

## THE EXPEDIENCY OF USING ACTIVE METHODS IN ECONOMICS TRAINING

Diverse methods to activate students' attention are used for lecturing in many countries. Active methods in addition to traditional ones, i.e. business games, brain storm etc. have been used in Ukraine for the last decade. From the very beginning the process was local, nowadays it is widely applied in many institutions of higher learning.

Lectures and tutorials imitating particular situations could be considered to be a productive way of teaching students and training specialists. Various diagrams, charts, graphs and models give a vivid information presentation. A perfect example of it are the lectures by American professor: Barbara P. Jones, dean, School of Business, Alabama Agricultural and Mechanical University, and Sekhar Anantaraman, head of Accounting Dept., School of Business, Alabama Agricultural and Mechanical University, conducted at TNU in September, 2002.

Dr. Barbara Jones lectured on macro- and micro economics, Dr. Sekhar Anantaraman covered the issues of international accounting. While lecturing B. Jones applied a projector to present the information and for students to bear the information in mind. Besides American professors consider only general concepts. As for educational materials the students should learn them by themselves, using textbooks.

It should be noted that basic economic principles suggested by Ukrainian and American specialists are identical having differences only in terminology but not in the nature of economic processes. This is a natural fact, because both the USA and Ukraine economics considers it as a science dealing with institutions and activities distributing goods and services into the society. Let us examine the main theses to which American professors drew attention of our students.

Dr. B. Jones considered three types of economic systems: market (capitalist), planning (socialist) and mixed. In market economy decisions are made by means of cooperation between a seller and a buyer. And it is natural that each one wants to maximize one's income. There is no planning or market economy in pure forms therefore we can talk only about mixed economy.

The seller gets profit only in case when some needs of a buyer are met. Under the condition of hard competition the more enterprise's production meets the customers requirements in quality, prices and assortment, the more profits it has. To maximize content of society's needs is the highest priority.

Equity, effectiveness, economic increase and stable prices are the main components of social and economic systems.

The effectiveness is to get maximum productivity with the existing resources, i.e. maximum profits with minimum costs. While using the resources in a producing the single unit of certain production decreases, the possibilities of using the same resources for production of other goods are rising.

The equity is a system of standards and rules that are obligatory for everyone. The social justice notion is considered to be a consent between members of the society, as a unified point of view on the goods distribution method. This problem is solved according to the existing economic system.

The economic increase means the growth of income compared to the previous period of time. It may be achieved in two ways: to make distribution more efficient or to increase the production output in society (the second way is preferable). Any society chooses its own system. The stability of prices is directly linked with the stability of economic development. In connection with this the inflation is considered as a main problem.

Finding new ways of problem's solution connected with business is a constant task of undertaker. The competition is a main moving factor of activity under the market conditions. As an initial factor of goods (business) announcement the advertisements (ads) are used. Ads are worked out to change tastes and preferences of buyers. Its principal aim is to persuade to acquire the advertising commodity. Fig. 1 presents interconnection of ads and commodity's realization.

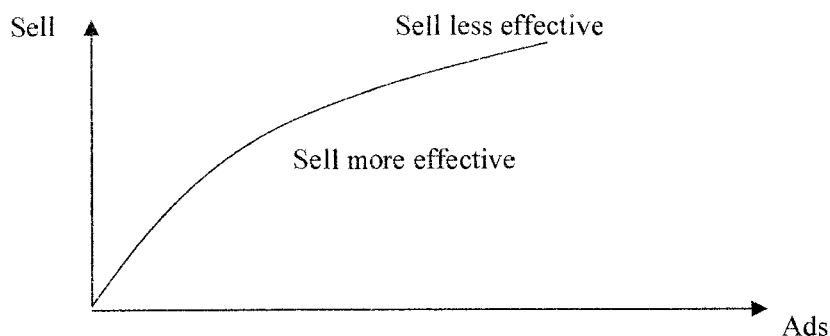
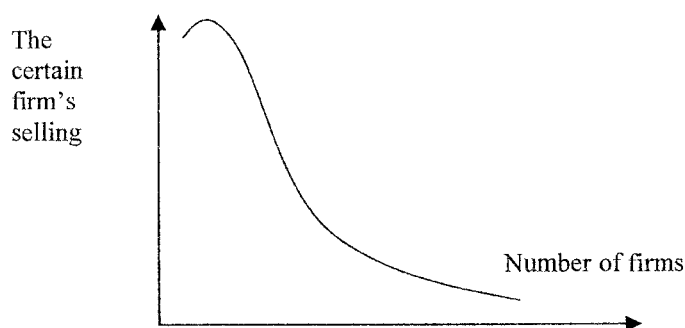


