

## **Parallel Session 1: Regulation**

Session Chair: *Panayiotis Alexakis, National and Kapodistrian University of Athens,  
Greece*

Room: Αίθουσα Συνεδρίων

Time: 09:15 - 11:00

### **“Financial Regulation in General Equilibrium”**

*Charles A.E. Goodhart, London School of Economics, UK*

*Anil K. Kashyap, University of Chicago, Federal Reserve Bank of Chicago  
and National Bureau of Economic Research, USA*

*Dimitrios P. Tsomocos, University of Oxford, UK*

*Alexandros P. Vardoulakis, Banque de France, France*

### **“Regulations and Insurance Consumption”**

*Chrysovalantis Gaganis, University of Crete, Greece*

*Iftekhar Hasan, Fordham University, USA and Bank of Finland, Helsinki, Finland*

*Fotios Pasiouras, Technical University of Crete, Greece and University of Bath, UK*

#### **Abstract**

Using a sample of 50 countries during 2000–2008, this study investigates the possible impact of insurance regulations on life insurance consumption. The evidence reveals a negative and statistically significant association between supervisory control of the policy conditions of life annuities and pension products and life insurance

consumption. A similar inverse relation is observed between the index of capital requirements and insurance consumption. The importance of supervisory variables is also traced in the structure of premium tariffs and premium rates, as reflected in some of the estimations. Finally, regulations in relation to investment management as well as accounting and auditing requirements turn out to be relatively insignificant.

**Keywords:** Insurance consumption, insurance regulations

### **“Does Regulation Matter for Banks in the EU?”**

*Emmanuel Mamatzakis, University of Piraeus, Greece*

*Maria Psillaki, University of Piraeus, Greece*

#### **Abstract**

This paper investigates the impact of regulations in credit, labor and business sectors on cost efficiency using a sample of EU 27 banks. We employ non-parametric methods, the Stochastic Frontier Analysis (SFA) to empirically construct the bank’s ‘best practice’ frontier and measure bank efficiency as the distance from that frontier. In a second stage we employ panel models, both static in terms of standard fixed effects models but also dynamic panel-VAR models that counts for endogeneity issues, to estimate the impact of regulation on bank specific efficiency. Our paper is in line with a number of studies in last years that examine whether bank regulation, supervision and monitoring enhance or impede bank operating efficiency (Barth et al., 2004, 2006, 2008 and 2010). While many countries adopted capital requirements of Basel II, the literature produces highly mixed predictions regarding the effects of capital regulation on asset risk and overall safety and soundness for the banking system (Barth et al. 2006, VanHoose 2007). This paper contributes to the literature by analyzing the impact of the new capital adequacy rules (Basel III) and regulation of

labor and business in bank efficiency using the Fraser Index of Economic Freedom. In other words, we use an assortment of information, not used before, on the degree to which regulations in credit labor and business may impede competition and distort bank behavior and, as a result, generate productive inefficiency in the mix of inputs used by banks (for example, physical capital to labor ratios). To do so we use a sample of banks from EU 27 countries from the period 2000 to 2010. Our results show that regulation matters.

**Keywords:** Banking; SFA; cost efficiency; regulation, Basel III

**JEL Classification:** G21, P34, P52

**“A Theoretical and Empirical Review of the EU Regulation on Credit Rating Agencies: In Search of Truth, Not Scapegoats”**

*Panagiotis K. Staikouras, University of Piraeus, Greece*

**Abstract**

The undergoing financial turbulence has raised significant concerns over the role that credit rating agencies (CRAs) played in the inception, magnification and expansion of the crisis. In response, the EU legislature has adopted Regulation 1060/2009, which, for the first time, set out a legally binding pan-European authorization regime for CRAs, which issue ratings that have been used by EU-based financial institutions. As the turmoil turned into an unprecedented Eurozone debt crisis, EU politicians have been calling for tighter regulation of the credit rating industry. Drawing on the relevant empirical and theoretical research and building upon a comparative study of the corresponding US framework, the paper discusses critically the principles underlying EU Regulation 1060/2009 and the most recent suggestions for its reform. The paper argues that although, overall, the EU Regulation seems to be

a well-balanced instrument in the sense that it introduces the essential checks upon CRAs' behavior while avoiding excessive regulatory intervention, more fine-tuning is needed in certain fields, including, rating shopping, financial ties with rated entities, abuse of inside information, transparency and CRAs' accountability.

**Keywords:** credit rating agencies, regulation, Regulation 1060/2009, competition, conflict of interests, transparency, accountability.

**JEL Classification:** G24

## **Parallel Session 2: Auditing**

*Session Chair: Panayiotis Tahinakis, University of Macedonia, Greece*

Room: 338

Time: 9:15 - 11:00

### **“Determinants of Auditor Independence: Preliminary Results”**

*Panayiotis Tahinakis, University of Macedonia, Greece*

#### **Abstract**

The ability of the certified auditor to act with integrity and impartiality during the auditing practice has always constituted the key characteristic of auditing profession. This fundamental assumption, that auditors are independent and uninfluenced, provides credibility and validates auditing services. Keeping the latter in mind the research scope of this paper is focused on Auditor’s Independency and specifically in the determinants of this independency in Greek corporate reality before and after the implementation of IFRS. Valuing their importance, two potential determinants of auditor independence are examined in depth in this study. The provision of Management Advisory Services (MAS) and the audit market competition in Greece. The IFRS adoption in 2005 provides the benchmark year for the division used not only to separate two time periods, but also to depict two distinct methodological approaches. Prior to IFRS adoption the methodology of this paper is focused in an experimental approach which is consisted by a Factorial analysis of variance that is utilized to analyze the judgments of both Auditors and other users of the financial statements. The findings seem to be consistent with previous literature and depict that Auditor’s Independency seems to be influenced, according to auditors and financial

analysts, by both MAS and the audit market competition. My ongoing research is now focused in the post IFRS adoption period and whether the same to elements (MAS and audit market competition) can seriously affect auditor independence.

**Keywords:** Auditor's Independence, Provision of Management Advisory Services, Audit Market Competition

**JEL Classification:** M42

### **“Information Content of Auditors Report for Stock Prices”**

*Panayiotis Tahinakis, University of Macedonia, Greece*

*Mihalis Samarinas, University of Macedonia, Greece*

#### **Abstract**

During the past decade a series of audit failures led to wide skepticism towards the audit credibility and consequently towards the worth of the information that financial statements disclose. Although, theoretically, it could be claimed that the auditor's report provides important information for investors and validates financial statements, prior research has only revealed an antithesis on that matter created by the contradiction of the findings. For this reason we investigate whether the announcement of the qualified auditor's report has any kind of effect on stock prices by employing a rather different approach. By utilizing a modification of the Ohlson (1995) model we examine the lack or presence of the auditor's report informative value in Greek economic reality. Our findings seem to depict that Auditor's Report does have an effect to the investors and consequently to the stock prices of public firms in ASE but only for a specific type of qualification. In all other cases and of course for unqualified opinion, Auditor's Report does not seem to incorporate any informative value.

**Keywords:** Auditor's Report, Informative Value, Stock Prices

**JEL Classification:** M42

**“Audit Report Time in Greek Municipalities: Exploring the Effects of Municipal,  
Auditing and Political Factors”**

*Sandra Cohen, Athens University of Economics and Business, Greece*

*Stergios Leventis, International Hellenic University, Greece*

**Abstract**

Timely publication of municipality financial statements is strongly encouraged by governmental agencies and appears to be a signal of competent financial management. However, financial statements have to be audited before being published. Prior studies of the public sector have been conducted mainly in the US and they usually refer to fund and not accrual accounting statements. This paper is the first to attempt to study audit time in the continental European local government context. We examine publication time for audited accrual accounting financial statements for 116 Greek municipalities for the period 2006-2007. Greece is an interesting setting because, despite the rigid regulatory framework that governs reporting, the penalties imposed in cases of non-compliance with regulatory deadlines are almost non-existent. We investigate several specifications indicated by previous research but also several municipal and political factors that have not been investigated before. Our results suggest a considerable variation in audit time which is mainly influenced by the political process under which municipalities operate and make decisions. We analyse further determinants of non-compliance and we analyse the characteristics of non-compliers separately. Political variables persist in explaining audit report time in terms of non-compliance. We expect our research design and conclusions to be relevant to

other local governments in Europe as most jurisdictions share the same trajectory of intensifying reporting requirements, mainly due to accrual accounting implementation.

**Keywords:** Audit time, municipalities, compliance, accrual accounting, public sector, local governments, Greece

## “Ο Εσωτερικός Έλεγχος στον Ελληνικό Δημόσιο Τομέα”

*Ανδρέας Γ. Κουτούπης, Πανεπιστήμιο Αιγαίου, Ελλάδα*

*Μιχαήλ Μπεκιάρης, Πανεπιστήμιο Αιγαίου, Ελλάδα*

*Θανάσης Αργυρόπουλος, Εθνική Σχολή Δημόσιας Διοίκησης, Ελλάδα*

### **Abstract**

Η παρούσα εργασία επιχειρεί να παρουσιάσει την υφιστάμενη κατάσταση του εσωτερικού ελέγχου στον ελληνικό Δημόσιο τομέα και να κάνει προτάσεις για τη βελτίωσή του. Αρχικά ορίζεται ο εσωτερικός έλεγχος και γίνεται επισκόπηση του νομοθετικού πλαισίου που τον διέπει στην Ελλάδα. Στη συνέχεια αναλύεται κάθε μία από τις υπηρεσίες εσωτερικού ελέγχου του ελληνικού Δημοσίου που είναι η Γ.Δ.Δ.Ε., η Οικονομική Επιθεώρηση, ο Γ.Ε.Δ.Δ. και το Σ.Ε.Ε.Δ.Δ. Στην ανάλυση συμπεριλαμβάνονται οι υπηρεσίες εσωτερικού ελέγχου των Δ.Ε.Κ.Ο. Περιγράφεται η μεθοδολογία που ακολουθήθηκε για τη διενέργεια της έρευνας. Στο τέλος, παρουσιάζονται τα συμπεράσματα της έρευνας και γίνονται προτάσεις για τη βελτίωση της λειτουργίας του εσωτερικού ελέγχου στο Δημόσιο τομέα.

**Λέξεις Κλειδιά:** Γενικός Επιθεωρητής Δημόσιας Διοίκησης, Δημόσιος Τομέας, Εσωτερικός Έλεγχος, Οικονομική Επιθεώρηση, Σώμα Επιθεωρητών Ελεγκτών Δημόσιας Διοίκησης.



## **Parallel Session 3: Banking**

*Session Chair: Anastasios Tsamis, Panteion University, Greece*

Room: 339

Time: 9:15 - 11:00

### **“Income-Specific Estimates of Competition in European Banking”**

*Ioannis G. Samantas, University of Athens, Greece*

#### **Abstract**

This paper constitutes a new model of measuring competitive conditions in the European banking industry. Since the vast literature of competition modeling has produced mixed results, alternative methodologies are sine qua non to provide policy considerations vis-à-vis two serious issues that cannot be overlooked: first, different measures of competition do not converge when it comes to make cross-country comparisons over time, and second, banking income has been subject to substantial shifts in its quasi-generating sources. In this regard, the proposed methodology goes one step further Bolt and Humphrey (2010) in order to produce country rankings of competition. This study provides multiple indicators of cross-country comparability of bank competition breaking further down the subsets of bank activities. It would be interesting to realise how evidence is compared and corroborated under the same sample of EU-27 group.

**Key Words:** concentration, banking income, market power

**JEL Classification:** D57, D40, G21, L11, L41

**“Democracy, Financial Regulation and Bank Competition  
in Emerging Banking Systems”**

*Maria-Eleni K. Agoraki, Panteion University, Greece*

*Christos Triantopoulos, Athens University of Economics and Business, Greece*

**Abstract**

The 2008 financial crisis created a field of an interesting academic debate considering the precrisis financial regulatory and supervisory framework. Central and Eastern Europe’s emerging banking systems consist a unique political-economic case to investigate hypothesis and causality relations between structural factors considering the establishment and the development of their financial regulatory frameworks. The level of democracy and the degree of the political regime’s – substantial – commitment to public prosperity differs significantly among the European countries. This difference seems to affect, firstly, the level of quality and good governance of the financial regulatory and supervisory institutions, and, secondly, the ability of the regulatory framework to correspond to the three major regulatory goals. So, this paper attempts to investigate the linkages and relations among democracy, financial regulation and banking competition.

**“Impact on Capital Requirements of the Banks of the Evolution of Credit  
Risk of their Business Portfolio”**

*Konstantinos Leykadtis, Panteion University, Greece*

*Anastasios Tsamis, Panteion University, Greece*

*Ioannis Leventidis, University of Athens, Greece*

**Abstract**

Since exposure to credit risk remains the main source of problems in banks worldwide, banks and supervisory authorities should be able to draw useful lessons from past experiences. Banks should now realize the need to identify, measure, monitor and control credit risk and to determine that they have sufficient funds to cover these risks. For this reason, it was calculated the impact on capital requirements for banks by the ongoing credit risk of its business portfolio for the period 2002-2009. Examined the fundamentals of credit risk and the impact on the banking system, in terms of loans to medium and large companies (companies that keep books C class) active in the Greek market. The companies were grouped further into listed and unlisted, and monitored the evolution / change in their credit risk by calculating their capital requirements by using the Internal Ratings Based Approach (IRB) of Pillar I (Bank of Greece directive 2589/20.8.2007) Basel II for the above mentioned period. This approach was chosen, because of better measurement of credit risk and the calculation took into account the annual probability of default (PD - probability of default) as modified per year for each company and the loss given default (LGD - loss given default) at the supervisory value of 45%. The above analysis includes all companies operating in Greece which keep books C class and in 2008 had positive sales turnover. The period that examined the evolution of total bank lending and bank lending to businesses is 2002 - 2009, after the introduction of the euro in Greece and before the deterioration of the current crisis. Key findings that emerged (briefly) are:

- Increase in bank capital requirements, mainly due to increased borrowing by these companies and the change of their PDs. Note, that the capital requirements calculated by the above method are hypothetical and not actual for the banks.
- the evolution of the index « Capital Requirements / Total Debt (lending) » was examined

for the listed, unlisted companies and for all companies. Within the examined period the ratio has been increased but with significant differences between listed and unlisted companies.

- Significant changes per year of evolution of probability of default (PD) and the expected loss, primarily for the unlisted companies.

**Keywords:** Credit Risk, Capital Requirements, IRB, Internal Ratings Based Approach, PDs

### **“Bank Credit Strategy During Financial Crisis”**

*Eleutherios Aggelopoulos, Technological Institute of Patras, Greece*

*and University of Patras, Greece*

*Vasileios Giannopoulos, University of Patras, Greece*

*Evgenia Mpourou, University of Patras, Greece*

#### **Abstract**

This paper examines the changes in Greek bank credit before and during the recent economic crisis. The work identifies a credit crunch starting from 2009M9. It studies and analyzes the impact of specific loan characteristics in shaping the overall interest rate of new and existing business loans. As far as new loans are concerned, it was found that large loans are priced less than the small ones. The econometric results show the greater and positive contribution of small loans to the definition of the total interest rate. Furthermore, we found that the bargaining power of large borrowers during the crisis causes a negative impact of large loans on the total rate. Finally, it is shown that in the existing loan portfolio, the effect of short-term loans gets significantly reduced, while the positive effect of medium and long term loans gets almost doubled.

## **Parallel Session 4: Financial Economics I**

*Session Chair: Nicholas Apergis, University of Piraeus, Greece*

Room: 340

Time: 9:15 - 11:00

### **“Exploring the Impact of a Financial Innovation on Financial Stability: The case of Euro Introduction”**

*Dionisis Th. Philippas, University of Patras, Greece*

*Costas Siriopoulos, University of Patras, Greece*

#### **Abstract**

In this paper, we investigate the impact of financial innovation (i.e. the introduction of the *Euro*) on the yield of government bonds and the consumer price indices (*CPIs*), in Economic Monetary Union (*EMU*). We derive a novel measure of a simultaneous effect which we model the introduction of financial innovation as a minimum boundary Pareto distribution or as the compound process of a Poisson G-Pareto distribution. Motivated by this approach, we undertake an extensive empirical analysis and we examine the relative simultaneous effects of the yield of government bonds and the consumer price indices under the influence of *Euro/Euribor* introduction. Our findings support the conclusion that the introduction of the *Euro/Euribor* has had a significant effect on the yields of bonds, whereas it didn't have significant effects on the *CPIs* indicators and, in general, on the real economy which is subject to domestic factors.

**Keywords:** financial innovation; Euro; Euribor; government bond yields; consumer price index; autoregressive distribution lag specification;

**JEL Classification:** C30, E44, G12, G15, H60, F36

**“Effects of Monetary Policy Shocks on the Trade Balance: Empirical Evidence from Denmark, Sweden, Poland and Hungary”**

*Costas Siriopoulos, University of Patras, Greece*

*Maria Kechagia, Institute of Export Research & Studies, Greek International Business Association (SEVE), Greece*

**Abstract**

The present study contains an empirical analysis of the effects of a monetary policy contraction on the trade balance of four economies. The first two are small open European but former transition economies - Poland and Hungary respectively, which contain inflationary pressures and the second two are small open European developed countries - Denmark and Sweden respectively, with low inflation and high levels of price stability. The effects of monetary policy shocks are identified in a structural VAR framework, following Kim (2001), imposing non-recursive zero restrictions on the contemporaneous structural parameters. The empirical findings indicate that both the international transmission mechanisms of monetary policy, introduced through the income absorption effect and the expenditure switching effect, and the J-curve effect are country specific. Specifically, while in Denmark and in Hungary the income absorption effect is prevailing, in Sweden the expenditure switching effect is dominant. For the Polish economy, the puzzling responses of the trade balance in value and in quantity cannot lead to any consistent result with regards to which effect is dominant in the economy. Finally, there is evidence of the J-curve effect in the Hungarian economy.

**Keywords:** Monetary Policy, Trade Balance, Expenditure Switching Effect, Income Absorption Effect, j-curve, SVAR model

**JEL Classification:** F1, F4, C5

**“The impact of the eurozone austerity on household deposits”**

*Emmanuel Mamatzakis, University of Piraeus, Greece*

*Fotini Economou, University of Piraeus, Greece*

**Abstract**

The global financial crisis of 2008 caused systemic instability and great loss for financial institutions in the U.S. and Europe. The impact of the crisis appeared in the Greek economy, which faces a huge budget deficit. This study contributes, for the first time in literature, an empirical investigation of the impact of the Greek debt crisis on household savings and consumer credit, using modern econometric techniques and a combination of time series cross section data (panel data). Additionally, we introduce a behavioral dimension to the study of these effects and examine the factors that affect household psychology in times of economic crisis and recession. The conclusions drawn will be extremely useful in formulating appropriate policies in order to face the economic recession and prevent future crises. Emphasis is given to the social impacts of the crisis for the Greek households and the possibility to face them.

**Keywords:** Greek debt crisis, household savings, consumer credit, behavioral finance, herding.

**JEL Classification:** G01, G15, G21

## **“A Bank Lending Channel that is Working via Real Estate or via Consumer Loans? Evidence from Europe”**

*Stephanos Papadamou, University of Thessaly, Greece*

*Vaggelis Arvanitis, University of Thessaly, Greece*

*Costas Siriopoulos, University of Patras, Greece*

### **Abstract**

This paper, tests the bank lending channel of monetary policy transmission mechanism in a series of European countries since the Euro currency circulation. By disaggregating bank loans to households for consumer, housing and other purposes over the period 2003:Q1 to 2010:Q4, we try to shed light to any hidden dynamics by aggregate data. An unrestricted VAR model and impulse response analysis provide empirical evidence of an active bank lending channel working via housing loans for the majority of countries studied (Germany, France, Belgium, Italy, Spain, Sweden and UK). Moreover our results reveal that monetary transmission to housing loans proceeds quickly in Germany, Spain, Sweden and UK compared to the others. However in Italy, France and Germany, consumer credits reduction also amplifies the initial shock on GDP and on inflation produced by a tightening monetary policy. Finally, banks' lending behavior varies significantly according to the purposes of household loans. In Belgium, Sweden and UK, housing loans reductions coexist with increase of loans for consumption and other reasons, implying that the former is driven by supply forces while the latter by demand forces.

**Keywords:** monetary policy; transmission mechanism; VAR models; banks

**JEL classification:** E40, E52, G21



## **Parallel Session 5: Financial Economics II**

*Session Chair: Nikolaos T. Milonas, University of Athens, Greece*

Room: Conference Room

Time: 11:15 - 13:00

### **“Skewness and the Relationship between Risk and Return”**

*Christos Savva, Cyprus University of Technology, Cyprus*

*Panayiotis Theodossiou, Cyprus University of Technology,*

*Cyprus and Rutgers University, USA*

#### **Abstract**

In this study we provide further evidence of the effects of the conditional skewness on the relationship between the excess returns and conditional volatility with our model being able to endogenously measure the impact of the skewness. More specifically we propose a model that utilizes the non-centered skewed generalized t (SGT) distribution with heteroskedastic error term. SGT distribution provides a great flexibility in modeling the dataset and an excellent fit to the empirical distribution of the data.

**Keywords:** conditional skewness, GARCH-in-Mean

**JEL Classification:** C16, C22, G12

### **“An Examination of Herding Behavior in REITs”**

*Nikolaos Philippas, University of Piraeus, Greece*

*Fotini Economou, University of Piraeus, Greece*  
*Vassilios Babalos, University of Piraeus, Greece*  
*Alexandros Kostakis, University of Liverpool, UK*

## **Abstract**

This study examines the existence of herding effects in the US REITs market, constructing a survivorship–bias–free dataset of daily returns during the period January 2004– December 2009. Apart from documenting the existence of herding behavior by conducting comprehensive tests, we also explore new channels through which this may be intensified. Deterioration of investors’ sentiment and adverse macro–shocks to REITs funding conditions are found to be significantly related to the emergence of herding behavior. Contrary to common belief, however, the recent financial crisis did not seem to contribute to this phenomenon. Similarly, no asymmetric herding effects are documented during days of negative market returns.

**Keywords:** Herd behavior, REITs, Investors’ sentiment.

**JEL Classification:** G15

**“The relationship between VIX futures term structure and S&P500 returns”**

*Athanasios P. Fassas, University of Macedonia, Greece*

## **Abstract**

The current paper tests and documents the relationship between the term structure of VIX futures and the underlying equity returns. Furthermore, it investigates the signaling effects of VIX futures term structure in respect to future stock index movements. The objective of this empirical analysis is to verify if a steep upward-sloping term structure indicates a late phase of a bullish trend and conversely if an

extreme negative term structure suggests an over-sold market, as certain market participants believe. The empirical findings of this study suggest that there is a strong statistical significant positive contemporaneous relationship between the changes in the VIX futures term structure and the returns of the underlying equity index. Finally, the econometric analysis lends some support to the hypothesis that the term structure of VIX futures can be used as a contrarian indicator for investing in the equity market.

**Keywords:** *VIX futures, implied volatility term structure, future equity returns*

**JEL Classification:** G10, G11

## **“Informed Trading Before Stock Price Shocks: An Empirical Analysis Using Stock Option Trading Volume”**

*Spyros Spyrou, Athens University of Economics & Business, Greece*

*Emilios Galariotis, Audencia Management School, France*

*Wu Rong, University of Durham, UK*

### **Abstract**

This paper offers original evidence on informed trading in stock option contracts for the period preceding price shocks in the underlying stocks. The sample stocks are all S&P100 constituent stocks for the recent period. We find that option trading volume tends to increase before positive and negative price shocks and that for up to 65% of price shocks (depending on test periods and significance levels) the hypothesis of abnormal option trading volume cannot be rejected. Furthermore, pre-event option trading volume seems related to post-event abnormal returns especially for High B/M and High Market Value stocks.

**Keywords:** Price shocks, informed trading, option markets, trading volume

**JEL Classification:** G1, G12, G14

## **Parallel Session 6: Analytical Modeling**

*Session Chair: Dimitrios Asteriou, Hellenic Open University, Greece*

Room: 338

Time: 11:15 - 13:00

### **“Monetary Policy with Linear Information Costs”**

*Dimitris Voliotis, University of Piraeus, Greece*

#### **Abstract**

The paper addresses the problem of a monetary economy with costs of information, imposed in linear form. In particular, we make use of a strategic market game with money where equilibria are standardly non-Walrasian, permitting an active role to monetary policy. The imposition of information costs alters the demand of real balances since traders demand extra money for gathering and processing the necessary information. As a result, money injections could be proved welfare improving only when the induced information costs do not offset the resulted gains to trade.

### **“Constrained and Unconstrained Risk Sharing Environments:”**

#### **How much Risk should an Agent Share and with whom**

*Michail Anthropolos, University of Piraeus, Greece*

#### **Abstract**

We consider  $n$  financial agents who are negotiating the sharing of their risky endowments. The new financial regulatory framework makes the customization of the

optimal risk sharing contracts much more expensive. This means that agents are forced to share their endowments by trading on a given vector of (vanilla) securities. We first model and solve this *constrained* optimal sharing problem and we then measure the cost of the new regulatory constraints in terms of agents' utility functions. We further examine how these constraints affect basic agents' choices about their risk sharing, such as the amount of endowment each agent should share and which is the best agent(s) with whom she should share her endowment.

**“Stochastic Burgers PDEs with Random Coefficients and an Application to a Tax Regulated Financial Market”**

*Nikolaos Englezos, University of Piraeus, Greece*

*Nikolaos E. Frangos, Athens University of Economics and Business, Greece*

*X Kartala, Athens University of Economics and Business, Greece*

*A.N. Yannacopoulos, Athens University of Economics and Business, Greece*

**Abstract**

Burgers equation is a quasilinear partial differential equation, proposed in 1930's to model the evolution of turbulent fluid motion, which can be linearized to the heat equation via the celebrated Cole-Hopf transformation. This paper introduces and studies in detail general versions of stochastic Burgers equation with random coefficients, in both forward and backward sense. Concerning the former, the Cole-Hopf transformation still applies and we reduce a forward stochastic Burgers equation to a forward stochastic heat equation that can be treated in a pathwise" manner. In case of deterministic coefficients, we obtain a probabilistic representation of the Cole-Hopf transformation by associating the backward Burgers equation with a system of forward-backward stochastic differential equations. Returning to random coefficients, we exploit this representation in order to establish a stochastic version of the Cole-

Hopf transformation. This generalized transformation allows us to find solutions to a backward stochastic Burgers equation through a backward stochastic heat equation, subject to additional constraints that reflect the presence of randomness in the coefficients. In both settings, forward and backward, stochastic Feynman-Kac formulae are derived for the solutions of the respective stochastic Burgers equations, as well. Finally, applications that illustrate the obtained results are presented to a controllability problem and to a pricing/hedging problem in a tax regulated financial market with a money market and a stock.

**Keywords:** Stochastic Burgers equation, random coefficients, generalized Cole-Hopf transformation, stochastic heat equation, stochastic Feynman-Kac formulae, controllability, contingent claim pricing

**AMS 2000 subject classifications:** Primary 60H15; secondary 60H30, 35R60, 91G80.

## **“Limit Versus Market Orders in Optimal Execution Strategies”**

*Anthi Zogopoulos, University of Piraeus, Greece*

### **Abstract**

A problem where a large position must be transacted by a risk-averse trader within a short finite horizon is set. A limit order book market is calibrated and simulated, accounting for facts like intraday seasonality, discrete price ticks and round lots, and the distributions of both individual execution cost components and the overall Implementation Shortfall of stylized execution schedules are presented with and without incorporating the order choice decision. Decision rules quantifying the costs, benefits and risks of employing passive limit orders are implemented, optimizing simultaneously the joint decision of pricing, sizing, and duration of each limit order. The improvement in the Implementation Shortfall distribution is significant, in all

states of the world, whereas market resiliency, the least researched aspect of market liquidity, is the key location determinant for the Implementation Shortfall distribution. Considerations about imperfect fill and picking-off risks can't outweigh the benefit of trading with patient limit orders.

**Keywords:** Order Choice Decision, Optimal Execution, Transaction Costs, Market Microstructure, Market Liquidity.

**JEL Classification:** C61, G12, G15, G17



## **Parallel Session 7: Financial Analysis I**

*Session Chair: Zafeira Kastrinaki, Imperial College, UK*

Room: 339

Time: 11:15 - 13:00

### **“Πωλήσεις-Κέρδη και Κεφαλαιακή Διάρθρωση. Η περίπτωση Ελληνικών μη Εισηγμένων Επιχειρήσεων”**

*Ιωάννης Σώρρος, Πανεπιστήμιο Πειραιώς, Ελλάδα*

*Νικόλαος Μπέλεσης, Πανεπιστήμιο Πειραιώς, Ελλάδα*

#### **Abstract**

Ένα από τα πολύ σημαντικά στοιχεία που καθορίζουν και επηρεάζουν την αξία μιας επιχείρησης είναι η κεφαλαιακή της διάρθρωση, η σχέση δηλαδή ιδίων – ξένων κεφαλαίων. Με τη διαμόρφωση της κεφαλαιακής διάρθρωσης αναμφισβήτητα σχετίζονται πολλοί παράγοντες και για το λόγο αυτό υπάρχουν πολλές έρευνες στη διεθνή αρθρογραφία που συσχετίζουν τους παράγοντες αυτούς με τη κεφαλαιακή διάρθρωση. Στην παρούσα εργασία εξετάζεται πως η κεφαλαιακή διάρθρωση μιας επιχείρησης επηρεάζεται από δύο σημαντικές λογιστικές μεταβλητές, τα κέρδη και τις πωλήσεις, για ένα δείγμα ελληνικών επιχειρήσεων μη εισηγμένων στο χρηματιστήριο για την περίοδο 2001 – 2009. Στην υπάρχουσα αρθρογραφία εξετάζονται σχεδόν αποκλειστικά εισηγμένες εταιρίες και στις περιπτώσεις συσχέτισης με την απόδοση της επιχείρησης χρησιμοποιείται όπως είναι φυσικό η χρηματιστηριακή τιμή της μετοχής ή η απόδοση αυτής. Στη θέση της απόδοσης χρησιμοποιούνται τα κέρδη εκ του γεγονότος ότι χρησιμοποιήθηκαν στοιχεία των μη εισηγμένων επιχειρήσεων. Οι

μη εισηγμένες προτιμήθηκαν λόγω του πλήθους τους στην Ελληνική αγορά σε σχέση με τις εισηγμένες.

## **“Financial Performance and Corporate Governance in the European Football Industry”**

*Panagiotis E. Dimitropoulos, University of Peloponnese, Greece*

*Athanasios Tsagkanos, University of Patras, Greece*

### **Abstract**

The aim of this paper is to analyze the impact of corporate governance quality (namely board size, board independence, managerial ownership, institutional ownership and CEO duality) on the profitability and viability of European Union's football clubs over the period 2005-2009. Empirical results documented that corporate governance quality (higher managerial and institutional ownership, increased board size and independence and the separation of the CEO and chairman roles) leads to greater levels of profitability and viability. Further analysis based on clubs' profitability and viability indicates that sound governance mechanisms are also important for those clubs with intense problems of insolvency and low financial performance. The results of this study dictate the necessity of sound corporate governance principles for protecting the interests of shareholders and various stakeholders and for maximizing the clubs' economic results and social return. The empirical findings are robust to several sensitivity tests concerning the specification of the models and the measures of financial performance.

**Keywords:** Financial performance, profitability and viability, corporate governance, football clubs, European Union.

**JEL Classification:** G30, G32, G34

## **“Broadcasting and Sport: Value Drivers of Tv Right Deals in European Football”**

*Thomas Hoehn, Imperial College, UK*

*Zafeira Kastrinaki, Imperial College, UK*

### **Abstract**

This paper investigates the ever closer symbiotic relationship of media and sport in an analysis of broadcasting right deals in sport. We focus mainly on deals related to national and international football competitions which make up nearly half of the value of all TV rights deals which we estimate to be worth ca €10 billion per annum across Europe. The drivers of choice of broadcaster (public or private) and broadcasting format (licence fee, advertising revenues or pay TV subscriptions) and the regulatory constraints sport governing bodies face are at the heart of the analysis. Sport governing bodies tend to be free to contract with a broadcaster of their choice but are subject to sometimes major restrictions for listed events and rules imposed by competition authorities to limit the scope for collective selling of media rights in the case of national and international football club competitions. We find that a key driver of deal values remains the number of eyeballs in each country but increasingly, in the ever more international world of European football, it is quality factors of the top clubs and the league that are becoming important factors influencing the willingness to pay for televised sport and the allocation of revenues among the major stakeholders.

**JEL Classification:** L82, L83, O34, L4

**“Θεμελιώδης Ανάλυση για το Δείκτη FTSE/ASE-20 του Χρηματιστηρίου Αθηνών”**

*Μαρία Κ. Μαρκοπούλου, Πανεπιστήμιο Μακεδονίας, Ελλάδα*  
*Δημήτριος Α. Παπαδόπουλος, Πανεπιστήμιο Μακεδονίας, Ελλάδα*  
*Γεώργιος Χ. Χατζήνας*

## **Abstract**

Σκοπός της παρούσης εργασίας είναι η αποτίμηση των μετοχών του δείκτη μεγάλης κεφαλαιοποίησης του Χρηματιστηρίου Αθηνών, FTSE/ASE-20, με τις μεθόδους και τις τεχνικές της Θεμελιώδους Ανάλυσης. Η Θεμελιώδης Ανάλυση στοχεύει στην αποτίμηση της μετοχής μίας εταιρίας, όπως αυτήν προκύπτει από τις χρηματοοικονομικές της καταστάσεις. Στηριζόμενοι, λοιπόν, στους χρηματοοικονομικούς αριθμοδείκτες της κάθε εταιρίας για το διάστημα 2000 – 2010 και στις προβλέψεις της Εθνικής Τράπεζας και του Μνημονίου για την κατάσταση της Ελληνικής Οικονομίας στο άμεσο μέλλον, και υποθέτοντας την ισχύ του Μοντέλου Προεξόφλησης Μερισμάτων, υπολογίζουμε τις τιμές που αποτιμούν ορθά τις 20 μετοχές του συγκεκριμένου χρηματιστηριακού δείκτη. Τα αποτελέσματα καταδεικνύουν την έντονη υποτίμηση του FTSE/ASE-20, εφόσον 15 μετοχές εμφανίζονται υποτιμημένες, 4 υπερτιμημένες και μόνο μία ορθά αποτιμημένη.

## **Parallel Session 8: Financial Reporting I**

*Session Chair: Christos I. Negakis, University of Macedonia, Greece*

Room: 340

Time: 11:15 - 13:00

### **“Corporate Social Responsibility Reporting in Financial Institutions: Evidence from Euronext”**

*Andreas Andrikopoulos, University of the Aegean, Greece*

*Aristeidis Samitas, University of the Aegean, Greece*

#### **Abstract**

The legitimacy, the identity and the social impact of financial institutions go beyond the generation of revenues for providers of capital, through financial intermediation. Financial institutions bear significant corporate social responsibility (CSR). We produce measures of CSR disclosure and explore the determinants of CSR disclosure practices in a cross section of financial institutions. Working with financial companies whose stocks are listed in the Euronext stock exchange, we find that the extent of disclosure of CSR practices is greater in large companies and also in companies of greater financial leverage. Therefore, increased corporate visibility and financial risk increase stakeholder demand for transparency on the social impact of financial institutions and their CSR practices.

**Keywords:** Corporate social responsibility, web reporting, disclosure, Euronext, financial companies.

**JEL Classification:** M14, G21, M40, M49, M00

## **“Modeling the Effects of Accounting Conservatism”**

*Dimitrios V. Kousenidis, Aristotel University of Thessaloniki, Greece*

*Anestis C. Ladas, University of Macedonia, Greece*

*Christos I. Negakis, University of Macedonia, Greece*

### **Abstract**

The present study develops a model for the measurement of accounting conservatism. The validation of the model is pursued using a large stochastic simulation experiment. The simulation scheme is able to incorporate a number of important effects of conservative accounting on financial statements. The results show that the model performs well in measuring accounting conservatism. Moreover, it also reveals the existence of other factors apart from conservative accounting that may affect the results of accounting conservatism measures. However, the proposed model seems to perform well, even under the presence of these factors.

**Keywords:** Accounting Conservatism

**Jel Classification:** M41

## **“Η Συμμόρφωση των Ελληνικών Επιχειρήσεων με τις Απαιτήσεις Γνωστοποιήσεων των Δ.Λ.Π.”**

*Κωνσταντίνος Βασιλακόπουλος, Οικονομικό Πανεπιστήμιο Αθηνών, Ελλάδα*

*Απόστολος Μπάλλας, Οικονομικό Πανεπιστήμιο Αθηνών, Ελλάδα*

*Χρήστος Τζόβας, Οικονομικό Πανεπιστήμιο Αθηνών, Ελλάδα*

## **Abstract**

Η παρούσα εργασία διερευνά το βαθμό συμμόρφωσης των ελληνικών επιχειρήσεων με τις απαιτήσεις των Δ.Λ.Π. για γνωστοποιήσεις, καθώς και τους παράγοντες που επηρεάζουν το βαθμό συμμόρφωσης. Η στατιστική ανάλυση που διενεργήθηκε αφορά τα έτη 2006 και 2008 και κατέδειξε την απόκλιση του βαθμού συμμόρφωσης των ελληνικών επιχειρήσεων από τους κανόνες γνωστοποίησης που θέτουν τα Δ.Λ.Π. Ο μόνος παράγοντας που φαίνεται να επιδρά σημαντικά στο βαθμό συμμόρφωσης είναι το μέγεθος των επιχειρήσεων. Ο συγκεκριμένος παράγοντας έχει διαχρονική επίδραση μόνο για το δείγμα των επιχειρήσεων στο οποίο δεν συμπεριλαμβάνονται οι επιχειρήσεις του τραπεζικού κλάδου.

### **“Anticipated Effects of International Accounting Standards in Micro Entities from the Viewpoint of Preparers”**

*George Alexandrou, Kingston University, UK*

*Evangelos Koumanakos, University of Ioannina, Greece*

*Evangelos Chytis, TEI of Epirus, Greece*

## **Abstract**

In 2009 the International Accounting Standards Board (IASB) issued a new standard which is called ‘IFRS for SMEs’ regarding the use of International Financial reporting standards for small and medium sized entities. The IASB estimate that companies who fall under the scope of SME account for 95% of all companies.

The aim of this research was to examine if and how small and medium sized entities in Greece, UK, Turkey, and Lithuania use or intent to adopt the International Financial Reporting standards. Primary data were collected through questionnaires that were given to an adequate number of SMEs. Findings from the viewpoint of preparers of the financial statements show that the introduction of these “tailor made”

international standards for SMEs will bring certain costs which are not surely overcome by foreseen benefits.

**Keywords:** IFRS, SMEs, field research



## **Parallel Session 9: Asset Pricing**

*Session Chair: Dimitrios Tsomocos, University of Oxford, UK*

Room: Conference Room

Time: 14:45 - 16:30

### **“Why do Firms Issue Abroad? Evidence from Emerging Asian Corporates in Onshore and Offshore Bond Markets”**

*Paul Mizen, University of Nottingham, UK*

*Frank Packer, Bank for International Settlements*

*Eli Remolona, Bank for International Settlements*

*Serafeim Tsoukas, University of Glasgow, UK*

#### **Abstract**

This paper investigates the influences over the choice of market in which to issue corporate bonds, comprising the choice of onshore or offshore market as well as the choice of currency (domestic or foreign) within these markets. We begin by compiling BIS statistics that document corporate bond market depth, liquidity, investor composition and metrics of derivative markets used by investors in bond markets, since these characteristics are thought to influence the choice of market in which to issue. We then construct firm level data in an unbalanced panel for eight countries - China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore and Thailand - over the period 1995 to 2007, to control for firm characteristics, including their ratings, that might also affect the decision to issue. Our paper demonstrates the significance of these features on the decision to issue bonds. We show that both market characteristics

and financial healthiness matter but the effect of previous market participation is of paramount importance in influencing the choice of market.

**Key words:** bond financing, foreign currency, derivatives, emerging Asia

**JEL Classifications:** C23, E44, F32, F34, G32, O16

### **“The Determinants of Sovereign Bond Yield Spreads in the EMU”**

*Antonio Afonso, European Central Bank and Technical University of Lisbon,*

*Portugal*

*Michael G. Arghyrou, Cardiff University, UK*

*Alexandros Kontonikas, University of Glasgow, UK*

#### **Abstract**

We use a panel of euro area countries to assess the determinants of long-term sovereign bond yield spreads over the period 1999.01-2010.12. We find that the European sovereign debt crisis is more strongly linked to developments in macro and fiscal fundamentals rather than to downgrades in sovereign ratings. We also find that after early 2010 the risk of core countries relative to the periphery ones declined rapidly causing contagion effects; expected debt ratios start being positively reflected in spreads since August 2007; and the response of spreads to debt becomes much more pronounced after March 2009.

**Keywords:** sovereign yields, government debt, panel analysis, credit ratings

**JEL Classification:** C23, E62, H50

### **“Higher Co-Moments and Asset Pricing on London Stock Exchange”**

*Alexandros Kostakis, University of Liverpool, UK*

*Kashif Muhammad, University of Glasgow, UK*

*Antonios Siganos, University of Glasgow, UK*

## **Abstract**

This study examines the asset pricing implications of preferences over the higher moments of returns' distributions. We show that in a market populated by risk-averse, prudent and temperate investors, firms whose returns exhibit negative coskewness or positive cokurtosis should yield higher premia relative to counterpart firms with positive coskewness and negative cokurtosis respectively. These theoretical predictions are empirically tested using a comprehensive dataset of shares listed on the London Stock Exchange during the period 1986-2008. Our empirical results confirm that coskewness and cokurtosis premia are genuinely priced in the UK market, over and above what covariance risk, size, value and momentum factors can explain. We also show that a theoretically motivated, higher co-moment asset pricing model has significant explanatory ability over the cross-section of coskewness and cokurtosis portfolio returns.

**Keywords:** Asset Pricing; Coskewness; Cokurtosis; London Stock Exchange

**JEL Classification:** G12; G15

## **“Does China’s International Competitiveness Fluctuates in Consistency with PPP Equilibrium?”**

*Nikolaos Giannellis, University of Ioannina, Greece*

*Georgios P. Kouretas, Athens University of Economics and Business, Greece*

## **Parallel Session 10: Corporate Finance I**

*Session Chair: Maria Psillaki, University of Piraeus, Greece*

Room: 338

Time: 14:45 - 16:30

### **“Χρηματοοικονομικά Σκάνδαλα: Μπορεί ο Συνδυασμός Αξιόπιστων Λογιστικών Καταστάσεων και Επιχειρηματικής Ηθικής να τα Αποτρέψει;”**

*Δημήτριος Α. Παπαδόπουλος, Πανεπιστήμιο Μακεδονίας, Ελλάδα*

#### **Abstract**

Η εποχή που ζούμε είναι εποχή έντονης κοινωνικής κινητικότητας και κοινωνικής δυσαρέσκειας. Δυσαρέσκειας που είναι προϊόν της συμπεριφοράς κυρίως μεγάλων και διεθνών επιχειρηματικών μονάδων, η οποία εμπεριέχει δόλο και παραπλάνηση. Τα λογιστικά «μαγειρέματα» ή η παραποίηση των λογιστικών καταστάσεων των επιχειρήσεων παρατηρούνται τα τελευταία χρόνια όλο και συχνότερα κυρίως στις ΗΠΑ αλλά και στην Ευρώπη. Οι συνέπειες τους είναι καταστροφικές λόγω τεράστιων χρηματικών απωλειών όσο και της δημιουργίας βαθύτατης κρίσης αναξιοπιστίας στην λειτουργία των κεφαλαιαγορών. Η εργασία με βασική αναφορά στο χρηματοοικονομικό σκάνδαλο της ENRON, χαρακτηριστική περίπτωση αναξιόπιστων δημοσιευμένων στοιχείων και απουσίας ηθικών αναστολών στην συμπεριφορά της διοίκησης και άλλων συμμετοχών, επιχειρεί να διερευνήσει αν ο συνδυασμός αξιόπιστης λογιστικής πληροφόρησης και υψηλού βαθμού εταιρικής ηθικής μπορεί να τα αποτρέψει. Η εργασία δείχνει με τον πλέον κατηγορηματικό τρόπο ότι μόνο η ακούσια ανύψωση της ατομικής και εταιρικής ηθικής μπορεί να

εγγυηθεί την αξιόπιστη λογιστική πληροφόρηση και τη αποτροπή μελλοντικών χρηματοοικονομικών σκανδάλων.

## **“Leverage Premium in Southern Europe”**

*Panayiotis G. Artikis, University of Piraeus, Greece*

*Georgia Nifora, University of Piraeus, Greece*

### **Abstract**

This paper aims to investigate the impact of leverage on stock returns in four southern European countries, members of Euro zone, Greece, Italy, Portugal and Spain. These countries are in the eye of the ongoing European debt crisis cyclone. Debt is a theoretical source of financial risk, thus a positive leverage effect is expected. The sample used consisted of Greek, Italian, Portuguese and Spanish listed, non-financial, companies over the past decade (2000-2010). Following Fama and French (1993), we perform a portfolio level, regression analysis to test if leverage is a priced risk factor. The present work enhances the few and contradictory empirical evidence in the area, by focusing on a totally different, bank-oriented environment. The empirical findings, on the full sample, show that leverage does explain stock returns. The leverage risk factor presents a negative relationship with stock returns, at the low leverage deciles, and a positive one, at the medium and high leverage deciles, in all countries. At the industry level analysis, a significant positive leverage effect is isolated only at few industries.

**Keywords:** Asset pricing; Fama-French; Leverage; Industry; Beta; Price Earnings ratio; Book-to-market ratio; Size; Momentum; Market Risk Premium; Milan Stock Exchange

**JEL Classification:** G11, G12, G32

**“How does the Interest Burden Affect Firm Survival? Evidence from a Panel of UKfirms during the Recent Financial Crisis”**

*Alessandra Guariglia, Durham University, UK*

*Marina-Eliza Spaliara, University of Glasgow, UK*

*Serafeim Tsoukas, University of Glasgow, UK*

**Abstract**

Using a panel of unquoted UK firms over the period 2000-09, we document a significant effect of the interest burden from debt-servicing costs on firm survival. The effect is found to be stronger during the most recent financial crisis compared with tranquil periods. Furthermore, bank-dependent, younger, and non-exporting firms' survival chances are most affected by changes in the interest burden. Our results are robust to using different interest burden measures, and suggest that one way for policymakers to mitigate the effects of financial crises by limiting firm failures would be to make finance cheaper.

**Keywords:** Firm survival; interest burden; UK firms

**JEL classification:** D21; E22; E32; G31

**“The Role of Macroeconomic Environment for Cost of Capital:  
Evidence from Emerging Economies”**

*Nicholas Apergis, University of Piraeus, Greece*

*George Artikis, University of Piraeus, Greece*

*Sofia Eleftheriou, University of Piraeus, Greece*

*John Sorros, University of Piraeus, Greece*

**Abstract**

This study analyzes the dynamic relationship between the cost of capital and macroeconomic factors for a group of emerging markets spanning the period 1996-2009 and using the GMM estimator methodology, suggested in Arellano and Bond (1991). The empirical findings indicate that these macroeconomic factors play a significant role in explaining the cost of capital in the emerging markets.

**Keywords:** cost of capital, macroeconomic factors, emerging countries, panel data, GMM methodology

**JEL Classification:** O11, G11, C33

## **Parallel Session 11: Fund Performance and Performance Measurement**

*Session Chair: Dimitrios V. Kousenidis, Aristotel University of Thessaloniki, Greece*

Room: 339

Time: 14:45 - 16:30

### **“The German Exchange Traded Funds”**

*Gerasimos G. Rompotis, Senior Auditor -KPMG Greece, Researcher -National and Kapodistrian University of Athens, Greece*

#### **Abstract**

This paper investigates the performance and trading characteristics of 43 German ETFs traded on XTRA market during the period 2003-2005. The findings show that these ETFs perform similarly to the underlying indexes but they are more risky than them. German ETFs do not adopt full replication strategies, a fact that results in a substantial tracking error. Return is positively related to risk and negatively related to tracking error. Risk is positively affected by tracking error, absolute premium and intraday volatility while it is negatively related to bid-ask spread. Tracking error is positively related to risk, premium and spread while the expense ratio decreases when the size of ETFs increases due to economies of scale. Bid-ask spread is positively affected by premium and intraday volatility. Finally, turnover is negatively related to intraday volatility.

**Keyword:** German Stock Market, Exchange Traded Funds, Performance, Tracking Error

**JEL Classifications:** G11



## **“Performance and Performance Persistence of German Fixed-Income ETFs”**

*Nikolaos T. Milonas, University of Athens, Greece*

*Gerasimos G. Rompotis, University of Athens, Greece and Senior Auditor in KPMG,  
Greece*

### **Abstract**

This paper examines the performance of 38 German Fixed-Income ETFs. Our analysis finds that raw returns and risk of German Fixed-income ETFs are comparable to the corresponding underlying indexes. Both a single-index and a multi-factor regression analysis indicate that these ETF investment vehicles fail to deliver any positive excess return with respect to the market return. In addition, a statistically significant negative alpha is estimated for the majority of the sample's ETFs. Furthermore, the multi-factor analysis provides evidence on the existence of a small-cap effect on performance as well as the existence of a momentum effect. No effect exerted by the equity sector is found. Going further, a significant average difference in return between ETFs and benchmarks, the so-called tracking error, estimated at 0.06% and persisting on a quarterly basis. Overall, our analysis sheds light in the performance of a new ETF market in the dominant European market of fixed income making a contribution in this area. The paper also contributes with the findings on the size and momentum effects on bond ETFs.

**“Παραδοσιακοί & Σύγχρονοι Μέθοδοι Μέτρησης της Αποτελεσματικότητας και της Κερδοφορίας: Η Περίπτωση των Ελληνικών Εισηγμένων Τραπεζών στην Περίοδο της Χρηματοπιστωτικής Κρίσης”**

*Ειρήνη Λαζαρίδου, Πανεπιστήμιο Μακεδονίας, Ελλάδα*

## Abstract

Το τραπεζικό σύστημα κάθε χώρας αποτελεί την ατμομηχανή για την ανάπτυξη της εθνικής οικονομίας ακόμα και σε περιόδους ύφεσης. Για αυτό οι τράπεζες αποτελούν αντικείμενο πολλών μελετών, όπου εξετάζεται η σταθερότητά τους μέσω μεγεθών, όπως η κερδοφορία, η ρευστότητα ή η αποτελεσματικότητα. Σκοπός της παρούσας εργασίας είναι η αξιολόγηση της κερδοφορίας και της αποτελεσματικότητας 13 ελληνικών, εισηγμένων στο χρηματιστήριο, τραπεζικών ιδρυμάτων μέσω υπολογισμού των βασικότερων αριθμοδεικτών, της ανάλυσης χρηματοοικονομικών καταστάσεων και της εξέτασης παραμετρικών και μη παραμετρικών προσεγγίσεων (DEA, Dynamic Panel Υπόδειγμα) για την δεκαετία 2000- 2010 και με ιδιαίτερη εστίαση στην επταετία 2004-2010<sup>1</sup>. Η περίοδος αυτή είναι κρίσιμη, καθώς περιλαμβάνει έτη πριν και μετά την είσοδο της Ελλάδας στην χρηματοπιστωτική κρίση. Επομένως, η παρούσα ανάλυση και τα αποτελέσματά της είναι πολύ σημαντικά για τη βιωσιμότητα και το μέλλον των ελληνικών τραπεζών, ιδιαίτερα κάτω από τις σημερινές συνθήκες αβεβαιότητας.

### **“Multiobjective Portfolio Optimization: Evidence from the Eurostoxx 50”**

*Panagiotis Xidonas, National Technical University of Athens, Greece*

*George Mavrotas, National Technical University of Athens, Greece*

*Theodore Krintas, Attica Bank, Greece*

## Abstract

In a series of papers (2010a, 2010b and 2011), we have emphasized the criticism addressed by both practitioners and academics, over the conventional single-objective optimization Markowitz models, which, among else, fail to assess complex scenarios of investment objectives and constraints. Thus, our purpose in this article is to propose

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<sup>1</sup> Leew, Edith Deriree de, Hox JJ, Dillman, DonA, “International handbook of survey methodology”, European Association of Methodology, New York, NY: Lawrence Associates, 2008

an anti-systemic tailor-made equity portfolio engineering approach for the construction of equity baskets, while allowing for meticulous incorporation of multifarious realworld investment preferences in the portfolio analytics process. More precisely, we present an attempt to expand the limited mean-variance framework, within which the portfolio selection problem is typically confronted, by formulating any underlying investment policy statement (IPS) through multiobjective mixed-integer linear models. These are then solved through the augmented  $\varepsilon$ -constrained (AUGMECON) method, a novel a-posteriori multiobjective mathematical programming (MMP) technique, characterized by three critical features: a) the use of lexicographic optimization, b) the guarantee for solving only for the Pareto optimal portfolios, and b) the algorithmic acceleration of the computational process. The goal for transforming the traditional 2-dimensions portfolio selection problem to a mixed-integer multiobjective optimization problem in the space, is twofold: a) we achieve to simultaneously incorporate in the portfolio optimization process six objective functions, beyond the mean-variance approach, e.g. maximization of the portfolio's capital return, maximization of the portfolio's dividend and earnings yield, maximization of portfolio's liquidity or turnover, maximization or minimization of portfolio's beta coefficient (representing systematic risk) and minimization of portfolio's mean absolute deviation (representing non-systematic risk), b) we manage to model even the most complex references that an investor may express, even regarding specific cardinality constraints. An interactive filtering process, the so called 'first point outside the neighborhood' algorithm, is then realized to assist the navigation and final selection among the portfolios of the Pareto optimal efficient surface. We verify the effectiveness of our through an illustrative large scale application on the Eurostoxx 50.

**Keywords:** Portfolio optimization; Multiobjective mathematical programming; Eurostoxx 50.

## **Parallel Session 12: Financial Economics III**

*Session Chair: Dimitris A. Georgoutsos, Athens University  
of Economics & Business, Greece*

Room: 340

Time: 14:45 - 16:30

### **“Interest Rate Pass-Through in the Eurozone and the USA: Implications for Monetary Policy in the Context of the Recent Financial Crisis”**

*Stelios Karagiannis, Centre for Planning and Economic Research, Greece*

*Yannis Panagopoulos, Centre for Planning and Economic Research, Greece*

*Prodromos Vlamis, Centre for Planning and Economic Research and Hellenic  
Observatory, London School of Economics, UK*

#### **Abstract**

We examine the interest rate transmission mechanism for the Eurozone and the USA and discuss this issue in the light of the recent financial market tensions. For an efficient monetary policy, any change in the central bank policy rate is meant to be transmitted to retail interest rates, ultimately influencing consumer and business lending rates and therefore aggregate domestic demand and output. The disaggregated GETS methodology is employed, which allows us to reveal the relative importance of the central bank and money market rates as policy vehicle variables in the two banking systems. Our empirical results for the two banking systems are rather mixed as far as it concerns the pass-through transmission and completeness. We also refer to the lessons learned prior to and after the collapse of the monetary and financial system on both sides of the Atlantic. We believe that this study has interesting policy insights and

provides certain policy suggestions, which might be useful for the regulatory authorities in their attempt to monitor and reinforce monetary policy effectiveness.

**Keywords:** Interest rate pass-through, disaggregated general-to-specific model

**JEL Classifications:** E52, E43, C22

**“European Sovereign Bond Spreads: Monetary Unification, Market Conditions and Financial Integration”**

*Dimitris A. Georgoutsos, Athens University of Economics & Business, Greece*

*Petros M. Migiakis, Bank of Greece, Greece*

**Abstract**

In the present paper we examine the dynamics of European sovereign bond yield spreads focusing on issues related to financial integration and market conditions. Existence of near-unit-root effects highlights the need for careful econometric specification. Thus we formulate sovereign bond yield spreads, for eleven EMU countries against the Bund for the period 1992:1-2009:12, as AR(1) processes, while allowing for regime switching effects, on the grounds of a Markovian probabilistic specification. Specifically, by taking into account regime switching effects we examine, rather than assume, the effects of the monetary unification on sovereign bond yield spreads, allowing for states of higher and lower interactions to be revealed. Next, we examine the effects exercised by several exogenous explanatory variables. Our results indicate that European sovereign bonds achieved only partial integration even before the recent financial crisis, while financial integration and financial stability are found to be interconnected. Specifically, we find evidence of different effects exercised by the same deterministic factors on sovereign bond yield spreads even before the recent crisis. Additionally, a negative relation is indicated to exist

between low-volatility conditions and the magnitude of effects exercised by idiosyncratic risk factors on bond yield spreads. Finally, we report evidence of grouping formation of the underlying markets due to differences in the explanatory power of their idiosyncratic factors.

**Keywords:** financial integration; market conditions; idiosyncratic risk; bond spreads.

**JEL classifications:** F21; F36; G12; G15; G32.

**“Ακρίβεια των Προκαταρτικών Εκτιμήσεων του ΑΕΠ με Βάση τους  
Τριμηνιαίους Εθνικούς Λογαριασμούς”**

*Διονύσης-Αντ. Λαλούντας, Υπουργείο Οικονομικών, Ελλάδα*

**Abstract**

Στην εργασία αυτή εξετάζονται οι ιδιότητες της προκαταρκτικής εκτίμησης του ