

Operational risk in current assets investment decisions: Portfolio management approach in accounts receivable

Operační risk v rozhodování o běžných aktivech: management portfolia pohledávek

G. MICHALSKI

Wroclaw University of Economics, Wroclaw, Poland

Abstract: The basic financial purpose of an enterprise is maximization of its value. Trade credit management should also contribute to the realization of this fundamental aim. Many of the current asset management models that are found in the financial management literature assume book profit maximization as the basic financial purpose. These book profit-based models could be lacking in what relates to another aim (i.e., maximization of the enterprise value). The enterprise value maximization strategy is executed with a focus on risk and uncertainty. This article presents the consequences that can result from operating risk that is related to purchasers using payment postponement for goods and/or services. The present article offers a method that uses the portfolio management theory to determine the level of accounts receivable in a firm. An increase in the level of accounts receivables in a firm increases both net working capital and the costs of holding and managing accounts receivables. Both of these decrease the value of the firm, but a liberal policy in accounts receivable coupled with the portfolio management approach could increase the value. Efforts to assign ways to manage these risks were also undertaken; among them, a special attention was paid to adapting the assumptions from the portfolio theory as well as gauging the potential effect on the firm value.

Key words: accounts receivable, trade credit management, incremental analysis, value based management, portfolio analysis

Abstrakt: Základním finančním cílem podniku je maximalizace jeho hodnoty. K uskutečnění tohoto cíle by měl přispět rovněž management obchodního úvěru. Mnoho modelů managementu běžných aktiv považuje za hlavní finanční cíl maximalizaci účetního zisku. Tyto modely, založené na účetním zisku, však postrádají další cíl (tedy maximalizaci hodnoty podniku). Strategie maximalizace hodnoty podniku je zaměřena na riziko a nejistotu. Příspěvek je zaměřen na hodnocení důsledků vyplývajících z využití operačního rizika vzhledem k odložené platbě zákazníků za nákup zboží a/nebo služeb. V příspěvku je uvedena metoda využívající teorii managementu portfolia ke stanovení úrovně výše pohledávek v podniku. Tuto úroveň v podniku zvyšuje jak objem čistého provozního kapitálu, tak náklady na vytváření a řízení účtu pohledávek. Obě tyto veličiny snižují hodnotu podniku, současně však liberální přístup k účtu pohledávek spolu s využitím managementu portfolia může tuto hodnotu zvýšit. V práci jsou zahrnuty také návrhy způsobů managementu těchto rizik. Speciická pozornost je věnována také měření jejich potenciálního faktu ve vztahu k hodnotě podniku.

Klíčová slova: účet pohledávek, management obchodního úvěru, analýza přírůstku, hodnotový management, analýza portfolia

The basic financial aim of an enterprise is maximization of its value. At the same time, both theoretical and practical meaning is researched for determinants that increase the enterprise value. Financial literature contains information about numerous factors that influence the enterprise value. Among those contributing factors is the extent of the net working capital

and the elements shaping it, such as the level of cash tied up in accounts receivable, inventories, the early settlement of accounts payable, and operational cash balances. The greater part of the classic financial models and proposals relating to the optimum current assets management was constructed with net profit maximization in mind. This is the reason why these

models need reconstruction in order to make them suitable to firms that want to maximize their value. The decision to extend the trade credit terms is a compromise between limiting the risk of allowing for the payment postponement from unreliable purchasers and gaining new customers by the way of a more liberal enterprise trade credit policy. This decision shapes the level and quality of accounts receivable.

The question discussed in this article concerns the possibility of using the portfolio theory in making decisions about selecting which customers should be given trade credit. In this article, we will show that it is possible that the firm can sell on trade credit terms to some customers, who previously were rejected because of a too great operational risk, with a positive outcome of the creation increased firm value. This extension of trade credit is possible only if the firm has purchasers from various branches, and if these branches have different levels of operating risk. The key to success for a firm is to perform the portfolio analysis with the result of a varied portfolio of customers with a spectrum of the managed levels of operating risk.

