

MODERN BANKING AND REAL BUSINESS IN CONDITIONS OF NON-STANDARD BUSINESS OPERATIONS

Jelena Lutovac¹

Abstract: *Modern banking in developed market economies (such as banks in countries such as the countries of the Western Balkans) has been operating for decades in conditions of very fierce competition, both within the banking institutions themselves and within non-banking institutions, and all within the framework of the simultaneous performance of the transitional tasks of the economy. The big challenges for bank operations are precisely non-banking institutions, which perform almost all the same tasks as banks, and are not subject to the regulations that apply to bank operations. Circumstances and the market situation present in the banking markets forced banks and other financial institutions to raise the level of their market performance through various innovations, in order to more easily face expected or unexpected risks. All that observation in the mentioned economies is in the conditions of transition, privatization, damaged economic units, the collapse of the state, a major economic crisis, a pandemic and acts of war in the wider environment, which is the reality and the environment of the banking system, which should respond to the emerging socio-economic circumstances.*

Keywords: *modern banking in developed, trends, management.*

1. INTRODUCTION

The global connection of bank capital managed by the bank's top management, which is under the control of the bank's management body, is continuously connected with numerous legal entities that generate income on the market [1-9].

¹ Assistant Professor, Jelena Lutovac, MEGATREND University, 11070, New Belgrade, Bulevar Mihajla Pupina 117, Republic of Serbia.
Corresponding author: jelena.vitomir1@gmail.com

The connection of finances at the general level is regulated by the decisions of state bodies where the leading role is played by the Supreme Bank, on the example of Serbia, it is the National Bank of the Republic of Serbia, which fundamentally regulates numerous enacted rights in finance on the basis of which management decisions in the economy are created, which is of great importance for the exercise of essential management rights in the finances of the economy, that is, at the state level of economic development [10-18].

Apart from that, the processes of creating realistic different models that relate primarily to development are of great importance for the realistic and successful functioning of numerous economic activities in the business of the real economy in one economy [19-25].

Taking into account numerous heterogeneous factors that can affect the real development of the economy, it is necessary to study with the aim of establishing real connections between economic activities that are primarily aimed at real development [26-30].

2. THE IMPORTANCE OF FUNCTIONING OF BANKING OPERATIONS IN HETEROGENEOUS CONDITIONS, BASIC CHARACTERISTICS

Considering the fact that banking operations can be performed under different market conditions, it is necessary to take a closer look at the following three positions in which banks can perform their operations.

Market positions relate to certainty, risk, and uncertainty and have the following characteristics:

(1) Jobs whose performance is expected to be under "normal" conditions or jobs that are expected to be performed with certainty in the future period, because these jobs do not involve any risk or are negligible.

Such safe and unchanging conditions in which banking operations are conducted are said to be conducted under conditions of certainty. Certainty means that there are no changes or they are negligible,

(2) Jobs that are performed to a greater or lesser extent better or worse than expected or planned. It is precisely these deviations from the pre-estimated probability that represent a possible risk.

This means that risk is something that is essentially predictable, but it is not reliably known to what extent it can be realized in the future. In most cases, it is assumed that the foreseen changes are realistic and possible.

Therefore, risk means that the actual change is equal to the predicted change.

(3) Businesses with uncertainty because there are unpredictable changes and unpredictable events that cannot be planned, reliably measured, or controlled.

Changes are rapid, sudden and with large oscillations and are known as volatility. In banking practice, there are statistical methods that can be used to express the probability of some change and some future event. In such conditions, uncertainty means that the actual change is equal to the sum of the predicted and unforeseen changes.

The aforementioned categorization of bank business conditions through certainty, risk and uncertainty indicates the possible limits of business risk management in banking. For a better understanding of the dimension of the risky market conditions of banks' operations, it is necessary to look at banking risks from several aspects, so that they can be managed as successfully as possible.

It is important to first define the risks, then group them and finally measure them for efficient management with the bank.

Risks in banking operations can be precisely defined, only if the essence of the risk is known and banking operations are known.

We should bear in mind the fact that any uncertainty and unplanned and sudden event in the bank's business activities represents a risk. Risk in bank operations can have material and immaterial components.

