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EDITORIAL

The turn of the centuries, even millennia, a time of unprecedented globalization of today's world, military-strategic, economic, political, and cultural information. Current theories of law, economics and management are required to respond to a wide-ranging challenges of globalization. The answers to the challenges of civilization are sought in close cooperation, because today, as never before, law issues, management and economics are closely intertwined with issues of morality and justice, freedom and responsibility of man, the third company millennium. Today's situation is unique in that there is an accumulation of many changes and critical phenomena in all three areas, and nobody knows to predict their cumulative impact. Although the main issue of these days is financial system crisis, this will certainly impact other sectors of the economy, law and consequently the management. That is why the magazine monitors historical as well as current events in law, economics and management in form of expertise together with practical examples. The journal thus provides a comprehensive methodology that can be applied both in simple as well as in most complex cases which experts from scientific research and educational institutions, as well as managers, economists and lawyers in their daily practice can meet.

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SIMULATION AS A DECISION-MAKING TOOL IN CORPORATE AND FINANCIAL ENVIRONMENTS

Tomáš Klieštk, Daniel Žilovec

Abstract

Solution of a certain group of economic – mathematical models (e.g. most of optimization, econometric and structural models, etc.) is based upon formulation of mathematical model which is analytically solvable, eventually with assistance of some of numeric methods. Requirement for a model formulation which is analytically solvable can point to simplification of objective reality to a smaller or bigger extent. The fact directs to problems connected with interpretation of acquired results. It is necessary to correct calculated values, lots of times according to experience and intuition which decreases validity of results we acquired to a high degree.

Keywords: simulation, modelling, data, validity, parameter, value, variable

EVALUATION OF STRUCTURAL STABILITY OF THE ORGANIZATION IN RESPECT TO THREATS

Maya Lambovska, Ognyan Simeonov, Jaroslav Slepecký

Abstract

This article presents one possible approach to evaluation of structural (inherent) stability of the organization in respect to threats to it. The approach is based on the chaos theory, the catastrophe theory and the theory of parties concerned. The evaluation of current structural stability consists in determining the distance of the points of current aggression of the holders of threats to the organization to the catastrophe/bifurcation points of their attractor basins as a basis for making suitable managerial decisions about the organization. Essentially, the approach provides quantitative tool for evaluation the stability of the organization in the process of its qualitative strategic change.

Key words: evaluation, structural stability of organizations, threats, catastrophes

CORPORATEMETRICS AND VALUE AT RISK AS EFFECTIVE METHODS FOR RISK MEASURING IN THE CORPORATE AND FINANCIAL ENVIRONMENTS

Daniel Buc

Abstract

CorporateMetrics is an effective instrument for market risk measuring in the corporate environment. In broad terms, CorporateMetrics focuses on two corporate financial results that affect, and that are commonly used to gauge company's value – earnings and cash flow. Specifically, CorporateMetrics enables companies to forecast earnings and cash flow for a range of different projected market rates – foreign exchange rates, interest rates, commodity prices, and output prices. CorporateMetrics offers a VaR-type of methodology, the principles of which have been long widely used in portfolio risk analysis, where the exposure of financial instruments to market risk is routinely measured. The VaR measures the maximum likely loss, it can be easily applied to corporate risk measurement.

Keywords: *VaR, CorporateMetrics, risk, value, results, modeling*

EXPRESSION OF RISK IN METHODS FOR EVALUATION OF EFFECTIVENESS OF INVESTMENT BASED ON CF

Veronika Frnková

Abstract

Aim of this work is to analyze classical methods for effectiveness evaluation of investment projects based on cash flows, focusing on the incorporation of risk in individual methods and provide an overview of ways how is the risk reflected in the different models and expressed mathematically. The first part sets out the criteria for the effectiveness evaluation of investment projects and an overview of various methods of evaluation of investment projects. Other sections deal with risk analysis and consequently procedures for determining the discount rate, which is the key element of the effectiveness evaluation of investment projects based on cash flows. Real option methods enlarge classical methods with value of flexibility of decisions related with investment project or enterprise. Real option method should be applied to firms making business in very risk markets. To enterprise activities with low volatility should be applied classical methods.