VALUE BASED MANAGEMENT OF ACCOUNTS RECEIVABLE

If holding accounts receivable on a level defined by the enterprise provides greater advantages than negative influence, the firm value will grow. Changes in the level of accounts receivable affect the value of the firm. To measure the effects that these changes produce, we use the following formula, which is based on the assumption that the firm present value is the sum of the future free cash flows to the firm (*FCFF*), discounted by the rate of the cost of capital financing the firm:

$$\Delta V_p = \sum_{t=1}^n \frac{\Delta FCF_t}{(1+k)^t} \quad (1)$$

where:

ΔV_p = firm value growth
 ΔFCF_t = future free cash flow growth in period t
 k = discount rate¹

The future free cash flow is expressed as:

$$FCFF_t = (CR_t - CE_t - NCE) \times (1 - T) + NCE - Capex - \Delta NWC_t \quad (2)$$

where:

CR_t = cash revenues on sales
 CE_t = cash expenses resulting from fixed and variable costs in time t
 NCE = non-cash expenses
 T = effective tax rate
 ΔNWC = net working growth
 $Capex$ = capital expenditure resulting from the growth of operational investments (money used by a firm to acquire or upgrade physical assets, such as property, industrial buildings, or equipment)

Similar conclusions, related to the results of changes in trade credit policy on the firm value, can be estimated on the basis of economic value added, the extent to which residual profit (the added value) increased the value of the firm during the period:

$$EVA = NOPAT - k \times (NWC + OI) \quad (3)$$

where:

EVA = economic value added
 NWC = net working capital
 OI = operating investments
 $NOPAT$ = net operating profit after tax, estimated on the basis of the formula:

$$NOPAT = (CR_t - CE_t - NCE) \times (1 - T) \quad (4)$$

The net working capital (*NWC*) is the part of current assets that is financed with fixed capital. The net working capital (current assets less current liabilities) results from the lack of synchronization of the formal rising receipts and the real cash receipts from each sale. It is also caused by a divergence during the time of rising costs and the time when a firm pays its accounts payable.

$$NWC = CA - CL = AAR + INV + G - AAP \quad (5)$$

where:

NWC = net working capital
 CA = current assets
 CL = current liabilities
 AAR = average level of accounts receivable
 INV = inventory
 G = cash and cash equivalents
 AAP = average level of accounts payable

During the estimation of the free cash flows, the holding and increasing of net working capital ties up money used for financing net working capital. If net working capital increases, the firm must utilize and tie up more money, and this decreases free

¹ To estimate the changes in accounts receivable levels, we accept the discount rate equal to the average weighted cost of capital (WACC). Such changes and their results are strategic and long term in their character, although they refer to accounts receivable and the short run area decisions (Maness 1998, s. 62–63).

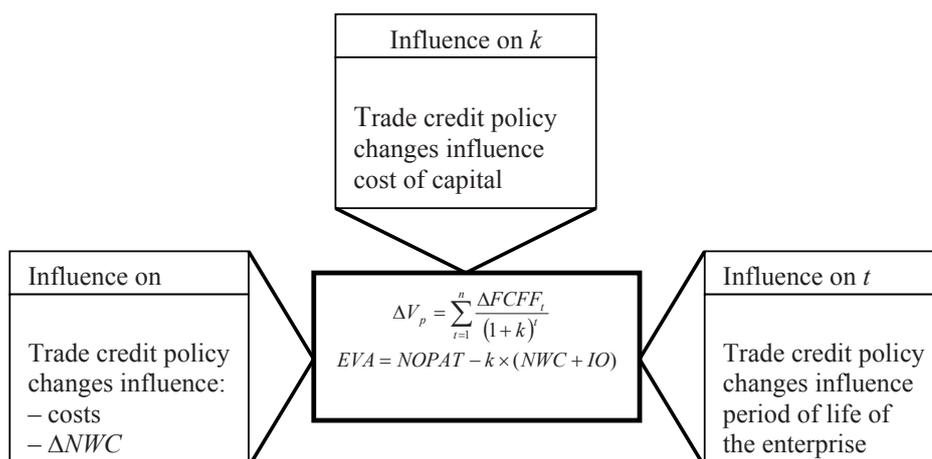


Figure 1. The trade credit policy influence on firm value

$FCFF$ = free cash flows to firm; ΔNWC = net working capital growth; k = cost of the capital financing the firm; t = the lifetime of the firm and time to generate single $FCFF$

Source: own study

cash flows. The production level growth necessitates increased levels of cash, inventories, and accounts receivable. Part of this growth will be covered with current liabilities that automatically grow with the growth of production and sales. The remaining cash requirements (that are noted as the net working capital growth, ΔNWC) will require a different form of financing.

