The concept of value - from economic, managerial and social point of view

Ionel JIANU [1], Iulia JIANU [2], Cristina Venera GEAMBASU [3]

Abstract: Value and evaluation process are two of the main subjects of discussion in the accounting world. Much more than other subjects, these are oriented towards the knowledge funds of the economic, accounting and social domains. Absorbing knowledge from different domains is a key feature of understanding the value concept. Recent publications have called for more interdisciplinary approaches in value research. Also, established definitions of value have been questioned. This article aims to address propositions that take these overlooked and questioned elements into consideration, which can help explain the value concept. For this, as a research methodology, we put forward three propositions by analyzing literature on economic environment and social cognition with evolutionary ideas from accounting literature. The authors embrace a redefinition of value (the sum of the benefits expected to be obtained by the entity for the held assets) and realized a real base of data for evaluation process. The propositions illustrate how important is the real understanding of the value concept. Thus, accountants need to be able to understand possible long-term consequences of the valuation process (based on value determination) in order to avoid losses in their business. By advocating an evolutionary approach, an impetus for more dynamism in value research is presented. This study also shows the importance of including the social dimension in analysis if one wants to understand change in – and durability of – value concept.

Keywords: accounting, cost, economic, evaluation, price, social, value.

JEL Classification:A12, M40, M41

1 Introduction

Today, almost anything is no longer done without having in mind the idea to obtain value, to be valuable. The concept of value is in the centre of discussions in philosophy, psychology, sociology, management and economics. It is very important to understand what value is, what it values, how much it values, for whom it evaluates and who evaluates. Advocating for the idea of „theorization", this research brings into question and analyses the concept of value from the economic, management and social point of view. The etymology and the history of the word value explain its ambiguity. The term value descends etymologically from the Latin verb *valere*, whose initial meaning was to be able to, to be powerful, or to obtain satisfaction. The value designates the stable, perennial qualities of things which are empirically certified. It is what leads to the conclusion that the appreciation of the existence of such „features" involves a quite laborious process, an adequate instrument and a rather evolved synthetic-analytical device. Thus this paper brings into question the process by whose development it is established, discovered, emphasized and shaped the value, respectively the evaluation. The study of encyclopaedias and explanatory dictionaries shows that:

> *„Through <<evaluation>> it is understood the action of evaluating and its result; valuation, pricing, calculation. Through the term <<to evaluate>> it*

[1] The Bucharest University of Economic Studies, Romania, jianu.ionel@gmail.com
[2] The Bucharest University of Economic Studies, Romania, jianu.iulia@cig.ase.ro
[3] The Bucharest University of Economic Studies, Romania

> *is understood <<to determine>> to establish the price, the value, the number, the quantity; to calculate, to analyse, to value. This action is supposed to be performed by a subject upon an object, an asset, a business, a liability*" (The Longman dictionary).

Value is immaterial, an abstract symbol, which is determined by its differentiated relationship towards all other homogeneous symbols. The philosophy separates two concepts regarding the value: on one hand *axia* - value, on the other *timo* - price. As shown by Grunberg& Nissan, 1945:

> *„There are things that have value in terms of timo (price), thus they can be changed, purchased or sold, without being values in strictly axiological terms (...) There are things that have price, but do not have value, while friendship, generosity and solidarity have value (in terms of axia), but do not have price (in terms of timo) (…)*"

The existence of this relationship is based on an interest of a material nature – objective, or of an ideal one – subjective (Ionita et al., 2004). There are goods that have an intrinsic value (jewels, for example) and they can be appreciated by themselves, and goods that do not have a value of themselves, but have an economic value. For these goods, value exists only in the mind of those who like them and want to purchase them, not being related to the physical object, materially, but to the services, the satisfactions that they can bring and for which the buyer is available to pay a price. As Simon (2009) remarks in the article "Value and accounting", the first usage of the term value (in Chanson de Roland) referred to a person (for his merits, his qualities) on one the hand, and to an object (for its usage) on the other hand, the value of an object being influenced not only by its own characteristics, but also by the subject for which the value is established.

Value is a general idea that people have about what is right or wrong, wanted or unwanted (Fjellvang, 2010). Value is a measure that is assigned, a label, a setting on a scale of values in terms of morality (better, worse), aesthetics (beautiful and less beautiful), and truth (more or less certain). Values are nothing but graded states on which we continuously move, in terms of circumstances.