A material component can cause the loss of a part or the whole of a thing, its function, appearance and the like.

Intangible risk can be expressed as a loss of good reputation or image of the bank. Intangible risks can also have an impact on the business loss in the bank.

They can also have an impact on the status, which can later have an impact on the business success of the bank.

3. THE WORK OF INTERNAL AUDITORS IN THE FUNCTION OF IMPROVING THE OVERALL BUSINESS

The work of Internal Auditors in the function of improving the overall business should be viewed with the aim of considering heterogeneous requirements in their work in order to achieve the best possible business results in audit work.

Internal auditors should consider heterogeneous requirements in their work, such as:

- analysis of the effects (effectiveness) of the internal control system;

- the audit also deals with aspects of correctness, as well as the structure that ensures economy, efficiency and effects (effectiveness) in companies;
- considering the legality/correctness of transactions;
- analytical approach to work, where the starting point should be an overview of the auditee's characteristics, responsibilities and problems it faces, and the auditee's administration and organization;
- an active approach, through which audit work, where possible, is characterized by a constructive attitude that ensures changes, which can be seen in the maintenance of constructive and adequate relations with officials, but also in the timing and approach applied in reporting on audit findings.

The general flow of the implementation and existence of the internal audit, which is connected with the work of the accounting department in the company, was presented by the authors as shown in figure 1.

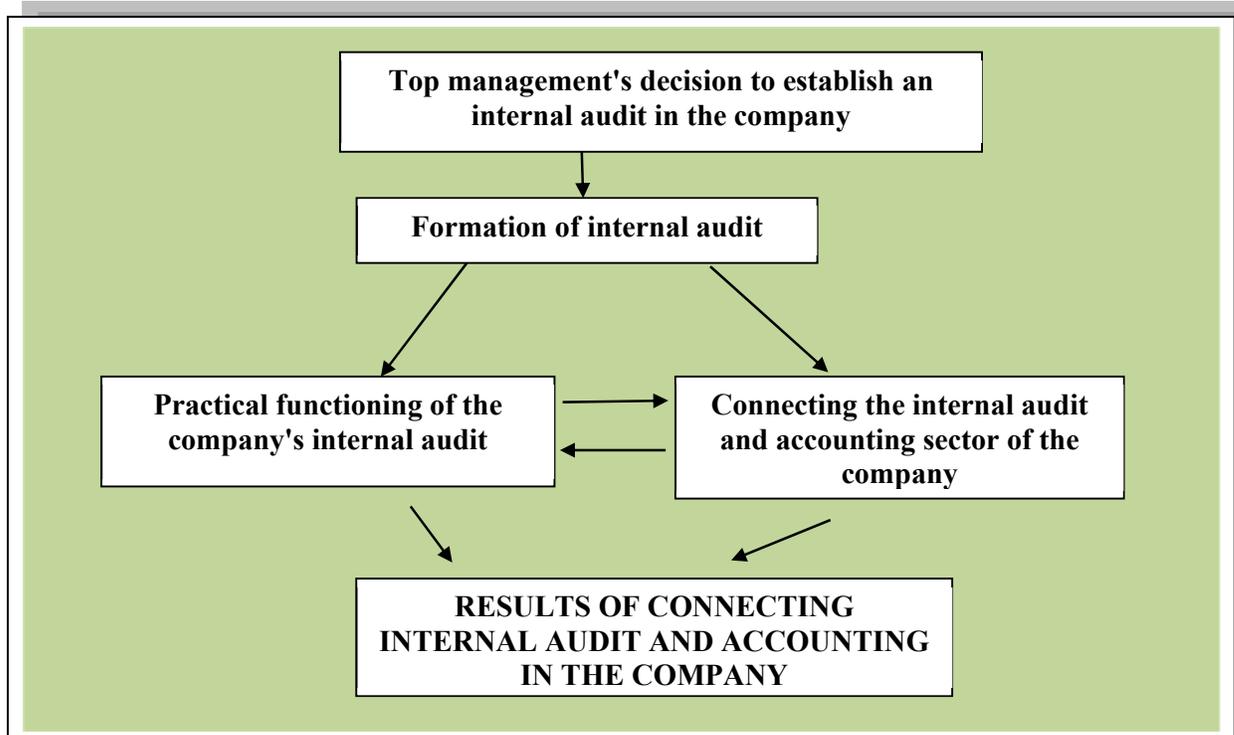


Figure 1. The general flow of internal audit implementation, which is related to the work of the accounting sector in the company.

