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Dear Readers,

This latest issue of *Argumenta Oeconomica Cracoviensia* confirms the broad range of subjects tackled in the journal. We present the results of empirical research from various areas of economic life. Several of the articles concern similar economic issues, and this is reflected in the order in which the articles are presented.

The issue of corporate bankruptcy is a key area of analysis in both micro- and macroeconomics. The interest in this issue is completely understandable, since corporate bankruptcy is embedded in the very nature of the market economy; it is an element of the market economy paradigm. Corporate bankruptcy is usually a symptom of the objective operation of the market mechanism, which eliminates inefficient entities that produce low-quality goods and services. Whilst recognising these positive aspects of bankruptcy, it is hard to ignore the negative consequences for the bankrupt entities themselves and the consequences for the economy and society in general, especially if bankruptcies occur on a large scale. The aim of both theoretical and empirical analysis is to identify bankruptcy risk. These issues are presented in the article by Barbara Pawełek and Józef Pociecha, who analyse a set of indicators that can predict corporate bankruptcy. Their starting point is a theoretical analysis of bankruptcy that uses structural equation modelling (SEM) to select financial indicators for an Altman--type bankruptcy prediction model. Clearly, selecting various indicators for the model presents a certain challenge. Also problematic is the appropriate selection of non-bankrupt entities for which the predictive indicators could be used.

For a company to be healthy and to operate normally, correct decisions about how its resources are allocated, the search for market niches, investment, and the raising of capital from external sources are all significant. In modern economic systems, several new ways of raising external capital (for instance, venture capital) have emerged. There are also several new financial instruments which a company can use to acquire that capital. Nevertheless, traditional sources and methods of raising external capital continue to be the focus of both theory and empirical analysis. This is not only concerns loans extended by commercial banks, but also trade credit, which is attractive proposition to both sides in business transactions. The granting of trade credit allows the producer (seller) to provide goods and services on favourable terms, since it does not require the recipient to engage their financial resources immediately, nor does the recipient need to take out costly bank loans in order to purchase those goods and services. The provision of trade credit is risky, however. In her article, Danuta Zawadzka presents the role of trade credit and its associated risks based on the results of empirical research. The research was conducted on group of agricultural enterprises in the Middle Pomerania region of Poland. The findings may be of interest to readers.

A basic condition for the effective functioning of enterprises, banks, financial institutions, and other entities is the reliable and credible reporting of economic events arising in those entities. This constitutes the basis of financial reporting. The reliability of financial information is important for the internal bodies of corporations (companies), which include the management board, supervisory board, and owners. A fair view of a corporation's financial situation is also of interest to external recipients (investors, tax authorities). The experience of many countries and the companies operating within them, including multinationals, is that there have been many irregularities in this area. Creative accounting has often been a cause of company bankruptcy, bringing losses to shareholders (investors). Such events have been common during the recent financial crisis. For these reasons, among others, we recommend the article by Filip Grzegorczyk and Jerzy Hejnar, in which the authors assess the latest regulations concerning the procedure for appointing statutory auditors. This assessment is carried out on the example of a group of commercial banks listed on the Warsaw Stock Exchange.

The usefulness to investors of information contained in company financial statements and other stock market indicators is tackled in the article by Marcin Czupryna, Elżbieta Kubińska, and Łukasz Markiewicz. Although there exists extensive literature on the effectiveness of information on capital markets, and numerous empirical analyses continue to be carried out in this regard, the hypothesis that this information is very effective has not been positively verified. The authors attempt to explain why, despite its weaknesses, technical analysis is widely used in practice. The article may therefore be seen as a contribution to the debate on this subject.

One of the important factors behind economic growth and, more broadly, the growth of highly-developed economies, is the knowledge economy. Currently, the importance of human capital is also appreciated by countries that have made efforts to transform their economies. For these reasons, readers may be interested in the article by Bojan Krstić, Sonja Jovanović, Jasmina Štarc, and Tanja Stanišić, who present the results of research on the role of the knowledge economy in Central and East European countries (11 countries in total). The authors use standard methods to measure the correlation between the level of investment in human capital (education) and the competitiveness and innovativeness of the economies in question. The results enable the authors to assess the similarities and differences between the analysed countries in terms of their approach human capital and to assess its importance for socio-economic development.

For many years, the issue of sustainable economic growth has not only been the subject of theoretical studies and empirical analyses but has also been included in the programmes of various countries and economic organisations (for instance, the European Union and the OECD). Although this issue is generally regarded to be key and uncontroversial, in practice there has been unsatisfactory progress in this area. The main reason for this is the ineffectiveness of the tools used to achieve designated goals. Generally speaking, the problem is that these tools are legal and economic (financial) in nature. In his article, Piotr P. Małecki addresses the role of ecological taxes and fees, both in terms of their ability to bring about desired behaviour on the part of companies and households and in terms of their ability to raise funds for environmental policy. The aim of the article is also to explain the new approach to reporting introduced in 2013 by the European Union (Eurostat) in respect of ecological taxes and fees. The new reporting obligations for EU countries are an important change that needs to be considered when assessing the effectiveness of ecological financial instruments.

The present issue of *Argumenta Oeconomica Cracoviensia* closes with an article by Piotr Podsiadło on state aid in European Union countries. State aid to companies is a highly sensitive economic and legal issue that strongly impacts on the functioning of the European Union as an integrating economic system. The special importance of state aid arises from the fact that the EU economy is based on the market mechanism and competition. However, state aid to companies breaches – to a greater or lesser degree – the principle of fair competition. For these reasons, state aid is strictly regulated in EU and national legislation. The issue of state aid was a particularly important challenge for many EU countries and for the EU itself during the financial crisis, when many companies and financial institutions were threatened with bankruptcy, which could have deepened the economic crisis. The article presents a review of state aid instruments as well as empirical data for the EU in the years 1992–2012.

Whilst commending the articles herein to our readers, I would also like to invite authors of original texts to contribute to future issues of the journal. This invitation is addressed to authors both within Poland and abroad.

Prof. Stanisław Owsiak
Editor-in-chief