ASPECTS ABOUT MODELING OF ECONOMIC DECISION PROCESS IN CASE OF INFORMATION ASYMMETRY

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Abstract: Incertitude of analyze of economic system is due of its complexity, complexity that when overrun a certain range, encumbers the analyst to make more clear affirmations about that. Considering firm as a system itself, but also as a part of economic macro-system, in this work we'll identify an important category of decisions whereon firm accepts, so-called decisions in informational asymmetry conditions. We'll purpose to bounder the cases which bring to these conditions and the kinds of decisions whereon firm follows to consider in this case.

1. INTRODUCTION

Economic and managerial decisions are today a domain of well-defined scientific and practical interest, more and more people understanding that, in conditions of increasing dynamic and extension of actual social-economic environment, decision adoption supposes, in most cases, calling not only inspiration, skill or chance but also an amount of scientific methods more and more exact of approaching problems of economic systems leading.

Specific to firm management there is the placing within its investigations of the man in his whole complexity as subject and object of management in what about the objectives allocated to him, narrow linked to objects, resources and means of the systems where he is integrated [1].

Human being, as essential element of different environments wherein he develop its existence (familiar, religious, social-professional) continuously solves decision problems either if there are daily problems or problems linked to the evolution of an economic system, actions whereof it depends the destiny of a human group or that of world ecosystem, every human action is the result of one or several decisions.

Human dimension characteristic to management processes and relations also mirrors in that humans have several consequences over enterprise parts, also as titular of certain leading places and as individual having own personality.

In most cases, man fights against the risk and incertitude that nature, near or far future, all kinds of conflicts within micro and/or macro-systems wherein he acts, put against him. To pass form a day to other, form a social-economic stage to other, from a micro-climate to other, means, hence, to act according to one of several possible ways, therefore to decide [3].

Generally, decision is the action wherewith there is tried the acting in a given sense, of the future. In the most of definitions there is included the idea of choice for one of possible sense of action and in consequence refers more to final moment of decision process, moment that however should be important, can't show what is specific to the process as whole. More important that the choice itself is the whole process which precedes this choice, process manifested through the fight between present and future dimensions, through evaluation of action possibilities of possible wins or losses and the attempt to mark with "reality" aspect, predefined "objects" [2].

Current activity within firm, permanently leads to running decision processes of different size and importance. The role of each of such processes consists in taking decision. Effective application of this overruns in implication and effects, the limits of firm's information-decision system joining the most of firm subsystems.

In the analysis of firm's decisional frame there is necessary an approaching of it from two perspectives:

> ➢ first, firm itself is a system having own parts and particular relations of interdependence between these parts;
> ➢ second, firm at its turn, is a part of general economic system within whose it is in relation of mutual conditioning with the other firms.

From this point of view, there is normally to try to surprise the particularity of the decisions taken at firm level, in what concerns both its inside frame and its external environment [5, 10].

2. DECISIONS IN INFORMATIONAL ASYMMETRY CONDITIONS

Considering the firm as a system itself, but also as a part of economic macro-system, we'll find an important category of decisions that the firm adopt, so-called decision in cases of informational asymmetry [9].

In the following, we purpose to bounder the cases which lead to these conditions and also the kinds of decisions that firm follows to accept in this case. In this context, we'll analyze three different cases:

> ➢ market errors and under-optimal decisions
> ➢ moral hazard and effort stimuli
> ➢ opposite selections and market signalization

Market errors and under-optimal decisions

Using a conventional approaching of market error, we can find the following kinds of cases wherein a faulty assignation of resources within the market:

> ▪ *the monopole*;
> ▪ *interdependence of external economic agents in market mechanism*;
> ▪ *public goods*;
> ▪ *resources with common access.*

A thoroughly analyze of these examples of market errors suggests that on their base there is a common set of main causes which have several links to property rights, information and transaction costs etc.. The study of these causes is important in firm's decision frame because, as we already mentioned, this is a part of macroeconomic system whose it interacts within, through the market, with the other firms [9].

Market is institution wherein individuals or firms change not only wares, but also the rights to use them particularly during established whiles, therefore property assigned to these wares. These changes have place because firms' will to reach, through change or production, an advantageous position reported to the other economic agents. In this conjuncture, inefficiency in the kind of market operation can last only:

a) If firms haven't enough control over the wares (including productive goods) for make profitable or advantageous changes and for make production;
b) If the expenses with information and transactions overrun the earnings gained from change;
c) If firms can't agree together the kind of share the earnings from their mutual advantageous change [12].

When there is the apparition of one of these main causes of market error, firm is put to take decisions like these:

- What are the measures to be enterprise for insure a wholly control over own productive goods?
- What is the best strategy to follow for insure a balance between costs for getting useful information in the development of an economic transaction and the earnings realized from that transaction?
- What are the bases and terms of negotiation of certain contracts mutual advantageous with different economic agents on the market?

Moral hazard and effort stimuli

This problem appears when a part (firm to firm, firm to wage earners, firm to state) can enterprise certain actions which change transaction evaluation from the other part and which makes the impossibility that second part can be perfectly lead in what concerns the behavior of restrictions within the transaction.

A classic example is here insurance decision in the case of fire, action wherein the insured can have enough care of assured goods or not. The solution in the case of a moral hazard problem, is the using of effort stimuli by the means of whose the transaction can be shaped so that the part who enterprises the actions for its own interest, to act so the other part wants[13].

Here there are a few cases which demands adopting of particular decisions at firm level:

a) making optimal contract of insurance against fires;
b) conformation of contract terms relative to productive good hire (spaces, buildings, equipments) to another firm;
c) assurance of a corresponding effort level from a person employed by the firm to execute a certain work.

In each of these examples, there is possible to be imposed care levels for insured goods, of maintenance of hired goods or of effort in performing certain works. But, every case, perfect warning and constraint is impossible and, hence, transaction must be framed so that the side which takes up the action to have stimuli relatively important for act in the kind wherein the two side prefers.

Opposite selections and market signalization

Within this problem, a side of a transaction has information about transaction, which is relevant but unknown for the other side. A well-known example is here life assurance, wherein the assured can know certain things about his health status and that he doesn't make them known for assurance agent [7].

The solution of opposite selection problems is market signalization where that side of a transaction that has superior information, shows what it knows through its actions.

Examples of situations when this case of informational asymmetry appears are:

- different quality of similar product on a certain market (for example, broken cars' market – Ackerlof model);
- the market of working power wherein there are workers of different professions and different branches, who have different degrees of skill;

In these cases, firm who desires to begin a contract on such market has to solve problems concerning the taking of information to build the best contract. How to make this contract and what will be the decision about transaction, which follows to be adopted are questions that give problems to firm in this context [8].

CONCLUSIONS

The quality of a decision is or isn't confirmed by future. Decisions in market economy have the sign of its particularity, characterizing by a big variety but also a high level of heaviness, due of that it operates with a series of complex factors many of them being not

precisely known because either limited information or the cost of them or the heaviness in evaluation relations between different variables of the problems.

These decisions, which are part of market decisions' category, are narrowly linked to firm's development politic and to its decisions concerning production. There is well-known that, in the maintenance on certain market, for firm, competitiveness is the most important. However it has a large core, the term mainly shows work quality, narrowly conditioned to worker's quality. There is the reason for which we consider these decisions as being very important in firm's activity.

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