

**MONITORING OF MONETARY-CREDIT POLICY AS PART OF THE DECISION-
MAKING OF THE TOP MANAGEMENT OF THE COMPANIES ESTABLISHED BY
LOCAL SELF-GOVERNMENT UNITS ON THE EXAMPLE OF THE REPUBLIC OF
SERBIA**

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Abstract

Monetary and credit policy is basically seen as a set of rules, regulations, measures and instruments that in the broadest sense by the state authorities regulate the money supply, money supply, structure and dynamics of credit, economic liquidity, economic stability and more.

Therefore, in this way, the state affects the business of the economy as a whole, that is, it affects the business of a large number of companies. Based on the impact of monetary and credit policy, it is clear that this impact is reflected in the business and decision-making of top management in the public sector.

In this paper, the authors draw attention to some of the influences of macroeconomics on the decision-making process of top management in public and public utility companies whose founders are local governments. According to the authors, these influences largely depend on: the strength, the size of the company, the activity in which the company operates, and the development of the economy as a whole.

This is of particular importance to be applied and respected in countries in transition. A large number of such countries have been on the road to EU accession for a long time, so it is of great importance to improve the business of public companies and bring them closer to the standards that apply in the EU.

Keywords: *monetary credit, business decisions, management, economy.*

Classification JEL: *E00, E60, L26,*

1. Introductory observation of possible influences of monetary-credit policy on the total making of valid decisions of top management first of all in public and public utility companies whose founders are uniformly local

The influence of monetary and credit policy is reflected in a large number of total decisions made by top management, and it is especially important that these decisions are made validly for a large number of public and public utility companies whose founders are local governments in the Republic of Serbia [1; 2; 3; 4; 5].

Monetary and credit influences are such that they cannot be greatly influenced by the decision of the top management of the company, i.e. they have little ability to respond and act on them, but can only make decisions that will quickly adapt and reduce possible business negative influences macro-economic impact on the existence of the enterprise.

Monetary-credit influences are, in essence, external influencing factors. They significantly affect the management decision-making processes by the top management of heterogeneous companies on a large scale and companies find it very difficult to adapt to them, but they must respond immediately so that I do not fall into problems of a business nature.

The process through which monetary policy affects macroeconomic aggregates such as aggregate demand, production and prices is manifested through the application of different channels, aggregates and markets through the application of different rates of influence on the company's operations. Identification of transmission channels [6; 7; 8; 9; 10] enables the application of effective measures and instruments of monetary policy and enables the choice of the beginning and end of application, all with the aim of better organization of the national economy as a whole. It is necessary to determine [11-15] and the existence of other factors in the field of macroeconomics in order to make the most optimal business decisions by top management in the company.

The aim of the research was basically to show the importance that top management, primarily in public and public utility companies whose founders are local self-government units in the Republic of Serbia, should establish a system of responsible and safe decision-making.

In that way, the survival and development of a large number of the mentioned companies, which are of great importance for the business of the economy of the Republic of Serbia, will be largely enabled. In order to achieve the set goals, the authors used methods of comparing macroeconomic influences on making valid business decisions in public companies, i.e. in companies whose founders are local self-government units. The obtained results indicate the importance of respecting macroeconomic policy by top management.

The authors also point out that such research may continue in the future because it will be increasingly necessary to monitor the impact of macroeconomic influences of the state on business decisions in companies and especially in public sector enterprises. Implementing the impact of macro-economic moves of the state on the business decision-making processes that are essentially performed by the top management of companies is of great importance for the success of the business of primarily public and public utility companies.

2. The influence of business decision-making of top management depending on the strength of the influence of monetary-credit policy on the business of heterogeneous enterprises

Monetary and credit policy has an impact on the business decisions of a large number of top management that manages companies, and this impact can be defined as a set of influences on the possible operations of companies that can only act in a limited possible impact.

The essential influence of the company on the monetary credit policy in the country is small, since it is a large influence of the state policy and state bodies on the business of the company.

Management by top management in the companies of the Republic of Serbia in relation to macroeconomic impacts was presented by the author through the presentation through Figure No. 1, which shows the possible flow of decision-making in the company.

