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ABSTRACTS IN ENGLISH

Life and achievements of Alexandre Lamfalussy

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ABSTRACT: There is no other economist, who made a bigger name for himself in the international financial world. The path of his life is admirable and unique: he is one of the biggest experts of the world of central banks and capital markets; one of the fathers of Euro; founder of the European Central Bank; one of the heroes of the European integration and a happy family man. On the other hand he has a typically Hungarian story from the 20th century: a talented young, who's family story started within these borders, who lived through the Second World War young, then he did not find a free life in his own native country, and was fulfilled in another country. Alexandre Lámfalussy was born in Kapuvár in 1929 but the inhabitants of Lenti, Zala County have the right to feel Lámfalussy their own, he lived there for a long time. Besides it is well-known, the world-famous economist was attached to Sopron in several ways: he was the son of Alexandre Lámfalussy, who had been a former professor of Alma Mater Sopron. Formerly his father was the director of Department of Forest Utilisation at the university, while himself attended Benedictine High School in Sopron.

His name is one of the biggest in the international financial culture deservedly, because his ramifying academic achievement and his obtained results com-

manded respect for him all over the world. On 13th of October 2016 the University of West Hungary Faculty of Economics adopted the name of Alexandre Lámfalussy to pay tribute to his professional carrier.

KEYWORDS: Alexandre Lámfalussy, financial culture, professor, European Central Bank, euro

JEL Codes: B26, G20, G21, E52, E58

The Hungarian Banking Sector in Europe

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ABSTRACT: Hungary was the first in the Central and Eastern European region, where the change-over to the two-level banking system was realised. The Hungarian system served as a model, which was followed by others considerably later. Our initial advantage lasted till the EU-accession, since that time as a part of the European community same (identical) international regulations are in force concerning the national banking sector. Under influence of the global economic crisis and its consequences, local and national economic conditions, cultural differences and different national regulations, etc. has become the ability to economic recovery of banking sector very different from country to country. As a consequence development trends and their level are significantly different in each national economy. Considering the mutual interdependence of the banking sector and economy it is worth to compare the factual situation and prospects of Hungarian banking sector with the situation and prospects of the competitor countries, after all this will determine the future economic performance.

KEYWORDS: banking sector, economic crisis, regulation of banking, history of banking

JEL Codes: G21, O16, R11

New Trends of Banking Risk Management in International and Domestic Practice

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ABSTRACT: The measurement of the risks of banking has changed the last decades, significantly. Credit risk, as one of the dominant component, basically determines the carefully, prudent and efficient management of credit institutions. Thus, management of repayment risk in credit transactions interweaves the entire organization of banking operations, which is built in the first defence line of the bank's branches activity. The scenario analysis is an important tool for financial risk measurement, involves evaluating the impact of extreme in sector- and institution levels. It permits to prepare for the possible risks. Scenarios should be carefully examined in an attempt to make sure that all the adverse consequences are considered. The scenarios should include not only the immediate effect on the financial institution's portfolio of shock to market variables.

KEYWORDS: risk management, credit risk, operational risk, scenario analysis, stress-tests

JEL Codes: G17, G18, G21, G28

The History, Present and Future of the Basel Bank Regulation

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ABSTRACT: Due to the activities of financial institutions they have to operate according to strict regulations. Is there a need to regulate banks or not, and if a regulation exists what should it focus on and how widespread it should be? Our main aim is to take a look on the bank regulations from a different point of view, to analyse the reasons of regulation, what risk factors can appear and how they interact with each other. As a member state in the EU we are also part of the change in the institutional and regulatory environment. Our objective was to introduce the total Basel capital regulation system, its development stages. Not only the applied regulators but also the getting to know the institutional background is important which is being done these days, the creation of the bank union and inside that the European Banking Supervision started to operator the adoption of the reorganisation system in the member states. The financial institution categorizing debtors and credit coverage is requested during the credit process, this is the most important part of the institutional line of defense. Furthermore, the level of capital required by law to maintain and independent internal audit are essential.

KEYWORDS: Basel bank regulation, capital adequacy, Bank Union

JEL Codes: G22, M41, M49

Internal Control Functions in Financial Institutions – laws and regulations in Hungary

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ABSTRACT: Classical audit activities are almost as old as mankind. The presence of internal controls in modern terms can be attributed to the industrial revolution. Corporate, market and business structures created increased demand for advanced risk control, company leadership, management and flow of information techniques in the 20th century, so development of internal control systems came to the fore. Internal control functions are the part of lines of defence and they have got a primary role in safe operation of financial system. The financial institution have to establish, operate and develop internal control functions in regard to laws, recommendations and features of organization and activity. This article is an early result of a new research and it reviews history, definitions and regulation of the topic.

KEYWORDS: financial institution, internal control, internal audit, regulation

JEL Codes: G28, O16, M42

Accounting and Taxation in the globalized World Economy

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ABSTRACT: In order to make international capital import more efficient it is necessary to prepare a common account of the companies. The balance sheet and income statement are made according to global principles. Taxation is regulated by tax authorities (states, special tax zones, economic zones) mainly independently, and in casual cooperation.

The accounting information system is not sufficient to carry out the tasks of taxation and it contains unnecessary information for taxation. The solution is the supplement of the accounting information system with tax information. It can be prepared by keeping detailed records or by providing accounting information in details. Ad absurdum the taxation can be solved without preparing the financial report.

A properly organized information technology system can be a solution. The study examines the requirements for the IT system and the alternative solutions, such as the requirement of an independent tax balance sheet.

KEYWORDS: financial reporting, tax information technology, tax balance sheet

JEL Codes: M41, H21

Accounting and Taxation Regulation at the Hungarian R&D Process

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ABSTRACT: Academic researchers, product and technology developers and managers work together with previously inconceivable efficiency to explore and implement new product ideas in the centres of development. However, in recent centuries, the opportunities offered by innovation explored by R&D have mainly been exploited by large companies. In the last years, however, this knowledge offered and even today the identification of such opportunities for innovation offers the greatest chances of success to SMEs. As a result of accelerating progress, flexibility and quick adaptation have become the key factors of corporate competitiveness, and this has profoundly altered the structure of magnitude of companies. The positive effect of Central European countries turning into market economies and their accession to the European Union is gradually disappearing and the financial restrictions that became necessary because of the global financial crisis restrain GDP growth. Currently, the most important question is what the driver of economic growth can be in the years to come.

Documentation of R&D projects, including the R&D activity classification, and taking into account the amount and composition of the costs associated with the tax and the tax base allowance are essential aspects of accounting and tax purposes.

KEYWORDS: research, development, innovation, tax allowance, accounting

JEL Codes: M41, H25, H27

The Innovation, M&A and Portfolio Management or Corporate Growth's ways

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ABSTRACT: As the performance of the firm, the growth also has phases: boost, prosperity and maturity but we can't forget neither about the crisis period of the growth. Furthermore, the entity of the growth also has horizontal, vertical and lateral directions depending on the inner and outward methods. For this reason, the realization of the firm's growth has broad repository. From these repositories, we examine 3 fields – innovation, merger and acquisition, as well as portfolio investment – with case study and database analysis. We focus on the growth of the firm in our essay. We make an attempt to explain the role of the innovation and portfolio investment in the growth of the firm, moreover we try to expose the motivation of the merger and acquisition as an outward growth strategy. We execute the quantitative analysis with the results of international and Hungarian examinations and we confirm our hypothesis.

KEYWORDS: growth, innovation, M&A, active portfolio management

JEL Codes: M150, G30, G34

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