

## Quantitative Finance &gt; General Finance

# L'effet de levier de trésorerie

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The effect of leverage on liquidity is a tool for analysing the level of liquidity for a given production process. It measures the sensitivity of the level of liquidity that results from changes in the volume of production and unit operating margin. A commercial activity is liquid at the moment when all costs are covered by revenues. However, not all of the cash flows from production influence liquidity levels. The estimated costs do not directly influence the level of liquidity. Therefore, two indicators are to be taken into consideration: the elasticity of ongoing liquidity - fixed costs include estimated costs, and, the elasticity of immediate liquidity - fixed costs only include costs that are payable. The coefficients of leverage of ongoing liquidity and of leverage of immediate liquidity in relation to the operating margin have a behaviour that is identical to that calculated in relation to production. If the productive capacity remains unchanged, the regulation of the change in elasticity of the costs and of its influence on the unitary operating margin is the sole parameter available to the entrepreneur to maintain the liquidity of the company at the desired level. But, if the productive capacity is variable, the entrepreneur can use the volume of sales to control liquidity but then the transformation of the production process must be analysed so as to adjust the relevant elements to retain in the operating structure the degree of liquidity wished for.

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