The trade credit policy decisions changing the terms of trade credit create a new accounts receivable level. Consequently, the trade credit policy has an influence on firm value. This comes as a result of the alternative costs of money tied in accounts receivable and the general costs associated with managing accounts receivable. Both the first and the second involve modification of the future free cash flows and as a consequence, the firm value changes. In Figure 1, we show the influence of the trade credit policy changes on the firm value. These decisions change:

- future free cash flows ($FCFF$),
- life of the firm (t) and
- rate of the cost of capital financing the firm (k).

Changes to these three components influence the creation of the firm value (ΔV_p).

Accounts receivable changes (resulting from changes in the trade credit policy of the firm) affect the net working capital level and also the level of accounts receivable management operating costs in a firm; these operating costs are the result of the accounts receivable level monitoring and recovery charges).

Trade credit terms give evidence about the firm trade credit policy. They are the parameters of trade credit and include:

- the maximum delay in payment by purchasers (trade credit period);
- the time the purchaser has to pay with a cash discount;
- the rate of the cash discount.

The length of the cash discount period and the maximum delay in payment by purchasers give information about the character of the firm trade credit policy. These trade credit conditions are:

$$ps/os, \text{ net } ok \tag{6}$$

where:

ps = cash discount rate

os = cash discount period

ok = maximum payment delay period.

The terms of a trade credit sale are the result of the firm's management decision made on the basis of the information about factors such as:

- market competition,
- the kind of goods or services offered,
- seasonality and elasticity of demand,
- price,
- type of customer, and
- profit margin from sale.

It is important to match the length of the trade credit of a firm to its customer's capabilities. The

enterprise giving the trade credit should take into account the purchasers' inventory conversion cycle as well as its accounts receivable conversion cycle. These two elements make up the operating cycle of a purchaser. The shorter this cycle, the shorter should be the maximum payment delay period offered to the purchaser. The maximum payment delay period for the purchaser is the maximum expected period of accounts receivable cycle for the seller.

In order to choose what terms of sale should be proposed to the purchaser, the firm management can use the incremental analysis as final criterion, as well as to compare the influence of these proposals on firm value. Incremental analysis is a tool for estimating the effects of changes in trade credit policy on the enterprise. This analysis usually takes into account three basic elements:

- (1) Estimation of the results of changes on sales as well as losses resulting from bad debts.
- (2) Estimation of the changes in the firm accounts receivable level.

Accounts receivable growth we have as:

$$\Delta AAR = (ACP_1 - ACP_0) \times \frac{CR_0}{360} + VC \times ACP_1 \times \frac{CR_1 - CR_0}{360}$$

if $CR_1 > CR_0$ (7)

$$\Delta AAR = (ACP_1 - ACP_0) \times \frac{CR_1}{360} + VC \times ACP_0 \times \frac{CR_1 - CR_0}{360}$$

if $CR_1 \leq CR_0$

where:

ΔAAR = accounts receivable growth

ACP_0 = receivables collection period before trade credit policy change

ACP_1 = receivables collection period after trade credit policy change

CR_0 = cash revenue before trade credit policy change

CR_1 = cash revenue after trade credit policy change

VC = variable costs (in percent from sales incomes)

- (3) Estimation of the firm value change:

$$\Delta EBIT = [(CR_1 - CR_0) \times (1 - VC) \times \Delta AAR - (l_1 \times CR_1 - l_0 \times CR_0) - (sp_1 \times CR_1 \times w_1 - sp_0 \times CR_0 \times w_0)] \quad (8)$$

where:

$\Delta EBIT$ = earnings before interests and taxes growth

k_{AAR} = operating costs of accounts receivable management in a firm

l_0 = bad debts losses before trade credit policy change

l_1 = bad debts losses after trade credit policy change

sp_0 = cash discount before trade credit policy change

sp_1 = cash discount after trade credit policy change

w_0 = part of purchasers using cash discount before trade credit policy change

w_1 = part of purchasers using cash discount after trade credit policy change

To check how the changes in the accounts receivable level and *EBIT* influence on firm value, it is possible to use changes in future free cash flows. First we have changes in *FCFF* in time 0:

$$\Delta FCFF_0 = -\Delta NWC = -\Delta AAR \quad (9)$$

Next the free cash flows to firm in periods (from 1 to n), as:

$$\Delta FCFF_{1...n} = \Delta NOPAT = \Delta EBIT \times (1 - T) \quad (10)$$

Example 1. An enterprise $CR_0 = 500\,000\,000$ €. $VC = 50\% \times CR$. Operating costs of accounts receivable management in a firm, $k_{AAR} = 20\%$. $WACC = 15\%$. $T = 19\%$. Before trade credit policy change, half of firm customers pay before delivery. 25% of them use 2% cash discount paying on the 10th day. The remaining customers pay at the 30th day. Bad debts losses 3% of CR . The trade credit policy changes (from 2/10, net 30 to 3/10, net 40) considered by firm will result: 40% of firm customers will pay before delivery. 30% of them use 3% cash discount paying on the 10th day. The remaining customers pay at the 45th day. Bad debts losses 4% of CR . New $CR_1 = 625\,000\,000$ €. The effects of changes in trade credit policy would be felt for 3 years.

Because 50% of sale before change of policy is done in cash, 25% on the principle of collected on the 30th day, 25% on the principle of charge regulated up to the 10th day, then the ACP_0 is:

$$ACP_0 = 0.5 \times 0 + 0.25 \times 10 + 0.25 \times 30 = 10 \text{ days}$$

The ACP_1 after change is:

$$ACP_1 = 0.4 \times 0 + 0.3 \times 10 + 0.3 \times 45 = 16.5 \text{ days}$$

That is why the expected increase of the average level of accounts receivable will be:

$$\Delta AAR = (16.5 - 10) \times \frac{500\,000\,000}{360} + 0.5 \times 16.5 \times \frac{125\,000\,000}{360} = 11\,892\,361 \text{ €}$$

Therefore, in result of the trade credit policy change, the average state of accounts receivable will grow up for 11 892 361 €.

Next we have $\Delta EBIT$:

$$\begin{aligned}\Delta EBIT &= 125\,000\,000 \times 0.5 - 20\% \times 11\,892\,361 - (4\% \times \\ &\quad \times 625\,000\,000 - 3\% \times 500\,000\,000) - (3\% \times \\ &\quad \times 625\,000\,000 \times 30\% - 2\% \times 500\,000\,000 \times 25\% = \\ &= 46\,996\,577 \text{ €}\end{aligned}$$

Using equations nine and ten, we can estimate the firm value growth:

$$\begin{aligned}\Delta V &= -11\,892\,361 + \frac{46\,996\,527.8 \times 0.81}{0.15} \times \\ &\quad \times \left(1 - \frac{1}{1.15^3}\right) = 75\,023\,598 \text{ €}\end{aligned}$$

As we see, the trade credit policy change will increase the firm value. A similar information is given by estimation of ΔEVA after trade policy change:

$$\begin{aligned}\Delta EVA &= 0.81 \times 46\,996\,527.8 - 15\% \times 11\,892\,361 = \\ &= 36\,283\,333 \text{ €}\end{aligned}$$

As one can see through the discussed case, the first half and then 40% of sales are realized on the principle of cash sale. This results from the fact that those customers who created sales only for cash did not fulfill the requirements relating the risks, which is considered as percentage of the delayed payments. Therefore, the firm stopped offering these purchasers sales on the principle of the trade credit. This was despite the fact that their financing with the trade credit made it possible to notice a much greater activity and larger level of income from sales, than at the trade credit relinquishment.

