

Liquidity and Short Term Asset-Liability Structure: Evidence from a Panel of Hungarian Firms

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Financial crisis has made a hard effect on the solvency and liquidity position of companies. The increasing number of bankruptcies is signaling that less liquid companies can easily come to unsafe situation. We analyse the features of short-term liquidity conditions of the Hungarian manufacturing companies. The liquidity condition is interpreted broadly, connecting with the asset-liability structure. We investigate whether the short-term assets structure is determined by particularity of sectors of industry and liabilities by general financial conditions. The features of asset-side analyse is confronted by liability-side, and we make conclusion on trends of liquidity position of Hungarian manufacturing sectors. We use AMADEUS company level database. The balance sheet and income statement data from 2004 to 2007 provide information for panel data analyse.

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