Value Based Working Capital Management Determining Liquid Asset Levels in Enterpreneurial Environments

Habilitation Thesis

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The presented habilitation thesis deals with various aspects of the working capital management in different entrepreneurial environment. The thesis consists of 4 chapters.

The empirical analysis prevails in the thesis. The analysed data originate from the Amadeus database and cover 2004-2012 period. Author distinguished the pre-crisis, crisis and after-crisis period and formulates quite interesting conclusions for the practice. The another aspect of the performed research is that it covers the so-called post-communist countries, which are characterised with quite different economy conditions if compared to the old EU members.

In the first chapter, author discusses elements of the working capital and their impact on the selected firm characteristics in different risk environments. The conclusion about the higher working capital levels in the crisis period is considered here as one of the most important conclusions. In the second chapter, the analysis of the liquidity is presented. It contains analysis of various forms of the liquidity, which include more indicators not familiar with the general public. This is, what I consider to be one of the most innovative aspects of the habilitation thesis.

The third chapter contains the the definictions and determinants of the firm value. Then, in the light of the firm value determinants in risky environment, various strategies of liquidity management are proposed. The proposal has a structured form (see Table 3.3) and can be applied in different condition to achieve various targets. The last chapter discusses selected models of the inventory management, receivables and cash management. This chapter contains various models originating in the theory of Operations research, like the Harris - Wilson formula (see formula 4.1, page 119). Unfortunately, the way how to obtain the optimal level of the inventory is not obvious from the costs functions.

In the defence presentation, I would like to propose the explanation how to derive the Harris-Wilson-like formulae from the costs functions. On the

other hand, similar approach can be applied also in the cash management (see Tobin's model), which could be also explained during the habilitation defense.

In conclusion, I would like to state that habilitant demonstrate the standard level knowledge and skills in the topic and I recommend to grant the title *Docent* in a study branche *Finance, Banking and Investments* to Mgr. Grzegorz Michalski, PhD.

Vladimír Gazda, Košice 7.I.2014