

**The Comparison between the Studies of Corsani and Oberparleiter
On the Subject of Risks and Functions within the Company**

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Abstract

The paper stems from the intent to deepen the contributions that two great scholars have given to two very important themes of business economics: the theme of business risks and that of business functions. In this paper, after highlighting the contributions of the two scholars on the issues covered by this paper, we will compare their studies highlighting the differences.

Keywords: Corsani, Oberparleiter, risks, functions

1. The concept of the theory of functions and the theory of risks in Corsani

Gaetano Corsani in an era not different from that of the major work of his Austrian colleague and friend, the Oberparleiter, and distancing himself from the bestana terminology and other accountancy writers, introduced his own theory of economic-business functions understood as tasks undertaken by operators, which are such as to fully explain the emergence and affirmation of the various business orders on the market. In this way, he only apparently departs from Besta's thought, as he accepts its fundamental essence and tends, if anything, to concentrate it in the field of mercantile and industrial activities to which he particularly refers. The functions, in these terms, would justify the existence, the *raison d'être* of the various business categories. The first major chapter of Corsani's systematics can be recognized in the theory of functions, of which an important reference work in this sense is considered The determinations of economic convenience in merchant and manufacturing enterprises. The economic-technical foundation of the management routes, from 1930. The subsequent edition of 1939, which was published with the title: the management of merchant and industrial enterprises, is also significant for the purpose of reconstructing the functional setting. The economic-technical elements of the determinations of convenience. The study of the fundamental functions of business management, together with that of risks, represents for the Author an essential step in identifying management uniformity. According to Corsani, in fact, since the study of the Technique must substantially focus on the search for the uniformity of the management criteria adopted by the various companies operating on the market, these regularities should be verified, at least in a first phase, within the homogeneous classes of companies that he identifies. specifically in merchant and manufacturing enterprises. These activities, in fact, appear to the Scholar to be highly assimilable and the similarities that he finds are properly attributable to the functions performed and the risks assumed. From this point of view, the theory of functions, together with that of risks, "makes it

possible to identify a certain number of uniform conditions in commercial and industrial activity on which a general study of the managerial characteristics of companies operating in these sectors ". At first, with reference to manufacturing and mercantile activities, he distinguished the fundamental, specific functions into two large groups: productive functions in the strict sense and functions of adaptation. Within the productive functions in the strict sense he distinguished: the functions of original production and that of transformative production, on the other hand, within the functions of adaptation he distinguished: those of temporal, spatial, quantitative and qualitative origin of the production itself to the needs of demand , in order to understand later on the same level of the aforementioned production functions, also the credit function and that of assuming the risks transferred from other economies and to extend the adaptation tasks, in the four orders mentioned, to all the productive functions mentioned above. Having indicated the role of the theory of functions in the systematic setting of the Scholar, it appears useful to define the key points, starting from the illustration of the meaning assumed by the concept of economic-business function. The Author began his study of functions starting from the concept of productive function in the strict sense. Production and merchant companies take on specific functions in the economic field: for completion they carry out a series of operations of a varied nature (related to the use of numerous technical factors), from which particular burdens and risks arise. Other subsidiary or complementary functions often take place together with the specific ones, and are so closely linked to the former that they do not have an autonomous structure in business management. The aforementioned term is adopted here in a different meaning from that attributed to it by Besta in his treatise on Accounting and by other contemporary authors, who designated the individual acts of provision and use of plants, goods or raw materials, materials, hand of work and financial means, the individual placement deeds, and the particular moments of these deeds. Second, the concept accepted by Corsani, the soil cultivation, forestry, breeding, hunting, fishing, and mining companies - called original production companies - performed a fundamental function, which could be called productive in the strict sense. , aimed at obtaining certain natural products. In manufacturing companies, on the other hand, the productive function in the strict sense, concerned the transformation of the aforementioned raw materials, or the use of the same as instrumental products in numerous branches of activity, i.e. as finished tools or ancillary materials or consumables or as intermediate products for subsequent processing, when all the phases relating to obtaining a given product do not develop within the same company. Alongside the economic-business (or economic-technical) functions, Corsani then identifies the functions of a complementary nature with respect to the former and therefore, unlike these, such as not to define an autonomous structure in the context of business management. In fact, in close connection with the production operations, the other operations were placed which had the purpose of preparing the materials, materials or semi-finished products that had been purchased for the purposes pursued, or of making the products obtained suitable for sale. The operations considered were various, sometimes involving the separation of the extraneous parts possibly contained in the masses coming from the production, from those usable for the use for which the production itself is intended. Other times these processes brought about some modification to the original physical or chemical state of the products, leaving their mass intact. The fundamental functions that Corsani attributes to both commercial and industrial activities, thus recognizing an

