sup>. Financial management includes planning, organization, motivation, control and the like. The definition of the term financial management is closely related to the definition of the term financial relations.

According to the broader understanding, financial relations encompass the process of reproduction as a whole. In that sense, the financial management in a broader sense can be defined as a component of the financial policy, which includes an activity aimed at achieving the set goals using the selected instruments. This approach is physiocratic. The members of this direction considered production as the main source of wealth. According to the narrower understanding, financial relations do not cover the whole process of reproduction, but only the distribution phase. In this sense, financial management can be defined as a complete method of best redistribution of income, in order to preserve temporarily free cash. This approach corresponds to mercantilism. The members of this direction considered that the sources of wealth are in trade.

The specificity of financial management is that it is based on several basic categories: value of cash resources, cash flows, entrepreneurial and financial risks, cost of capital, efficient market, return on equity, solvency and more. It is necessary to always forecast, plan and evaluate how a separate decision will affect the efficiency of the enterprise in the field of tourism, industry and the national economy as a whole. In addition, it should be assessed whether individual decisions will lead to certain disproportions.

Finance is the lifeblood of business tourism entities, and financial management is central to the tourism business<sup>3</sup>. Financial management has a special place in the management system, because there is a close relationship between finance and management, technology, resources, staff and the like. Often the sources of financial problems are in those areas. On the other hand, mistakes in financial management can lead to negative consequences in the field of technology management, resources, personnel and more. In the general management it is noticed that the problems in the field of finances are often related to the fluctuation of staff, outdated technologies and the like.

In our country, as in other countries that are going through a transition of ownership and management, financial management is gaining real importance. In these countries, in addition to socially owned or state-owned enterprises, there were almost no other economic entities. In addition, the macroeconomic policies and economic system of those countries reduced the importance of money, so the activities covered by financial management were less important. In the face of our situation, financial management in market economies has long been an important scientific and practical discipline.

## **2. Financial management against the goals of companies in the field of tourism**

---

<sup>1</sup> The following translations are used for management: leadership, leadership, management, management, administration, management, operation, procedure, readiness, skill, saving, keeping.

<sup>2</sup> Negro, Z., F., (2001), *Finansiski management*, Visoka skola za turizam - Sibenik, Sibenik,

<sup>3</sup> Negro, Z., F., (2001), *Ibid*, 2.

Negro, Z., F., (2001), *Ibid*, 6.

Successful financial management presupposes the realization of numerous specific financial activities for achieving the goals of the company in the field of tourism, and it does not matter which employee in the travel company is responsible for their execution<sup>4</sup>. The goals of financial management are outside of finance, that is, they are not an end in themselves. They should reflect the expected social and economic outcome of financial management. The specificity of the goals of financial management lies in their formulation. The main goal of financial management at the state level is to strengthen the system of social relations that exist in a given country. For a democratic state, this means elaboration and realization of such decisions, which should not bring the special layers of the society in an illegal state. Therefore, when making decisions in financial management, their consequences should be assessed not only in absolute terms, but also from the position of their correlation with the legal norm. When making financial decisions<sup>5</sup>, the following should be sought:

- reduce the likelihood of making wrong decisions,
- to reduce the costs for their realization,
- to reduce the risk in the implementation of decisions and the like.

There are several financial goals of the company in the field of tourism. The main financial goal of the travel company is to increase. The employees strive for themselves to provide maximum economic benefit through the operation of the company in the field of tourism. Therefore, for the employees, primarily the shareholders, the main goal of the operation of the tourist enterprise is to increase their assets, wealth and well-being.

Often as a proven way to maximize profits advocates maximizing earnings per share. The share is a long-term security, with no maturity and it expresses ownership<sup>6</sup>. However, this may not be an appropriate goal, as it does not set deadlines and the duration of expected returns. In this regard, the question can be asked - will the investment venture that will achieve a return of 1,000,000 denars, after five years be injured by the project that will achieve an annual return of 150,000 denars each year for the next five years? The answer to this question depends on the time value of money for the tourism company and investors.

Another disadvantage of this goal in the operation of the travel company is the risk. Every investment project has its own level of risk, which means that some are more risky than others. It is therefore expected that the movement of earnings per share will be different in different investment projects. Financial risk also affects the total risk of the investor.