Keywords: *investment project, risk, discount rate, evaluation*

REVIEW OF WATER MANAGEMENT IN THE AREA OF DOLNÝ ZEMPLÍN

Barbara Hlavňová, Izabela Pristášová, Lukáš Vinc

Abstract

Drinking water is a very important substance for human mankind. Drinking water has to be healthy and suitable for human consumption. In the area of Dolný Zemplín the operator of the duct is Východoslovenská vodárenská spoločnosť, a.s. Availability of drinking water is a serious problem. Drinking water consumption constantly decreases. More attention should be paid to the quality of drinking water and its delivery to the final consumer.

A negative result of development of the civilisation, apart from many other things, is pollution of water sources. The results of negative anthropogenic activities can be observed on the background of natural influences under the conditions of partial basins of the rivers Bodrog and Tisa. The density of inhabitants, activities in the field of industrial production, agriculture and various human activities are limited either by sufficiency of water or by water quality. The water quality in the recipients of Dolný Zemplín is negatively influenced by point-sources of pollution especially public sewage and various industrial and agricultural activities placed in Trebišov and Michalovce Districts. The water quality of Bodrog river basin is a result of natural influences, on the background of which the consequences of anthropogenic activities are remarkable. The article deals with water management, description of drinking water quality, negative influences of produced wastewater released into watercourses of Bodrog river basin.

Key words: *waste water, drinking water, basin of Bodrog, point source of water contaminate, water quality of Bodrog*

EMPLOYEE MOTIVATION IS A CONSTANT CHALLENGE

Daniela Hrehová, Peter Kamenec

Abstract

In today's turbulent, often chaotic, environment, commercial success depends on employees using their full talents. Yet in spite of the myriad of available theories and practices, managers often view motivation as something of a mystery. In part this is because individuals are motivated by different things and in different ways. Any manager knows that employee motivation is a key to individual performance, group productivity, and maintaining a pleasant office culture. This is possible to achieve with one of the ways of human resources management – motivation.

Key words: *firm, motivation, employee*

THE IMPACT OF FOOD PRICE VOLATILITY AND GLOBAL ECONOMIC CRISIS ON DEVELOPMENT OF AGRIFOOD SECTOR IN EASTERN EUROPE AND CENTRAL ASIAN COUNTRIES

Mária Kadlečíková, Zuzana Kapsdorferová

Abstract

The agrifood sector is facing from 2006 threefold crisis, which commenced with the crises of the soaring food prices, continued with financial and global economic crises. In addition to this due to the low yields caused mainly with natural disaster and the increased price for the energy, the sector is facing new kind of crises, which effects are likely to be felt long after the most immediate signs of the financial and economic crisis have passed. The papers address the impacts of the risky economic environment in agrifood sector, by integrating the effects/causes into the four groups (political, social, market and agribusiness side). Furthermore upon the analysis of the data and developing trends are proposed the actions/measures for sector in order to be more effective in its resilience towards of future unpredictable and unstable future, including of the financial crisis as well as to the predicted climate change. To its end of this paper is suggesting several actions for enhanced international cooperation in the Eastern Europe and Central Asia in order to be better prepared for future eventual financial crisis and also to deal more effectively with shocks caused by surges of the volatile prices.

Key words: *soaring food price crises, financial and global economic crises, volatile prices, climate change, investments into agriculture, agricultural strategy, horizontally and vertically*

BASIC CONCEPT OF CLUSTER ANALYSIS

Kramárová Katarína

Abstract

A human being has a tendency to creating groups of identical or similar individuals or objects for ages, consciously or unconsciously. Creating such groups is not usually without sense – usually the results can bring intellectually satisfying, can be profitable or sometimes also both. Though, the positive effect of this “activity” is known for a long time, official beginning of it as a scientific or statistical method is dated back to last century – since that time the term cluster analysis has been used. Nowadays its usage is very widespread (almost in all scientific disciplines) and has been increased as well because of its ability to discover invisible connection within the set of analyzed data.

This paper deals with the main concept of cluster analysis with the emphasize on similarity measurement methods and brief description of main clustering methods.

Keywords: *Algorithm, cluster, clustering, data, distance, hierarchical clustering methods, matrix, non-hierarchical clustering methods, similarity, variable*

IMPACT OF ECONOMIC RECESSION ON THE CONSUMER BEHAVIOUR

Lehutová Katarína, Elena Gregová

Abstract

The negative social effects caused by the economic recession, in the recent years, led to the necessity of recognition of changes in the consumer behaviour. The recession that lasted from 2007 through 2009 made changes in consumer behaviour that may have a lasting impact, and they definitely will. The paper describes, at first, who are consumers, their behaviour, trendology and also the changes in their behaviour caused by altered economic conditions. The recession has led the consumers to look for new trademarks and they became more economical, more responsible and more demanding. Consumers started to incline to be more pragmatic in their purchase. They are more purposeful in looking for products that meet their needs not to those they want. Researches carried out by many companies in various European and American countries are analyzed in the paper in order to highlight the main changes in the consumer purchase behaviour in the time of economic recession.