> *„Value is continuous and it must be found in the creative integration that results from the progressive change. On the contrary, the depreciation of value needs to be found in the destructive disintegration which results from the regressive change... There is similarity between truth and value. Truth has value and the value is true. Value is the highest form of truth"* (Hill & Owen, 1984).

The thesis on the value of truth and on the truth of value accompanies us in most of our steps and endeavours. We like to think that we guide ourselves on firm principles such as those of righteousness and truth, we do not doubt our own morality, which we see as being right and true. We are rational beings and this gives us the right to be superior in terms of right and truth by intrinsic and also extrinsic knowledge. We get to value ourselves, actually to discover ourselves

more by our extrinsic side, by relating to the environment, to contacts, to interests. From this carousel of endless and meaningful existential problems, from the battle of the ideas of mind with the darkness of complacency does the spectacular light of value shine.

In the development of a theory of value, Marx and Menger presented the theory of value as being composed of three parts, as it results from the table below.

Table 1.*The theory of value – Marx vis a visMenger*

Marx	Menger
1. Substance 2. Magnitude 3. Form	1. Nature and origin 2. Measure 3. A version of form

If in terms of *substance*versus *nature and origin*, respectively *form*versus*a version of form* it seems that there are, if not identical, almost identical points of view. The second part of the two theories, *magnitude* versus *measure*individualizes. This is because it depends on the valuing item, represented here by the two authors, by their way of being. If in the case of Marx, everything comes from the inside, in the case of Manger it is an external approach. Both of the visions are eloquent for understanding the value and they come to support the idea of unity in diversity, that is, although it is viewed in such different ways, it is accepted as existing, as present in our lives.

> *"There can be distinguished two modern concepts of value: an economic one that tries to explain value in terms of usage, interest or preference, and another one an ideal that considers value as a purpose in itself"* (Sorensen, 2002)

The questions about value are carried upon two components: firstly, how and through which processes value is created, and secondly, how and through what processes the obtained value is distributed (Gibbon, 2008). And, already, it seems we are approaching our domain of activity, although being in the field of social sciences it can be appreciated that no extravagance is too much to discuss and to try to understand the concepts that prove to be as difficult to assimilate, in terms of semiotics, as they have to be regulated in accounting. How are they done? Where do they come from? But especially where are they heading? These are questions to which we need to find an answer.

Value is not an objective measure but a judgment, because the buyer does not truly know the measure of the value of what he purchases, for example, the way in which temperature is measured (Lorino, 1995). It has not been invented yet a scientifically demonstrated law to determine the true value of things. Baranger& Mouton (1997) have the same point of view and they consider that value cannot be measured and therefore we have to learn to manage it. However, other authors are on the other side, as Valier, who said that there was no exchange without equality and that there is no equality without measurability (Valier, 2009). It results that, in the author's opinion, anything can be measured.

We organize the article as follows. Next, we revisit the arguments from the recent economic literature to provide a framework that allows us to understand the value concept. Thereafter, we discuss the link between economic and managerial (accounting) factors that influenced the value. We then resume the definition of value by considering the difference between economic and accounting environment. To complete this image about the value concept we chose to discuss the value from the social perspective. Lastly, we conclude by summarizing the article's contribution, discussing its implications for accountants, and considering its limitations and new directions for further research. This article is conceptual; our propositions are derived from conceptual theorizing.

2 Research methodology

This study analyses the concept of value, in general and in the accounting, in particular. For this goal, it was necessary an approach focused on the historical analysis of the concepts of value, price and cost. We put forward three propositions by analyzing literature on economic environment and social cognition with evolutionary ideas from accounting literature.

The concept of value from the economic (economists') point of view

Value has accompanied human civilization since its inception. The value has worn the cloths of the minds that were able to understand and represent it, and the cloths of the time in which these truths were spoken.
In *Ancient Greece*, due to a social and political crisis in the late fifth century and in the early fourth century B.C., two major economic thinkers spread: Platon (428-348 B.C.) and Aristotle (384-322 B.C.). Aristotle defends the private propriety in the name of efficiency, while Platon supports collectivity, emphasizing the social side. By creating a link with the management principles that are specific to accounting, it can say that the entity's principle, according to which all actors involved in the activity of an economic entity have to be satisfied, it is specific to Platon's vision, and the shareholder's principle, according to which the interest of an economic entity is to satisfy the shareholder, is specific to Aristotle's vision (Jianu & Jianu, 2012).

