

THE ESSENCE AND SIGNIFICANCE OF FINANCIAL INSTRUMENTS FOR ENTERPRISES IN POLAND IN 2010–2018

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Abstract

The purpose of the article/hypothesis: The aim of the study is an attempt to show the degree of use of financial instruments by non-financial enterprises operating on the Polish market and to determine whether their application translates into the financial results achieved by these enterprises. The hypothesis was adopted that the importance and use of financial instruments by enterprises on the Polish market is not significant, however, as a result of global transformations and the growing importance of financial markets, the activity of entities in this respect will increase.

Methodology: In order to determine the degree of use of financial instruments among enterprises, the data published by the Central Statistical Office (GUS) for the years 2010–2018 were used and the key indicators illustrating the involvement of enterprises in the instruments available on the financial market were calculated. The literature on the subject was also reviewed and analyzed.

Results of the research: The conducted considerations that non-financial enterprises in the Polish market showed an increase in involvement in financial activities, as evidenced by the growing share of financial instruments, both on the active and passive side. On the passive side, the use of credits and loans in financing the activities of entities increased. This increase, however, did not translate into the use of the effects of financial leverage in the surveyed enterprises and an increase in the profitability of equity. In the case of assets, in the analyzed period there was an increase in the involvement of free funds in investments, mainly due to an increase in equity financial instruments. However, the analysis of financial revenues in total revenues may suggest that greater involvement in the financial sphere does not translate into profitability of assets and the results of the surveyed entities. It should be emphasized, however, that the development of the financial market and the increasing availability and variety of financial instruments strengthen the interest of enterprises in capital investments.

Keywords: financial instruments, non-financial enterprises, financial results.

JEL Class: G2, G23, G32.

INTRODUCTION

The importance of the financial sphere in all areas of economic activity is increasing. This means that we are even observing the domination of the finance sphere over the production sphere. The process is also called financialization. An increase in the debt-based economy may be a symptom of these changes. Financing in this context is a way to transfer money in an economy stimulated by debt – it can be defined as debt commodification [Sokół 2017: 134]. The phenomenon of financialization creates certain incentives for business entities, including enterprises for excessive debt in the financial market. The end of the 20th century and the beginning of the 21st century is a time of rapid increase in external financing, which was used by both enterprises and other entities, including household. Money and other financial instruments circulate in the financial sphere, buying each other and increasing their nominal value. However, they still remain titles to a much smaller number of goods from the real sphere [Gomuła 2018: 113]. Economic and social changes force enterprises to adapt to the new environment. The consequence is a change in decision-making methods, modification or creation of new management strategies and concepts.

The aim of the study is to attempt to show the level of how financial instruments are used by non-financial enterprises operating on the Polish market and to determine whether their application translates into the financial results achieved by these enterprises.

1. FINANCIAL INSTRUMENTS AS AN IMPORTANT ELEMENT OF THE FINANCIAL SYSTEM

An important element of the complex mechanism, which is the financial system, are, among others, financial instruments. It is thanks to the existence of the financial system that it is possible to co-create money and flow cash flows between entities [Pietrzak et al. 2008: 20]. Due to globalization processes and the speed of changing the environment, the methods of financing and depositing cash surpluses are changing. We can treat financial instruments as a kind of financial liabilities – property claims of one entity against others (holders of the said assets, i.e. assets against issuers, for which the discussed instruments constitute liabilities, i.e. liabilities) [Polański 2008: 18]. We can also talk about financial market instruments in the category of a promise to return the invested or borrowed funds. The range of financial instruments is wide and constantly growing. As the financial market develops, more and more complex products are created.

1.1. Definition of financial instruments

Financial instruments are widely used, and there are many definitions. The list of terms used in Polish literature is presented in Table 1.

Table 1. Defining financial instruments in Polish literature

Author (year of publication)	Definition
S. Owsiak [2002]	A set of monetary tools used by various entities to achieve various goals, in various areas of economic and social life, within various relations (transactions).
J. Głuchowski [2001]	A monetary tool whose purpose is to shape various areas of economic and social life..
S. Antkiewicz [2012]	Contract related to raising funds and hedging against financial risk, the subject of the contract is cash
K. Jajuga, T. Jajuga [2015]	A contract concluded between two parties specifying the financial dependency in which the parties to this contract remain.
M. Lemmonier [2011]	A set of monetary tools used for various purposes and in various areas of social life, in various economic relations and their characteristic feature is the impact on the economy and monetary form.

