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FINANCIAL CONTROLLING AND LIQUIDITY MANAGEMENT IN AGRICULTURAL ENTERPRISES IN THE SLOVAK REPUBLIC

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ABSTRACT

Controlling as an in-house management system is not only focused on profit management and cost control, but also in the area of corporate liquidity. Its use in liquidity management, the ability of the company to meet liabilities, and deepening financial planning and financial control is a key factor in the financial health of the company. The main goal of the paper is to quantify and analyse liquidity in agricultural enterprises in a selected region of the Slovak Republic. Liquidity is the ability of a company to transform assets into money and pay its liabilities on time. Effective financial management is one of the basic tasks of financial control. The main source of information for this control is the financial statement of companies. Based on the data from the financial statements of agricultural enterprises operating in the Nitra Region, we quantified and evaluated the development of current, quick, and cash ratio liquidity, as well as credit less and corrected liquidity for the period 2015–2019. The Nitra Region is one of the regions where agricultural activity has favourable conditions for its development. We analysed a total of 149 farms. From the point of view of the legal form, agricultural cooperatives show more favourable results of 'classic' and credit fewer liquidities in all years. On the contrary, from the point of view of the calculation of corrected liquidities, which take into account the binding of selected items of assets and liabilities, trading companies achieve better results than agricultural cooperatives.

Key words: liquidity, indicators, agricultural companies, financial controlling
JEL codes: M21, Q10, Q14

INTRODUCTION

The success of each company is reflected in its financial condition. The financial situation of the company systematically and comprehensively reflects the quality of business activities and their economic level, so it is a good starting point and means to diagnose the advantages and disadvantages of business activities. On the one hand, it is the internal environment of financial analysis, but the external environment has the same importance. The company presents itself to its partners on the market through its financial position and uses it as a basis for evaluating and determining the terms of the business relationship. The main aim of

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this paper is to evaluate the liquidity indicators in agricultural companies during the period 2015–2019 and evaluate their ability to pay their liabilities. Financial control is part of the company's management system. The main task is to achieve liquidity and the company's ability to pay its obligations at the proper time.

THEORETICAL BACKGROUND

In recent years, Slovak agriculture has gone through a difficult period of development of the recession and currently persists in stagnation and the decline of decisive economic and production indicators in comparison with most EU countries. The economic efficiency of agriculture and the changes that are gradually taking place in the current period in all the Member States of the European Union are significant from the point of view of the European market area. The economy of agriculture is influenced by several factors, but the decisive role in this process is played by the Common Agricultural Policy (CAP), which significantly affects the economy of agricultural enterprises through support (Chrastinová and Uhrinčaťová, 2014). Financial relations, especially their quality and objectivity between creators and participants in the business environment play a crucial role in the current stage of development of the company, in which reflections on the current state come to the fore and the possible direction of crisis and post-crisis adaptation processes in the world economy as a whole. These conditions apply in particular to business entities operating in a rural area (Serenčéš et al., 2014). Knowing where a company stands today is a necessary prelude to contemplating where the company might end up in the future. One of the options for supporting short-term and long-term decisions is financial analysis (Brealey, Myers and Allen, 2011). Financial ratios have traditionally been indicators of a corporation's overall performance (Rahman et al., 2017) and may help to quantify the potential impact of internal ratings on financial performance (Belas et al., 2012; Klieštik et al., 2020). The practice of s mall and medium enterprises in Slovakia do not dispose of a unified monitoring methodology and appraisal of financial controlling (Sedliačiková, Vacek and Sopková, 2015).The aim of financial controlling is to secure the liquidity and financial stability of an organization. The structure of financial controlling can be described as the cycle comprising debt controlling, inventory controlling – controlling of working capital, ongoing liquidity controlling, and controlling of short-term liquidity surpluses and deficits (Vaceková, 2013). Liquidity is an important indicator of a company's performance and its ability to cover short-term liabilities within maturity. It can be measured in several ways, using the current liquidity ratio which analyses current assets and short-term liabilities. Companies have to take into account the liquidity and profitability ratio, i.e. to the level of a surplus of liquid funds, so as not to be exposed to opportunity costs. It is necessary to maintain an optimal ratio between these two principles because only in this way it is a possibility to achieve a positive impact of liquidity on the profitability level of the company (Jelena et al., 2018). Agriculture as an industry can be characterized as an industry with low liquidity. In the case of each ratio, the generally recommended value was recorded only by 25% of the best companies regarding liquidity (upper quartile). Therefore the value of the upper quartile can be used as a benchmark for liquidity ratios (Tóth, Čierna and Serenčéš, 2013). The average level of current farm liquidity in the EU countries ranged from 4.4 to 6.6, while the average level of fast liquidity from 2.9 to 4.9. Thus, in the light of the normative values, it is a high level of financial liquidity. The optimum levels of liquidity presented in the literature are not applicable to agricultural holdings. There are very large differences in the level of liquidity of farms between the EU countries (Jedrzejczak-Gas and Janina, 2020). Liquidity is dependent on the economic size of farms – both the current and quick liquidity is lower the higher the economic size of the farm. There is a significant variation in the financial liquidity of agricultural holdings by type of farming. Surplus liquidity can affect the financial behaviour of companies and accompany them in generating overinvestment in projects. Likewise, the increase in capital of the companies can play a significant role in increasing their leverage (Khanghah and Partovi, 2020). The COVID-19 pandemic has seated a new frame and new challenges in the business sector. The companies are faced with a possible economic shutdown because the COVID-19 is putting