analogy between the two business orders, correspond to the functions that he defined with a generic term: adaptation functions. These functions were defined by the Scholar with this denomination because their task was to tend to adapt the conditions relating to or the composition of the lots of natural products or manufactured goods, or their role was to adopt the conditions relating to the place or time. of their obtainment, under the conditions which, in one or the other aspect, inform the direct or instrumental needs to which the products are destined and in any case, differ from the production ones. He also pointed out that the adaptation functions had the purpose of adapting, in the most appropriate way, the conditions in which a given product was obtained according to the satisfaction of the recipients. These functions could be distinguished by paying attention to the particular qualitative, quantitative, time and place elements which, from case to case, were found to be discordant. Therefore, these functions essentially had as their object the concentration, distribution, selection, transfer over time or from place to place of natural products or manufactured goods. Corsani, explained that the adaptation in its various aspects could be undertaken by the producers, or by the recipients of the objects that the first offered on the market, or by the merchant operators who interpose themselves between the producers and recipients, or by consortium bodies established among the aforementioned producers or recipients. He distinguished quantitative from qualitative adaptation functions. The quantitative adaptation functions concerned all company activities: the concentration, distribution and selection of goods. While, the qualitative adaptation functions concerned, instead, the quality of the products placed on the market by the company. The function of temporal adaptation or transfer over time, on the other hand, was carried out, in merchant enterprises, through the creation of stocks and the consequent accumulation of goods over time; in industrial companies, this function is developed for the entire duration of the production cycle, from the purchase of raw materials to the sale of finished products. The adaptation over time finds its reason for being in the disharmony between the seasonality of certain productions and the gradualness of their placement, between the concentration over time of the transformation of raw materials and the temporal expansion of sales and, in full, between distributed production over time and its seasonal placement. Corsani, pointed out that the transfer function over time implied, in the first place, the careful investigation of future market situations, in order to determine the most propitious periods of documentation and placement, and this is the field in which it is most evident the acuity of the operator. A further function that characterizes both commercial and industrial activity is the function of spatial adaptation or transfer in space. In merchant companies, this function represented a consequence of the need to make the consignments of goods economically placeable on markets different from each other and with respect to the places of origin. In industrial companies, this function depended on the methods of procurement of materials and the sale of products that normally took place on different markets, often located at a distance from the factory. These exchanges took place between one or the other area of a given country or between different countries, and their intensity, other things being equal, was related to the degree of concentration of production and the extent of outlets. which the production itself was intended for. Corsani, however, noted that the transfer of the lots could lead to a significant increase in supply on certain markets and more lively competition; in particular, certain seasonal products, collected in different locations, could have a continuous

negotiation in certain centers, when the harvest time varied according to the place of origin. Therefore, he pointed out that the transfer of the lots from place to place was made possible by the existence of appropriate means of communication and transport and by an insufficient degree of preservation of the same lots. The function in question was therefore promoted by the development and improvement of the means of communication and transport and related services, as well as by the rationality of the tariff discrimination of carriers and by the concessions that they were gradually willing to allow. The means of communication and transport involved burdens and risks, the more sensitive was their influence inherent in the transfers on the development of negotiations, the more they weighed on the total cost of the consignments. In this regard, the Author underlines that the transfer of goods from place to place should not be confused with the mere physical transfer of the goods, but how it implies, especially for goods not of primary necessity, the research activity of the consumer who in turn it requires a lively stimulating action on demand. Already these first considerations show how companies usually considered different, such as industrial and mercantile ones, are characterized, in the Corsani meaning, by analogous negotiation structures in relation to actions inherent to the "supply", that is to the procurement operations, and to the "placement", or the sales process. The thesis relating to the management homogeneity between the two business orders finds completion in the physical transformation function, typical of industrial activity. The Scholar observes that also in the context of merchant enterprises it is possible to find manipulation and transformation operations of goods, packaging and packaging, which, although not having the same consistency and importance of the industrial production process, would show an equal tendency of qualitative-quantitative adaptation of production to demand. Some important implications for the role and interactions between industrial and commercial techniques derive from the acknowledgment of the sharing of the same managerial characteristics by merchant and industrial enterprises. The commercial technique, in particular, analyzing the management ways with which the business conditions are adapted to those of the market, would operate not only in the context of merchant companies, as was a fairly widespread belief, but also in that of industrial companies, this adaptation function being verifiable in both business orders. The study of the fundamental functions of companies also leads the Author to the analytical consideration of the various operators or bodies that can more appropriately fulfill these functions or facilitate their performance. With a view to economic-technical convenience and effective subdivision of work, he thus comes to anticipate, albeit with greater depth in subsequent writings, the current issues of relations between companies, in the aspects of productive decentralization, specialization, services auxiliaries, vertical integration, consortia between companies and industry-distribution relations. Alongside the functions just illustrated, which in merchant and industrial enterprises appear to be fundamental, autonomous (despite the correlation between the factors from which they originate) and universal (insofar as they cannot be suppressed in any political-economic system), Corsani places functions of a subsidiary or complementary nature, often carried out jointly with the former and also common to both types of companies. These are the financial function, with which companies obtain capital or invest any liquid assets, and the function of market research and the creation and development of demand, with the express purpose of increasing the volume of business. With reference to the financial function, the