Source: Owsiak 2002: 296; Głuchowski 2001: 111; Antkiewicz 2012: 16; Jajuga i Jajuga 2015: 23; Lemmonier 2011: 76.

In Polish law, their essence is defined in, among others two laws. Pursuant to the Accounting Act, a financial instrument is a contract that gives rise to financial assets for one of the parties and a financial liability or equity instrument for the other ...(...) [Article 3 point 23 Dz.U. 1994, nr 121, poz. 591]. In turn, in accordance with the Act on trading in financial instruments, financial instruments are „securities and financial instruments that are not securities, as defined in Article 2 clause 1” [Dz.U. 2005, nr 183, poz. 1538]. However, the complexity of the problem did not allow for a synthetic definition that would characterize the financial instrument in general. The legislator, wanting to define its essence, enumerated all the elements that can be classified as financial instruments.

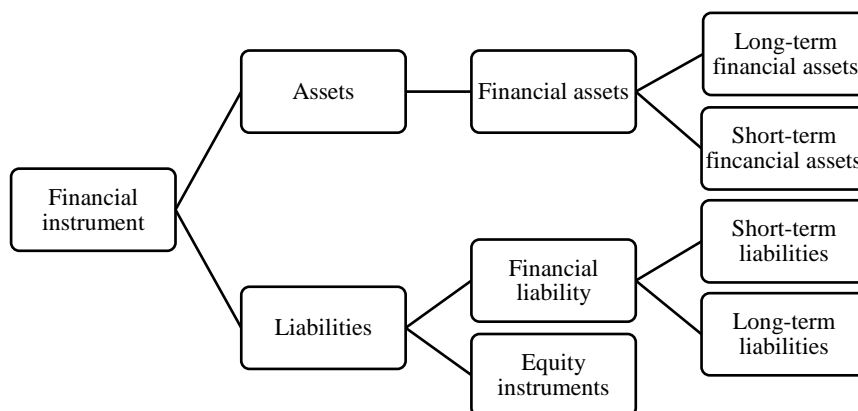
Due to Poland’s accession to the structures of the European Union, it became necessary to adapt to the adopted standards the directive of the European Parliament [Directive 2004/39/EC]. Regulations regarding financial instruments are included in International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). The current legal status includes the following standards regulating the principles of identification, valuation and classification of financial instruments, i.e.:

- IAS 32 „Financial instruments: Presentation”,
- IFRS 7 „Financial instruments: Disclosure”,
- IFRS 9 „Financial instruments”.

Recent changes are related to the entry into force of IFRS 9¹. The concept and scope of financial instruments have not changed, however. Pursuant to IAS 32, „a financial instrument is a contract that results in a financial asset in one entity and a financial liability or equity instrument in another entity”. Each instrument will connect two sides, between which on the basis of the contract the so-called financial dependence [IAS 32, clause 11]. It follows that both the Accounting Act and the International Accounting Standard No. 32 define financial instruments in an identical manner. Therefore, the key issues in identifying a financial instrument are the existence of a contract as well as the emergence of financial assets, financial liabilities or an equity instrument.

1.2. Presentation of financial instruments in the financial statements of enterprises

Pursuant to the provisions of the Act, financial assets² may be disclosed under either fixed or current assets, which depends on the terms of the contract. Then, accordingly, they will be a component of long-term or short-term financial assets. As a result of the conclusion of a contract – a financial instrument – the issuer of the contract has a capital instrument or financial liability.



Picture 1. Presentation of the financial instrument in the financial statements in accordance with the Accounting Act

Source: own study based on: Dz.U. 1994, nr 121, poz. 591.

¹ In force since January 1, 2018, it has introduced numerous changes, including regarding the principles of classification of financial instruments, impairment assessment or hedge accounting.

² Pursuant to the Accounting Act, it is understood as monetary assets, equity instruments issued by other entities, as well as the contractual right to receive monetary assets or the right to exchange financial instruments with another entity on favorable terms [Article 3 (1) (24) Dz.U. 1994, nr 121, poz. 591].

Equity instruments have been defined by the Accounting Act as „contracts that give rise to the right to the entity’s assets remaining after all creditors have been satisfied or secured, as well as the entity’s commitment to issue or provide its own equity instruments” [Article 3 point 23, Dz.U. 1994, nr 121, poz. 591]. There are also any obligations of the entity to issue or deliver its own equity instruments, in particular shares, options for own shares or warrants. In turn, a financial liability is the entity’s obligation to deliver financial assets or to exchange a financial instrument with another entity on adverse terms [Article 3 point 27, Dz.U. 1994, nr 121, poz. 591]. These liabilities are disclosed in the entity’s balance sheet broken down into long- or short-term liabilities (typical financial liabilities are, for example, loans and borrowings, liabilities due to issue of debt securities, other financial liabilities). The different nature of the classification of instruments as at the balance sheet date is contained in Rozporządzenie Ministra Finansów z dnia 27 lutego 2004 r. w sprawie szczegółowych zasad uznawania, metod wyceny, zakresu ujawniania i sposobu prezentacji instrumentów finansowych [Dz.U. nr 31, poz. 266]³. Pursuant to this Regulation, an entity classifies financial instruments into the following categories [clause 4.1]⁴:

- financial assets and financial liabilities held for trading,
- loans granted and own receivables,
- financial assets held to maturity,
- financial assets available for sale.

This regulation does not contain a definition of financial instruments, however it defines their individual groups (e.g. derivative instruments or hedging instruments). It should be emphasized that when classifying financial instruments, their economic content should be carefully considered [IAS 32]. Financial instruments are not a homogeneous group. Some of them are securities, some take the form of contracts, or do not count as either. Furthermore, financial instruments may be of a diverse nature, taking into account their maturity (due date), the nature of the parties to the contract, the currency, the form of their occurrence, and the related risk.

³ This regulation is a development and specification of the provisions contained in the Accounting Act regarding financial instruments. The ordinance was modelled on the then binding International Accounting Standards i.e. IAS 32 and IAS 39.

⁴ The entity includes this information in additional information and explanations as a supplement to the division used to prepare the balance sheet.

1.3. Importance of the EU's capital markets union

The answer to this insufficient bank financing of enterprises and economies of the EU-28 countries is to be the Capital Markets Union (CMU). On September 30, 2015, the European Commission finally adopted an action plan for the creation of the CMU, which was presented on February 18, 2015 in the so-called green paper. The main goal of CMU is to provide enterprises, especially small and medium-sized ones, with new sources of financing and reduce the cost of raising capital, extend the offer for savers in the European Union, facilitate cross-border investments, attract more foreign investments to the Union and make the EU system stable, resilient and competitive [European Commission 2015]. The rationale for adopting the CMU is that European capital markets are underdeveloped. While the European economy is about the same size as the US, European stock markets are about half the size of the US. Rather than raise funds directly in the markets, European firms rely mainly on indirect financing provided by banks. While total banking assets in the US in 2013 were 88% of GDP, in the European Union they are 334% of GDP [Veron and Wolff 2016: 134].

The main beneficiaries of CMU are medium and small entrepreneurs. According to the CMU project, market financing and the development of various financing options is to drive the development of the economy of EU countries as a result of increasing the flexibility of SME financing and improving their access to various sources of capital, which may be a strong anti-crisis stimulus. In addition to the traditional opportunities to raise capital directly on the market, such as private and public issues of equity and debt securities, the CMU project focuses on alternative financial instruments to stimulate the economy and the real sector, such as: high-quality securitization, equity funds from PE/VC funds [Szczepankowski 2018: 59]. The possibility of alternative non-bank financing may play an important role in providing capital to the SME sector in the future. According to the draft of the Office of Competition and Consumer Protection, the removal of barriers to the development of alternative financing will make it easier for enterprises to bridge the equity gap that hinders their growth and development potential.

Summing up, it should be emphasized that banks will continue to be the main players on the capital markets as institutional investors. The hopes placed in the capital markets union are enormous, the interests of various countries and local capital markets may be mutually contradictory and the most important will be what solutions will ultimately be adopted in particular areas, probably in the course of multilateral negotiations [Waliszewski 2017: 66].

2. FINANCIAL INSTRUMENTS IN THE BALANCE SHEETS OF POLISH ENTERPRISES IN THE YEARS 2010–2018

Operating in a complex, global economic structure, enterprises (and more specifically managers of these enterprises) have access to modern sources and forms of raising capital and allocating the obtained cash surpluses on the financial market. Purchase and sale transactions of various forms of monetary capital are concluded on the basis of financial instruments. Financial market participants have the opportunity to benefit from their surpluses while limiting the risk by diversifying their asset portfolio. Enterprises gain the opportunity to raise capital and optimize the financing structure, and the economy is increasing the efficiency of use of available resources [Sokół 2017: 136–137]. Financial instruments, including derivatives, can be used to manage financial processes in the company more efficiently, and one of the motives for engaging in transactions of these instruments is risk transfer to secure revenues and the level of profit [GUS 2011: 4]. The purpose of the analysis is to identify the level and areas of use of financial instruments in non-financial enterprises. The data collected by the Central Statistical Office in Poland for the years 2010–2018 were used for the analysis. The choice of the period for the analysis was dictated by the availability of data. It should be also emphasized that the number of enterprises in individual years of the analysis was variable. In addition, enterprises kept accounting records in accordance with various accounting standards (which has an impact on the valuation of financial instruments reported).

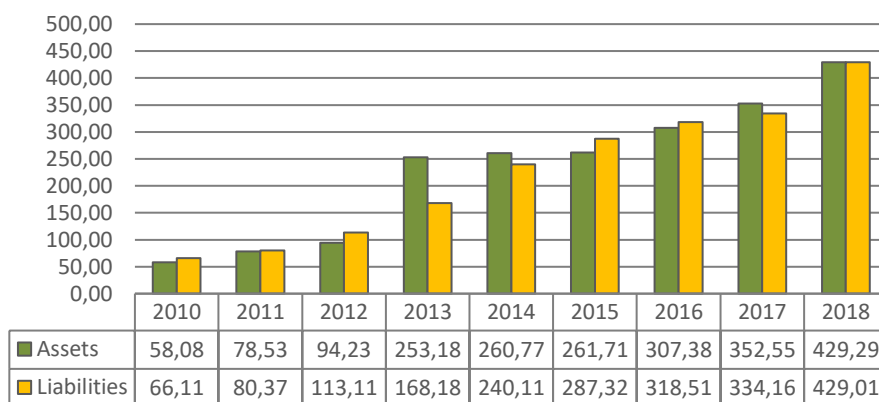


Chart 1. Value of financial instruments in assets and liabilities of non-financial enterprises' balance sheets (in PLN billion)

Source: own study based on: GUS, *Instrumenty finansowe przedsiębiorstw for 2010–2018*, <http://stat.gov.pl/> access: 20.04.2020.

The data presented in Chart 1 shows that in the period under review there was a significant increase in the value of financial instruments owned by enterprises, both on the assets and liabilities side. There is also some similarity between the value of instruments shown on the active and passive side. The highest value of financial instruments owned by enterprises was recorded in 2018, i.e. at the level of PLN 858 billion, and the lowest in 2010 at the level of PLN 124 billion.

The situation is slightly different when we consider the number of enterprises included in the survey in individual years in the analysis. The purpose of this procedure is to show changes in the value of financial instruments, taking into account the fact that the number of enterprises was variable in the analysed period (which can significantly affect the perception of changes in the scope of financial instruments in enterprises' portfolios).

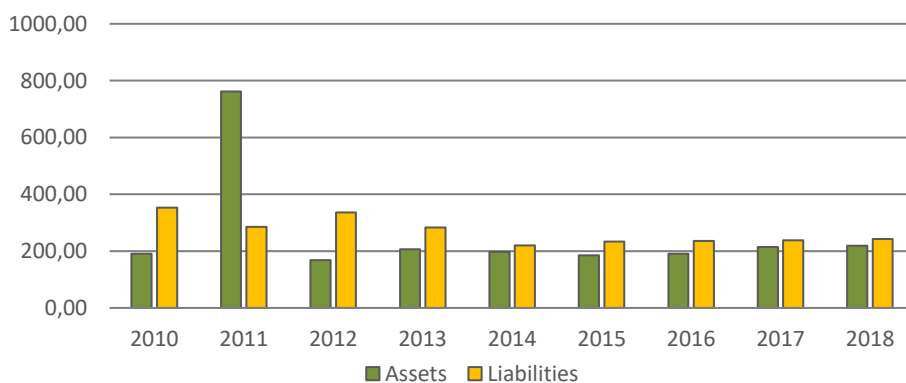


Chart 2. Value of financial instruments on the assets and liabilities side of the company's balance sheets (in million/enterprise)

Source: own study based on: GUS, *Instrumenty finansowe przedsiębiorstw for 2010–2018*, <http://stat.gov.pl/> access: 20.04.2020.

As can be seen from Chart 2 (taking into account the number of enterprises subject to examination), the situation with regard to their financial instruments is different than in the case of their aggregate value in individual years (Chart 1). In this case, the highest value of financial instruments falling on average per enterprise was recorded in 2011 (value at the level was around PLN 1047 million, but the number of enterprises included in the study was only 103). In the years 2014–2018, the value of financial instruments in the portfolio of an average enterprise did not fluctuate significantly, oscillating at an average level of PLN 436 million (the number of enterprises included in the survey in this period averaged 1368 entities).

A very important source of information is also provided by the analysis of the structure of financial instruments in the entities surveyed. It should be emphasized that the enterprise sector is a diverse group⁵.

Table 2. Structure of financial instruments in the assets of non-financial enterprises in 2010–2018 (in %)

Years \ Instrument	Equity capital instruments	Debt instruments*	Deposits and loans granted	Derivatives	Other financial instruments
2010	21.91	19.24	24.32	4.04	30.48
2011	14.18	22.58	23.09	4.56	35.59
2012	20.84	4.41	25.54	3.37	45.84
2013	51.65	6.01	26.98	2.24	13.11
2014	43.56	5.63	34.71	2.22	13.87
2015	37.51	7.39	36.65	2.53	15.92
2016	42.88	54.98	–	2.13	–
2017	42.50	55.27	–	2.24	–
2018	39.57	58.25	–	2.18	–

* from 2016, in the category of debt securities included deposits and deposits, bonds, bills of exchange and checks, loans granted, mortgage bonds and other debt instruments.

Source: own study based on: GUS, *Instrumenty finansowe przedsiębiorstw for 2010–2018*, <http://stat.gov.pl/> access: 20.04.2020.

In the years 2010–2012, the highest share in the carrying amount of financial instruments disclosed on the asset side was ‘other financial instruments’. Derivatives had the smallest share. In the years 2013–2015, equity instruments as well as deposits and loans granted constituted the dominant position. From 2016, the largest shares of financial instruments were recorded in the category of debt instruments – because it also includes the value of deposits and loans granted (debt instruments over a half presented on the active side, instruments in companies’ portfolios), as well as equity instruments (average share of 40% in total instruments).

⁵ The survey covered both self-employed enterprises and those organized in the form of commercial law companies. It should also be taken into account that the surveyed enterprises kept accounting records in accordance with various accounting standards, which had an impact on the valuation of the audited financial instruments.

Table 3. Structure of financial instruments in the liabilities of non-financial enterprises in 2010–2018 (in %)

Years \ Instrument	Credits and loans	Financial leasing	Liabilities due to financial instruments, of which:			Other liabilities form financial instruments
				Liabilities due to the issue of own bonds	Liabilities due to derivatives	
2010	–	–	47.27	65.11	13.29	52.73
2011	–	–	34.86	72.09	12.24	65.14
2012	–	–	46.26	79.55	9.08	53.74
2013	33.34	2.72	44.40	88.62	4.70	19.54
2014	51.93	2.44	33.22	89.26	9.70	12.41
2015	53.63	1.49	44.88	69.55	5.45	11.22
2016	57.86	1.98	–	24.78	2.03	13.35
2017	58.18	2.22	–	22.48	1.90	15.22
2018	51.36	2.76	–	17.45	2.14	26.29*

* the category of other liabilities due to financial instruments also includes liabilities due to deliveries and services as well as liabilities – cash pooling.

Source: own study based on: GUS, *Instrumenty finansowe przedsiębiorstw for 2010–2018*, <http://stat.gov.pl/> access: 20.04.2020.

From the perspective of enterprises' liabilities, the highest share in the years 2010–2012 was in the category „Other liabilities related to financial instruments”. Liabilities from financial instruments came second, mainly liabilities from the issue of own bonds. From 2014, loans and loans to repay (over 50% share) and liabilities arising from the issue of own bonds have a dominant role.

It is also important to consider whether the involvement of enterprises in the discussed financial instruments (on the active and passive side) translates into the results they generate. For this purpose, data from financial statements published by the Central Statistical Office of Poland for 2010–2018 was used.

Based on the data from the reports, the Return on Equity (ROE) ratio and the Return On Assets (ROA)⁶ ratio were calculated. The return on equity ratio is a simple measure illustrating the profitability of the equity capital involved in an enterprise [Demiński 2011: 148]. It is an indicator for shareholders as to the directions of undertaken investments⁷. One of the possibilities for ROE growth is

⁶ The formula for calculating the ratio is as follows: $ROA = \text{net result} / \text{total assets} * 100\%$.

⁷ The formula for calculating it is as follows: $ROE = \text{net result} / \text{equity} * 100\%$.

to use foreign capital⁸. Focusing on the selection of sources of capital, it is associated with the growing importance of various forms of debt as a source of financing an enterprise [Crotty 2005: 89].

Table 4. Selected data from the financial statements of non-financial enterprises in 2010–2018 (in PLN billion)

	Total Assets*	Total Liabilities*	Equity Capital*	Net Profit*	Return on Equity	Return on Assets
2010	567.34	567.34	283.43	29.43	10.38%	5.19%
2011	646.40	646.40	317.58	30.78	9.69%	4.76%
2012	801.32	801.32	418.46	67.16	16.05%	8.38%
2013	1230.27	1230.27	627.83	43.10	6.86%	3.50%
2014	1242.67	1242.67	617.62	36.71	5.94%	2.95%
2015	1318.65	1318.65	637.27	14.73	2.31%	1.12%
2016	1425.05	1435.05	678.53	50.66	7.47%	3.55%
2017	1513.57	1513.57	748.63	70.49	9.42%	4.66%
2018	1692.56	1692.56	820.78	62.95	7.67%	3.72%

* due to differences in keeping accounting records between entities, individual categories for entities preparing consolidated statements in accordance with IAS, entities preparing consolidated statements in accordance with the Accounting Act, and entities keeping accounting books were included and then added together.

Source: own study based on: GUS, *Instrumenty finansowe przedsiębiorstw for 2010–2018*, <http://stat.gov.pl/> access: 20.04.2020.

As mentioned at the beginning of the article, the financialization process is characterized by an increase in the scale of debt and the development of a quantitative and qualitative market for debt financial instruments. This allows expanding the possibilities of obtaining foreign capital by enterprises [Milberg 2008: 420]. Decisions related to shaping the size and capital structure of enterprises are in the area of financial activity, and their effects have an effect on the value of the enterprise and the results of its activities.

⁸ It should be borne in mind that in order to use the effects of financial leverage, certain conditions must be met, i.e. foreign capital should be used to finance operations only when its cost in percentage is lower than the return on assets – measured by the profit ratio operational to assets.

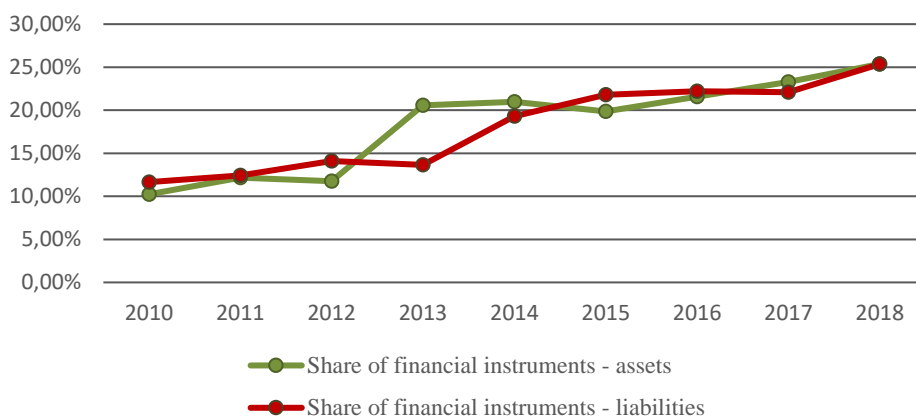


Chart 3. Share of financial instruments in the assets and liabilities of non-financial enterprises

Source: own study based on: GUS, *Instrumenty finansowe przedsiębiorstw for 2010–2018*, <http://stat.gov.pl/> access: 20.04.2020.

As the chart above shows, looking at the passive side, an upward trend in the use of financial instruments in enterprises is noticeable. From 2010, from a level of approx. 12%, the share of financial instruments in the liabilities of enterprises more than doubled, reaching a level exceeding 25% in 2018. This was mainly due to the increased use of credits and loans in financing the activities of units (Table 3). It should be noted, however, that the share of equity in the company's assets did not significantly decrease in the analysed period and oscillated around 50% (from 2010 to 2018 it decreased by about 1 pp) (Table 4). Therefore, it can be assumed that the increase in the use of loans and borrowings replaced other forms of liabilities, e.g. from trade credit [Rydzewska 2018: 185] and did not translate into the use of financial leverage effects in the surveyed enterprises and the increase in return on equity.

Another possibility to increase the return on equity in an enterprise is to increase the profitability of enterprise assets (ROA). This can be done by increasing profit or restructuring assets [Dembiński 2011: 149]. According to the data in Table 4, the ROA ratio is evident, similar to changes in the value of return on equity (ROE). The size of this indicator informs about the company's ability to generate net profit from its assets (i.e. the company's total capital). Therefore, the key is to answer the question whether the company's involvement in financial instruments has a significant impact on the size of the ROA, i.e. does the generated income from financing activities have a significant share in total income? [Knipper 2005: 39]. An increase in the use of active financial instruments is visible

(from a level of approx. 10% in 2010 to a level exceeding 25% in 2018). Mainly due to the increase in equity financial instruments (Chart 3).

For this purpose, it was estimated what percentage of total revenues of enterprises were financial ones. The adoption of the following indicator does not give a comprehensive picture of profits generated through investments in financial instruments, but gives some insight into the development of this category of revenues that are not strictly related to the operating activities of the surveyed enterprises.

Table 5. Financial revenues and their share in total revenues in non-financial enterprises in 2010–2018 (in PLN billion)

Years	Financial income*	Total revenues*	Share of financial income in total revenues
2010	4.21	356.26	1.18%
2011	13.40	415.70	3.22%
2012	5.55	372.38	1.49%
2013	8.49	705.85	1.20%
2014	7.80	659.18	1.18%
2015	6.79	743.63	0.91%
2016	8.82	820.79	1.07%
2017	10.19	908.32	1.12%
2018	8.90	1059.15	0.84%

* due to differences in the keeping of accounting records between entities, individual components of the statements for entities preparing consolidated statements in accordance with the Accounting Act and entities keeping accounting books (without including entities preparing consolidated statements in accordance with IAS due to the lack of available data in revenue range).

Source: own study based on: GUS, *Instrumenty finansowe przedsiębiorstw for 2010–2018*, <http://stat.gov.pl/> access: 20.04.2020.

As it results from the data presented in Table 5, the obtained financial revenues do not constitute a large percentage of the total revenues generated by enterprises. Their share was on average 1.4% in the total value of revenues in the period considered. Therefore, it can be presumed that the growing involvement of enterprises in financial instruments does not fully translate into the financial results generated by these entities. Assessing the relationship between financial investment and financial result, and the impact of financial investment on company profitability is an interesting research challenge. The growing diversity of available financial instruments means that equity investments are beginning to be treated as an alternative to tangible investments in a sense [Wypych 2002: 203].

CONCLUSION

The progressive development of the financial sphere in the operations of enterprises (or more broadly speaking in the functioning of national economies) is a phenomenon observed in the world for years. The activity and development of enterprises is determined to a large extent by access to financing sources and the possibilities of investing their surpluses. The assessment of the demand for financial resources results from the company's goals, resources, condition and assessment of future operating conditions. The financial market allows the conclusion of purchase and sale transactions of various forms of monetary capital based on financial instruments.

The purpose of the study was to show the degree of use of financial instruments by non-financial enterprises operating on the Polish market and to determine whether their application translates into the financial results achieved by these enterprises. For this purpose, data published by the Polish Central Statistical Office for 2010–2018 was used. As follows from the conducted considerations, Polish non-financial enterprises showed an increase in involvement in financial activities, as evidenced by the growing share of financial instruments, both on the active and the passive side. From 2010, from a level of approx. 12%, the share of financial instruments in the liabilities of enterprises more than doubled, reaching a level exceeding 25% in 2018. This was mainly due to the increased use of credit and loans in financing the activities of entities. This increase, however, did not translate into the use of financial leverage effects in the surveyed enterprises and the increase in return on equity. In the audited period, there was also an increase in the involvement of free funds in financial investments (the ratio of the share of financial instruments on the asset side increased from approx. 10% in 2010 to a level exceeding 25% in 2018), mainly due to an increase in equity financial instruments (i.e. shares, shares in other entities). However, the analysis of financial revenues in total revenues may suggest that greater involvement in the financial sphere does not translate into the profitability of assets and results of the examined entities. The development of the financial market as well as the increasing availability and diversity of financial instruments strengthen the interest of enterprises in capital investments. This certainly justifies the need for more extensive analysis of the issues cited.

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