pressure on companies' business performance from all sectors, directly impacting revenues, profitability, and liquidity. Companies' liquidity suddenly becomes very challenging across the globe as the coronavirus pandemic rapidly escalates. Companies can operate in the short term without profitability, but they are doomed to bankruptcy without liquidity immediately (Pepur, Laca and Basic, 2021). With a sufficient amount of liquid assets it is hardly possible to reach satisfactory profitability. Consequently for strategic financial controlling the following sequence should be taken into consideration: liquidity precedes profitability (Zéman, 2017). In these times, every company need to maintain its ability to pay its debts. Such solvency represents one of the most important factors of financial health (Vitková, Vankova and Kocourkova, 2022).

MATERIALS AND METHODS

The basis for the processing paper was data from the financial statements of agricultural enterprises operating in the Nitra Region in the Slovak Republic. It is these data from the financial statements (balance sheet, profit, and loss statement) that are the basic source of information for financial controlling. Agricultural enterprises are divided according to their legal form into trading companies and agricultural cooperatives, while these forms have the largest representation in the agricultural sector in the Slovak Republic. We analysed 47 agricultural cooperatives and 102 trading companies from the Nitra Region, during the period 2015–2019.

The main task of financial controlling is to effectively manage the financial sources of the company. Financial controlling is a comprehensive set of tools aimed at ensuring more efficient work in the field of financial management. One of the tools of financial controlling is the regular evaluation of the company's liquidity, which clarifies the management of financial sources and provides information in real-time. The paper aims to point out the importance of financial controlling in managing the liquidity of agricultural enterprises. In this paper, we quantify and evaluate the liquidity of agricultural enterprises operating in the Nitra Region, determine whether these companies can pay their liabilities on time, and compare the quantified results between trading companies and agricultural cooperatives. In conclusion, we point out that regular evaluation of liquidity as one of the tools of financial controlling is one of the prerequisites for the solvency of companies. Liquidity is the company's ability to transform its assets into cash as soon as possible and pay its debts on time. Our liquidity is quantified according to Gurčík (2018), who, in addition to current, quick, and cash ratio liquidity, also writes about operating and corrected liquidity.

Current liquidity defines, how many times a company can pay off debts if it monetizes its short-term assets. In addition to items from current assets, the author also includes future income short-term in the numerator:

$$current\ liquidity = \frac{financial\ accounts + ST\ financial\ assets + stocks + ST\ receivables + future\ incomes\ ST}{ST\ debts + future\ expenditures\ ST}. \quad (1)$$

Quick liquidity expresses the ability to pay off debts, without money from the sale of stocks:

$$quick\ liquidity = \frac{financial\ accounts + ST\ financial\ assets + ST\ receivables + future\ incomes\ ST}{ST\ debts + future\ expenditures\ ST}. \quad (2)$$

Cash ratio liquidity is the ratio of the most liquid part of the assets, which consists of cash in the financial accounts and short-term financial assets, and short-term debts together with future expenditures short-term from time resolution of liabilities:

$$cash\ ratio\ liquidity = \frac{financial\ accounts + ST\ financial\ assets}{ST\ debts + future\ expenditures\ ST}. \quad (3)$$

