

CONTENTS

LIST OF TABLES	7
LIST OF FIGURES	8
INTRODUCTION	9
1 THE GENERAL THEORY OF PRODUCTION AND OF EFFICIENCY MEASUREMENT	15
1.1 The axiomatic structure of production	16
1.2 Treatments of returns to scale	19
1.3 The types of efficiency in production	23
1.4 Measures of technical efficiency	25
1.4.1 Radial measures of technical efficiency	26
1.4.2 Non-radial measures of technical efficiency	29
1.4.3 Comparability of measures of technical efficiency	31
2 THE PRODUCTION ASPECTS OF BANKING OPERATIONS	34
2.1 Production variables on the bank level	35
2.1.1 Qualification of production variables for banking production	36
2.1.2 Interpretation of deposits in banking production	37
2.1.3 Interpretation of equity in banking production	38
2.1.4 Regulatory aspect in banking production	39
2.2 Production variables on the branch level	40
3 THE OUTLINE OF THE METHODOLOGICAL PROCEDURE	45
3.1 The identification of returns to scale	46
3.1.1 The FGL approach and the Seiford-Zhu approach	47
3.1.2 The Tone-Sahoo approach	49
3.1.3 An example	55
3.2 Decomposition of technical inefficiency into sources	59
3.2.1 The decomposition procedure	59
3.2.2 An example	61

4 THE APPLICATION OF THE PROCEDURE IN A PROJECT OF TECHNICAL EFFICIENCY INVESTIGATION ON THE LEVEL OF BANK BRANCHES	64
4.1 The production model of the bank's branches.....	66
4.2 The returns to scale characterization of the bank's branches	71
4.3 The technical efficiency of the bank's branches.....	74
4.4 The decomposition of the technical inefficiency of the bank's branches for the input and output factors of their production.....	85
CONCLUSION	89
REFERENCES	94
SUMMARY (IN SLOVAK)	99
SUBJECT INDEX	104