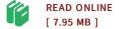# Has the Financial Crisis Induced a Credit Crunch for Small and Medium-Sized Enterprises in Germany?

By Christopher Heine

GRIN Verlag. Paperback. Condition: New. 102 pages. Dimensions: 8.3in. x 5.8in. x 0.3in.Masters Thesis from the year 2009 in the subject Business economics - Miscellaneous, grade: 1, 3, Otto Beisheim School of Management Vallendar, language: English, abstract: The following MBA-Thesis analyses how the financial crisis has affected different pre-conditions for the credit lending behaviour of banks. Additionally the demand for loans of potential borrowers will be considered. A credit crunch is defined as a restriction of the credit supply which leads to a mismatch of supply and demand. It will be shown that the financial crisis caused a still ongoing macroeconomic contraction. The macroeconomic contraction has a direct effect on the calculation of rating grades which downgrade. Parameters of credit risk assessments will be analysed and their pro-cyclicality will be tested. Corporate rating grades already downgraded significantly in 2008. The downgrading of firms has an effect on the credit pricing which influences also the credit demand. This effect will be shown by explaining a basic cost-plus loan pricing model. The sensitivity of the loan pricing towards changes of attributed capital, refinancing costs and cost of default will be exemplarily shown. It will be shown that the rating downgrades have a...

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