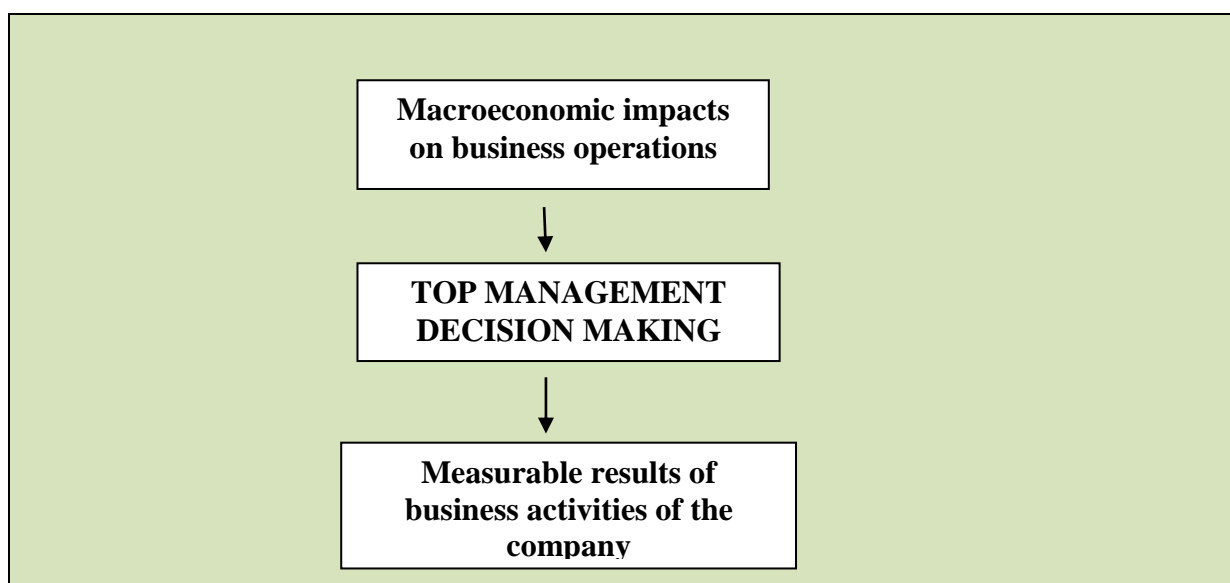


Figure 1: Overview of macroeconomic influences on decision-making in the company.

The author presented the influence of monetary and credit policy on the management decisions made by top management in the companies of the Republic of Serbia through the presentation in Figure 2.