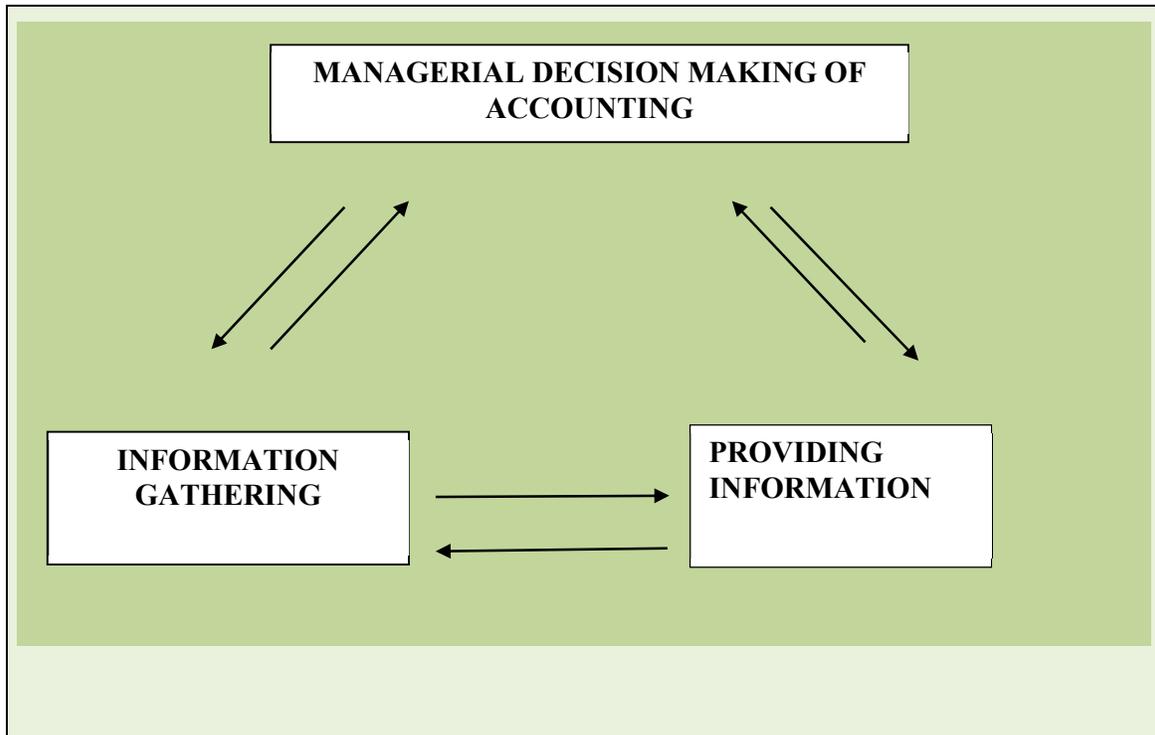


Figure 2: Presentation of marketing in business operations.

4. CONCLUSION

Modern tourist flows have led to changes in the structure of tourist needs on the side of tourist demand, which go beyond the framework of the industrial tourism model and shape tourism in accordance with the new lifestyle and new values that have been formed under the influence of globalization. The process of business decision-making in tourist companies should largely respect the entirety of the tourist environment, and therefore the process of globalization, which significantly affects the business and the making of business decisions in the business of tourist companies. In other words, globalization should be observed, respected and reacted to the observed conditions. In connection with the behaviour of a consumer's ability to make a certain statement should be viewed as the basis for the real business of tourist companies, especially when it comes to transition countries. The impact of globalization in the tourism industry is the basis for future safe, secure and efficient business and making plans and business in tourism companies. Such observation of global trends should be observed in real time,

