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FINANCIAL AND PAYBACK NET FOR SME'S

Abstract:

Every profit oriented company uses, calculates and evaluates various financial indicators. These indicators are used to measure the economic performance, liquidity and efficiency of the company. Even if the economic crisis is over, we need these indicators that can be used for forecast as well. These indicators and this system can help to forecast the expected problems and the liquidity issues. Each company has a complex operation therefore it is not enough only to examine the liquidity situation but a more complex system is required. Instead of bankruptcy forecasting models I would like to introduce a complex indicator system which can be used by the small- and medium enterprises. The essence of this concept is that its usage is quick and easy; so it is practical and does not require expensive software. This indicator system-model can be represented easily in a graphically way and it contains the context of the measures and goals which are examined by the financial controlling. Using the accounting statements and the financial-accounting analysis methods we gain a database which contains lots of information and indicators. The model uses the short-term indicators which are connected to the financial controlling. The selection of these indicators was based on the factor analysis and experimental learning. The aim is that these variables (factors) include the most information as possible. I modified the model and the analysed indexes to short term which are best suited to the quick diagnosis and to the approach of the financial controlling. According to the principles of the model it is important whether to review the changes these indicators quarterly, monthly or even more often during the yearly operation. The advantages of the system are the economic base; the limited number of indicators and the visibility which makes the comparison of planned and actual data easier and helps the interpretation of the variances.

Keywords:

financial indicators, model, financial and payback net, forecast

JEL Classification: D22, G33, M49