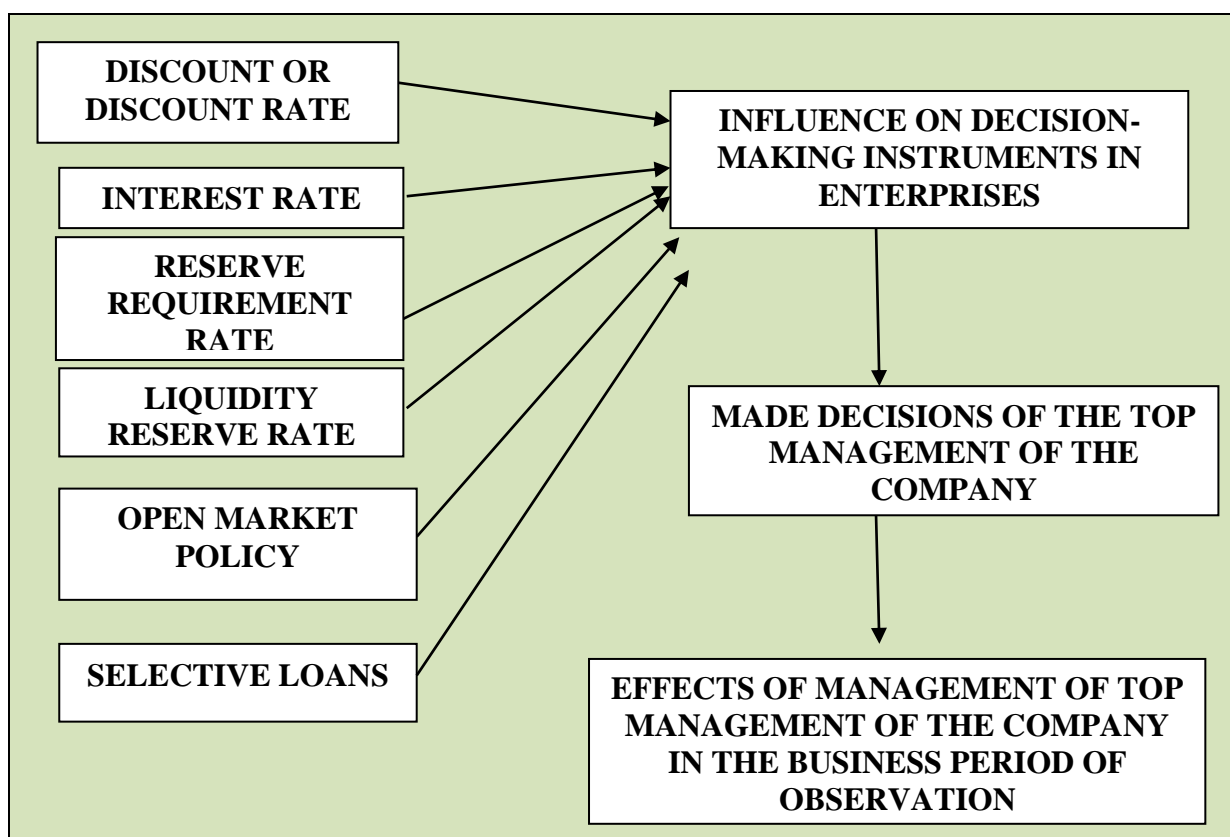


Figure 2: Overview of the impact of monetary policy on management decisions by top management in companies in the Republic of Serbia.

The presentation of the influence on general decision-making of top management in the company given in Figure 1 highlighted only some of the possible influences on decision-making instruments in companies and the possible links through which improvements in management decisions made by top management.

Therefore, the decisions are based on taking into account a very large number of different factors influencing (instruments) on business decision-making, of which the author gave an overview of only some or only 6 possible influences on top management decision-making.

3. Relationship between top management decision making in the framework of observation of the decision making where external and internal influences on company operations are included

In the study in Figure 3, the author gave an overview of the relationship between external and internal influences on the business decision-making process in the company in the form of a possible decision-making process, which finally shows the results of decision-making in the company.