At the heart of the economic thinking of scholastics (teachers from universities in medieval society) was the "theory of fair price". Duns Scotus (1266-1308) explains "fair price" in terms of the "expenses in money and work" made by the producer and by the merchant to bring the respective good at the market. Commenting on these opinions, Schumpeter &Swedberg(1991)consider that it cannot be an objective element in the explanation of the price given by the scholars, but its subjective appreciation by the seller, who also takes into account the risk that this operation involves.

Unlike the ancient and medieval thinkers (scholastics) who spoke about the "fair price" and implicitly about "unfair price" or "fraudulent price" practiced by some

merchants, Petty &Keown(1993) distinguishes three types of prices: natural price (or value), political price (the expression in money of the first one) and the current market price (the change of the political price from one day to another). These three ideas formulated have built the basis for the theory of objective value, also named the theory of value based on work. It is important to note, for this period, Kant's point of view, who considers that it is valuable what pleases us and what can be useful, but labour does not appear as a factor of creating value (Suta-Selejan, 1994).

The industrial revolution of the late eighteenth century brings in the spotlight the theory of *work valueand of income distribution* by Smith and Ricardo, and the *theory of utility-valueand theincome distribution* promoted by Say. According to the *first theory*, the exchange value is not determined by the use value as in the case of Aristotle's theory, but as Petty, it is determined by the work done for the good to be produced. Smith's theory of value can be summarized by presenting three specific characteristics of the term value: the source, the size and the measure of value (Smith, 1962).Ricardo (2000) makes an important step in the theory of value, saying that the value of a good does not depend only on the work done directly in the production of goods (as Smith claims), but also on the work involved in the production of instruments, tools and buildings that help in achieving work. The *second theory* promoted by Sayrejects the theory of work-value. Say makes no distinction between value, natural price and market price because he considers that on the market there are three factor of value: work, capital and land. For Say, determining the price depends only on the game of supply and demand on the market (Suta-Selejan, 1994).

Within the*classical political economy*ofthe nineteenth century,Marxpresents the concept of the value ina different form,by focusing on theirsocial nature and their historical characteristic.

> *„For Marx, a good has both use value and value. The use value of a good consists of its physical and chemical properties under which the good can be useful to the human being... The value of a good does not have any physical or chemical basis and it is entirely the result of specific historical and social circumstances in which it is produced. The value reflects the social relationships which are specific to capitalism"* (Hunt, 1989).

In the *neoclassical political economy*of the late nineteenth century and the early twentieth century, the value is determined by usefulness of the last consumed unit from each good named marginal usefulness.
"*If the upper or lower blade of a scissor is the one that cuts a piece of paper, so we can discuss whether the usefulness or production cost determine the value of a product.*" (Marchall,1924).

The evolution of *social thinking* from the end of the twentieth century until the beginning of World War II has Keynes in the spotlight, whose theory of interest brings a plus of knowledge in the economic field. Keynes defines currency demand as being the "preference for liquidity" and interest as being the reward for giving

up to gathering money because the community consumes firstly in terms of income and after it consumes, it leaves a residue - the saving that can be invested or held as liquidity (Keynes, 1970). Another perspective is offered to us by Bowman and Tom. The authors, starting from Marx's theory of the work value, propose an integration which offers us the opportunity of competitive advantage theory in accordance with the theory of value (Bowman & Tom, 2009).

During the periodof *capitalism*, the postkeynesist model of price formation on the imperfect competition market consists of the production cost to which it is added a margin whose size varies in terms of several factors: the degree of monopolization, the normal or expected utilization rate of production capacity, the planned level of investments (Suta-Selejan, 1994). According to Friedman, prices have three roles in the process of organizing the economic activity: they transmit information; they are an incentive for adopting those methods of production that are the least expensive, which allows the usage of available resources to obtain products with the highest value; they determine how much each product receives - it is about the repartition of income (Friedman, 1953).

To summarize our discussion regarding economic aspect in determining value,we could say that this concept is far away to be exhaustive, to be understood and to be defined as to be accepted for everyone. This can be summarized as follows:

P1. The value, from the economic point of view, is an ongoing concept that depends on the economic thinking.