Fig. 1. The interconnection of goods and ads

At the initial stage we may observe more tough dependence: when the number of ads are increased the sale is growing. When consumer becomes more satisfied with a certain commodity, the effect of ads stabilizes. There is no doubt that selling certain goods by a definite firm will decrease if many other firms operates selling the same product in this industry. This is vividly presented at Fig. 2.



Pict. 2. The dependence of sales on the number of firms at the market

The demand on produced commodities gradually and stage by stage is diminished if the number of produced commodities is increased while the consumption remains the same.

When general demand exceeds general supply, the level of production is increased (and vice versa). See Fig. 3.

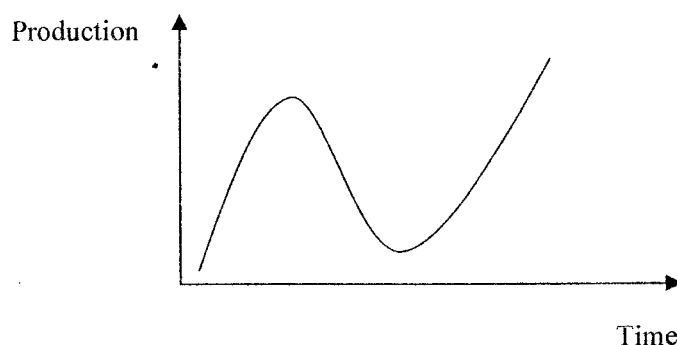


Fig. 3. The change of production in time

The demand is influenced by such factors as: commodities value (the price of similar goods), population income (and each separate family), demographic situation, weather conditions. The higher is an income of every family, the larger is the demand. The well-being of a family influences both the demand and its income. There is such a notion as an aggregated demand, i.e. the general volume of production which people would require.

Undoubtly, a demand for commodity depends on supply. Supply is a quantity of goods and services suggested at a given price. The main factor determining the supply is commodity's value. It is very important how much money the buyer pays for the unit of suggested products. With the price for

commodity rising, the number of enterprises producing that commodity would increase, i.e. supply grows. The supply would increase if the price for commodity has changed (reduced). For example, it happens when price of production factors would decrease or technology would improve. The change of price for accompanying goods also might influence the reducing of prices and increase of supply.

Fig. 4 presents the dependence of demand (D) and supply (S).

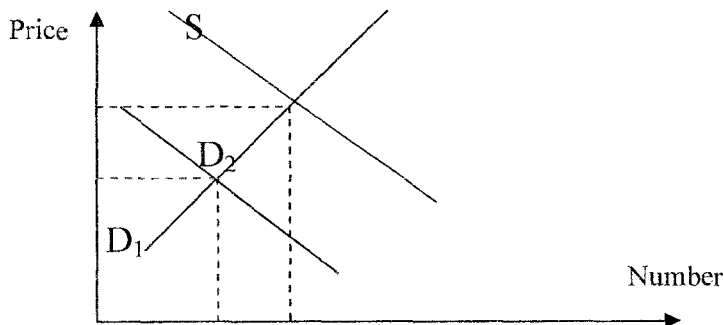


Fig. 4. The interdependence of supply and demand

If moving on curve of demand from  $D_1$  to  $D_2$  the balanced price would become higher. The rising of demand would rise the balanced price. The market reaction upon rising the demand is to increase the supply. If supply decreases, the price would rise and number of goods suggested at the market would also decrease.