With such goals set, the impact of the dividend policy on the market share price is not taken into account. If the maximization of earnings per share would be the only goal, the company in the field of tourism would not pay dividends, because by retaining profits and its further investment at a positive rate of return increases earnings per share. Maximizing earnings per share would not be a satisfactory goal in itself, to the extent that dividend payments can affect the value of a share.

Given the above reasons, the goal of maximizing earnings per share does not have to be the same as the whole maximization of the market price per share. The market price of a share is an estimate of the value of the enterprise by all participants in the financial market. When forming these prices, the current and future earnings per share, the time period, the duration and the risk of those earnings, the dividend policy of the tourist enterprise, as well as other facts relevant to the market price of the shares are taken into account. The market price serves as a barometer for the success of the operation, because it shows how much the tourism management works for the benefit of the shareholders. Shareholders who are dissatisfied with the work of tourism management can sell their shares. The sale of shares is realized at market price, which at the moment of sale depends on the supply and demand of the share<sup>7</sup> and the received funds to invest in another company. If other dissatisfied shareholders do the same, it will help reduce the market price of the share.

In addition to the main financial goal, there is a secondary goal, ie:

- maximizing net profit in the long run, and
- strengthening the financial strength.

---

<sup>4</sup> Negro, Z., F., (2001), *Ibid*, 7.

<sup>6</sup> Trajkoski, B., (1997), *Business Finance with Financial Management*, Ss. "Kliment Ohridski" - Bitola, Faculty of Economics - Prilep, 132.

<sup>7</sup> 10Trajkoski, B., (1997), *Ibid*, 136

1. The net profit is a part of the gross profit (reduced for interest and taxes), which remains at the disposal of the tourist enterprise. The net profit in the joint stock companies is the work of: a) dividend profit, of which pays dividends, b) retained earnings, from which the permanent capital of the enterprise in the field of tourism is made and used for financing the development, covering losses, payment of dividends in case of lack of net profit and c) reserves, to cover business and financial risk. Net profit is a condition for the survival of the tourism company in the competitive struggle in the tourism market.

Maximizing the overall profit of the company in the field of tourism is not the best measure of good financial management. The travel company can increase the total profit, invest it in bonds or other securities, and the employees (shareholders) do not benefit from it financially, at least not at the moment. In addition, the company in the field of tourism can increase the profit by issuing new shares, while there is no decrease in earnings per share, if a proportional increase in shares should increase the net profit from which payment is made. of dividends<sup>8</sup>. Therefore, the criterion is a measure of the profitability of earnings per share (net - total profit).

From the aspect of making a profit, the goal of the travel company is maximization of net profit, which can be tabulated as follows:

Table 1. Maximization of net profit

MAXIMUM OF NET-PROFIT					
Maximum of profits		Maximum of spending		Maximum of tax	
Increase sales volume	Rising prices	Reduce existing costs	Reduce variable costs	Reduction of the tax base	Tax rate reduction

2. Strengthening the financial strength is the second goal of the financial management in the tourism enterprise. Financial strength consists of two components: a) quantitative and b) qualitative.

- Quantitative financial strength is the volume and value of the property. This component means: compliance of fixed assets with work tasks and compliance of fixed assets with reverse assets. If the fixed assets are not in line with the work task, the consequence may be insufficient use of tourist facilities or bottlenecks in production, ie. providing services. Non-compliance of fixed and reverse assets may cause delays in production or performance of services and the like.

The inverse assets should be used to service the fixed assets, but in a minimum quantity and value that will cause the least costs. Therefore, the optimal volume of fixed and reverse assets should be sought. Within the quantity of financial strength, the following should be sought: harmonization of short-term and long-term financing, harmonization of own and foreign capital and maintenance of financial balance. The quantity of financial strength determines the scope of operations.

- The quality of financial strength consists of: permanent ability to pay liabilities on time (solvency), permanent ability to short-term current operations and long-term financing of the development, permanent ability to invest in tangible, financial and other property, retaining the value of own property (operating without losses), increasing the property of the owner by achieving net profit and retaining profit and permanent ability to meet the needs of employees, managers in tourism and the state (tax collection).

The quality of financial strength conditions the ability to work, which is why it is primary in terms of quantity. The quality of financial strength means the ability to pay, finance, invest and the like. Without this ability there is no possibility for good operation and survival of the company in the field of tourism. Without financial strength, a positive financial result can not be achieved and retained profit can not strengthen the financial strength of the travel company, nor can the value of the property and wealth of employees (shareholders) be maximized. It should be noted that some financial managers usually lose and some gain, and it depends on their knowledge, skill experience, combativeness, perseverance and the like<sup>9</sup>.