Keywords: *consumer, consumer behaviour, consumer trendology, economic recession*

PSYCHOLOGICAL SECURITY OF E-CONSUMER

Ewa Matuska, Joanna Grubicka

Abstract

Although building IT society stays currently the flag strategic goal for EU development policy there are significant differences in process of digitalization between EU member countries and many barriers on this way. The key condition for increase economic turnover from different kind of e – market transactions seems to be sufficient level of social trust to providers of such offers. It is obviously linked also to the e - consumer ability of executing law regularities dedicated to copy with Internet dangers. Activity in net depends however strongly on user subjectively perceived level of security connected with own Internet transactions. This kind of the phenomenon, defined here as a psychological security of e - consumer, builds global amount of e-transactions observed on the market. The main e - market threats, as well as, some useful technical IT indications presenting how in easy way protect against them, are specified. In conclusion, the links between organizational and institutional responsibility in creation the global trust to e- market is assumed as well the individual responsibility of every e - consumer for creating own psychological sense of security which is viewed as an important personal competence.

Key words: *digital society, e-consumer, psychological security, protection of online transactions*

MANAGING SENIOR VOLUNTEERS (QUALITATIVE STUDY)

Lukáš Pavelek

Abstract

The essay presents several outcomes from a qualitative research realized on the topic of senior volunteering. The author presents selected findings and conclusions from qualitative data, which was collected from senior volunteers and coordinators working with volunteers in various non-profit organizations across Slovak republic. The essay focuses on effects of senior volunteering, motivation, barriers and other interesting facts drawing the attention to effective ways of managing volunteers.

Key words: older people, volunteering, non-profit organizations, motivation, barriers

AESTHETIC FACTOR AS A DETERMINANT FOR LOCAL ENVIRONMENT MANAGEMENT

Juliusz Piwowarski, Dorota Ambroży

Abstract

Certain factors that influence raising standards of human safety (like specified ways of inhabitation among local communities) are still underestimated, at least according to some current opinions. Looking at the issue at hand, from the point of view of preventing the menace of antisocial behaviour and local crime, aesthetics is one of the crucial elements to increase the efficiency of the matter in question. The aim of this work is to show the role of aesthetics in creating the safety culture.

Key words: environment, management, aesthetic, factor, safety

THE POSSIBILITIES OF THE FUZZY LOGIC EXPLOITATION IN ECONOMY

Solárová Petra, Tomáš Klieščík

Abstract

The paper discusses the possible applications of fuzzy logic in economics. Fuzzy Logic is successfully used in today's process control systems. Fuzzy logic addresses such applications perfectly as it resembles human decision making with an ability to generate precise solutions from uncertain or approximate information. It fills an important gap in engineering design methods left by mathematical and logic-based approaches. This paper is purely theoretical and worked very simplified form.

Keywords: decision making, model, risk, uncertainty, fuzzy, set, membership function, attribute, variable

THE RISKS IN THE PROJECT MANAGEMENT OF THE ENTERPRISE

Erika Spuchľáková, Juraj Cúg

Abstract

The purpose of project management is to foresee or predict as many of the dangers and problems as possible and to plan, organize and control activities so that projects are completed successfully in spite of all the risks. This process should start well before any resource is committed, and must continue until all work is finished. The primary aim of the project manager is for the result to satisfy the project sponsor or purchaser and all the other principal stakeholders, with the promised timescale and without using more money and other resources than those that were originally set aside or budgeted. This article points out various risks in project management and gives the recommendations how to minimize them.

Keywords: *Project Risk Management, Project Risks, Qualitative and Quantitative Analysis, Gantt chart, PERT chart.*

FUNDAMENTAL ANALYSIS OF STOCKS

Katarína Zvaríková

Abstract

Investors and analysts have been trying to predict stock's price movement and detect undervalued or overvalued stocks on the market for many years. Fundamental analysis seems to be the best method to detect "incorrect" evaluated stocks because of its used methodology. The aim of the post is to bring closer methods of fundamental analysis with their advantages and disadvantages.

Keywords: *fundamental analysis, stock, stock's intrinsic value, overvalued stock, undervalued stock*