Author focuses in particular on the origin and intensity of financial assets that merchant and industrial operators undergo for the exercise of fundamental functions, as well as on the use of merchant, banking and securities credit. In this regard, he pointed out that all acts of provision - purchases of goods, semi-finished products, machinery and so on - both in merchant and production enterprises required the use of liquid capital, to varying degrees according to the circumstances in which carried out the funding and placement operations, so much so that these acts took on the physiognomy of financial investments more or less protracted - taken this item in a broad sense - which lasts until, following the placement, the funds reappear in the company: consequently the volume of operations that the company can achieve with the use of its liquid assets, the more it contracts, the more accentuated is the degree of this immobilization. But, the liquidity necessary for the orderly and effective performance of the economic and business functions may come from the company's assets or from external credit sources. To feed the operations of certain sectors of its activity, the company can make use of funds that originate from other sectors: thus, for example, some industrial companies that also carry out work on behalf of third parties, have the opportunity to finance with the funds deriving from those operations, own purchases of raw materials. The main external source of liquidity was found in the recourse to bank credit, which assumed and still takes on different forms, according to the type of production to which it is used, so that, on the one hand, the beneficiaries can derive the maximum benefit from the concessions themselves, and, on the other hand, the risk inherent in the future consideration is attenuated for the bank. The other type of credit was the commercial one, it was clearly distinguished from the other branches of production credit, as it provided to fill the needs for monetary capital in merchant and industrial companies during the normal course of management. Companies benefited from this form of credit, even when they had sufficient liquidity both to carry out normal management operations and to progressively increase the volume of business, and this due to the shortcomings of funds due to transitory mismatches between financial income and expenses. Instead, to meet the liquidity needs that arose in the period of the establishment or transformation or expansion of the extensive development of the companies, they resorted to movable credit, which was closely linked to that of the manufacturing industry. Previously, we saw that each function develops into a series of operations of a varied nature, which have as their object the production - original or manufacturing - or the adaptation, under different aspects, of the products: no other grouping of business operations originates from functions that have an autonomous nature in management. So much so that any internal or external relationship had to be considered inseparable from those of production or adaptation. In this regard, it is noted that certain functions are performed by the exercise of individuals, others regarding the overall corporate structure. The operations relating to market research and the increase or creation of demand are precisely of this nature: operations that are carried out by individual companies or economic complexes of various fields or by public bodies - and in particular the State - in the interest of certain productive or mercantile activities that take place in the territory of their jurisdiction. However, it should be pointed out that the increase or the creation of demand were and still are promoted today with various means of advertising and with the adoption of particular procedures, which aim to make it easier for buyers to conclude purchases, and to offer them the contractual conditions best suited for the