Corrected liquidity takes into account the binding of individual asset and liability items. The binding of assets items is related to operating sales (sales from the sale of goods, sales of own products, services) and the binding of liabilities items is related to operating costs (costs of goods sold, production consumption, adjustments to stocks):

$$corrected\ current\ liquidity = \frac{corrected\ ST\ assets}{corrected\ ST\ debts}, \tag{4}$$

$$corrected\ quick\ liquidity = \frac{financial\ accounts + ST\ \ financial\ assets + corrected\ ST\ receivables}{corrected\ ST\ debts} \tag{5}$$

$$corrected\ cash\ ratio\ liquidity = \frac{financial\ accounts + ST\ \ financial\ assets}{corrected\ ST\ debts} \tag{6}$$

where:
corrected ST assets = financial accounts + ST financial assets + corrected stocks + corrected *receivables and future incomes ST*,
corrected stocks = stocks · (1 – *binding of stocks – binding of receivables*),
corrected ST receivables = ST receivables + future incomes ST · (1 – *binding of receivables and future incomes ST*),
corrected ST debts = ST debts · (1 – *binding of ST debts*).

In addition to selected liquidity indicators, we quantified selected basic statistical indicators within individual indicators such as minimum and maximum value of quantified liquidity in the set of agricultural holdings, median, average. For each liquidity, we determined the interval and determined the percentage of companies that belong to each interval.

RESEARCH RESULTS AND DISCUSSION

One of the tools of financial controlling is liquidity controlling, which helps companies avoid late payments, prevents inefficient management of financial resources, and leads to their proper use. Serenčéš et al. (2014) argue that the financial health of a business entity in agriculture is conditioned by financial stability and liquidity, so we consider the examination and management of liquidity to be one of the most important tools of financial controlling. The Nitra Region is located in the southwestern part of Slovakia. With its area of 6 344 km^2, it occupies 12.9% of the country's territory. The region has a lowland character, its predominant part is quality agricultural land. The total area of agricultural land in the Nitra Region is at the level of 464 225 ha, which is the highest representation among the eight regions of the Slovak Republic. Arable land accounts for 87% of agricultural land. From the point of view of climatic conditions, it is one of the warmest areas, which means that it has favourable conditions for the development of agricultural production. From the point of view of the business structure, the agricultural sector of the Slovak Republic is composed of trading companies, cooperatives, and natural persons. The number of workers in this sector has shown a declining trend in recent years, but the turnaround occurred in 2019 when the number of people employed in the agro sector increased. The average monthly wage in agriculture has increased in recent years but does not reach the level of the average wage in the country's national economy.

Liquidity management and reinsurance is key factor in a company's financial health. It consists of income planning and expenditure in such a way that the payment strength of the day is maintained and that there are no short-term deficits or excesses of liquidity. Liquidity management through financial controlling should lead to the optimal use of credit limits, efficient use of funds, avoidance of late payments, and thus avoid additional costs. Liquidity ratios have their irreplaceable position in the description of the financial situation of business entities.

Looking at the calculated values of the cash ratio liquidity indicator, we can conclude, that exist fundamental differences between agricultural cooperatives and trading companies. The liquidity of both categories of agricultural holdings was constant throughout the period under analysis. It can be stated that this indicator was characterized by low volatility. In the case of agricultural cooperatives, in all the years under review, the cash ratio liquidity indicator touched the lower limit of the recommended range. On the other hand, trading companies were characterized by low cash ratio liquidity, which did not reach even in one year the minimum limit of recommended values. The cash ratio liquidity indicator expresses the company's ability to pay its short-term liabilities from easily monetizable sources. The relatively low values of this indicator, either below the lower limit or at the lower end of the recommended range, raise slight solvency concerns, indicating that primary agricultural holdings may have had difficulty repaying short-term liabilities. The median value of this indicator in trading companies in 2019 reached the level of 0.0861, which means that agricultural primary production enterprises were able to pay 8.61% of short-term debts from cash and bank accounts (Table 1).

Quick liquidity expresses the company's ability to cover its liabilities with cash and bank accounts (financial accounts) and short-term receivables. Even with this indicator, we can state that agricultural cooperatives achieve more favourable values than trading companies. In agricultural cooperatives, the values of quick liquidity are within the limits of the recommended values in 2017–2019. Values of the quick liquidity ratio higher than 1 indicate that after the company has repaid its short-term debts, it still has a certain reserve and does not have to realize stocks to repay short-term liabilities. As can be seen in Table 2 the indicator of quick liquidity in trading companies did not reach even the recommended minimum value in any of the analysed years. This situation was caused by the fact that since 2015 the level of short-term liabilities has been continuously increasing. One indicate that companies were forced to liquidate stocks to pay their short-term liabilities (Table 3). The level of quick liquidity was the lowest in 2016 for both categories of analysed companies.