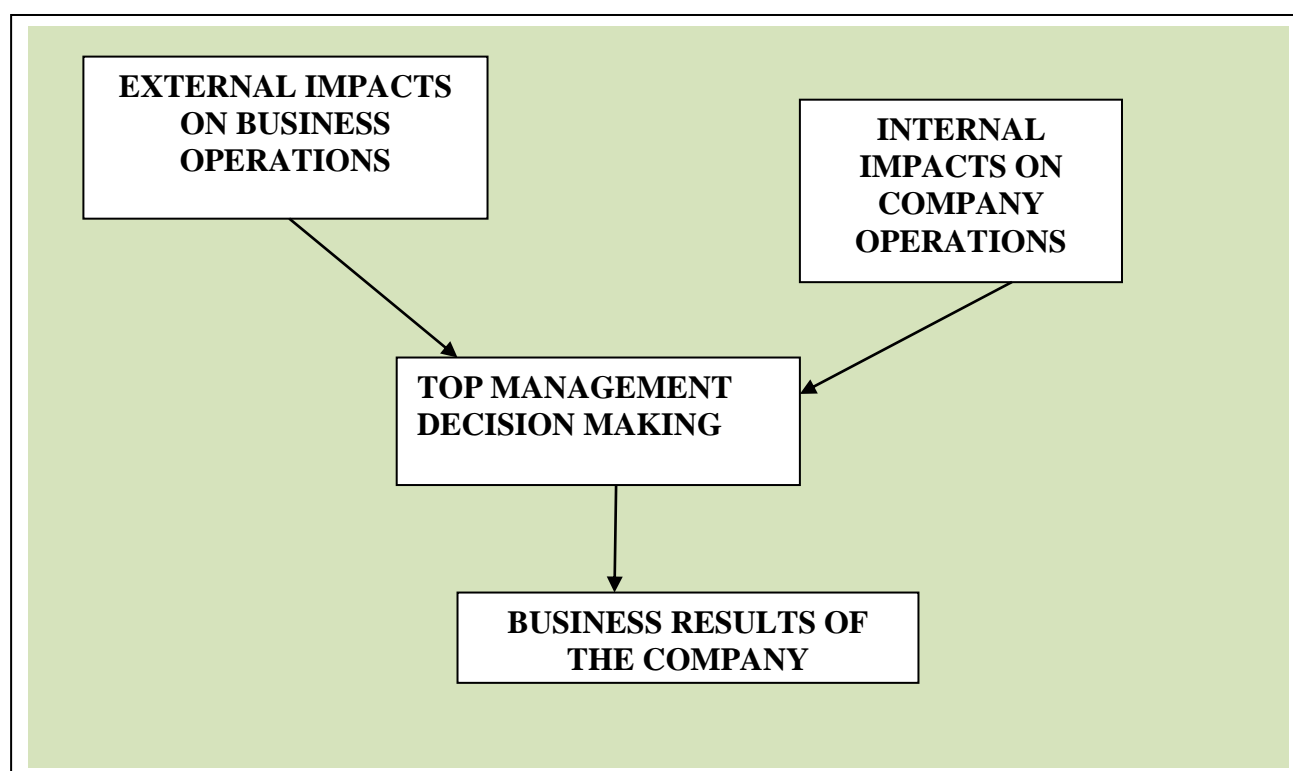


Figure 3: Overview of the relationship between external and internal influences on the business decision-making process in companies in the Republic of Serbia.

In this study, the author emphasizes the importance of respecting the application of external but internal factors that may influence the adoption of valid management decisions by the top management of the company.

The macroeconomic impact on the business decision-making process is related to the influence of internal factors that together act on the possible business decision-making of top management in business management processes.

Within such an observation, it is important to emphasize that international accounting standards must be applied more and more, as well as auditing standards, during the entire decision-making process of top management.

4. Comprehensive influence of monetary credit policy on business decision making of top management of a large number of companies in transition economies like the Republic of Serbia

The authors present the comprehensive influences of monetary policy on business decision-making of top management of a large number of companies in transition economies such as the Republic of Serbia in the form of Figure 4, in order to highlight the importance of numerous factors influencing the business of a large number of heterogeneous companies.

