

Master Thesis – Simona Tothova

Abstract

This thesis empirically investigates impact of countries' bailouts on probability of SME segment distress. The impact is examined by multi-period logit model where dependent variable is distress rate and explanatory variables includes self-constructed bailout variable, several binary predictors and firm-specific and macroeconomic control variables. The hypotheses are tested on dataset for period from 2005 to 2013 including observations from seven European countries which received financial assistance program (bailout) from Troika. Every bailout from Troika comes with the requirement for austerity measures and our results suggest that impact of bailouts on SMEs probability of distress are depended on the success of application in individual countries and the impacts are more positive in non euro-zone countries.

Keywords

Bailout, Financial crisis, Credit risk, SME segment,
Distress rate

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