Agricultural cooperatives outperformed the trading companies in terms of overall liquidity. The indicator of total liquidity of agricultural cooperatives reached favourable values within the range of recommended

Table 1. Development of cash ratio liquidity and number of companies in the cash ratio liquidity interval, 2015–2019

Indicator	2015		2016		2017		2018		2019	
Cash ratio liquidity in AC	0.2744		0.2500		0.2788		0.2933		0.2673	
Cash ratio liquidity in TC	0.1472		0.1211		0.1454		0.1260		0.1394	
MIN AC	0.0003		0.0002		0.0002		0.0005		–0.0083	
MIN TC	–0.3473		–0.4899		–0.1759		-0.9714		–1.2524	
MAX AC	16.5392		15.1581		42.3454		14.8610		12.8518	
MAX TC	25.1749		9.2579		21.2909		32.8120		55.6705	
MEDIAN AC	0.2393		0.1157		0.1511		0.1348		0.1837	
MEDIAN TC	0.1267		0.0946		0.1049		0.0764		0.0861	
AVERAGE AC	1.1612		1.1437		2.1545		1.1026		1.0788	
AVERAGE TC	1.0930		0.6446		0.8036		1.3111		1.3402	
Number of companies in interval AC/TC (%)										
0–0.19	47	60	68	66	53	58	60	60	49	61
0.20–0.80	25	24	7	20	17	27	15	19	23	20
0.81 and more	28	16	25	14	30	15	25	21	28	19

AC – agricultural cooperatives, TC – trading company.

Source: authors' own processing, farms accountancy statements

Table 2. Development of quick liquidity and number of companies in the quick liquidity interval, 2015–2019

Indicator	2015		2016		2017		2018		2019	
Quick liquidity in AC	0.9857		0.9337		1.0655		1.0555		1.1080	
Quick liquidity in TC	0.6715		0.6594		0.6995		0.6411		0.7081	
MIN AC	0.0651		0.0290		0.0745		0.0427		0.0267	
MIN TC	0.0020		0.0018		0.0026		0.0018		0.0026	
MAX AC	18.2972		16.6194		51.2251		16.1549		13.8780	
MAX TC	38.0639		13.7116		62.3139		39.1492		66.9807	
MEDIAN AC	0.6235		0.5593		0.7015		0.8051		0.6090	
MEDIAN TC	0.6104		0.6522		0.7298		0.6776		0.7787	
AVERAGE AC	1.8567		1.8720		3.1252		1.8665		1.8590	
AVERAGE TC	2.0203		1.4540		2.4607		2.7363		3.2488	
Number of companies in interval AC/TC (%)										
0–0.99	57	70	66	71	60	67	60	58	64	57
1.00–1.5	9	13	6	10	6	13	10	17	6	17
1.51 and more	34	17	28	19	34	20	30	25	30	26

Source: authors' own processing, farms accountancy statements.

Table 3. Development of current liquidity and number of companies in the current liquidity interval

Indicator	2015		2016		2017		2018		2019	
Current liquidity in AC	1.9656		1.8192		1.9591		2.0114		2.0972	
Current liquidity in TC	1.1281		1.1039		1.1676		1.1095		1.2614	
MIN AC	0.3610		0.3907		0.3326		0.1892		0.1517	
MIN TC	0.0020		0.0018		0.0026		0.0018		0.0026	
MAX AC	26.5043		25.1133		69.8231		21.9854		23.0782	
MAX TC	24.9768		18.2399		69.5714		53.5207		66.9807	
MEDIAN AC	1.7339		1.5049		1.6463		2.2359		1.9239	
MEDIAN TC	1.0203		1.1098		1.0807		1.0906		1.3127	
AVERAGE AC	3.8230		3.4765		5.1557		3.3891		3.4703	
AVERAGE TC	2.3512		2.1159		2.8998		3.3042		4.3085	
Number of companies in interval AC/TC (%)										
0.00–1.49	40	67	45	66	43	65	38	63	38	56
1.5–2.5	22	18	19	18	12	16	22	15	26	19
2.51 and more	38	15	36	16	45	19	40	22	36	25

Source: authors' own processing, farms accountancy statements.

values. Every year, the continuous growth of this indicator is observed, which increases the probability of the necessary repayment of short-term debts.