purposes of the supply. In view of the circumstances mentioned above, Oberparleiter believed that commercial enterprises, in addition to the known specific functions, carried out a function tending to drive their activity, and that a clear distinction should be made between purchases and sales in relation to the hoarding of buyers. Corsani, on the other hand, believed that the acts relating to the impulse of business could not be separated from those inherent to the fundamental functions in which the management was carried out. In addition, he pointed out that the impulse action could exert a significant influence on the management trend and the intensity of the fundamental functions of the company. The author made the same relief for the so-called political-social function, which was resolved in the work carried out by companies, tending to provide well-being to their employees, the general administrative function, which coordinated the various company activities, and that of accounting and statistics. Regarding the market research function and the creation and development of demand, the Scholar specified that the basis of these functions was the formulation of sales and purchase programs and the factors that acted on the volume of sales. The difficulties that a company encountered in forecasting the future volume of sales could depend on the variable market absorption for the products it placed over various times, and on the ignorance of the management plans of client companies and competitors. The difficulties inherent in the formulation of programs relating to funding operations are largely connected to these. In addition, the Author clarified that reliable forecasts for both sales and purchases only took place if companies could count on the stability of outlets and supplies, respectively, and these purposes were frequently the subject of company negotiations. To this he added that a cause of disturbance in the normal rhythm of orders was to be found in all those elements that could make buyers believe an imminent drop in prices, and therefore induce them to postpone the implementation of the supply. The same initiatives of the merchant operators of certain branches were also informed about changes in the prices of raw materials used by other industries, due to their connections with the prices of materials or manufactured goods in which those operators are directly interested. But sometimes, the Scholar specified, rather than well-founded investigations on future market movements, they were inconsistent forecasts, caused, perhaps by the dissemination of sensational news, which highlighted an overabundant accumulation of stocks or large purchase commitments. of raw material, or announced a collapse in prices. And this is why in the event of a significant gap between the economic-technical costs and the prices offered by merchant operators, industrialists, instead of placing on orders, could find it more convenient to produce to build up stocks, pending an improvement in the situation. From the foregoing - with regard to the financial function - it emerges that in the management of production and mercantile companies a series of acts inherent to the financial function develop, which are inseparable from those concerning the production function or that of adaptation. Other operations of a financial nature are intended to provide for the use of liquid capital temporarily exceeding the needs, in sectors that go beyond those typical of the company. This complex of financial acts does not therefore constitute a function in itself, at least if we want to give this term an unambiguous meaning. Corsani finished his work on company functions, putting in place the ways in which companies adapt the internal conditions of the company itself to market events. First of all, it clarifies that in production companies and merchant companies, the time in which the deeds of funding are

concluded may be different from that of the placement, and this circumstance has an evident influence on the risk situation in which the companies come to be in relation to market events. Purchasing operations of goods and correlative sales operations in merchant companies are sometimes concluded on the basis of opposing and simultaneous firm commitments undertaken by the correspondents with whom, respectively, these companies have a relationship. This criterion, Corsani reiterated, could not possibly have a wide application, both due to the different extent of the negotiations of one and the other order and to the intent of the operators to seize the most favorable opportunities that gradually arise for the supply and the sale. He also pointed out that if operators had limited themselves to concluding purchases and sales simultaneously, they would have narrowed their field of action, and at the same time would have aggravated the impact on the economic-technical cost of constant charges. The scholar pointed out that the application of this criterion could be precluded by the structure and functioning of the markets, so much so that operators would not be allowed to adequately perform their typical functions. He added, since the purchases were to be made in an epoch preceding the presumed sale, or the sales made short, with the intention of wanting to cover them conveniently in the period running between their conclusion and the agreed time for delivery to buyers. In light of the above, Corsani noted that the risk was very high in such cases, and the risk inherent in the uncertain duration and intensity of market movements presented noteworthy aspects in the companies that incurred certain groups of constant charges, in anticipation of a given volume of transactions, over which they had to be distributed, this risk was all the more serious the greater was the sum of these charges. He also noted that, within certain cycles, which made up the period of use of the investments made, it could happen that the latter were only partially used, thus increasing the incidence rates and therefore the risk and at the same time, were evident the repercussions on the economic and financial situation of the company. Then, he pointed out that the existing company organization and the environmental conditions could also allow operators who usually carried out operations on their own to extend their activity to certain processes on behalf of third parties, or to change the qualitative composition of production, or to place on new markets with greater absorption capacity. However, to ensure a prompt response to the market, the companies had to be flexible, in fact, if they had been rigid they could not react promptly to the evolution of the market, as having high technical fixed assets it was difficult to adapt quickly to the evolving market. Instead, this problem was not found in the elastic company, in fact, these were characterized by limited technical fixed assets and therefore also by slight charges of a constant nature. In this context, companies had a strong aptitude to adapt to market contingencies. Therefore, if this elasticity was accentuated, the companies - without suffering significant losses - had the opportunity to suspend or slow down their activity at certain moments and resume it later. The scholar then pointed out that when the increase in demand was not judged to be lasting, then companies preferred to resort to third parties to achieve the production required by the market, in this way they were able to respond to market demand without generating fixed assets that they could subsequently compromise corporate stability. The performance of the functions illustrated, in fact, implies the completion of a series of operations of various kinds from which the economic-technical revenues and certain groups of expenses, charges and risks that contribute to the formation of the economic-technical costs arise. The predetermination of