The concept of value from the managerial (managers') point of view

From the point of view of the *evaluation*, value represents the relation between a good owned as property and a person or the people who wish to own it. The result of an evaluation process is a type of value qualified as normal, reasonable, realistic. There are a few evaluation principles (Damodaran A, 1994): 1) as long as the evaluation models are quantitative, value is objective; 2) a well-documented and a well done evaluation lasts; 3) a good evaluation provides an accurate estimation of the value; 4) the more quantitative is the valuation model, the better is the value; 5) when the value resulted from an valuation is significantly different from the market price, the evaluators' role is to convince that the evaluation performed is better than the market price; 6) value is what matters; the evaluation process is not important.

To distinguish between the different types of subjective relations which may appear between people, evaluators have identified as the basis of any valuation - *the market value*. However, when relevant information on the market is rare or nonexistent, it is accepted as a basis for evaluation *the net replacement cost*. Therefore, the valuation bases used for assets in the IVS standards falls into two broad categories:

- ✓ *the market value* for non-specialized properties.
- ✓ *the net replacement cost* for specialized properties or with limited market.

In the international standards of valuation, along with the market values, there are a series of values considered as *different values from the market value*. These are numerous and they can be summarized as: use value, investment or subjective value, continuous operation value, insurance value, tax value, recovery value, forced sale or liquidation value, special value, merger value, etc.

In recent years the term value is more and more used in accounting and it does not limit itself only to the two meanings debated in the economic theory: exchange value or usefulness value. The term value, in accounting, may also have other meanings: replacement value, net realizable value, recoverable value, fair value, etc., depending on the nature of transaction and on the item that is desired to be evaluated; input, output, inventory, balance sheet value, depending on the moment when the evaluation is performed; individual value (the measurement of each element for recognition in accounting) or global value (determining the value of the economic entity) and the examples may continue. The fair value tends to be the most use measurement basis in accounting (Jianu, 2007; Manea, 2011).

In the practice of evaluation, the most important classification in establishing the value is the one that groups properties into four main categories: real estate, movables, financial assets, entities. International valuation standards (IVS) acknowledge that they are focused only on the valuation of the asset. In accounting, only the first three categories are subject to the valuation in accounting, the entity's evaluation being specific only to the evaluation field.If accounting talks about the notion of asset, in evaluation this notion is replaced with that of property. Propriety is a legal concept different from immovable or movable property which can be a tangible or intangible asset. However, in evaluation, the term property is used in correlation with a certain type of asset: real estate property, movable property, in order to distinguish between the asset itself, in its tangible or intangible form, on the one hand, and the notion of property which represents the act that confers all prerogatives, advantages and benefits of owning the good, on the other hand. Generally, in accounting, the distinction between assets is done in terms of the disclosure of items in financial statements, distinguishing between current assets and non-current assets. In the international evaluation standards, it is important the distinction between the operating assets that are necessary for the basic activity of the economic entity from the assets that are outside the exploitation.

Another aspect very important to be discuss is the difference between cost – value – price. The international standards of valuation try to carry out a clarification between these terms in the valuation of properties (IVSC, 2007):

- ✓ *Cost* represents the price paid by the buyer for goods or services, or the amount necessary to create or produce the good or the service by the producer.
- ✓ *Value* represents an estimation of the most probable price that will be paid for goods and services, at a certain point, in accordance with a specific definition of the value.
- ✓ *Price* is the term used for a required amount, offered or paid for a good or a service. However, the price represents, in general, an indication on the relative

value given to goods or services by a certain buyer, and/or seller, in certain situations.

There are differences between the notion of cost and that of value.The two notions are often misunderstood, the value being in general defined as a sum of costs. In its turn, cost may be considered as any regrouping of accounting expenditures which is pertinent to be performed, in order to take some decisions in the entity or to ensure the control of a part or of the whole organization (French general accounting plan, 1982). Yet the distinction between cost and value is given by hidden costs such as: excessive terms, defects, absenteeism. All these do not create value for the client, but they represent costs for the entity.

The general concept of *cost*is relatively recent; it appeared in the practice of industrial entities and in the accounting work of the nineteenth century as a result of the Industrial Revolution, even if it was used in a relatively limited way by a few entities in the eighteenth century. The Industrial Revolution is not the only reason that led to the generalization of this concept, the competition between companies significantly emphasizing its development.