PORTFOLIO THEORY APPROACH IN TRADE CREDIT DECISIONS

A portfolio is a set of assets (for example, accounts receivable). The portfolio approach to accounts receivable management can be used by utilizing the rate of profit (rate of advantage from assets) as one of the basic criteria that the firm giving the trade credit should encourage the purchaser to consider when making decisions (Jajuga, Jajuga 1994, pp. 80–110). The profit rate resulting from the trade credit can be defined as:

$$R_{nAR} = \frac{\Delta CR - \Delta Costs}{\Delta Costs} \quad (11)$$

where:

R_{nAR} = profit rate from giving the trade credit to purchasers n

ΔCR = cash revenue growth generated from additional sale to n customers instead of the cash sale
 $\Delta Costs$ = growth of costs resulting from offering the trade credit to purchaser n

The present rate of profit is realized amid the conditions of risk and uncertainty. The rate of profit changes varies according to the various probabilities. These probabilities result from the customers' marketable situations which influence their ability to regulate their accounts payable to the seller in an appropriate manner. The risk measure connected with the accounts receivable of a concrete purchaser varies according to the following equation:

$$V = \sum_{i=1}^m p_i \times (R_i - R)^2 \quad (12)$$

where:

p_i = based on historical data probability of R_i
 R_i = expected rate of return from accounts receivable from the group of purchasers i

The measure of risk also can be defined according to standard deviation:

$$s = \sqrt{V} = \sqrt{\sum_{i=1}^m p_i \times (R_i - R)^2} \quad (13)$$

Both the variation and the standard deviation can be estimated for the historical data of a purchaser.

The next element is the correlation of profit from the trade credit given to the purchaser (or to the group of purchasers) in which the profits of the trade credit are given to other purchasers (or to different groups of purchasers). If the firm completes the transactions with more than one group of purchasers, it is possible to distinguish two or more homogeneous groups in relation to the risk and profit from giving the trade credit. In this case, the portfolio approach can be used. These groups can belong to definite trades², and a connection does or can exist between the accounts receivables of these groups of purchasers. The measure of such a connection is usually a coefficient of correlation:

$$Q_{1,2} = \frac{i=1 \sum_{i=1}^m p_i \times (R_{1i} - R_1) \times (R_{2i} - R_2)}{s_1 \times s_2} \quad (14)$$

where:

$Q_{1,2}$ = coefficient of first and second group of accounts receivable correlation
 R_1 = expected rate of return from accounts receivable of the first group of purchasers

² In Polish business practice, purchasers coming from one trade group have similar payment because they serve the same market and have similar customers with similar payment habits.

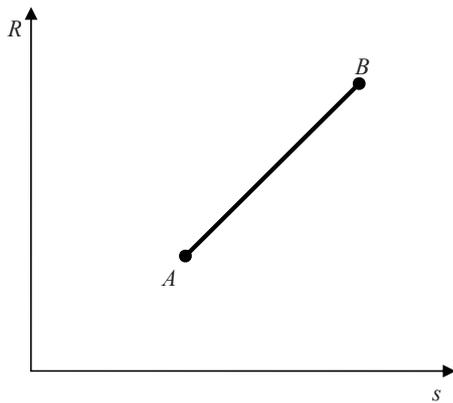


Figure 2. The profit - risk relation for portfolio of accounts receivable for two groups of purchasers if $\rho_{A,B} = 1$

Source: own study on basis (Jajuga 1994)

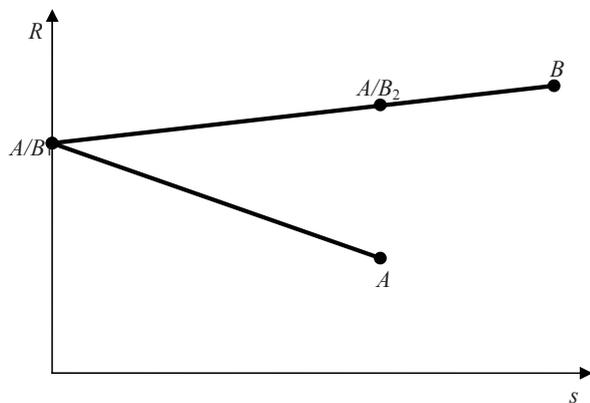


Figure 3. The profit - risk relation for portfolio of accounts receivable for two groups of purchasers if $\rho_{A,B} = (-1)$

Source: own study on basis (Jajuga 1994)

