

ABSTRACTS**1. GROWTH MAXIMIZING ACQUISITIONS: LONG TERM PERFORMANCE OF FREQUENT ACQUIRERS**

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ABSTRACT

Although the effects of multiple acquisitions are studied with daily abnormal returns, none examine long term effects. Growth maximization (Mueller, 1972) is uniquely suitable as a managerial motivation for frequent acquisition activity. This motivation is examined through the operating and market performance of 138 frequent acquirers during 1996-2000 in Canada. Results show that frequent acquirers experience significant deterioration in operating performance. Profitability declines due to lower operating margins and higher leverage. Frequent acquirers have inferior market value compared to single acquirers. They are associated with: smaller size, higher free cash flows and market valuation. Frequent acquirers are not associated with high profitability, high growth opportunities or payment method. Findings support growth maximizing predictions that acquirers lose value through negative performance, higher risk and agency costs.

Keywords: acquisitions, profitability

2. COMMERCIAL BANKS IN SAUDI ARABIA: A STUDY OF FINANCIAL PERFORMANCE

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ABSTRACT

Saudi Arabia reformed its banking sector over the past few years against the back drop of an increasingly globalized world. The challenge for banking sector is to introduce innovative methods in its operations leading to higher financial performance. The mergers and acquisitions in the banking industry have resulted in large universal banks in terms of total assets, product diversification. Financial performance partly depends on their ability to adapt and operate efficiently in the new environment. In this paper an attempt is made to measure the financial performance of the select commercial banks in Saudi Arabia. The data has been analyzed through application of statistical tools and tested the hypotheses. The empirical results of the current study suggest that, mere being first in mobilizing deposits, credits and assets does not lead to be in the same position in profit performance. It was also found that there exists a positive correlation between financial performance and asset size, asset utilization and operational efficiency, which was also confirmed with regression analysis that financial performance is greatly influenced by these independent factors.

Keywords: Commercial Banks, financial performance, deposits, credits, ranks

3. LONG-RUN PERFORMANCE OF INITIAL PUBLIC OFFERINGS IN AN EMERGING MARKET: THE CASE OF AMMAN STOCK EXCHANGE

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ABSTRACT

This paper examines the long-run share price performance of initial public offerings (IPOs) in a relatively small economy and a narrow financial market. That is the listed companies in Amman Stock Exchange (ASE) during the period 1990-2006. Jordan has a liberalized economy and is a new emerging market. Similar to those in advanced economies, the results show that Jordanian IPOs are significantly underperforming their benchmarks when performance is measured by both risk-adjusted cumulative abnormal returns (CAR) and buy-and-hold returns (BHR), although BHR produced higher significance levels. In addition, sector analysis shows that IPOs of service companies performed better than those of industrial ones. However, both underperformed the market.

Keywords: IPO, CAR, BHR, WR, Jordan

4. REPORTING FOR DERIVATIVES: ONE OF THE FINANCIAL CRISIS' ROOTS?

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ABSTRACT

Our paper performs an analysis of the Czech and Romanian derivatives market through a deductive approach, starting from the macroeconomic picture of emergent capital markets of Central and Eastern Europe, and then moving to the specific case of the national stock exchanges within the two countries. An empirical study is done on data from annual reports of 51 companies listed on the Prague Stock Exchange by focusing on the comparison of reporting for financial derivatives by using IFRS in comparison with the Czech accounting regulations. Findings reveal potential sources of information asymmetry which might put the informational advantage in the hands of some parties involved in derivatives trading. The very low level of information reported on derivatives operations might be the signal of an alarming situation concerning the characteristics of accounting information that already had its say through the current world wide financial crisis.

Keywords: Derivatives, Financial instruments, Financial reporting, Czech Republic, Romania

5. BUSINESS ECONOMY PROFILES OF FINANCIAL DIFFICULTIES IN LOCAL ITALIAN CORPORATIONS: FROM DEFAULT TO FINANCIAL RENEWAL

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ABSTRACT

In the last few decades, the process of transforming the public sector into corporations has led, in the viewpoint of managerial renewal, towards the concept of economic responsibility and in the direction for the attainment of higher levels of quality and efficiency. The need to rationalize public spending has forced local corporations to provide themselves with the implements of planning and controlling management aimed at avoiding taking on expenses exceeding their available resources, and thus leading

to situations of deficit with warning signs of financial difficulties. To that purpose, article 244 of the Legislative Decree 267-2000 provides that whosoever is in a state of financial difficulties, if the corporation, municipality, or province cannot guarantee the performance of the works and indispensable services, or there exists towards the local corporation an escrow, that it cannot be effectively met, neither by ordinary means of the restoration of the redressing of the balance, nor with the extraordinary acknowledgement of an unbalanced debt.

The purpose of this work is to carry out an inquiry on the phenomenon of financial difficulties of local corporations in Italy, trying to individualize the causes and possible remedies.

Keywords: *public administration, financial difficulties, economic responsibility*

6. ESTIMATION OF INTEREST RATE IN ROMANIAN CREDIT UNIONS

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ABSTRACT

The aim of the indicators is to fulfill some informational needs in the process of analysis and management of the banking risks and to offer decisional support for the entire banking activity.