Heyne (1991) considers that there are no objective costs; things have no costs; only actions can have costs. Costs are always costs for someone. Costs are evaluations. Cost can only be considered as the value of future chances of use, having a different value depending on each person. Let’s take as an example the moment when we want to purchase land. The land may have different uses for different people. For some people, the land may represent a good place for a villa, for others, the headquarters of a company or a possible sports ground and the examples may continue. The cost that we pay for the land will be determined by its alternative chances of use.

The characteristics for the notion of cost are: resource consumption, the link with achievements, and the evaluation in terms of money (Ristea et al., 2000).Resource consumption represents the consumption of production factors: raw materials and materials, labor, production means, received external services and other consumptions, taxes and fees owed to the state due to the normal activities of the entity. The entity’s achievements include the products obtained and the services provided, as cost bearers, for sale or for the internal consumption. Evaluation in monetary terms refers both to resource consumption and to entity’s achievements and it does not necessarily coincide with the date when the payment or cashing is done.

If the notion of cost is analyzed in terms of accounting, there are many classifications of them. From the relationship between financial accounting and management accounting point of view there are three major differences between the expenditures registered in the financial accounting and the expenditures incorporable in costs. These three major differences include: no incorporable expenditures, suppletiveexpenditures, calculated expenditures. The distinction between the notions of costs and expenditures may also be approached from other points of view: delimiting the expenditures which are not yet costs from those that

are no longer costs, or, reversing the relation, costs that are no longer expenditures from costs that are not yet expenditures (Ristea et al., 2000). Another distinction between expenditures and costs, observed in terms of the relation between financial accounting and management accounting, is analyzed through the evaluation type in monetary terms. Thus, in financial accounting, assetsare valuated at the historical cost, while in management accounting, assets are valuated at the replacement costs.

A cost is never perfect or absolute because it results from a modeling of the entity and from multiple conventions, such as the imputation of certain expenses. In determining the cost, the focus should not be placed on the accuracy of the calculation, but on its pertinence. A cost is pertinent if it corresponds to the users' needs and if it is determined in time and with a sufficient precision: a cost, even approximately but obtained at the right time will always be preferred to an exact and late cost.

The value results from an operation of valuation and it represents a conventional measure determined by the evaluator, being independent from the negotiating parties. Therefore, value is not a fact but an opinion, having a clear subjective character because it represents the evaluator's opinion in the specific conditions of the entity or of the evaluated propriety (Isvanescu et al, 1999). In fact, the value is given by the market, the customer being the one that sets the value, by the appreciation of the product. For a product that exists on the market there is always a value: the price of sale.

The *price* is the result of negotiation between seller and buyer, respectively the amount paid (received) to complete the transaction. It has an objective character, being a real fact, verifiable, and an exact figure.
The difference between price and value is the difference between essence and appearance. To know the value of an asset is essential in knowing the price that should be paid for a specific asset. A basic postulate in evaluation is that a person will never pay for an asset more than it values. Though, there are a few people who state that any price may be justified if there are people willing to pay that price. We may agree with this statement, however by expressing our point of view, we can say that in extreme situations, when a person is constrained to pay a certain price for a good, it does not necessary mean that the price reflects the value of the good. Thus we can say that value is different from the price of the good in these cases.

The difference between price and value is determined by the seller’s and by the buyer's motivations, by the relation of the forces on the market, as well as by some subjective opinions. Price is a strategic variable of the entity which reflects the product's usefulness perceived by the client. The decision to purchase does not depend only on the features of the product, the client always evaluating the relation quality/price, however other factors may also be taken into account. Perceptions may be all that matters when the asset is a painting or a sculpture, but the investors do not purchase, or better said should not purchase, most of the assets from aesthetic or emotional reasons. The perceptions of value in the case of investors must be anchored to reality, in the sense that the price paid for an asset should reflect the cash flows that the asset is expected to normally generate.