<sup>8</sup> 11Trajkoski, B., (1997), *Ibid*, 134.

<sup>9</sup> Negro, Z., F., (2001), *Ibid*, 8.

## Conclusion

The topic covered in this paper is "The role of financial management in the operation of companies in the field of tourism." The motivation for processing this topic was the fact of the great importance of the management and business financial decisions for effective and efficient operation of tourism companies, and thus the development of tourism. It is also worth noting that there are a small number of researches in this field, within our area, so it should be further studied from a scientific and professional point of view given its relevance.

Based on certain research, the great importance of financial management for the operation of tourism enterprises, as well as for the development of tourism is confirmed. Unfortunately, it is concluded that not enough attention is paid to this issue in the companies in the field of tourism in the Republic of Macedonia and it is high time to make fundamental changes in the attitudes of managers involved in tourism to management as the most important segment of the tourist offer. and as an important factor for quality services. However, there is a strong impression that there is no adequate readiness of the top managers in the Republic of Macedonia, with certain exceptions, to implement that initiative. New professional staff should be promoted who would overcome the indifference of the current managers in tourism. They would completely accelerate the development of tourism. It is necessary to make maximum use of and valorize the tourist values that our country has at its disposal by including professional management, because it has a crucial role for effective and efficient operation of companies in the field of tourism, by making quality financial decisions. In this context, we must not forget the fact that one of the most important factors for rapid tourism development and greater competitiveness in the domestic and international tourism market is the financial management in tourism.

Topic that is processed in this paper is „The role of Financial Management in doing business of Tourism companies“. As motivation was the fact for the meaning of management and finance decisions for doing business in tourism companies and that on tourism development. It is worth it note that there are not many researchers on this areas in a frame our spaces, by the same should be and beyond scientific and professional aspects.

In this context, not seeds the fact that one of the most important factors of fast tourism development and for the major competitiveness of domestic and international touristic market is the financial management in tourism.

## References:

1. Buntasheski, B., (1994), Socio-psychological studies of the activities of the visitors in the tourist place, Prosvetno delo - Skopje, Skopje;
2. Buntasheski, B., (1995), Psychology of tourism and catering, Ss. Kliment Ohridski ”- Bitola, Faculty of Tourism and Hospitality - Ohrid, Ohrid;
3. Gud, V., Het, P., (1966), Metodi socijalnog istraživanja, Belgrade, presented According to Buntasheski, B., (1994), Socio-psychological studies of the activities of the visitors in the tourist place, Prosvetno delo - Skopje, Skopje ;
4. Dale, E., (1970), Readings in Management: Landmarks and New Frontiers, MacGraw - Hill Book Company, New York;
5. Jakovlev, Z., (2000), Animation in tourism - the most important segment of the tourist offer, Economy and Business, magazine for theory and practice, Euro - Mak - Company, Skopje, April;
6. Mojsoski, V., (2001), Fundamentals of Management, Faculty of Tourism and Hospitality - Ohrid, Ohrid;
7. Negro, Z., F., (2001), Financial management, High School of Tourism - Sibenik, Sibenik;
8. Simonceska, L., (1998), Business Planning in the Tourism Economy - Theoretical Basis and Possible Application in the Republic of Macedonia, Doctoral Dissertation, Ohrid;
9. Stojanovi, T., (1990), Analysis of the operation of enterprises, Association of Accounting and Financial Workers of Macedonia - Skopje, Skopje;
10. Todorović, A., (1978), Metodologija istraživanja slobodnog vremena, Savremena Administracija - Belgrade, Belgrade, 51, presented according to Buntasheski, B., (1994), Socio- psychological studies of the activities of the visitors in the tourist place, Prosvetno delo - Skopje, Skopje;

11. Trajkoski, B., (1997), Business Finance with Financial Management, Ss. "Kliment Ohridski" - Bitola, Faculty of Economics - Prilep;
12. Falmer, M., R., (1994), The New Management, Open Society Institute Macedonia, Skopje;
13. Cerović, S., (2009), Strategic Management and Tourism, University and Singidunum, Faculty of Tourism and Hotel Management, Belgrade.