The price growth causes the demand reduction. In that case we can talk about the elasticity of demand. Elasticity of demand is a percent change in quantity divided upon percent change in price or, by another words, it is a measure that shows what is the ratio between a change in quantity of the acquired goods and the change in their price. Among important factors defining the elasticity of demand we must consider the following ones: accessibility of similar goods, presence of their substitutes, belonging to the prime necessities or to the objects of luxury. Time also influences the elasticity of demand. For example, salt is a highly elastic product while petrol quite the opposite (i.e. having non-elastic demand).

Non-elastic demand brings to lowering top profits. The top profit would increase when utmost expenses have reduced and vice versa.

Dr S. Unantaraman when talking about principles of accountant book-keeping considered it as an informational system that collects information, analyses, which writes it down and makes on its basis reports about financial developments. He distinguished three types of economic units (business organization): company with one owner, association and corporation.

The financial events are interpreted as business deals that should meet the following requirements:

- 1) the deal is to be defined by means of money;
- 2) the deal is to influence upon financial state of an economic unit.

Dr S. Unantaraman considered the accountant balance as a basis of the whole world's accountant book-keeping. It might be described with the following formula:  $A = O + C$ , when A are assets, O – obligations, C – own capital.

Assets are resources that company possesses or controls and which corporation regards as a source of the future profits. Obligations were considered as financial obligations of enterprises that must be fulfilled either by paying cash money or giving some service in the required period of time. The own capital is introduced as owner's demands to the assets of business.

The own capital is divided into income and costs. The income is fixed and might be accounted for when it is earned and cash is got. The costs are also fixed up and company accounts for them.

The accounts are drawn in a certain succession:

- 1) account for an income: the sum of all costs and income for a year;
- 2) account for own capital: the sum of all changes within own capital that have taken place for a certain period of time;
- 3) bank account: the list of all assets, obligations and own capital at a certain date (usually, the last day of a month or a year);

4) account for transference of money: the sum of all means and payments for a certain period of time.

Also such question are interpreted as the rules of debit and credit; analysis and summing up the deals; carrying out the writing of accounts to the principal register; the main system of accountant book-keeping using in the USA (pecuniary system and system of increase); correcting records and its characteristics (delayed expenses and incomes, increased expenses and incomes); closed entries (records).

There is no doubt as for mutual benefit of such lectures (American professors in Ukrainian universities and Ukrainian professors in American colleges). This practice gives an opportunity to exchange points of views on economics and social issues, by teaching experience and to get better command of English language for Ukrainian students.

Many professors of TNU named after V.I. Vernadskiy constantly use different technical means such as multimediuum projector and codoscope that simplify conducting lectures. The main effect is achieved for students by way-of visual information presentation. Such method assists to concentrate their attention, to facilitate perceiveness and memorizing. Business games are also widely spread in teaching process. Those games were practised already more than 50 years in the USA for making managerial decisions. In this country these methods began to be applied at the end of the past century. Meanwhile the sphere of its application besides studying process may be diverse: making business decisions and realization managerial innovations, researching different managerial problems.

It was obviously necessary to bring changes into the practice of training managers and specialists so as it would be adequate for rebuilding processes occurred in the society. The foreign experience of training managers in business situations seems to be a very productive supplement to our traditional methods.

For any manager taking optimum and efficient decisions is of great importance. The usage of active training methods gives an opportunity to consistently develop such skills. Traditional methods of training such as lectures and tutorials must be used at an initial stage when students have no special (technical or economic) knowledge and practical experience. That is not merely useful and necessary but the only option to attain the range of knowledge. But then to the aim of deepening and broadening knowledge, business games are to be the most effective way. In the process of training students and retraining specialists both these directions are to be interconnected and supplemented to each other.

Business games may be different by nature, form and content. With its help every specialist can more fully realize himself, feel his significance and prepare himself to solve the tasks. Business games must be built in such a way that to ensure, first, professional growth by means of their focus on a particular subject, secondly, development skills of managerial behaviour, business relations by means of practical playing and imitating different management situations. On the basis of these two components the system of games for targeted and broad training of managers and other specialists must be built.

