



**Kolegji AAB**

FACULTY OF ECONOMICS

DEPARTEMENT: FINANCIAL MARKETS AND BANK

DIPLOMA THESIS

THEME:

**SOURCES AND FORMS OF FINANCING BUSINESSES IN THE  
MUNICIPALITY OF MALISHEVA**

**STUDY CASE: ENTERPRISE “LIRIMI”**

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## **ABSTRACT**

In Kosovo, there are mainly developed businesses of the private sector and less those of the public sector, and in this theme, we will deal with businesses of private sector because the history of developed countries and those in the development of private sector, has had and still continues to have a big dominating role in the economical increase and development, of countries with open economy.

Enterprises have an important role regards to the economical development of each country, and especially in our country in the Municipality of Malisheva which is going through the transition phase towards the economy of market. In this theme, we will deal with the resources and forms of financing enterprises in the Municipality of Malisheva, while describing the financing resources and their characteristics. We will further do an analysis and a discussion from found information from researches on the state of enterprises in the Municipality Of Malisheva. The last part will include the recommendations part which aim the awareness of NVMs for the application of these resources with the goal of increase and successful development of them. The paper work with the above mentioned title is very actual by relying on the absence of knowledge that enterprises have for finding and using financing resources of their economical activity.

## CONCLUSIONS

Based on the organization form of the legal business-status of enterprises, in Kosovo can be established business enterprises in form of individual business; society with limited responsibility, limited partnership, general partnership, corporation society and non-resident enterprise (foreign).

Considering that developing countries such as Kosovo, deal with the biggest problem; unemployment. Developed countries has gone through this challenge through the development of the private sector which means new businesses which generates new job places and precedes the economical development, which is also the main macro economical objective of each country.

In the inability that all businesses establish their economical activity through the own capital stock, then they must face with an extra cost for providing with tools for financing their economical activity, and this source is executed through loans in banks and in similar institutions. Because the main aim of businesses is maximizing the profit, therefore providing with financing tools with as low as possible cost, enables and facilitates the main aim of all businesses, and the achievement of this aim, except the satisfaction increase of business owners, influences the socio-economical state improvement in society.

Financing the activity in market's economy has become crucially important. Less enterprises are ready to act without financing by the debt and share stock.

Corporations establish funds through the sale of shares to the individuals, who become owners (sharers) of the enterprise. Many societies emit debt (obligations) in order to finance expanses for machinery and tools, when internal funds are insufficient to finance activity's expansion.

After war and placement of the International Temporary Administration (UNMIK) in Kosovo, the temporary registration of business was enabled. During 2000/2001, there was an expansion in registering new businesses to continue with a rhythm of increase until March 2003, when the permanent registration of businesses in Kosovo, begins.