ARGUMENTA OECONOMICA

2 (27) • 2011

Wrocław University of Economics
Wrocław 2011

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Argumenta Oeconomica Editorial Office: Komandorska 118/120, 53-345 Wrocław

payment instruments, he postulates that Poland transposes the national option to limit additional costs of payment cards usage due to surcharging practices. His arguments are supported by analyses indicating potential social and economic effects of the authorization of surcharging on payment cards in the Polish market. The problem under study has been well embedded in the wide-ranging literature of the subject matter, considered from many aspects, with reference to examples of solutions applied in other countries, thus providing extensive knowledge on surcharging.

To summarize my assessment of the book *Retail banking: ideas – models – processes*, I would like to emphasize its following values:

- latest state-of-the-art of issues under study and their significance for the development of banking market in Poland,
- critical approach to various aspects of retail banking that identifies current threats and pending problems,
- close relationship of most of the discussed problems with the impact of the financial crisis on bank activities,
- wide informative contents of respective papers considering the most recent legal framework, empirical data and extensive literature of the subject matter.

Therefore, I believe that the book, edited by Professor A. Gospodarowicz, deserves recommendation to a wide group of readers interested in banking problems, both in theory and practice. It should undoubtedly inspire further research into this segment of banking market in Poland and discover applicatory solutions.

Jerzy Węcławski

Manfred Jürgen Matschke, Gerrit Brösel: WYCENA PRZEDSIĘBIORSTWA. FUNKCJE, METODY, ZASADY [UNTERNEHMENSBEWERTUNG. FUNKTIONEN, METHODEN, GRUNDSÄTZE], transl. from German by Henryk Gurgul. Wolters Kluwer, Warszawa 2010, 424 pp.

The book presents a concept of functional theory of business valuation developed by the German school in contrast to the neoclassical theory of business valuation offered by the Anglo-Saxon school. The back cover of the book dares to claim that "if opinions of Matschke and Brösel had been globally disseminated, the recent financial and economic crisis would not have caused such disastrous results". The theory described by the authors assumes that the value of a company depends on the goal and function of valuation. They correctly indicate that many practitioners dealing with business valuation carelessly propagate the concepts of market value. The book emphasizes that the estimation of market value regardless of circumstances of valuation is an error. The authors do not reject market value completely, however, they emphasize that it should always be applied consistently with the destination. Their theory distinguishes three types of value, i.e. decision value, arbitration value and argumentation value, which result from the main functions of valuation. In order to select a "sound" valuation procedure, the authors suggest to use their matrix of functional business valuation.

The book is addressed to theorists and practitioners alike; in addition, it is well suited as a textbook for students, both undergraduates and graduates, of all types of studies. The 391-page book is composed of five chapters. Chapter one explains the main concepts connected with valuation, presents the premises of both above mentioned theories, systemizes the reasons for business valuation, analytically presents the methods of valuation. The core part of the book is contained in three chapters describing procedures required to estimate the respective types of value (decision, arbitration and argumentation). Each category of value has a separate chapter. The last, chapter five, includes a description of principles on which functional business valuation is founded.

The opinions presented in the book are mostly different from the experience of Anglo-Saxon countries. The authors consciously claim that their work "will contribute to bring the naïve experts in business valuation out of the narrow blind alley where they stumbled using a wave of American models". Is such an approach justified? Are Anglo-Saxon practitioners really oblivious to all categories of value except for market value? For several decades a significant number of English language publications has become known whose contents in many aspects are similar to the premises of functional valuation theory. The contributions of such authors as J. E. Fishman, S. P. Pratt, W. J. Morrison, R. F. Reilly, R. P. Schweihs, Z. Ch. Mercer, B. Cornell are exemplifications. Yet the book under review does not refer to those authors at all. Next, the experiences of many practitioners from the U.S. and Canada have also been ignored. The standards developed by them clearly indicate that before one commences a valuation, a desired type of value must be defined. The emphasis is also added that the choice of a given category of value (i.estandard of value) depends on a goal and targeted usage of valuation. Any emerging differences are mostly semantic. If we compare the definitions of respective types of value, we see that an equivalent of decision value proposed by the German authors is investment value from the American practice, while arbitration value may be substituted, depending on circumstances, either by fair value or fair market value.

The authors of the book under review strongly emphasize the significance of the goal of valuation. They correctly assert that "ultimately, business value calculation – as any other calculation – is always subject to a specific goal, therefore its results are not valid under any circumstances" (p. 39). Nevertheless, the following statements seem to be obvious truths: "The purpose of calculation can be reasonably concretized only based on the known reason for the calculation. The result of calculation must be appraised with reference to the purpose and the reason of calculation" (p. 39).

It is interesting that the authors apply their fundamental classification of reasons of business valuation that is basically equivalent to the one I put forward in 1998 in a paper entitled *Theory and practice of income methods in business valuation* published by Szczecin University's "Rozprawy i Studia", vol. CCCLXXVI, issue 302, in 1998, and then, in a book *Methods of business valuation* published by Fundacja Rozwoju Rachunkowości w Polsce, Warsaw 1999. Matschke and Brösel classify the reasons of valuation into: 1) those with regard to the change of ownership relations of an enterprise, and 2) those which do not result in the change of ownership relations. The first type regards the situation when there are interpersonal conflicts threatening because of new conditions following the conducted or already concluded change of ownership relations. These reasons are subject to major functions of business valuation, whereas the other category is linked to so-called minor functions. The authors mentioned above classify situations (reasons) as: 1) connected with changes in the ownership structure, and 2) other (i.e. not connected with the change of the ownership relations). One may therefore assume that the views of both schools are fully in agreement. Next, Matschke and Brösel introduce more classifications of the events which may trigger a business valuation depending on situations leading to the change of ownership relations in a company:

1. With regard to the type of ownership change in conflict situations – the type of acquisition/sales and the type of merger/split;
2. With regard to the degree of relationship – joint (affiliated, correlated) conflict situations and disjoint (unaffiliated, unrelated) conflict situations;
3. With regard to the degree of complexity – one-dimensional conflict situations and multi-dimensional conflict situations;
4. With regard to the degree of dominance – dominated conflict situations and non-dominated conflict situations.

The comparison of different definitions of Free Cash Flows and compilation of links between respective categories of cash flows presented by the authors are worth noting. The classification of methods belonging to income approach framework has also been carried out perfectly.

The book, authored by M. J. Matschke and G. Brösel, is not a breakthrough performance, still it offers an interesting and coherent view on the problem of business valuation from the viewpoint of functional theory of the German school. The sui generis brand of this theory is given by the principles of functional business valuation presented in subchapter 5.2. (nb, it is not quite clear why two terms are used interchangeably, i.e. "function valuation" and "functional valuation" – probably it is only in the Polish translation). These principles are guidelines to be followed during the process of valuation and inference. One may state that they rationalize the decision taking process as regards the changes in the ownership structure. The authors focus on theory and less on practice. The reception of the book may be hindered by difficult language and complex mathematical formula. However, many numerical examples help to understand the intentions of the authors. An 11-page list of symbols is a very useful support for the reader. Notwithstanding the mentioned criticism, the book is a worth noting, valuable contribution to the discourse on principles and procedures obligatory for business valuation. It should be interesting to theorists dealing with valuation, students in finance, economics and management, as well as to practitioners, first of all to decision takers responsible for the accomplishment of actual transactions of sales/acquisitions of firms or their parts, to negotiators, advisers, analysts, auditors and court experts.

Dariusz Zarzecki