

USING THE CAPITAL MARKET BY AVIATION COMPANIES IN THE SLOVAK REPUBLIC

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The origin of the word stock comes from the Latin word "bursa," meaning a leather bag. Three purses were part of the family coat of arms "Van der Buerse" where their inns in Bruges in the 14th Century traders not only went he stayed, but also make their trades. Nineties are characterized by the globalization of world economy and the growing importance of information technology. There are hundreds of new emission of shares, particularly stock trading online. All this contributed to the attractiveness of the stock market and reflected in the rapid growth in stock prices on all world stock markets. This article discusses the various airline and their statistical balance sheet as assets, liabilities, income statement, profit and the actual use of the market by the airline such as Air Traffic Services of the Slovak Republic, Aerial repair Trenton, and the two largest airports in Slovakia Airport, MR Stefanik Airport and Kosice.

Keywords: Capital markets, airline, financial market, stock exchange

1 Introduction

The beginnings of the capital market can be associated with 14.st. where business transactions took place around pubs and first began to use the term exchange. The twentieth century is characterized by the formation of global centers like New York, London and the term is defined by the globalization of world economy, where there were hundreds of new issues, actions and especially their marketing. The capital market, not only by the constantly changing and evolving. It goes without saying that countries with stronger economies in the capital market is doing better than those countries whose economy is weaker.

2 Capital market

The capital market as a segment of the financial market is a market in the medium and long-term capital, which is used mainly to finance investment, mainly through commercial paper, but also medium and long term loans, financial leasing and the like. Capital market, there are different companies, banks, insurance companies, pension funds, investment companies, investment funds, public sector

bodies, international and supranational institutions and, increasingly, of course, people. Capital market acts as the issuer or investor. Issuers receive a cash capital by issuing medium-term and medium term securities and investors to invest their funds in financial instruments.

2.1 Institutions of the capital market

Money exchanges are the lead institutions, the capital market. According to economist and Nobel Prize winner P.A. Samuelson, "Exchange" is the essence of capitalism, more than any other feature because you traded the rights to ownership of the means of production.

OTC-market institutions created by it because the stock no obligation to accept any securities, it takes only a few hours, there is the option of trading via telephone and, of course, competing exchanges. Collective investment institutions, forms of collective investment are investment companies and investment funds.

2.2 Criteria for evaluation and access to capital markets by airline companies

Reasons for entering the capital market
- Acquisition of capital

- Strengthening the image of
- Strengthening corporate brand
- Increase in capital
- Construction of infrastructure

Criteria for entry into the capital market

- Briefly summarized prospectus approved by the regulator of capital market and made available to investors
- Continuity of good results
- The investment rating
- Shareholders' confidence in the market valuation of assets
- The Company may not be in liquidation or bankruptcy
- Transferability of shares should not be limited

3 Development of capital market in Slovakia

The emergence of the capital market in Slovakia is dated to the time of Stock Exchange, respectively. its launch. Stock Exchange in Bratislava, OJSC (BSE) was established on 15 March 1991 in accordance with the decision of the Ministry of Finance in 1990 and is one of the regulated securities market in the Slovak Republic. From 26 June 2001 is operating under a license granted by the Financial Market SR. This authorization was on 26 March 2008 by decision of the National Bank of Slovakia advanced to organize a multilateral trading facility (MTF). Trade on the Stock Exchange started on 6 April 1993. BSE is a corporation whose business is mainly governed by the law no. 429/2002 Coll. on the Stock Exchange, as amended, other laws and exchange rules BSSE. Stock Exchange operates on a membership principle, meaning that the right to enter into stock market trades only its members can, if necessary. National Bank of Slovakia.

3.1 Slovak financial market for 2011

The overall structure of the financial market in Slovakia is the Central Bank of Slovakia, MFIs and other financial intermediaries. Overall, the banking sector has increased the number of workers. Total assets of banks and branches of foreign banks in Slovakia at the end of three quarter of 2011 reached 58.6 billion. € and total liabilities of credit institutions at the end of the third quarter of 2011 reached 58.6 billion. € Profit from current year for the period 2007 to 2011 reached the highest value yet. The cumulative value of profits over a period of nine months in 2011, exceeding the values obtained from the previous four years. Mutual funds are issued and sold shares that receive funds from investors and invest in various forms of assets. In Slovakia, the most used money market funds, which are the least risky and the bank deposits to invest up to 41%. The bond funds have the highest proportion of debt securities of about 70%.

3.2 Money market in Slovakia

On the territory of the Slovak Republic in the past there was no exchange of money, only Commodity Exchange, established on 22 June 1922 in Bratislava. In the early 90-ies created in Slovakia, two money exchange: Stock Exchange in Bratislava (BSE) - was established in 1991 incorporation. The first Secretary General was Zdenko Alexy, later appointed as proxy creation of financial exchanges in Slovakia. BSE is a joint stock company, which operates under license the Ministry of Finance. Bratislava Option Exchange (BOB) - It was the second Slovak Stock Exchange, founded in 1989. The main function should be the implementation of options and futures transactions in securities. Since Bob has a license for spot transactions, and on this basis, the operation ended BOB.