In 2018 and 2019, the optimal level of current liquidity was achieved, which means that to repay short--term debts, only one part of the book value of short--term liquid assets needs to be monetized. The liquidity of trading companies did not even reach the level of the minimum recommended value in any of the analysed years. This raises concerns about the solvency of companies that expose themselves to financial risk. The current liquidity of both types of analysed companies was comparable in 2016, as well as within the previous two indicators. The median value of the current liquidity ratio in 2019 was 1.929 within agricultural cooperatives and 1.317 within trading companies.

The favourable development of binding corrected the cash ratio liquidity not only of agricultural cooperatives but also of trading companies in all analysed years. The corrected cash ratio liquidity of cooperatives reached the recommended values in each analysed year. Most cooperatives were in the range of recommended values in 2015 and 2018 (26% and 25%). The values of corrected cash ratio liquidity above the recommended values were reached by most cooperatives in 2017 (38%). For comparison with the indicator of cash ratio liquidity this year, only 17% of cooperatives and 30% of trading companies exceeded the upper limit level. In the case of trading companies, the highest values were in the range of recommended values of corrected cash ratio liquidity, i.e. 21% of companies in 2017 (Table 4).

Looking at Table 5 it is clear, that the values of the corrected quick liquidity indicator are, in the case of cooperatives, below the limit of the recommended values. In this case, it can be said that the values of corrected quick liquidity developed unfavourably compared to quick liquidity. The largest decrease in corrected quick liquidity compared to conventional quick liquidity is recorded in the case of cooperatives in 2019, a decrease of 45%.

The situation is diametrically different for trading companies. The values of quick liquidity developed favourably after its correction, where we record an increase in the corrected quick liquidity compared to the conventional one in each analysed year. The largest increase occurred in 2015, by 780%.

Corrected current liquidity shows different values compared to conventional current liquidity. In the case of cooperatives, the situation remained unchanged, as in each monitoring period this indicator reached the range of recommended values. However, for the trading companies, the values of this indicator significantly exceeded the upper limit of the recommended values. Comparably high values of the corrected current liquidity ratio are achieved in 2015 and 2018 and indicate inefficient use of current assets. The results of descriptive statistics, specifically the standard deviation and variance that can be seen in Table 6, which points out that within the analysed group of companies there are more significant deviations from the calculated average value and a larger variance, which in practice means that in the group

Table 4. Development of corrected cash ratio liquidity and number of companies in the corrected cash ratio liquidity interval, 2015–2019

Indicator	2015		2016		2017		2018		2019	
Corrected cash ratio liquidity AC	0.6546		0.7233		0.6985		0.7066		0.6122	
Corrected cash ratio liquidity TC	1.6478		0.9606		0.8388		1.3183		0.5554	
MIN AC	–0.2681		–0.2791		–0.1352		–6.9378		–24.5635	
MIN TC	–6.0192		–44.7791		–13.7015		–10.2077		–8.8309	
MAX AC	17.6907		16.3180		42.9899		16.2011		13.8042	
MAX TC	34.1446		14.6132		21.7504		33.6187		56.4844	
MEDIAN AC	0.3665		0.1831		0.4565		0.2710		0.1685	
MEDIAN TC	0.0417		0.0094		0.0696		0.0137		0.1016	
AVERAGE AC	1.4002		1.4177		2.5604		1.2859		0.6353	
AVERAGE TC	1.5317		–0.3715		0.5947		1.1486		1.4753	
Number of companies in interval AC/TC (%)										
0–0.19	38	59	51	68	43	57	45	62	51	56
0.20–0.80	26	17	15	15	19	21	25	14	19	20
0.81 and more	36	24	34	17	38	22	30	24	30	24

Source: authors' own processing, farms accountancy statements.

Table 5. Development of corrected quick liquidity and number of companies in the corrected quick liquidity interval, 2015–2019

Indicator	2015		2016		2017		2018		2019	
Corrected quick liquidity AC	0.6546		0.7233		0.6985		0.7066		0.6123	
Corrected quick liquidity TC	5.2352		3.5836		2.8865		4.7601		2.0431	
MIN AC	–0.3684		–21.5417		–0.9579		–50.8175		–29.1551	
MIN TC	–31.5824		–101.3634		–132.449		–19.5129		–91.4238	
MAX AC	19.4133		17.7672		51.0979		17.5058		116.0923	
MAX TC	40.1734		10.8786		33.9143		243.3513		56.4844	
MEDIAN AC	1.3087		1.2756		1.5137		1.0793		0.9395	
MEDIAN TC	0.7522		0.6368		1.0011		0.8068		0.8445	
AVERAGE AC	2.5776		1.6925		4.1395		0.6380		4.0596	
AVERAGE TC	1.8103		–1.9438		0.1902		4.0665		0.3564	
Number of companies in interval AC/TC (%)										
0–0.99	34	53	47	58	32	47	43	52	53	55
1.00–1.5	23	15	13	19	17	23	17	14	9	20
1.51 and more	43	32	40	23	51	30	40	34	38	25

Source: authors' own processing, farms accountancy statements.

Table 6. Development of corrected current liquidity and number of companies in the corrected current liquidity interval, 2015–2019

Indicator	2015		2016		2017		2018		2019	
Corrected current liquidity AC	1.2132		1.2751		1.2833		1.2052		1.0711	
Corrected current liquidity TC	6.6298		4.6269		3.7964		6.2804		2.7536	
MIN AC	–1.0994		–22.5255		–1.7895		–52.1679		–48.4161	
MIN TC	–35.3403		–101.3634		–151.091		–22.9635		–99.2489	
MAX AC	24.0168		37.0597		64.1019		21.2359		120.4639	
MAX TC	49.4919		198.8653		31.1501		243.351		69.3957	
MEDIAN AC	2.0533		2.0190		2.5581		2.0704		1.8929	
MEDIAN TC	1.4620		0.6392		1.2931		1.3857		1.2922	
AVERAGE AC	3.5457		3.2865		5.4303		1.2112		4.5945	
AVERAGE TC	2.2027		-0.0074		0.5230		5.0248		1.0206	
Number of companies in interval AC/TC (%)										
0.00–1.49	28	52	32	61	30	53	38	51	34	56
1.5–2.5	29	22	30	23	19	20	22	22	32	22
2.51 and more	43	26	38	17	51	27	40	27	34	22

Source: authors' own processing, farms accountancy statements.

there are enterprises that achieve either very high or very low values of this indicator, which deviate from average. The median value of this indicator within the trading companies at the level of 1.2922 and cooperatives at the level of 1.8929 points to some failures when paying the short-term debt.

CONCLUSIONS

The implementation of financial controlling is a process that consists of several actions. One of them is liquidity management. Real-time information is essential to manage and ensure liquidity. This is the

task of regular quantification of liquidity as one of the tools of financial controlling. Liquidity control is an area that helps ensure that a company is solvable and prevents the company from acting irrationally in managing its funds. If a company does not monitor and manage liquidity, it can lead to major problems with customers, states, employees, and other entities that are in a certain relationship with the company (Jacková, 2019). The sample of companies examined consisted of two categories of legal forms of agricultural holdings, namely cooperatives and trading companies. Taking a closer look at the different categories of liquidity ratios, we have concluded that cooperatives have better solvency compared to trading companies. When examining conventional liquidity, in most of the years under analysis, the liquidity of cooperatives (whether current, quick, or cash ratio) was within the recommended values. On the other hand, the short-term liquidity of trading companies was insufficient, the values of conventional liquidity ratios were below the minimum recommended values, which indicates problems with the payment due of short-term debts and there is a risk of insolvency. When evaluating the calculated indicators of operating liquidities, we found more favourable results for both categories of analysed companies. The liquidity of cooperatives was again characterized by reaching values within the recommended interval, the liquidity of trading companies approached the lower limit of the recommended values. On the other hand, the calculations of corrected liquidity ratios brought conflicting results compared to conventional liquidities, especially in terms of corrected current and quick liquidity. In the case of these two indicators, the calculated values for cooperatives decreased and in the case of trading companies, there was an enormous increase. Not only liquidity values below the recommended minimum limit are financially risky for the company, but also values exceeding the maximum recommended limit. Because high liquidity values point to inefficient use of short-term liquid assets. Therefore, from the point of view of business owners, as well as business management, it is more efficient if liquidity ratios are close to the lower limit of the recommended values. In terms of liquidity management, we assess that cooperatives are characterized by a significantly better level of financial controlling and financial management itself than trading companies. They are not as highly exposed to insolvency as trading companies and their liquidity and solvency management is better secured and sophisticated from a financial controlling perspective. It follows that companies should quantify liquidity at shorter intervals to obtain real-time information, as required by financial controlling. This will allow them to make decisions on financial resources in such a way as to prevent insolvency. Future research should also focus on other components of financial controlling, not only liquidity management, but e.g. for financial planning, financial control, or controlling of working capital.

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