

The Role of Economic Decisions in Solving Problems That Affect Financial Statements

(a Case Study on A Syrian Private Manufacturing Company)

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Abstract

The study aims at finding out the role of economic decisions in solving problems in the Syrian private companies. A well-known manufacturing company in Syria has been chosen. Further, the organizational structure of the chosen company, the span of control that forms procedures and work duties and responsibilities between different activities within the company to reach financial and accounting results in two periods: 2004 and 2005. To achieve that, a sample consisting of 20 managers, consultants, and owners of the company. were chosen. Further, this study relied on the researcher's personal observations and his effort in meeting participants and their role in enhancing objectives and results of this research as well as the information gathered through the questionnaire form. Statistical tests were used to find out the role of economic decisions in solving problems and their impact on financial statements within two-year results in the Syrian food manufacturing companies.

The main results of the research are:

1- There are organizational and administrative problems characterised by practicing several adjustments made on bylaw procedures through consolidating or separating activities and departments. Moreover, strict use of ISO 9001 and its reflection on detailed documentations and more routine procedures to follow up records, the financial and accounting cycle, and fulfil administrative decisions for company's activities such as: production, purchasing, marketing and finance (H1).

2- There are operational problems characterised by works practiced by production staff to demand irregular and inconsistent daily orders for supplying spare parts and maintenance to achieve efficiency and effectiveness at work. In addition, there is no precise separation between duties and responsibilities that make it difficult to fulfill daily operational decisions (H2).

3- There are marketing and sales problems characterised by not focusing on feasibility of marketing process to control outlets, door to door men distributors salesmen and not quick taking quick corrected actions to tackle sales problems. Further, there is lack of coordination between production, marketing and sales activities in terms of sales decisions, quality control, wastages, sales returns and sale offers for domestic market (H3).

4- There are purchasing problems both domestically and externally in terms of providing ineffective monthly plans for material requirements and increasing number of orders related to off-monthly plans. Moreover, the lack of coordination between production, warehousing and planning activities that makes every activity makes decisions and provides justifications in accordance with bylaw of the company, ISO's procedures and the internal control system of the company which are not in conformity with sub-objectives and main objectives of the company (H4).