

# Economy & Society

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### ARTICLES

#### **Alternative Approaches of Corporate Valuation Methods for Small and Medium Sized Enterprises**

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**ABSTRACT** The traditional methods like substance-value, net capital value and discounted cash flow (DCF) methods have proven to be problematic and show some limitations especially regarding the valuation of small and medium-sized enterprises (SMEs). A theoretically correct application of these methods can still leave room for interpretation for an auditor to influence the valuation results.

In a nutshell all these methods do not include the most important specific influencing factors on SME valuation in contrast to the valuation of a big company. The IDW (Institut Deutscher Wirtschaftsprüfer) e.g. names the differentiation between private and company assets, the salary of the managing owner and the lack of information or information asymmetry as key differentiation factors. By taking these factors into account the correct valuation of SMEs can be secured.

For the valuation of SMEs Busch (2008) and Behringer (2012) invented two different adapted valuation methods that consider the main differences between big companies and SMEs. They both reduce the complexity of the valuation process and include factors like the managing owner, the lack of separation between corporate and private assets.

**KEYWORDS** Small and Medium size Enterprises, valuation methods

## **Risk Management and Insurance**

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The study interprets and analyzes the risks and risk management in the insurance products in a general, comprehensive way. The terms outlined in title are connected after the brief definitions. The processing of the (risk)management methods of the subjective and objective risks applied in the insurance products, business rules is based on the daily practice, both in the international and domestic, Hungarian business life. The recent and present global economic events are re-updated, re-interpreted this complex topic in every segments of the financial sector. As a result, on one hand the risk-management solutions are mixed, and bear inter-segment character; on the other hand the law and economics categories are merged, the results of this synthesis are observed in the insurance contracts and the underlying legal sources. The culture and the development of an appropriate risk management system is now an EU requirement also.

KEYWORDS: Risk, risk management, insurance, loss-sharing

## **Analysis of Capital Return by Means of Indicators Derived from Return Requirement**

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ABSTRACT Managers make several decisions in business corporations that turn up in economic cases and are set by financial accounting system by strict rules. This data set have to be turned into information-worth resources in order that relevant decisions, related to fixed capital, could be made. Fixed capital is in center of decision making because of two reasons. On the one hand, market yields are generated on equity; on the other hand, profit requirements of resources are also calculated on equity. Evaluation of yield requirements estimated from the market, and real business yields not evaluated on equity, can lead to distorted economic decision making. This study presents calculating methods of relevant indicators derived from return requirement to the Leader.

KEYWORDS Capital return indicators, decision making

## **The Capital Position and the Capital Structure Change, and its Effects to the Management of GYSEV**

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ABSTRACT In the study we examine the change of capital position and capital structure through of the example of GYSEV.

In our analysis we are focusing to identify the composition of liabilities, and its changes over times. We elaborating more detailed the changes in the long and short term liabilities value and rate, then we analyze the relationship of permanent and temporary sources.

We consider important analyzing the corporate profitability situation, which drives us to know that how is the corporate income distributed among shared creditors and owners. In our study we mention among the financial expenses the interest costs too.

Finally we examine the financial strategy of the corporation, and find the answer to the question, how consciously are managed at the company the assets and liabilities expiration.

KEYWORD capital structure, profitability, interest costs

### **Children in Formal Care between 2000 and 2010: Core Indicators of Child Protection in Selected CEE-countries**

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ABSTRACT: Children living without their biological parents are an especially vulnerable group. Preventing such children from entering public care and providing sensitive substitute care programmes are among the most challenging tasks of any society. The welfare of children deserves special attention, trends in the use of public care can tell us great deal about levels of social cohesion in society as a whole. Supporting the reform of childcare systems has been a priority for UNICEF in CEE and CIS countries for the last two decades. Countries committed to reforms highlight the importance of family-based care and of deinstitutionalization. This article aims to analyze the situation of formal care in selected CCE (Central and Eastern European) countries: Hungary, Czech Republic, Poland, Slovakia and Romania in the context of the core indicators for children in formal care (according the TransMonEE database). This study focuses on two types of formal care: children living in residential or family-based care.