The imitation of professional activity, i.e. economic and organization models, occupational situation without management business contacts is possible only while training specialists. At the same time concentration excessively on business relations, management ethics and different models of social behavior, underestimating professional training for managers, is not enough. That is why such a limited game in a training process should be considered as insufficient in a systematic aspect.

The business game in miniature is to reproduce positive and negative sides of the professional management, to give an opportunity to store up and refresh knowledge and skills thanks to general experience, potential realization. It is necessary for the business game to have at its disposal such special behaving levers which would make it possible to use managing knowledge with full effectiveness.

The main methodological task in composing games is to guarantee an integrated approach. It is very important to work out primary theoretical regulations for different practical situation.

The situational and roling mechanism that concludes formation of playing plot with professional objectives is the methodical basis for business games. It realizes by means of filling game with corrective mechanism capable to regulate its course and behavior of its participants with accordance to setting roles. Therefore the highest priority in composing games is the proper choice of objective and situational-roling mechanism appropriate to it. In each particulars case it is necessary to guarantee the possibility to "turn over" the game's idea, to highlight pluses and minuses of group discussions.

The methodology of holding business games gives an opportunity to discover their essence. These games allow to develop a theoretical basis of imitational modeling, to use playing methods for

making more effective decisions with all experience possible, to solve many problems on introduction of administrative innovations and carrying out scientific research.

The uniqueness of imitational games is in the seriousness of considering problems combined with conditional nature of decisions (possible proposals) at a certain moment of time. It makes it possible by means of a relaxed way of thinking to broader reveal a creative potential, to express proposals using the required knowledge and with the help of “collective brain” and contesting spirit.

The analysis of different problems considered during the process of managerial games allows to discover the phenomenon of prototype presence in the process of taking administrative decisions. Subsequent studying and purposeful usage prototype conceptions (including those dependent on character and temperament of a leader) give an opportunity to rationalize processes of making decisions to a great extent.

An example of a business game shows that these games are new and effective methodical means of acquiring knowledge, increasing professional skills, a supplementing means of training to classical methods checked by time.

The highly essential particularity of business game that makes them acceptable is a simplicity of perceivness by a participant. The methodical flexibility of the game is displayed by an opportunity to change its regulations with respect to variations of the aims and group’s personnel structure. Besides, the constant repetition of the separated aspects of studying problems could serve to “bringing up” new consciousness in accordance with the new management conditions.

As one of most prospective trends of taking effective decisions on particularly important and big problems the active methods using business games are considered. They are the group-based or individual studies carrying out, for example, by means of “brain storm”, or using situational and roling mechanism under the conditions imitating the real ones.

Properly chosen (and worked out) methods of holding business games gives an opportunity to essential influence on changing the traditional standards and values, for example, in economics. That is absolutely necessary at present time for more successful assimilation of main principles of new management system and for training students, specialists and managers for dealing with complicated problems of their business activity.

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### РОЛЬ РЕГІОНАЛЬНОГО УПРАВЛІННЯ У ВІДРОДЖЕННІ ЕКОНОМІКИ УКРАЇНИ

В умовах трансформації економічних відносин виникає необхідність перебудови системи управління економікою, зміни критеріїв розвитку. Хоча основний економічний закон соціалізму визначав “...рух соціалістичного виробництва у напрямку дедалі повнішого задоволення зростаючих матеріальних і культурних потреб народу і всебічного його розвитку...” [7, с.77], статистика засвідчує, а уряди колишніх республік визнають залишковий принцип фінансування соціально-культурної сфери. Ми пишалися безкоштовною освітою та медичним обслуговуванням, видатними космічними та спортивними досягненнями, могутністю армії та ін. Оцінити загальне місце не тільки України, але й колишнього Радянського Союзу у світовій економіці важко, бо вони входили в групу “незвітних неприєднаних” або “інших економік”. Але з квітня 1992 р. держави колишнього СРСР згідно з класифікацією у звіті 1991 р. про перспективи світового економічного розвитку віднесені до країн, що розвиваються. Якщо оцінювати “стартові умови” народного