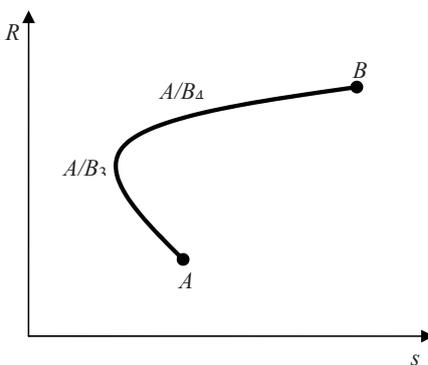


Figure 4. The profit - risk relation for portfolio of accounts receivable for two groups of purchasers if $\rho_{A,B} = 0$

Source: own study on basis (Jajuga, Jajuga 1994)

- R_2 = expected rate of return from accounts receivable of the second group of purchasers
- s_1 = standard deviation for the first group
- s_2 = standard deviation for the second group
- R_{1i} = individual rate of return from accounts receivable of purchaser i from the first group of purchasers
- R_{2i} = individual rate of return from accounts receivable of purchaser i from the second group of purchasers
- p_i = probability of individual rate of return from accounts receivable of purchaser i

To show how the portfolio approach can be used in accounts receivable management, we will use the portfolio of two groups of accounts receivable as an example.

Example 2. The firm cooperates with two homogeneous groups of purchasers. The first group of purchasers delivers its services to industry A, the second group of purchasers serves customers from industry B. Creating a portfolio of two kinds of accounts receivable makes sense only when the correlation between profits from the giving trade credit for these groups is less than 1.

Example 2, Case 1. Correlation coefficient between accounts receivable profits from Groups A and B equals 1, $\rho_{A,B} = 1$.

Figure 2 shows that there is no possibility of increasing profit from diversification without increasing risk if $\rho_{A,B} = 1$

Example 2, Case 2. Coefficient of correlation equals (-1) , $\rho_{A,B} = (-1)$ Perfect negative correlation.

At Point A we offer trade credit only to Group A. At point B we offer trade credit to Group B. If we are following from Point A (and we are enlarging contribution of Group B in accounts receivable portfolio) to A/B_1 , the risk s is decreasing and the profit R is increasing. As we see in Figure 3, it makes no sense to possess accounts receivable only from Group A. It is because with identical risk s , the portfolio A/B_2 offers higher profit R .

Example 2, Case 3. Coefficient of correlation equals 0, $\rho_{A,B} = 0$. It is a situation when benefits from giving trade credit to Group A and Group B are not related to each other in any way.

In such situation, the only possible way is a partial reduction of risk. The reasonable firm should not choose any portfolio of charge lying on the $A-A/B_3$ line, because it is always possible to find a more profitable equivalent on: $A/B_3-A/B_4$ line, which with the same risk s gives higher profit R . The skilful construction of two groups of accounts receivable portfolio

³ With admittance of taking both groups simultaneously on trade credit principles

can lead to a considerable reduction of risk. The inclusion to single-asset portfolio second component almost always leads to risk decreasing, sometimes even with the simultaneous profit growth (Brigham 2004, p. 77; Jajuga, Jajuga 1994, p. 119; Jajuga et al. 1997; Jajuga 1993; Wait 2002; Fabozzi 2000; Jajuga, Jajuga 2002).

Example 3 (continuation of example 1). After the historical data analysis had been achieved, firm managers noticed that the expected profits were higher and correlated negatively with profits generated from purchases by current customers. This was certainly from allowing trade credit to customers who had made cash purchases because of the high risk during the receivables collection period. These trends lead to the expectation³ of a lower risk of profits from accounts receivable and growth in profits from sales in general at the same time. A 3% cash discount was proposed for customers who paid within 10 days along with an extension of the payment deadline to 45 days for any remaining customers. As a result, 4% of sales would be paid for in cash while 40% of customers would take advantage of the cash discount by paying by the 10th day. The remaining customers (46% of sales) would make their payments on the 45th day. Bad debts = 1% × CR. CR₁ = 700 000 000 €. The effect of these changes in trade credit policy would be felt for three years. In addition, VC would be reduced from 50% to 49% thanks to the positive advantages of scales resulting from larger sales (and increased production).

