

An important element in preventing counterfeiting is a well-organized and consistent notification of people about indications proving the authenticity of treasure notes and other means of payment of the National Banks.

The major task is introducing to the population the ways of bank notes' protection used by the National Bank of the Republic of Belarus.

Based on the knowledge about the ways of bank note identification we can prevent any problem with violation of Belarusian law and getting counterfeits into the money circulation and thereby avoid the possibility of economic damage.

At various times the threat for the money circulation by counterfeiting may be different. Periodically, mass media report the facts of counterfeits, which are allegedly absolutely no different from the originals. So, it requires immediate response from the issuer country bank. However, on thorough examination of "unprecedented" forgeries it turns out that the quality of forgeries is far from that of genuine banknotes, and to recognize them you only have to remember the signs of the banknote identification.

It is hard to exaggerate the economic damage caused by circulation of forged banknotes. Therefore, if you are informed and "forearmed" in this matter, you can maintain the integrity of Belarusian economic system.

***А.Н. Бичун, Ю.А. Лепешкевич***

**УО БГЭУ (МИНСК)**

#### **OFFICIAL VS. PERSONAL INFLATION RATE**

Inflation is one of the most important indicators in national and world economy and since recently the burning issue for each Belarusian. According to the data of National Statistics Committee on the 20th of September in comparison with the beginning of the year consumer price index rose by 69, 7%. So in our research we considered the reasons for difference between the official statistics and our personal estimation of inflation.

Inflation is commonly measured with the help of a price index. A price index is a statistical device to measure the average change in prices. Economists use many

different price indices. The consumer price index (CPI) is the most popular index for tracking inflation; it is based on the urban consumers' fixed basket of goods and services. The CPI is calculated through Laspeyres index. It measures price changes between a base period and a subsequent period. The disadvantage of this index is that the CPI can be overstated if, e.g. the goods produced in the previous year are replaced by imported, more expensive ones in the current year. Due to the shortcomings of this method the rate of the index and our estimation of inflation differ.

As it has been already mentioned, the CPI is based on the urban consumers' fixed basket of goods and services, the so-called consumer basket. Goods and services that are not in the consumer basket are not taken into account while calculating the CPI. There are world-wide standards in selection various goods and services for consumer basket, approved by the IMF, but every country contributes its own adjustments to this index. Adjustments can be determined and influenced not only by country's level of economic development, but climate, territory, even customs and culture. For example in France vine is included in the consumer basket, while in Germany – beer.

The pattern of consumer basket for an average citizen ranges from nearly 200 to more than 1000 items. In Belarus consumer basket includes 425 goods and services.

In reality every person has own consumer basket, which differs from the average one. Consequently everyone has their own inflation rate. This phenomenon is called personal inflation.

For people of low-income staple goods are dominant in expenditure pattern, but as income rises, the quantity of luxury items and services increases too. As a result, the higher income, the bigger share of luxury goods and services in expenditure pattern. This tendency is clearly reflected in Engel's law. But prices for staples usually change quicker than prices for luxury items. Consequently, the inflation rate seems to be higher than official assessment for people of low-income and lower to well-off people.

Nevertheless, in Belarus this tendency is opposite, because in our country consumer basket generally includes staple goods, prices for which controlled by the government. As a result, inflation rate based on such a consumer basket will be lower than the average rate. And if consumer basket consists of luxury items or imported goods, the inflation rate will seem too high. Thus, in Belarus for first 4 months of this year inflation rate for the “poor” is 10%, and for the “rich” is 13.6%.

Inequity between the official inflation data and our personal evaluation is determined by: disadvantages of Laspeyres method of calculation, specific features of different countries, and personal level of income.

All the factors mentioned above make it difficult to calculate inflation and thus complicate predicting of future economic tendencies.

*А.Н. Бичун, Ю.А. Лепешкевич*

УО БГЭУ (МИНСК)

#### PECULIARITIES OF HOSTILE MERGERS AND TAKEOVERS

The topic is considered highly vital, because today Belarus keeps trying to become a part of international economy and in particular to develop international specialization. One of the ways to become more involved in international economy is participation in the processes of M&As. That’s why it is essential to examine foreign experience in this area.

Mergers and acquisitions. These two words represent how companies buy, sell and recombine businesses. They're also the reason why today's corporate landscape is a maze of conglomerations. Insurance companies own breakfast cereal makers and movie studios own airlines, all because of mergers and acquisitions. Not all M&As are peaceful, however. Sometimes, a company can take over another one against its will – a hostile takeover.

Several types of hostile takeovers are marked out: “white takeover” – acquisition against the will of the owner, but in compliance with the law. “Grey takeover” – acquisition of a company, using fraudulent schemes. “Black takeover” – acquisition through falsification of data, bribery, physical violence.