If we refer to the relation between price and cost, the following questions arise: does the cost influence the price or does the price influence the cost? The price is firstly determined by the demand and not by the cost. However, the demand is determined by the cost. The demand is the concept that links the quantities which are purchased to the sacrifices that should be made to obtain these quantities. A raise of the price represents for the buyer expenditure, while for the supplier an income. However, there are costs that represent expenditures for the buyer, but they do not represent revenues for the seller, for example the cost of staying in queue (Heyne, 1991). Meanwhile, in the relation cost- price, the market on which the entity acts or the type of product must be taken into account. When the demand on the market is high and the offer is limited, then the entity can establish its price starting from the cost to which a profit margin is added. The same thing happens also in case of specialized goods which can be produced only by certain entities. But the things are different in the case of already existing prices on the market. It is certainly inconvenient, in this situation, that the entity should establish another price that might not be confirmed on the market. In this case, the entity will have to manage very well its prices. In this case the profit margin is obtained by the difference between the fixed price by the market and the flexible production costs.

In the activities that we undertake, we are guided by the desire to achieve a goal and by the necessity to complete that task. The human action, before it happens, is preceded by a projection of mind, by a trajectory of representation of the algorithms that will become operational, will fix benchmarks, will try to eliminate contradictions and obstacles in order to succeed. Not infrequently, when one has to present the chosen option, will say: "My intention is..." Thus, the intention is the one which becomes a message carrier of the mental processes that have "ingested" the human subject's intention to do or not to do something.

There are many cases in accounting when the intention is the one that determines the way in which items are valued, recognized or disclosed in the financial statements, for example: the classification of fixed
assets in the balance sheet in the category of tangible assets (if the intention of the entity is to use the assets for production, services or for administrative purposes), investment property (if the intention of
the entity is to rent assets or to hold them in order to increase their value) or noncurrent assets held for sale (if the entity intends to dispose of the assets in the future); the classification of financial assets as available for sale or valued at fair value through profit and loss account depending on the intention of the entity to recover the value of financial assets on a short-term by selling or on a long term by periodic collection of dividends; establishing the duration of using the tangible or intangible assets according to the intention of the entity on the use of the asset; selecting stock valuation methods at output by FIFO, LIFO or WAC method according to the intention of the entity regarding the order of stock exit from the entity; presenting liabilities in the balance sheet as current or non-current depending on the intention of the entity on the maturity of liabilities settlement; the calculation of the present value used to determine the recoverable value depending on the intention of the entity to use the asset. Since the acquisition of an asset we

ask ourselves: At which value do we recognize that item in accounting? Should it be the price on the invoice or should we add to it the incidental expenses (and this discussion may continue for the purpose of identifying those incidental expenses that are justified to be included in the acquisition cost)? The accounting regulators have not stood still and they regulated in many cases and for most items the way of determining the input value, but these regulations do not eliminate the subjectivity in establishing input values because it is based on the professional reasoning which, why not admitting, is subjective. If the input value, which is the most objective, has a certain amount of subjectivity, what shall we say about the other bases of measurement such as the realisable value, the fair value and the present value which are
determined only in terms of estimates? The answer: we will build an accounting theory of the evaluation in order to give them the status of objectivity. The foundation of the new accounting theory (which we call the theory of intention) is based on two major objectives:
1. The maintenance of physical capital
2. The disclosure of assets on the balance sheet at the value ofintention

The value of intention represents the sum of the benefits expected to be obtained by the entity for the held assets.

To summarize, this redefinition underpins the entity principle, which allows the economic entity to determine the economic value of the assets it holds. By distinguishing the intention value from the other values which operate in the accounting field, we can formulate this proposition:

P2. The more attention that is paid to economic entity, the more objective value (for that business) will be realized.

The concept of value from the social point of view

Another issue which is important to be discussed is the link between the concept of value from the economic point of view and the concept of value from the social point of view. Even if this approach has existed since ancient times (see Plato's point of view in Middle Ages), it becomes even more striking in current economics, by promoting the social as a creator factor of value. It is time to leave the fertile land of economics and management to try to approach the kind by addressing the social point of view.

"The human being is a social animal" (Guiren, 2006).

The concept of value represents the centre of its socialization process. A human being acts in accordance with his own system of values, a system which, on the one hand, is influenced by society, and on the other hand, influences society. From a cognitive perspective, the human mind is not a passive receptor but an active processor which selects useful information from a variety of information. This selection process is generally dominated by the concept of value.