4 Financial analysis of enterprises

Slovak aviation market is a great example in Bratislava are in a strong position of foreign carriers. Slovak aircraft operator does not record or proximity to Vienna, from where it flies close to the whole world. Not all, however, laid the crisis, such as SkyEurope have caused problems even before the crisis because they wanted to expand too quickly and not where capital gain because the tickets were sold too cheaply and globally.

It is now difficult to find a bank that is willing to fund such a risky business as the cost of air transport. People ask why, but the truth is that over the last three years in Slovakia went bankrupt three airlines and the fourth just before the crash. The license is just one and it also admits he has significant financial problems. The bankrupt company are SkyEurope and Seagle Air, to the bottom as well as Air Slovakia and drops to the bottom and Ryanair.

4.1 Letové prevádzkové služby SR

In 2010, LPS SR achieved a positive profit before tax in the amount of 2 139 523 € The settlement for the period of LPS SR achieved a positive profit in the total amount of 1 006 543 € The amount of profit or loss for the allocation of costs between services en-route and terminal services will also affect the amount of the compensatory mechanism in determining the charges for services en-route to the next period. It was in 2010 invested 5 460 831,05 €

The total number of shares was made up of 87:

- 52 shares completed

- 35 shares for a period previous 2011

Investment activities were implemented to ensure traffic and business (contingency and predicted shares) to certain actions by the technical specifications were based on actual requirements. Total financial assets

in short-term LPS SR has positive values represent increases from the money, valuables worth 41 920 € and bank accounts in the amount of 1 846 808 €

4.2 Letecké opravovne Trenčín

Profit for the year 2006 showed a loss of 694 317 € Total earnings amounted to 871 705 € and cost 1 566 022 € Profit was adversely affected by energy costs. This profit consists of course of the financial activities of the amount of 76 113 € Fixed assets are insured in the insurance company Allianz Slovak insurance company where the insurance relates to immovable and movable property and to stocks. The insured is a foreign property taken in for repair under the contracts. The insurance is for damage to things and natural disasters, theft, burglary and robbery. In 2004, the audit was prepared for all types of insurance and insurance brokerage company K-Finance, which has power of attorney in representing Aircraft repair in insurance matters.

4.3 Airport of M.R. Štefánik v Bratislave

The year 2010 saw an increase in the value of the assets of 20 702 843 €, the total value amounted to 335 237 100 € Substantial changes occurred also in the structure of current assets, mainly to reduce short-term receivables and cash totaling €17 464 001. The total loss of the company reached in 2010 to 4 837 316, 21 € The biggest impact it had on depreciation and an increase of 2,689,633 €, as well as the provisioning debts amounting to 1 955 267 € In the 2010 liability was capital increase of 9 958 175 € and a cash contribution of shareholders. The settlement obligation to shareholders of 2 712 443,75 € In addition to increasing long-term investment loans of 2 510 969 € to cover the investment and spending bridging loan of 15 million € to cover the investment needs.

4.4 Airport- Košice

The company closed the year 2008 a profit of 2 566 000 €, of which revenues have contributed a volume of 13 709 000 € the highest percentage achieved revenues of chapter production, sale of services such as. - Handling, landing and parking aircraft, airport tax. The second most important benefits are revenues from the sale of goods reserved for aviation fuel. The costs incurred were in a total volume of 11 143 000 € the highest proportion of personnel costs is the chapter represented especially labor costs, compensation of board members, legal and statutory social insurance, social costs. The second ranked the largest volume of consumption and production section third item was depreciation of intangible and tangible assets.

4.5 Proposal

For Air Traffic Services would like to propose greater use of capital funds from the external environment as a capital surplus, funds from cash and in kind contributions, legal and indivisible reserve fund.

For Aircraft repair Trenton, the biggest problem is that it focused on a single customer Slovak, who are Armed Forces. To demonstrate a regular need to gain more new customers, Slovak, but especially foreign to benefit each year. And of course as well as the LPS SR, as well as for LOT SR and Airport M.R. Stefanik is required by the greater use of capital funds. Bratislava Airport is not the biggest competition in the airport in Vienna, trying to deal him, which made me very difficult as it related to various modifications and associated costs, but if he wants to keep up the focus on profits from other angles and to try focus on the financial market. Košice Airport from among these four air companies compared the highest gain, but when he wants to show long-term gains as the best contribution would be made tracks

in England and Ireland, and improving the marketing environment, he wants to become an important transport hub in Europe.

5 Conclusion

Expected merger, expected capital increase, the tax and interest rate policy has a major impact on the prospects for the future. Rate a seven-year history of the capital market in Slovakia is not easy. The completion of our capital market is a process associated with the creation of economic and legal conditions. The financial market is important to perform the functions which are:

- Concentration of temporarily free funds of funds
- Placement of (allocation) of free resources where their use is effective, flexible spillover from industry to industry
- Reallocation of available funds, that is to say transformation of savings to investment

In the major airlines benefit from the use of capital funds from the external environment as a capital surplus, funds in cash and in kind contributions, legal and indivisible reserve fund. The prospect of the capital market after years of stagnation, we can evaluate more optimistic.

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