To this end, the estimation of the interest rate risk implies establishing the extent to which some changes of the interest rate can affect the forthcoming incomes of the bank. To this effect, there are certain measuring techniques used on an assembly of information, on whose accuracy and timeliness, in what concerns assets and liabilities interests adjustment dates, depends the quality of the evaluation of the bank's exposure to risk. It's important to do the forecast as accurate as possible, given that interests for assets and liabilities can be affected by fluctuations.

Keywords: *Assets interest, liabilities interest, gross spread*

7. WORLD REAL INTEREST RATES: AN EXPLORATORY INVESTIGATION

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ABSTRACT

This paper investigates the determination real interest rates, world real interest rates and the literature on the relationship between real interest rates and the stock market. Particularly, this paper discusses common techniques for calculating real interest rates and surveys the sparse empirical literature on the relationship between stock market returns and real interest rate. Additionally this paper calculates a proxy for world real interest rates following Barrow and Martin (1990) and looks at the properties of the series. Most interestingly the series is found to be non-stationary, which in raises questions about the stability of the concavity of intertemporal utility functions. Finally this paper discusses some potential avenues for further research.

Keywords: *Real Interest Rate; Intertemporal Utility*

8. THE ANALYSIS OF THE ENTITY'S LIQUIDITY – A MEANS OF EVALUATING CASH FLOW

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ABSTRACT

The management of entities liquidity is one of the problems that rose during since financial crisis begun. That is why we believe that is imperiously urgent that every entity should create own systems of liquidity analysis for the purpose of preventing at any moment their insolvency.

The study that we present is an analysis guide for the liquidity state and preventing liquidity risk, where we highlight aspects regarding: the concept of liquidity, liquidity administration, liquidity risk management, liquidity indicators and methods for measuring liquidity risk.

Keywords: *Liquidity, Liquid Assets, Cash Flow, Current Liabilities*

9. INWARD FDI AND MANUFACTURING EXPORTS OF AUSTRALIA: A PANEL DATA ANALYSIS

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ABSTRACT

This paper investigates the effects of inward FDI and labour productivity on exports of Australian manufacturing industries using a dynamic panel regression technique. The results find that, in the short-run, FDI has no significant impact upon exports, while labour productivity has a significant positive effect on exports, of Australian manufacturing industries. In the long run, inward FDI and labour productivity have positive effects on exports of Australian manufacturing industries. The policy implications are that there are benefits in terms of increased exports by encouraging inward FDI and by enhancing the labour productivity in Australian manufacturing industries.

Keywords: *Inward FDI, labour productivity, manufacturing industries in Australia, dynamic panel regression*

10. SURVEY ON WEAKNESSES OF BANKS INTERNAL CONTROL SYSTEMS

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ABSTRACT

The recent evolution of Romanian banking system, profoundly marked by globalization, has increased the need to design an internal control system, which could ensure that bank will comply with laws and regulations, will achieve long-term profitability, will maintain reliable financial and managerial reporting and will decrease the risk of unexpected losses or damage to the bank's reputation.

The purpose of our study is to underline the importance of a well-organised internal control system for ensuring the safe and soundness of a credit institution's activity, and by this the stability of the banking system as a whole.

The research methodology of this paper is based on a comparative analysis between the Basle Committee's opinion on weaknesses of internal controls and our study made upon a sample of credit institutions from Romania. The originality of this analysis consists in a different system of evaluation

based on a series of assessing factors considered the most significant taking into consideration the recent evolution of the Romanian banking system. The findings of our research consist in similar breakdowns of internal controls as those encountered by the Basle Committee. To add value to our research we ended the study with some recommendations, which might make internal control systems stronger.

Finally, we consider that the key of success in having an efficient internal control system is to ensure a complementary relationship and a continuous cooperation, based on periodic meetings, between all the structures with control responsibilities, such as the supervisory authority, the internal and external auditors, which might be the purpose for a future research.

Keywords: Globalization, Risks, Internal control system, Internal audit, Banking supervision

11. THE IMPACT OF THE RETURN INTERVAL ON BETA ESTIMATION

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ABSTRACT

Researchers have indicated that the return interval used for estimating beta should match the expected investment period, which is likely to be annual, but financial services commonly use short-interval returns to estimate betas. This paper conducts a detailed investigation of the impact of the return interval on a company's estimated beta. The results show that, even for estimates based on daily returns, the beta is significantly influenced by the estimation period. Further, the market index has greater explanatory power for annual returns than it does for daily returns, and the beta estimate based on annual returns is significantly different from that based on daily returns. These findings suggest that the return interval has a significant impact on the beta estimate, and annual returns provide more relevant beta estimates than daily returns.

Keywords: Beta Estimation, Return Interval, Investment Horizon

12. STATISTIC ANALYSIS OF ROMANIAN BANKING SYSTEM

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ABSTRACT

In theory and in practice, there are many problems regarding to the banks liquidity. In this way we debate the problems regarding banks liquidity, the causes of lack of liquidity in the banks activity and we also presents a financial analysis of the effects of the banks standing according with the risk liquidity.

Keywords: capital risk, liquidity, deposits