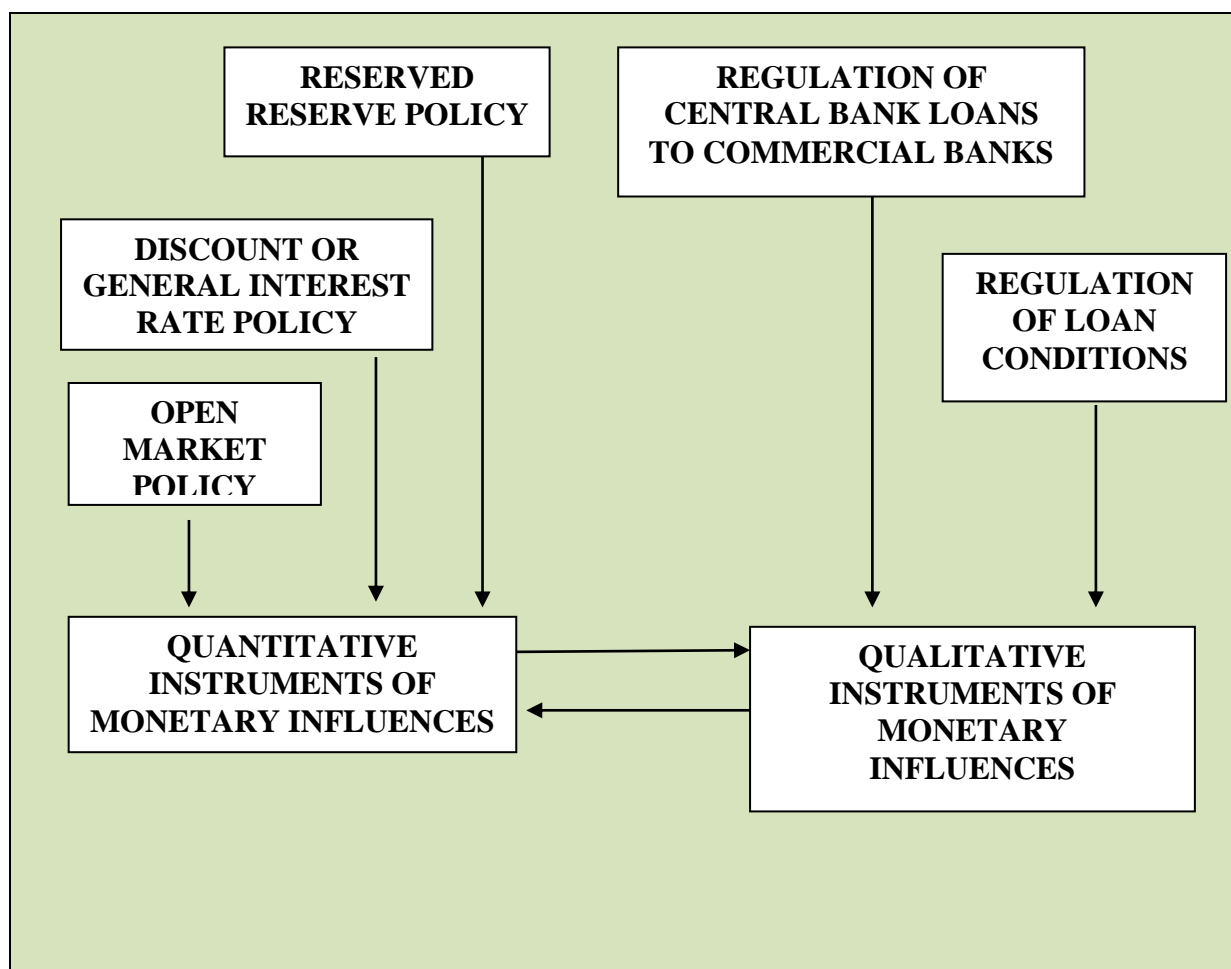


Figure 4: Overview of the relationship between quantitative and qualitative influences on the business decision-making process in enterprises of the Republic of Serbia.

An overview of the possible scheme of influence from which the influence of quantitative and qualitative instruments can be seen, which can be used to influence the decision-making of top management of the company, as well as their mutual influence is given by the author in the form of Figure 4.

This presentation of the impact is very important for the practical functioning of a large number of companies in the Republic of Serbia.

5. Conclusions

The functioning of state bodies through the application of monetary and credit policy instruments are of great importance for the functioning of a large number of heterogeneous companies in the Republic of Serbia.

Their influence makes it possible to change the business environment of a large number of transition companies. The impact is great because through the measures adopted by the state, business decisions by the top managers of the company are significantly influenced. As a rule, external influences are such that they cannot be influenced much because they are external factors influencing the work of numerous companies, and this influence is equally suffered by public and public utility companies as well as other companies in the transition economy.

Monetary and credit policy should be viewed by top management as a set of rules, regulations, measures and instruments that regulate primarily the amount of money supply in the country, money circulation, level, credit activities of the economy, liquidity of the economy, debt-trust relations of economic transaction, economic stability, etc. measures that can macro-economically change the economic environment.

The monetary policy observed in this way can influence the business decisions of a large number of top managers in heterogeneous companies. The adoption of monetary policy settings by top management is of great importance in order to reduce the business risk for the company's operations.

The author points out that the essential influence of monetary and credit policy on the adoption of valid decisions by top management is largely dependent on the ownership structure of the company, its size, industry in which the company operates but also on the development of the economy as a whole economies in which the influence of state bodies is especially manifested on the business of enterprises.

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