So, we have:

$$DSO_2 = 0.04 \times 0 + 0.40 \times 10 + 0.46 \times 45 = 24.7 \text{ days}$$

$$\begin{aligned} \Delta AAR &= (24.7 - 10) \times \frac{500\,000\,000}{360} + 0.49 \times \\ &\times 24.7 \times \frac{200\,000\,000}{360} = 27\,140\,556 \text{ €} \end{aligned}$$

$$\begin{aligned} \Delta EBIT &= 200\,000\,000 \times 0.51 - 20\% \times 27\,140\,556 - \\ &- (1\% \times 700\,000\,000 - 3\% \times 500\,000\,000) - \\ &- (3\% \times 700\,000\,000 \times 40\% - 2\% \times 500\,000\,000 \times \\ &\times 25\%) = 98\,671\,889 \text{ €} \end{aligned}$$

From this, we have the following change in the firm value:

$$\begin{aligned} \Delta V &= -27\,140\,556 + \frac{98\,671\,889 \times 0.81}{0.15} \times \\ &\times \left(1 - \frac{1}{1.15^3}\right) = 155\,344\,454 \text{ €} \end{aligned}$$

The firm value will increase. The proposed change will be more profitable than in example 1 without using the portfolio approach. This related information comes from the estimation of EVA growth:

$$\begin{aligned} \Delta EVA &= 0.81 \times 98\,671\,889 - 15\% \times 27\,140\,556 = \\ &= 75\,853\,147 \text{ €} \end{aligned}$$

CONCLUSION

Accounts receivable management decisions are very complex. On the one hand, too much money is tied up in accounts receivables, because of an extreme liberal policy of giving trade credit. This burdens the business with higher costs of accounts receivable service with the additional high alternative costs. The additional costs are further generated by bad debts from risky customers. On the other hand, the liberal trade credit policy could help to enlarge income from sales. In the article, the problem was linked to the operational risk of purchasers interested in receiving trade credit who, as separately considered groups, may characterize a too high risk level. However, if they are considered as one of several groups of enterprise customers, and if their payment habits are correlated with the payment habits of the remaining groups, what was formerly impossible could become possible and may even turn profitable. The portfolio of assets, like the portfolio of accounts receivables, sometimes presents a lower risk to acceptable advantages than the independently considered groups of purchasers.

REFERENCES

- Brigham E.F., Daves P.R. (2002): Intermediate Financial Management. Mason, South-Western (Thomson Learning).
- Czekaj J., Dresler Z. (2002): Corporate financial management. Theory fundamentals (in Polish). WN PWN, Warszawa.
- Fabozzi F.J., Fong G. (2000): Advanced fixed income portfolio management. The state of the art (in Polish). WN PWN, Warszawa.
- Jajuga K. (1993): Financial capital management (in Polish). Wydawnictwo AE, Wrocław.
- Jajuga K., Jajuga T. (1994): How to invest in financial assets (in Polish). WN PWN, Warszawa.
- Jajuga K., Jajuga T. (2002): Investment. Financial instruments. Financial risk. Financial engineering (in Polish). WN PWN, Warszawa.

- Jajuga K., Kuziak K., Markowski P. (1997): Financial investment (in Polish). Wydawnictwo AE, Wrocław.
- Luenberger D. G. (2003): Investment Science (in Polish). WN PWN, Warszawa.
- Maness T.S., Zietlow J.T. (1998): Short-Term Financial Management. Dryden Press, Fort Worth.
- Michalski G. (2004): Lexicon of Financial Management (in Polish). CHBeck, Warszawa 2004.
- Piotrowska M. (1997): Corporate finance: Short-term financial management (in Polish). Wydawnictwo AE, Wrocław.
- Pluta W., Michalski G. (2005): Short-term capital management (in Polish). CHBeck, Warszawa.
- Reilly F.K., Brown K.C. (2001): Investment analysis and portfolio management (in Polish). PWE Warszawa.
- Scherr F.C. (1989): Modern Working Capital Management. Text and Cases. Prentice Hall, Englewood Cliffs.

Arrived on 25th June 2007

Contact address:

Grzegorz Michalski, Wrocław University of Economics, Department of Corporate Finance and Value Management,
ul. Komandorska 118/120, pok. 704-Z, PL53-345 Wrocław, Poland
e-mail: Grzegorz.Michalski@ae.wroc.pl