KEYWORDS: child protection, formal care, TransMonEE database, Central and Eastern Europe

### **Ongoing reforms in public administration in Slovakia: How effective is the current one envisaged?**

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ABSTRACT The reasons of the continuing reforms in public administration in Slovakia are both political changes after the elections and both aim to reduce the cost

of government performance, the number of employees, transfer the responsibilities from the state to self-government, allocation of public funds between government and self-government. All reforms were implemented in the spirit of generally declared attempts “to bring the administration closer to citizen”, which has partly succeeded. However, we can not overlook the negative side of “rotation” of the “general model” and “specialized model” of public administration within the reform process since the citizens did not understand the reasons for these changes. Since 2004 a specialized model of public administration is established. Currently, the Ministry of Interior launched a further reform aimed at restructuring and reducing the state administration. Since January 2013 again a „general model” of public administration is established and regional specialized offices should be cancelled, and from 01.10.2013, the remaining offices of specialized state administration will be cancelled as well. Instead of current offices of specialized state administration, 72 district offices with general scope will be created. However, it does not mean automatically the decrease of the number of employees. The aim of the reform is to change the ratio of service activities that are dedicated to the cancelled offices. The people, who lose their jobs, are envisaged to work in “centers of support” activities. The primary goal is not to lay off people, but to use them effectively.

KEYWORDS reforms of public administration, single contacts points (SCPs), small business, questionnaire survey, regional and district offices

### **Women's employment in the Austrian-Hungarian border region**

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ABSTRACT: During my research I was interviewing women, who are going over to the neighbouring Austrian settlements as graduated or as university students to clean houses. Their income earned is far over the Hungarian average. They seem not to be bothered by the low-prestige of their activity too much. On the one hand they are hoping to get a better job later on, on the other hand the fact that they can surely live on their income at home will further reservations sweep away. All these components contribute to that on the basis of the structural depth interviews in case of the tested groups the connection of the identity and the regionalism should further to be considered. The direct experience of the western samples of consumption and their possible participation in it by their earnings will become a strengthening factor of their self esteem. My research work confirms my assumption that the definition of consumption in this altered sense is worth to be considered as active agency.

KEYWORDS: textuality, regionality, gender, employment, consumption

**The Level of Reciprocity in Informal Economic Behaviors and Non-economic Services:  
The Case of an Inter-ethnic Transylvanian Village, Magyarhermány**

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*University of West Hungary Faculty of Pedagogy*

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ABSTRACT: The article based on a 2010 survey, implemented in Magyarhermány (Covasna county). The study was managed by the Social Science Research Center at University of West Hungary, Sopron, Hungary. The Research Center organizes so-called “village research camp” every year in Carpathian Basin. The participants are academic researchers, teachers and students from different Hungarian universities. This study focused on the intercultural relations of the main ethnic groups (roma and sekler) in Magyarhermány. The roma (gipsy) population is growing rapidly in Magyarhermány: In 1930 the roma population was 4,5% only, but more than 25% in 2010. In the first section of the paper we provide a short overview of social-economic history of Magyarhermány for better understanding of data interpretations. In the second section the most important survey results are presented. The main conclusions are: the interhousehold exchange (labor, products, services and favor) is very common and intensive in the sekler community, and it has become institutionalized as part of village social structure. The roma families are mainly excluded from this structure, and they can not to enter to this networks and to this economic and social system. The traditional roma economic activities, like gathering and crafting build a bridge between the two communities, but it is getting more narrow and rare because of modernization process.

KEYWORDS: local community, reciprocity, informal economic behaviour

## Book Reviews

**Helyzetkép a magyar vidéki társadalomról /Rural Society in Hungary Today**

[Balázs Éva – Kovács Katalin (szerk.) Többcélú küzdelem. Helyzetkép a kistérségi közoktatásról. OFI Budapest 2012. ISBN 978 963 682 709 0; Kovács Katalin – Váradi Mónika Mária (szerk.) Hátrányban vidéken. Argumentum 2013. ISBN 978 963 446 682 6]

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*University of West Hungary Sopron*



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1. Kéziratokat kizárólag elektronikus formában, e-mailen fogadunk.
2. A kéziratok Microsoft Word 2010, vagy 2003-2007 verzióval, vagy azokkal teljesen kompatibilis szövegszerkesztővel készüljenek
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## MANUSCRIPT STYLE REQUIREMENTS

The Journal of Economy & Society (JES) is a quarterly publication of the University of West Hungary. It is designed to provide information and fresh perspectives on issues of importance to professional economists and social scientists and to all readers interested in policies affecting economy and society.

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  - e. Methodology, data sources (if relevant)
  - f. Description, findings (if relevant)
  - g. Summary / Conclusions
  - h. References (we accept APA style only). See e. g. <http://www2.liu.edu/cwis/cwp/library/workshop/citapa.htm>
6. Brief footnotes are acceptable.
7. Required tables, pictures, maps, figures should be enclosed and on separate sheets, following all references. Notify editors of appropriate position of tables, pictures, maps and figures within the text (e.g. Table one about here).
8. We don't accept color tables, figures, charts, maps.
9. References should be presented in alphabetical order. See APA style.
10. The editor reserves the right to edit all submissions for clarity and length.



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