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## Table Of Contents Abstracts

### ARTICLES

#### **World Events Impact the German Stock Market: DAX Analysis January 2000 to October 2009**

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ABSTRACT Actual stock market developments can be explained by looking at headlines, topics and omnipresent kinds of daily information to comprehend their relationship. Objective of this paper is to analyze the major market movements of the DAX from 2000 to 2009 regarding to news events impacts. The New Institutional Economics only offers a certain explication to some extent. Human rational behavior of the concept of the Homo Economicus cannot be completely transferred to reality. The theory of Behavioral Finance offers a closer approach of a more realistic explanation of irrational behavior on stock markets. Impacts on the financial markets are related with macroeconomic information, non-economic news and market anomalies. Macroeconomic information and activities have dissimilar influences on the stock market. Non-economic news also affects the stock markets in an uncertain way. The analysis of the DAX containing data from 2000 to 2009 30 major daily changes of the DAX become evident. 57 percent of these movements are clearly related to specific events or news, whereas 43 percent cannot be explained by

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specific news events. The time period is mainly affected by two major events in the recent years: the 9/11 in 2001 and the subprime crisis in 2008. A research of news and popular headlines does not seem to be representative.

KEYWORDS Stock market, DAX Analysis, Behavioral Finance

### **The estimation of the Hungarian equity risk premium with different methods**

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ABSTRACT When determining the fair value of different investment assets it is a crucial step to make a correct estimation of the equity risk premium. The importance of using an accurate premium is that it has a significant effect on the cost of capital, just as on the level of the expected return, which are necessary input parameters when discounting an asset's cash flow.

Generally, concerning the different risk-return models the equity risk premium, which can be measured with various estimation methods, is known as the difference between the return of a theoretical market portfolio and the risk-free rate. A most common technique is based on historical data assuming that the expected future risk premium can be valued reliably with premiums measured in the past. Considering a long term forecast it is much more appropriate to use the so-called implied equity risk premium which mostly relies on the assumptions made for the future. The paper attempts to estimate the Hungarian equity risk premium with various approaches and tries to demonstrate some facts about the recent economic downturn's effects on the level of premiums.

KEYWORDS: market portfolio, risk-free rate, historical premium, implied equity risk premium

### **The Incoterms 2010 and Risk Management Strategies**

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ABSTRACT: The Incoterms 2010 clauses give clear rules for an international commercial contract. However, there are some risks, which should be identified and managed by the sales contracts. In this study, I analyze from both sides, the side of sellers and the side of buyers, the terms and the risks regarding each clauses. I compare the Incoterms 2010 and Incoterms 2000 clauses and offer methods, how can be the

change between the rules efficiently managed. The risks should not be explained by an extended description, my target is a summary of general offers and advices for a sales contract. I try to find the main common advantages but also the oppositions between seller and buyer. The international commercial rules offer the legal background and premises, but also offer individual handling opportunities and contractual solutions. I analyze the clause choice and clause change in the practice. The Incoterms 2010 means straight rules but it is not in conflict with targeted risk management. This connection area of Incoterms 2010 conditions and risk management can be sometimes a plus organizational competence and so a competitive edge for the companies.

KEYWORDS: Incoterms 2010, risk management, delivery risks, international trade

### **Efficiency of Single Contact Points Services for entrepreneurs: Case of Slovakia**

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ABSTRACT The agenda of small business in Slovakia is administered by Single Contact Points (SCPs). The aim of SCPs was to establish efficient assistance to entrepreneurs in dealing with business license, but also streamline the procedure of district individual administrative offices at the center. To investigate how the new units are efficient in their role was the goal of the research presented in this paper. Two approaches were applied. First, qualitative analysis based on questionnaire survey among entrepreneurs was done within all 50 SCPs. Its goal was to learn how entrepreneurs view the quality and efficiency of SCPs from the prospective of their needs. Second, quantitative analysis of efficiency based on evaluation of transformation inputs into outputs was done on all 50 SCP. The goal of this empirical analysis was to compare all SCPs from the aspect of their performance and find factors, which may influence their efficiency. Nonparametric Data Envelopment Analysis and Malmquist index procedures were used to investigate static and dynamic nature of SCP's efficiency. The results of this study show that the proportion of efficient units is 16%, the average efficiency is 0.72. There are some statistically significant differences in average technical efficiency scores among regions. Analysis of the associations of efficiency measures and entrepreneur's perception of SCPs shows

weak negative correlation. Comparison of result of years 2009 and 2010 showed growth of TFP productivity of SCPs by 7.9%, which is a result of a positive technical change by 15,5%, but negative technical efficiency change by 6,7%.