REFERENCES

- [1] Popović, S., Laban, B., Vukasović, D., Ivić, M., Popović, V. (2018). Internal and external audit as a factor in improving the management of the Agricultural enterprise, *Poljoprivredna tehnika*, 4: 8–12.
- [2] Bakmaz, O., Dragosavac, M., Jestrović, V., Radaković, M., Davidov, T., Bjelica, B., Brakus, A., Popović, D., (2023). Management of plant production (narcissus l.) Through the application of non-standard growing methods in order to increase the financial value of production, *Economics of Agriculture*, Year 70, No. 2.
- [3] Bakmaz, O., Bjelica, B., Ivić, Lj., Volf, D. & Majstorović, A. (2017). The significance of the audit profession in the financial analysis of agricultural enterprises of the Republic of Serbia. *Annals of the „Constantin Brâncuși” University of Târgu Jiu, Economy Series*, pp. 117-123, ISSN 2344 – 3685/ISSN-L1844–7007.
- [4] Bjelica, B., Bakmaz, O., Mijić, R., Popović, S. & Popović, V. (2017). The implementation of heterogeneous risk to the company's operations and transition countries respecting the behavior of agricultural enterprises in the republic of Serbia. *Annals of the „Constantin Brâncuși” University of Târgu Jiu, Economy Series*, 3/2017, 207-213, ISSN 2344 – 3685/ISSN-L 1844 –7007.
- [5] Radović, M., Vitomir, J., Laban, B., Jovin, S., Nastić, S., Popović, V. & Popović S. (2019). Management of joint stock companies and farms by using fair value of agricultural equipment in financial statements on the example of IMT 533 Tractor, *Economics of Agriculture*, 1: 35-50.
- [6] Popović, S. (2014). *Socio-ekonomski faktori ograničenja razvoja agrara*, monografija, Fimek, Novi Sad.
- [7] Popović, S., Novaković, S., Đuranović, D., Mijić, R., Grublješić, Ž, Aničić, J. & Majstorović, A. (2017). Application of international accounting standard-16 in a public company with predominantly agricultural activities, *Economic Research-Ekonomika Istraživanja*, 30(1):1850–1864.
- [8] Popović, S., Tošković, J., Majstorović, A., Brkanlić, S. & Katić, A. (2015). The importance of continuous audit of financial statements of the company of countries joining the EU, *Annals of the „Constantin Brâncuși” University of Târgu Jiu, Economy Series, Special Issue*, 241-246.
- [9] Radović, M., Vitomir, J. & Popović, S. (2021). Impact of internal control in enterprises founded by local self-government units: the case of Republic of Serbia, *Inzinerine*

Ekonomika-Engineering Economics, 32(1): 82–90.

[10] Ivaniš., M. & Popović., S. (2013). Altmanov Z-Score model analize, Ekonomija-teorija i praksa br.2, Fakultet za ekonomiju i inženjerski menadžment, Univerzitet Privredna akademija u Novom Sadu, 47-62.

[11] Arnautović, I., Davidov, T., Nastić, S. & Popović, S. (2022). Značaj donošenja racionalne poslovne odluke top menadžmenta u poljoprivrednim preduzećima u Republici Srbiji, Poljoprivredna tehnika, 1-8.

[12] Majstorović, A. & Popović, S. (2015). Revizija poslovanja poljoprivrednog preduzeća, Računovodstvo, 1: 77-85.

[13] Tamas-Miškin, S., Vitomir, J., Dragosavac, M., Medan, N., Radaković, M., Vitomir, G., Davidov, T. & Popović, S. (2022). The significance of archiving documentation and assessment quality of archiving financial documentation given by top managers, Economics of Agriculture, Year 69, No. 4, 2022, (pp. 949-1252),

[14] Popović, S., Vitomir, J., Tomaš-Miskin, S., Davidov, T., Nastić., S., Popović, V., Popović, D., Vitomir, G. (2021). The importance of a realistically determined amount of tax on property rights relating to the ownership of agricultural land in the Republic of Serbia adopted by tax authorities of local selfgovernment units, Ekonomika poljoprivrede, Economics of agriculture, Vol.LXVIII, 4: 1029-1042.