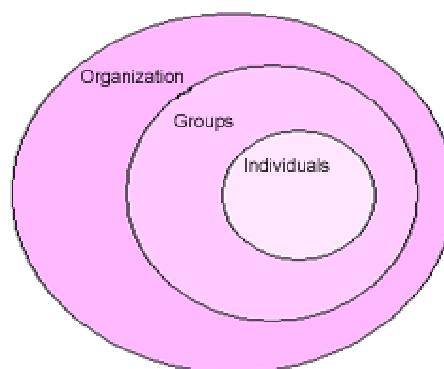
> *"Value is something that transcends my personal preferences, something ideal and objective, which I cannot control"* (Education and Sociology).

Values express something more than personal interest, preferences and usefulness. A nation, or more general a community, has other interests than the individual ones, such as maintaining natural resources and creating institutions for everybody's well. Thus, new concepts of value appear available for communities or nations in general, such as: the value of contracts, of justice, of equity. According to Durkheim, value is an immaterial product in the mind of the community.

The socio-economic environment is governed by social responsibility issues (Jianu, 2012). In the classical economic vision and in a great part of the neoclassical vision, the maximum satisfaction of desires, especially the consumers' desires, remains the great criterion of judgement, the standard of value. Usefulness, ability or the capacity of goods and services of satisfying human desires, was and continues to be the reference for value. But, value has also a social dimension, it is the driving force that generates economic health, it is about and towards light.

The concept of value shows half of the general view of the world, the other half is the concept of truth. From the point of view of "what is seen", the concept of value seeks the nature, the history and the human life, while the person is analysed. The human being is the subject of value (Kordela, 2006). Starting from this aspect, Flamholtz (2005) presents a typology of the human capital, presented in the figure below which consists of three types of values: the economic value *of individuals* measured by each individual's contribution to the organization; the economic value *of the team or group* represented by the sum of individual economic values, to which it is added the immaterial value of the positive or negative synergies of the group; the economic value *of the organization* influenced by the culture of management.

Figure 1. The chain of the human capital value



However, the concept of value can be nationally extended too. Thus, the model of public value developed in the "Kennedy School of Government" by Mark Moore and his colleagues, argues that the aim of managers in the public sector is to maximize the value of the public in the same manner as the managers of private

entity follow the maximization of the business partners' wealth (Bunting, 2008). Also on this line, it is worth mentioning the concept of the best value, invented by the British government, which aims to improve services, the process for achieving this goal includes three stages (Liddle, 1999)**:** the widening of the analyses and comparisons; the diagnostic activity by identifying services which need to be improved; the elaboration of the improvement plan by prioritization and allocation of resources for improving services. The implementation of this process involves making the 4 "C"s: Challenge; Compare; Consult; Compete. As it is show in the figure 1, the value is a flower that grows on a large field of deeds together with other plants in its family.

Our discussion regarding social area in determining value could be summarized by the fact that the economic entity has to pay their full attention to all social aspects in the networkcontext. Consequently, if the entity chooses not to focus its attention on the market (the most important part of the entity network), one can expect that the potential of objectivity is not fully realized. This can be summarized as follows:

P3. The more attention that is paid to the market relations, the more the potential objectivityof the value will be realized.

3 Conclusion

Much research on value concept has been based on analyzing this concept using static approaches.
The purpose of this article has not been to develop agrand theory covering all aspects of the value concept. Instead, our aim has been to identify and discuss elements of value that have been overlooked in previous research. By incorporating economic and managerial literature with evolutionary ideas (from the social perspective), the paper offers new insights into how and why performed valuations differ between the economic and managerial environment. Also our propositions predict likely consequences of these differences in terms of changes in valuation process. This studyhighlights the differences between points of view of ancient and modern time regarding the value concept. The propositions presented in the present article provide more detailed accounts of the environmental influence on the evaluation process (process through we obtain the value of the financial statements' elements). Another key contribution of this paper is the redefinition of the concepts of value. In contrast to the definitions of fair value and current value, where it is unclear whether the subjectivity was eliminated, our re-definition underpins the objectivity of the value of intention. We have also argued that the degree of objectivity of this value is influenced by the economic entity principle. Thus, the value of intention and the economic entity principle can help explain the real economic performance, and consequently the continuity of business. These findings elicit some managerial implications. This paper has highlighted some aspects of value that accountants can take into consideration in evaluation process. A limitation of this article is, of course, that it lacks primary data in terms of empirical evidence. Thus, we encourage other researchers to empirically test the validity of our propositions.

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