KEYWORDS public administration, services quality, single contacts points, small business, technical efficiency, scale efficiency, Malmquist TFP index, technical change

### **Characteristics of working poor in Hungary using individual measures of poverty**

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It is said, that having a job greatly reduces the risk of being poor. However, Eurofound (2010) showed, that 8% of the employed population was at risk of poverty in 2007 within the European Union, in a sense that disposing a per capita household income below 60% of the national median. The European Union introduced a new indicator for measuring the extent of working poor in 2003. This methodology have been analyzed and criticized ever since. In our analysis, we introduce a new methodology with which we map the risk of being poor within the employed population in Hungary, their extent, their social situation etc. Last but not least, we are looking at typical characteristics the working poor share. The common characteristics of the working poor population let us draw the inference of their economic, household, social and labor market characteristics, which drifted them to the group of working poor.

KEYWORDS working poor, measuring poverty

### **From Economic Crisis into Social Crisis? - New Challenges and Issues to be Resolved in the Field of Social Services**

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ABSTRACT Of the 1990, the welfare models have been under considerable pressure because of to operate with low employment rates, demographic changes, and (in some countries) the high public debt. For 2008, financial crisis which later became the economic crisis, increased the burden of the welfare state as stabilization of

the economy as the main solving the structure of public expenditure review was that both were affected by the state social services cost. These amounts, however, includes a serious risk of impoverishment of the population.

The main objective of my research was to shed light on the nature of the Hungarian income inequalities, and find the social crisis on the most vulnerable sectors of society. Then analysed some social subventions regarding these inequities, and to suggest corrections regarding social beneficial policies. During my research, the redistributive instruments analyze with the TÁRSZIM 2008 micro simulation model (the same that is used by the Ministry of Finance). Reorganization of our social systems will be unavoidable and its sustainability can be assured only by the increasing number of payers and the increase of efficiency and objectivity.

KEYWORDS Social welfare, unemployment, simulation, economic crisis

## **International Accounting Standardization in the Changing Economic Environment**

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ABSTRACT This study aims at measuring the differences between the national rules and the international methods by countries, then the valuing and analyzing their effects on the changing economic environments. International accounting standards are new, innovative global methods for business information systems and they are able to harmonize financial regime both world-wide and in Hungary also. The increased globalization of markets, the complexity of commercial trading and the concentration of business in global competition have led to a still greater need for international harmonization.

This study examined the impact of the adoption of international accounting standards on the economic performance of businesses listed on the Budapest Stock Exchange in Hungary. The financial data are taken from accounts published on the Budapest Stock Exchange and in the Hungarian Business Information database. The results show that those businesses which have adopted international standards achieved higher and statistically significant positive coefficients than those following local accounting rules. We found that larger firms (those with more leverage, higher market capitalization and substantial foreign sales) were more likely to have adopted international accounting standards questions relating to the above challenge.

KEYWORDS Standardization, harmonization, globalization, economic effects

## **The measure and trend of effective corporate tax burden in the European Union**

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ABSTRACT In my paper I would like to give an overview about some possible effective corporate tax burden measurement. After then based on my chosen system I analyze the effective tax burden of each European Union country. This comparison opens the door to define where our country stands in the competition of corporate taxation and to get to know the benefits and disadvantages of the individual states applied methods. As a conclusion we can appoint the applicable best practices for our country. The actuality of the topic gives that with the engrossment of economic crisis it is more and more essential the effectively working taxation system. An increasingly important expectation that taxation should cause the minimum possible distortions and where appropriate, correct market failures.

KEYWORDS: company tax burden, company tax rate, company taxation trends

## **Theory of the firm**

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ABSTRACT In the scientific and everyday life we can meet the word: firm. Newspaper is writing about spread of multinational companies, the son of our neighbor is establishing a corporation, new tenders supporting SMEs have been announced, whereas thousands of passengers are transported by BKV (Budapest Transport Company). Company, company and company. So we use this word, but do we understand what it is. What is the company? Why does it exist? What does it do? How does it work? The target of my lecture is to examine the modern management literatures' answers to these questions. Questions, firstly posed by Coase more than 50 years ago (in 1937), and still the base of disputes in economist circles.

KEYWORDS: theory of the firm, neoclassical, transaction cost, evolutionary, knowledge