the individual cost and revenue components of particular groupings of corporate "funding" and "placement" operations, groupings that Corsani defines as business coordination that can be implemented according to different economic-technical combinations, appears useful, according to the Author, to completion of those preventive investigations of economic-technical convenience instrumental to the selection of the most appropriate management criteria for the purpose of achieving a position of maximum economic performance, within the limits of the business and environmental conditions. In this context, Corsani touches upon different problems such as the attribution of value to cost elements and revenues, the breakdown of common expenses and the relationship between costs and production volumes. With respect to the cost-volume relationship, he clarifies the concepts of constant costs, sustained "on a constant basis, even though fluctuating the volume of business within more or less wide limits ", of average costs, relating to a volume of business corresponding to "the ordinary efficiency of the company", additional costs, relating to an increase or decrease in the volume of operations, taking into account any economies and diseconomies deriving from the new situation, and actual costs , deriving from the adjustment of the average costs with the additional ones The Author is keen to underline how these investigations, considering the connections between the economic results of different coordinations, should be extended to "complexes of joint coordination" and also entail "the risk of not achieve the desired results ". He reiterated that the convenience to operate, according to this or that criterion, could not be deduced from the sole consideration of the gap that emerges from the comparison between economic-technical costs and revenues relating to specific coordination. Only by abstraction, in fact, can those organic groupings of company deeds be studied for themselves in the uninterrupted life of the company, due to the multiple connections that manifest themselves between the economic results attributable to different coordinations variously intertwined, so that often insuperable difficulties arise in isolation. of the respective costs and respective revenues. Since therefore the hypothesis of coordinations considered in isolation in their respective economic results can be said to be unreal, the investigations of convenience that our operators carry out in relation to decisive intentions to be achieved, usually have as their object multiple joint coordinations in time and space in order to assume the overall results, and tend to point out the frequent interdependencies between cost entities and sales price measures ». The connections in time and space, of which Corsani speaks, embraced all the elements of convenience, hence also the risk of various kinds. The same preliminary investigation into the composition and measurement of economic-technical costs and revenues in the elements mentioned so far is supplemented by the assessment of the risk inherent in this or that combination. This last aspect recalls another important chapter of Corsani's systematics, that is the treatment of risk, on which the same determinations of convenience appear to be based.

2. The Oberparleiter's thinking on the theory of risks and functions

In order to fully understand the importance of Corsani's contributions to the theory of functions and the theory of risk, I thought it appropriate to highlight the thinking of Oberparleiter , another scholar who dealt with the same issues in the same time span as the Italian scholar. Precisely, following this intention, I re-examined Oberparleiter's major work, Funktionen und Risiken des

Warenhandels, which appeared in 1930 and some of his writings. The merit of the Viennese School, headed by Oberparleiter, was to build the theory of functions starting from an economic-social position of commerce. Bouffier, a disciple of Oberparleiter, reiterated in his writings that the whole economy was presented as the overcoming of differences, as an easing of tensions between the needs of men and their satisfaction. Providing for the satisfaction of these tensions or contributing to them is the responsibility of the company and this was its function. This theory, therefore, dealt with the various aspects of overcoming the differences between production and consumption but only involved trade, which appears isolated from that phenomenon on which it highly depends and which consists of original and industrial production. The Oberparleiter, at the head of the Viennese school, published in 1918 his first work entitled *Funktionen des Handels* (function of commerce), trying to distinguish the economic tasks of companies from those that are not: this first job was the result not only of his first investigations as a scholar, but also of direct experiences made in dependence on various positions held until then. In 1930 the author published his well-known volume *Funktionen und Risiken des Warenhandels* (Functions and risks of commerce) whose title, compared with the previous one, highlights the insertion of the phenomenon of risk into the system of functions from which it is generated. Although the phenomena of production and trade have been known for some time to both the general economy and the business economy, the functions that the mercantile activity was going to perform had not yet been analyzed. Precisely to these functions, the Oberparleiter dedicates the first part of the work, considering them of such importance as to consider them as the crossing point, the bridge, between the general economy and the individual economy. The functions that justify the exchange, and therefore the trade, are resolved for the Author in the approach of production to consumption in order to satisfy needs in the best possible way; approach considered, of course, from the technical-economic aspect and not simply from the physical aspect. The Author does not neglect the legal implications of the phenomenon itself. In this regard, he notes that the contracts relating to the acts of exchange are only "legal means" of economic rapprochement; and then clearly distinguishing the technical-economic point of view from the legal one of the negotiations, he underlines an essential point of company investigations, namely that the transfer of ownership of the goods is not necessarily linked to the economic function of bringing production closer to consumption and certainly does not contribute to reveal the intention, cause or effect of the transfer itself. The author, in the course of his studies, identified six kinds of commercial functions: in space, in time, in quantity, quality, credit, impulse to sell. Before talking about the scholar's thinking on the issue of risk, I considered it important to highlight his thinking on the management-organization relationships that arise for the realization of these functions. The company organization, you can guess, reading Oberparleiter's work, depends on the conditions of implementation of the sales functions. It follows that not only the problems of management but also those relating to company organization enter into the sphere of economic technique; this is therefore an aspect of management, that is, its way of being. Furthermore, the Author refers for each type of production, to the kind of costs incurred to carry it out, making the examination of the costs of the functions implemented discern; in this way it is implicitly maintained that any organizational problem as well as any question in terms of cost and revenues, cannot ignore the study of the

functions from which they originate. Interesting and original is Oberparleiter's thinking on risk, on the factors that determine it and on the company policy that it drives. The investigations carried out by the Scholar on the risk connected to the conduct of commercial activity, and the particularly widespread treatment of the phenomenon, did not move from the intention of depriving young enterprising operators the joy of audacity and therefore of risk, but the intent was that to enlighten them and make them able to face it in the best way. Such a study, the author observed, must have constituted a fundamental part of the economic-business disciplines and the consideration of risk allows the theorist to formulate valid criteria for practice. The risk therefore presents itself - according to the theory proposed by the Austrian school - as the possibility of encountering a loss, compared to the possibility (chance) of gain, in the implementation of functions for bringing production closer to consumption. The concept of exchange risk is therefore introduced in the strictly economic-business sense, as it is defined as the danger of the failure of a deal with the consequent lack of an increase in value or, even, with the consequent ascertainment of a loss of assets. The signs of recognition of the risk of exchange are identified first of all in the uncertainty of the occurrence of the event and in the impossibility of avoiding it, which is independent of the action aimed at applying the precautionary measures to avoid the damage. Furthermore, generally, since the extent of the event's scope is uncertain, the risk, therefore, does not lie in the dangerous event per se, but in the possibility that the negative effect on business management is produced. The risky phenomenon essentially manifests itself in the phases of the provision of goods and their placement. Its effect, on the other hand, falls on costs, on higher charges incurred as a result of unsuccessful business, on profit; it falls on the same missed profit that is concretized in having a business, dominated as it is by an aspiration to earn money, its purpose is wrong; the profit reaffirmed the scholar can be abstract or concrete. The abstract, or ideal, profit is that achievable in ideal conditions of corporate governance, that is, in so far as this is capable, and also able, to choose and implement the best management procedures in overcoming all the existing diversities for the approach of consumer production; on the other hand, the actual profit is intended as corresponding to the pre-calculated profit. So that the risky event can now assert itself as a lack or decrease in the abstract profit and the pre-calculated profit, now as the sole lack of the abstract profit, and this when the actual profit has been achieved in an equal measure to the predetermined one but has not reached the extent of abstract profit. It is not possible to investigate the risk in depth, however, if one does not go back to an examination of the factors from which it originates. From their general framework it is possible to discern a classification of those most closely related to the functions of bringing production closer to consumption. These risk factors are distinguished by the Oberparleiter as follows: the Company (the market, the established authorities, social groups, single individuals); natural events; the subjects interested in the exchange deed (the main subjects, the auxiliary subjects); the object of exchange. The market is seen by the Austrian scholar as a main source of risk because all the dangers of loss and loss of profit that threaten the company lurk, especially as regards the choice of the places in which it operates and the moments in which it operates. carried out the opposing business operations. If other social factors are a source of high risk, not infrequently natural events have a decisive weight on the business economy. And while for the subjects interested in the exchange, whether they are main or even auxiliary, there is always at

least the problem of the will to fulfill the obligations towards the counterpart, numerous possibilities for the occurrence of damages are centered in the object of exchange. This last class of factors includes the uncertainty in determining the value attributable to goods in relation to their ability to satisfy certain needs, the difficulties in determining the quality and price of goods to be placed on different markets, as well as, in certain cases, the difficulties of measuring the traded quantities themselves. Therefore, the exchange risks arise from the aforementioned classes of factors; and since the exchange takes place in the performance of the economic functions, previously examined, the Austrian author places the risk factors in direct relation to the factors of the functions, classifying them according to whether they derive from differences in space, time, quantity and in quality, from the granting of credit and finally to the impulse action to sell. The policy of risk rests on these foundations, that is, the awareness of risk in acting, in trading, that is, the way of behaving with respect to it. But the awareness of the risk for the Oberparleiter does not consist so much in recognizing the extent of possible damages and the degree of probability of their occurrence, as in assuming a real awareness of the existence of the risky event in order to judge and decide whether or not to complete. of certain acts of exchange. For the Austrian scholar, therefore, risk policy begins with the examination and prevention of risks. In this phase the company tends to have a broad knowledge of the quality of the risk factors, their weight and the degree of probability of their occurrence, investigating in particular the trend of the markets and the solvency of the contractors, especially as regards the concession. credit. Market research itself is considered as tending to reduce the uncertainties relating to the placement of goods. The application of protective measures constitutes another phase of the risk policy. Although they are close to the preventive measures implemented by the company, they differ from these because they are adopted only when the entrepreneur has decided to carry out the act of exchange and therefore to face the risk. The establishment of ties, made in different ways with customers and suppliers, inter-company agreements, the various forms of elimination or mitigation of the risk of default of debtors, are all examples of protective measures of the exchange risk. Finally, the Austrian scholar points out that the company can transfer the risks to third parties or fully assume them. In his works, the Austrian scholar clarified the concept of risk transfer. He pointed out that in order to be able to implement this transfer there was a need for an underwriter of the same, in this context the insurance company or the pure speculator is inserted, which basically implements, not infrequently, a concentration of cases by coordinating them; there is the counterparty of the deed of exchange, where there are contractual possibilities to transfer the risk. The direct assumption of risks by the commodity trading company, finally, concerns the dangers that can neither be avoided with protective measures, nor transferred by insurance or stipulation of contractual clauses with the counterparty. The market risk, which arises with the birth of the company, belongs to the aforementioned class of non-transferable risks, as non-transferable are the risks inherent both in the problems concerning the location, the size and the company structure, and in those that, in general concerns the well-known differences between production and consumption. These, in fact, essentially concern the company's relations with the market. The risks in question, taken in themselves, are therefore not transferable, and the risk that arises from the use of capital for the opening of new markets, for the organization of funding, for the launch and placement of products. The distinction of the functions of trade into

six categories has led the Oberparleiter to easily compose a similar classification of risks, and this is because each of those categories gives rise to numerous possibilities of losses or increases in value. The Author, however, did not fail to make this classification proceed from a persuasive analysis of the determinant factors of the risks, given that the knowledge of these factors offers greater awareness in the appreciation of the different wings. All this drew reason from the need to know the risks in their depths, in relation to the generating factors, in order to arrive at the setting of that risk policy to which the Austrian writer has dedicated pages of valuable content. But this policy, although sketched with a masterly hand, reflects only one aspect of the complex entrepreneurial behaviors in the dynamics of businesses. Apart from the scarce effectiveness of a classification of risks into six species - that is, how many categories of trade functions are there - the same examination of the factors is insufficient to allow a complete study of these complex behaviors. In short, a risk policy set up along the lines of the Viennese School discovers entrepreneurial behavior in an insufficient, that is, one-sided way, and this for two reasons. In the first place, I believe - after having studied the Corsani risk issue - that the one-sided behavior is to be attributed to the fact that the risk factors, that is the risky events, have been examined by the Oberparleiter under only one aspect: that of their origin. The investigation into business conduct presupposes in any case that the events are also examined from the point of view of the knowledge that the operators have of them, as the degree of this knowledge explains, or helps to explain, the reason for a given behavior. . To this end, precisely from Corsani, I learned that some events are known to operators in existence, but the effects of their occurrence remain unknown or difficult to appreciate. The events in question, which are especially of a technological nature, but can also derive from freely defined contractual causes, differ from another class of events which are not even known in their existence - it is understood with direct reference to the operations to be performed. - and must be considered and appreciated, in given business conditions, as "generic causes of damage". For a rational start of knowledge of entrepreneurial behaviors, risky events must be observed from yet another aspect: that of the effects they can produce on the business economy. In this context, Corsani's studies are inserted, which distinguished these risks into unilateral and bilateral ones, due to the fact that while the former manifest themselves only in damages, the latter can give rise to worse or even better results than those expected. And the survey under this profile offers new elements to study and understand the reason for certain attitudes of the operators towards one or another class of events. Secondly, the one-sidedness of the entrepreneurial behaviors resulting from the risk policy schemes of Oberparleiter is due to the fact that the well-known distinction of the Knight influenced the thought of said Author, who classifies the risks according to the degree of probability of their occurrence. . Economic Technique, thanks to the contribution of the Oberparleiter, has welcomed the study of entrepreneurial behavior in its field but under the limited profile of risk; that is, as if the entrepreneur's conduct could only be explained as a policy of dealing with it. The risk policy reflects an angle from which the various risk situations inherent in the management procedures already existing in the other groupings can be seen. On the other hand, it is fair to recognize that, with the conceptual tools commonly adopted in our discipline - and by the Viennese school itself - the objective of framing the changing and complex entrepreneurial conduct in some way could not be effectively achieved. Instead, the tool

for analyzing entrepreneurial behavior was proposed by Corsani with the introduction of the scientific concept of management methods.

3. The difference between Corsani's and Oberparleiter's studies on the subject of risks and functions

The Italian studies, conducted by Corsani, have subjected the typology of the Oberparleiter to careful analysis, arriving at a different setting of those functions. The new approach no longer limits the importance of theory to explaining the reasons for the existence of trade and the tasks performed by wholesale and retail companies; it allows, on the other hand, to explain the nature and content of the phenomena of production and its adaptation to needs in an economic-business sense, and allows to interpret, for the purposes of entrepreneurial conduct, the same phenomena consequently justifying the existence of the various types of businesses. The new approach also reveals the irrepressible character of their universal nature. In short, the theory of functions involves both productive activities and those of adaptation to consumption, because in this way, and not in others, it is possible to understand the phenomena that characterize everywhere the entire process that runs from the original production to the final destination of the product. all done. In other words, the theory must include in its sphere not only the functions of bringing production closer to consumption, but also and primarily, the functions that carry out the original and manufacturing productions. Furthermore, theory cannot place all functions on the same level. Indeed, it is not exclusive to our studies to arrive at a separation, in a complex of functions, of those that are considered specific to a given phenomenon (or a certain organism): and only the functions that explain the reason for this are called such. being of the phenomenon: (or of the organism), while all the others, although necessary and perhaps indispensable for its development, have a position of complementarity with respect to the former. In our case, the categories space, time, quality, and quantity, are responsible for explaining the rise and affirmation of the phenomena of the adaptation of production to consumption, that is, of the mercantile phenomena put in place both by the original production or manufacturing companies. , both by companies called commercial, which, more economically than other company orders, are able under given conditions and circumstances to carry them out. The granting of credit and the activity of promoting sales are functions that express generally favorable conditions for the better performance of the aforementioned economic activities: they have, in fact, a complementary character, in the same way, for example, of that political-social function assigned by Hoffmann to companies in general, for the creation of better conditions for employees. In fact, if the granting of credit is only one of the alternative or simultaneously adopted means for the realization and expansion of the generic function of the placement of goods and services, the impulse action tends to keep the conditions of efficiency of the companies alive. every order and degree: in this action, even, one finds the entrepreneur's ability to impart a dynamic development to the economies, which his decisions depend on. For these reasons, I believe Corsani's classification with regard to functions is rational and finalistic. AThe approach of production to consumption of the Oberparleiter is matched by the adaptation of production to the needs of Corsani. The difference is not terminological in nature; in fact, while the functions that implement the approach tend to justify the commercial enterprises that are dedicated to carrying

them out, the functions that implement the adaptation tend to justify the corresponding activities, regardless of the companies that can perform them. It is thus understood that all other non-specific functions must be considered complementary. Furthermore, the distinction of specific functions from the others is essential for the theory: it allows us to judge on the less valid existence of the various orders of firms and demonstrates the universal character of those functions. It is sufficient here to observe at the first point, that the more the specific functions present themselves, in given environmental circumstances, distinguishable and intense, the greater are, all other business and market conditions being equal, the possibilities of efficient economics of the companies that they hire them; conversely, the less identifiable or intense these functions are, the more short, difficult and ephemeral the life of the companies that carry them out is expected. Regarding the second point, given that the theory of functions as it is carried out in Italy looks directly at the activities rather than at the companies that carry them out, and also given that the specific functions to be performed have an irrepressible character - as they consist of the same economic life - it is concluded that the theory is valid for any political-social system. In short, that theory explains that functions have validity that is not subordinate to the existence of a given socio-economic order: they exist, in other words, both in a capitalist system and in a collectivist system. I want to add, incidentally, that from this derives the logical demonstration that companies are not identified for profit, but for the assumption of those functions and therefore for the activities that carry them out, and that the phenomena of cost, risk, revenue and profit are not, at least in my humble opinion, exclusive to enterprises belonging to the first type of economy. However, it is necessary to clarify that if the functions and therefore the activities - particularly significant in this regard those of adaptation - also exist in a partially or totally planned system, the technical-economic structure and the legal form of the bodies that perform them may be various, according to the general environmental conditions in which those activities take place. In light of the above, we can certainly conclude that: the corporate body can be questioned, not the function, nor the activity that is intended to fulfill it, and this was exactly what Corsani stated in his studies.

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