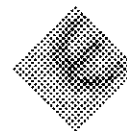


**The Role of Contemporary
Management and Marketing
Methods in Improvement of
Competitiveness of the Companies
in Serbia within the Process of
its Integration to the European Union**

Editor

Nebojša Janićijević



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The Key Factors Affecting Leadership Capabilities

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Abstract: *This paper will consider the key features of successful leaders, as well as the most important factors affecting the formation of leadership abilities and skills. Improving leadership capabilities is one of the most important factors that contribute to increasing the competitive advantage of companies. The question of the extent to which leadership can be learnt and improved, and in which a man with certain qualities is born, is one of the most controversial issues of leadership. In this context, we will write about the personal characteristics of the general type, and those related to the content of the environment, cognitive and mental characteristics, as well as the most significant sources of leadership capabilities related to personal predisposition, family background, education, work experience and training.*

Keywords: *leader, leadership skills, organization, management*

1. INTRODUCTION

The enhancement of leadership capabilities belongs to the key factors contributing to the improvement of competitive advantage, influencing board effectiveness and influences the total performances of an enterprise (Babić, Nikolić & Erić, 2011). It is one of the reasons why leadership belongs to the most frequently researched phenomena of an organization and management (Janicijevic, 2008). Yet, even though several decades have been dedicated to researching the phenomenon of leadership, still there are numerous controversies in this field, while simultaneously one of the biggest ones is connected with the question: to what extent can we learn how to develop leadership capabilities and skills during our lives, and to what extent are they the result of potentials generated by one's being born or in the early years of one's development? The answer to this question is

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Accounting-based Measures of Risk

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Abstract: *Despite not-so-small number of criticism sent to its theoretical background basis, and sometimes disappointing results of empirical testing, market-based beta is today more than dominant measure of risk. This metric is used in procedures of Capital Budgeting, at both the firm and the division level, for the company valuation in M&A and other restructuring activities, for setting the tariffs for regulated monopoly, for assessment of company performances, etc. Such usage is often very arbitrary and unselective, especially in practice of Serbian companies. In the paper we will consider the possible accounting-based measures of risk in the role of substitute for the market beta.*

Keywords: *systematic risk, beta, accounting-based measures of risk, leverage*

1. INTRODUCTION

From its inception to the present an accounting (and financial reports produced there from) has been expected to provide investors with reliable information about the returns of companies. Despite much criticism relating to a room left for earnings management, practice of "creative accounting", even to large frauds in financial reporting, we can say that the accounting theory and practice managed, more or less, seems to meet this expectation. Accounting has produced many return indicators such as EBIT, Net Income, ROE, ROA, ROIC and others. A bit absurd, it has been never required from accounting to provide explicit measures of risk, although it has been always known that, in addition to return, the risk is another equally important dimension of the overall wealth of the company and investors.

Since the advent of the Capital Asset Pricing Model - CAPM (Sharpe 1964, etc.) financial theory used for purposes of risk measurement beta coefficient, β . This