[15] Popović, D., Vitomir, J., Tomaš-Miskin, S., Davidov, T., Popović, S., Jovanović, M., Aćimić-Remiković, M., Jovanović, S. (2021). Implementation of internal control with reference to the application of it in companies operating on the principles of the green economy. Agriculture & Forestry, Vol. 67 Issue 2: 261-269.

[16] Majstorović, A., Popović, S., Volf, D. (2015). Theory and politics of balance, second amended and supplemented edition, Novi Sad: Feljton.

[17] Popović, S. (2015). Implementacija heterogenih rizika u radu interne revizije, Revizor 69: 7-19.

[18] Popović, Laban, B., Popović, V., Jovin, S., Grubljesić, Ž., Filipović, V. (2018). Management by respecting the provision of conditions for the commencement of procurement and monitoring of implementation in agricultural enterprises, Poljoprivredna tehnika, 2: 30–35.

[19] Bakmaz, O., Bjelica, B. & Vitomir, J. (2023). Application of software solutions in companies that strive to achieve increased financial stability in their regular business, Temel-IJ, 7:1, 13 - 20 <https://doi.org/10.52576/TEMEL237.1013b>

- [20] Bjelica, B., Bakmaz, O., & J. Vitomir, J. (2023). The importance of accounting policy in the context of strengthening financial stability in a company that previously implemented internal audit as a mechanism of regular business decision-making, *Temel-IJ*, 7:1, 57 - 63 <https://doi.org/10.52576/TEMEL237.1013b>
- [21] Bjelica, B., Bakmaz, O. & Vukasović, D. (2023). The importance of monitoring the realization of income and costs in the management and business of agricultural enterprises in relation to the introduced forms of internal-control mechanisms, *Poljoprivredna tehnika*, No. 2, 2023., 45 – 51, DOI: 10.5937/PoljTeh2302045B
- [22] Popović, S., Ranko, M., Grublješić, Ž. (2014). Interna kontrola i interna revizija u funkciji menadžmenta, *Škola biznisa*, 1/2014, 95-107.
- [23] Popović, S.(2014). Valuation of Computer Equipment and Telephone Equipment in Order for Reports to Manage Companies, *Communications in dependability and QM*, IC 17;2, 47-52.
- [24] Popović, S., Grublješić, Ž., Mijić, R. (2014). Procena vrednosti opreme u upotrebi u preduzeću sa pretežnom poljoprivrednom delatnošću, *Agroekonomika*, 43:.61-62, 80-89.
- [25] Popović, S., Tošković, J., Grublješić, Ž. (2014). Environmental-Economic Model of Developing Composters in Parks, Protected Areas and City Limits in the Republic of Serbia, *ProEnvironment* 7: 213-217.
- [26] Popović, S., (2015), Interna revizija kao pokretač finansijske analize u javnim preduzećima RS, *Revizor*, 72: 41-53.
- [27] Popović, S., Majstorović, A., Grublješić, Ž., Macura, R., Mijić, R., Nikolić, I., Garić, R., Petrović, V., Siljanoska, S. (2015). The importance of agro-ecological and economic strategic Management within the tertiary sector, *Annals of the „Constantin Brâncuși” University of Târgu Jiu, Economy Series*, 6: 159-165.
- [28] Lutovac., J. (2024). Strategijski menadžment kapitala banke, Monografija, radna verzija, Univerzitet MEGATREND, Bulevar Mihajla Pupina 117, Novi Beograd, Republika Srbija.
- [29] Popović, S., Laban, B., Popović, V., Jovin, S., Grublješić, Ž. (2018). Management services with respect to the new approach pvc packaging in the agricultural enterprises with agro-ecological aspects, *Poljoprivredna tehnika*, 3: 38–44.
- [30] Bakmaz, O., Bjelica, B. & Vitomir, J. (2023). Application of internal audit in processes of reducing corruption in a transitional economy like the Republic of Serbia, *Temel-IJ*, 7:1, 36 - 42 <https://doi.org/10.52576/TEMEL237.1036b>