

REVIEW

by **assoc. prof. Irena Nikolova Markova, D.Sc.**,
University of National and World Economy – Sofia,
Professional direction 3.8. Economics, scientific specialty “Finance,
money circulation, credit and insurance (insurance)” and scientific specialty
“Economics and management (defense and security)”

regarding: dissertation work on the topic “INVESTMENT ACTIVITY OF SMALL AND
MEDIUM-SIZED ENTERPRISES IN BULGARIA – PROBLEMS, FACTORS, TRENDS”
with author **Daniel Genchev Danchev**, doctoral student at the Department of
Finance at D. A. Tsenov Academy of Economics – Svishtov

I present this review in connection with Order No. 471 of 01.06.2023 of the rector
of the D. A. Tsenov Academy of Economics – Svishtov and with Protocol No. 9 of
30.05.2023 of the Faculty Council of the Faculty of Finance of the Academy of
Economics.

The review is on a dissertation work for awarding the educational and scientific
degree “Doctor” to the doctoral student in the doctoral program “Finance, Money
Circulation, Credit and Insurance (Finance)”.

I declare that in the last five years I have not been in a labor-legal relationship
with D. A. Tsenov Academy of Economics – Svishtov.

I. General presentation of the dissertation work

The dissertation work of doctoral student Daniel Danchev was developed in
compliance with the requirements of Art. 27, para. 2 of the Regulations for the
Implementation of the Law on the Development of the Academic Staff in the
Republic of Bulgaria.

The dissertation represents an up-to-date and useful scientific work, which is
aimed at improving the financial management of small and medium-sized
enterprises in Bulgaria.

In *the introduction* of the dissertation, the subject, object and thesis of the
research are correctly stated. The topicality of the issue is substantiated, which is
expressed in the need to take adequate measures to stimulate the entrepreneurship of

small and medium-sized enterprises in the way of restructuring, innovation and flexible investment solutions in accordance with European and national policies and the legislative base. In the process of developing the topic, the doctoral student manages to solve the main tasks in the context of the formulated goal in the dissertation.

In *the first chapter* of the dissertation, the questions related to the management of material stocks and the management of the liquidity of small and medium-sized enterprises are posed. On the basis of relevant statistical data and a suitable formula apparatus, specific indicators are calculated and conclusions regarding the operational financial management of the business unit are substantiated. The author analyzes in detail the activities of small and medium-sized enterprises in the conditions of a dynamic market environment, both on the European and national markets.

The author substantiates the role of small and medium-sized enterprises for the economic sustainability of Bulgaria under rapidly changing socio-economic conditions. The conclusion is defended that the success of small and medium-sized enterprises, in a turbulent market environment, depends to a large extent on the way in which financial management plans, organizes and optimizes the processes of performing their main activity.

In the foreground, the doctoral student presents the main challenges facing operational financial management, such as: business financing, investment activity, effective personnel management, sales process, personnel employment, etc. According to the author, the optimization of operational management decisions is an important condition for strengthening the financial sustainability and competitiveness of small and medium-sized enterprises on international markets.

In the second chapter, the focus is placed on the possibilities for greater involvement of the state in the implementation of measures to stimulate the activity of small and medium-sized enterprises through the application of the European legal framework regarding entrepreneurship and investment activity of business entities. The author emphasizes the fact that small and medium-sized enterprises will have greater business security if they use the advantages of positive foreign experience in other countries and discover new market opportunities within the European Union.

The doctoral student focuses his scientific interest on researching the process of internationalization, as a prerequisite and condition for increasing the competitiveness of small and medium-sized enterprises. In this direction, the advantages in the use of innovative technologies and the restructuring of Bulgarian

enterprises are emphasized as the main factors for internationalization and functioning in foreign markets.

The third chapter focuses on the topic of the harmonization of tax reliefs for small and medium-sized businesses in the EU member states as a factor for the growth of the European economy. According to the author, this will lead to stimulation of the European financial institutions – the European Investment Bank and the European Investment Fund in the provision of preferential financing to enterprises, in the presence of state protections and guarantees for entering international markets. The conclusion is substantiated that active European and national financial support of investment activity will encourage the implementation of high-tech productions and increase the cyber security of small and medium-sized enterprises.

In the third chapter, the complicating factors that cause crises and problems in the activities of small and medium-sized enterprises are presented, namely: lack of working capital, deteriorating business climate in terms of licensing regimes, corruption, tax and insurance burden in case of disrupted supply rhythm and sales, shortage of qualified personnel, the Covid-pandemic, the war in Ukraine. In this regard, the doctoral student presents challenges and makes proposals regarding the measures that the government should implement, such as: tax reductions and financial incentives for investment activity towards the digitization of small and medium-sized businesses, new channels for placement and online sales, remote work of staff, offering new products in the digital economy to increase revenue, increase production capacity and employment to increase competitiveness in the context of the circular economy and the globalization of markets.

A reflection of the results of the research are the author's conclusions and summaries presented in *the publications* on the topic of the dissertation - two articles (one is independent and the other is co-authored) and three scientific reports, one of which is co-authored.

The abstract reflects clearly and precisely the main points in the dissertation work. It contains a characterization in a synthesized form of the main text of the dissertation. Guidelines for the future research work of the PhD student on the topic are presented. The author has attached a reference to the scientific and scientific-applied contributions in the dissertation, a list of publications, a reference to compliance with the national requirements under the Regulations for the Application of the Law on the Development of the Academic Staff in the Republic of Bulgaria, as well as a declaration of originality and credibility.

