

## Abstract

Venture capitalists (VCs) play one of the most crucial roles in identifying high-potential and innovative firms. Thus, the main research question studied in this thesis is how macroeconomics and institutional indicators influence the volume and number of venture capital investments into fast-growing technological companies (startups). The study is primarily based on panel data focusing on Central and Eastern Europe (CEE). Data consist of volume and number of VC investments as dependent variables, and multiple major macroeconomic and institutional determinants as independent variables. All collected from 2002 to 2022. The fixed effects model and random effects generalized least squares model are employed to test the hypotheses. The aim of this study is to analyze if there is an association between the aforementioned factors and compare it among the researched countries. The thesis answers questions such as how individual countries differ in their approach to investing in technological startups and how it is connected to their macroeconomic well-being. The results may be used in practice, as during the investment process in venture capital funds, the mentioned conditions must be considered to respond to variable valuations of startups and lower willingness of Limited Partners (LPs) to put money into these high-risk portfolio funds.

<b>JEL Classification</b>	E27, G11, G24, G32, G34, M13, L26
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