

CONTENTS

INTRODUCTION	9
1 FROM DATA TO WISDOM.....	13
1.1 Data	13
1.2 Information	17
1.3 Knowledge.....	19
1.4 Wisdom.....	24
1.5 Relationships among Data, Information, Knowledge and Wisdom	25
1.6 Society, Economy and Wisdom	30
2 INFORMATION NEEDS.....	34
2.1 Data Sources.....	35
2.1.1 Primary Data Sources	36
2.1.2 Secondary Data	44
2.1.3 Information Sources in Slovakia	48
3 DESCRIBING THE WORLD.....	50
3.1 Measurement.....	50
3.2 Types of Scales.....	52
3.3 Relationship between Scale and Type of Mathematical Relation	64
3.4 Relationship between Scales of Measurement and Statistical Methodology ..	65
3.5 Psychological Aspects of Scaling.....	71
3.6 Indicators	73
3.6.1 Economic Indicators.....	73
3.6.2 Composite Indicators	77
3.7 Spatial Indicators	90
4 BUSINESS INFORMATION USED TO EVALUATE COMPANY FINANCIAL HEALTH	94
4.1 Business Information	94
4.2 Evaluating Company Financial Health.....	95
4.3 Methods for Evaluating Company Financial Health	97
4.3.1 Measuring of Company Performance.....	97
4.3.2 Value Based Management.....	99

4.3.3	Balanced Scorecard – the Most Comprehensive Method of Company Evaluation.....	102
4.4	Financial and Accounting Information Used for Company Financial Analysis	106
4.4.1	Information Sources in Financial Analysis	109
4.4.2	Users of Financial Analysis.....	109
4.5	Financial Statements in the Single-Entry Accounting System.....	110
4.6	Financial Statements in the Double-Entry Accounting System	111
4.6.1	Analysis of Double-Entry Accounting System Financial Statements in Detail	112
4.6.2	Weaknesses of Financial Statements.....	119
4.6.3	Types of Financial Analysis	120
4.6.3.1	Ratio-Based Financial Analysis.....	123
4.6.3.2	Analysis Using Value Based Models.....	124
4.7	Financial Data Used to Estimate Company Financial Health in the Future .	127
4.7.1	Bankruptcy and Creditworthy Models in Predictive Financial Analysis	127
4.7.2	Results of Scientific Analysis of Applicability of the Altman Z-score in the Conditions of Slovak Market	130
4.7.2.1	Details of the Researched Sample Group.....	130
4.7.2.2	Analysing the Use of the Altman Z-score Method.....	131
4.7.2.3	Results of the Survey in the Conditions of the Slovak Republic	136

5 ANALYSIS OF THE QUALITY OF REPORTED COMPANY FINANCIAL DATA AND PITFALLS OF THE INFORMATION RELIABILITY OF DATA REPORTED IN FINANCIAL STATEMENTS. 149

5.1	Reasons of the Poor Information Reliability of Reported Financial Data...	150
-----	---	-----

5.5.1	Analysis of Creative Accounting Using Benford's Law.....	169
5.5.1.1	Application of Benford's Law on Accounting Data for Selected Slovak Companies.....	172
5.5.2	Beneish Model.....	181

6 INTERNAL AND EXTERNAL INFORMATION USED

IN THE COMPANY	184
6.1 Internal Information and Business Intelligence	184
6.1.1 The Role of Business Intelligence in the Company Information System.....	185
6.1.2 Practical Demonstration of Business Intelligence using ProfitUP Software	190
6.1.3 Cloud as a Solution for Dynamic Business Development	199
6.2 External Information	201
6.2.1 Information Databases Suitable for the Financial Manager in Slovakia.....	203
6.2.2 Mean Values of Financial Indicators as an Important Source of Statistical Financial Data for Company Benchmarking.....	205

BIBLIOGRAPHY	209
---------------------------	-----