II. Assessment of the form and content of the dissertation

With regard to *the content* of the dissertation work, a high theoretical preparation of the doctoral student in the field of investment policy of small and medium-sized enterprises and tools for promoting the investment activity of economic entities is found. Correct handling of the special terminology, the legal basis and the use of the formula apparatus is also noted.

In the dissertation, the author manages to defend the thesis that the increase in investment activity and the internationalization of small and medium-sized enterprises requires the implementation of adequate national and European policies to increase economic growth in Bulgaria through effective financial and tax stimulation of entrepreneurial activity.

In *structural terms*, the dissertation work is passed. It consists of: introduction, three chapters, conclusion, 13 appendices, bibliographic reference, declaration of originality and credibility of the dissertation work. The dissertation is developed in a volume of 195 standard pages. There is proportionality in the volume of the chapters, as the points and subpoints in them are arranged in a logical sequence.

Regarding the research *methodology*, the doctoral student used classic research methods, such as: the inductive and deductive method, the comparative method, the analysis and synthesis method, the descriptive method, the observation method and others. With the help of the survey method, an own empirical study was carried out among small and medium-sized enterprises in production and in the field of services in various branches of the country's economy.

Graphical and statistical tools were used in the research process and 15 graphs, 12 figures and 12 tables were created based on official statistical data and survey data. 44 formulas are attached. The data in the dissertation were processed and presented using MS Office Excel.

The bibliographic reference contains 74 sources, of which 41 sources are in English, 32 in Bulgarian and 1 source in Russian. The used literary sources are correctly cited in the main text of the dissertation.

In *the conclusion*, the author forms conclusions and makes recommendations in connection with the achieved results of the research. The doctoral candidate defends his views on the trends and challenges facing the development of the investment activity of small and medium-sized enterprises and highlights the conclusion that through internationalization economic entities will achieve sustainable economic development.

III. Scientific and scientific-applied contributions of the dissertation work

After getting acquainted with the dissertation work, the abstract and the publications of the doctoral student, it can be concluded that the research work of Daniel Genchev Danchev deserves a positive evaluation. I accept the formulated contributions that the author has reached as a result of the research. However, I believe that the formulated practical-applied contributions could be stylistically presented more categorically, and not as conclusions from the research.

I consider the proposal to create an effective national strategy for the restructuring of small and medium-sized enterprises to the European market as a contributing point. According to the author, such government policy will accelerate the internationalization of small and medium-sized businesses and will lead to the creation of real opportunities for national financial support of structural funds and European financial programs.

The very good knowledge and presentation in the theoretical part of the work of the normative base, as well as the realized and current projects and the national programs for promoting the entrepreneurial activity of small and medium-sized enterprises in our country, makes an impression. A positive point in the work is the author's empirical research in the practical part of the dissertation.

The critical analysis of the national and European programs for financial stimulation of the investment activity of the investigated enterprises deserves a high rating, as well as the recommendations made for improving the legislation in the EU member states in the direction of harmonizing European taxation.

IV. Dissertation critical notes, questions and recommendations

There are some technical inaccuracies, which, however, do not reduce the scientific value of the dissertation work and its scientific-prologue contributions. In this regard, I believe that it is better not to use abbreviations in the topic title. This could only be done in the main text of the work by appending a list of abbreviations.

For greater precision of the bibliographic reference, the sources could be divided into: fundamental sources, Internet sources and normative base, arranging them in alphabetical order – first in Cyrillic and then in Latin.

I recommend the doctoral student to deepen his research in the field of strategic management and investment policy of large industrial enterprises in specific sectors of the economy, which has priority importance for corporate risk management.

The doctoral student could direct his future research activity to the issues related to the impact of investment policy on the solvency of industrial enterprises in the context of risk management and corporate security.

My question to the PhD student is: in what directions should the Small Business Act operating in Europe be improved, considering that 51.5% of respondents to the survey indicated that they had recommendations for changes to it (p. 171)?

V. Summary Conclusion and Opinion

The dissertation work of doctoral student Daniel Genchev Danchev represents an in-depth and up-to-date study in the field of financial management of small and medium-sized enterprises, in which the main scientific interest is oriented towards the construction of an investment policy of the business unit, while taking into account and analyzing the main factors and prerequisites in its functioning. The knowledge of the theory of finance, the tax policy in the country, the legal basis and the mechanisms of strategic and operational management, as well as the practical experience and competences of the doctoral student, are the basis of the detailed and analytical study of the set topic. The doctoral student demonstrates his precise research work through the empirical part of the dissertation, where he analyzes in detail the investment activity of small and medium-sized enterprises based on the author's survey and makes specific conclusions and recommendations for improving strategic and operational management.

The scientific research work of Daniel Genchev Danchev is also presented through his publications related to the topic of the dissertation work, through which the author fulfills the minimum national requirements regarding his publication activity and counts a total of 40 points.

In conclusion, it can be summarized that the dissertation has the necessary scientific and scientific-applied contributions. This gives me the reason, with full conviction, to propose to the respected members of the scientific jury to vote positively and to propose to the Faculty Council of the Faculty of Finance the awarding of an educational and scientific degree “doctor” in the scientific specialty “Finance, money circulation, credit and insurance (finance)” to Daniel Genchev Danchev.

17/07/2023
Sofia

Reviewer:
(assoc. prof. Irena Markova, D.Sc.)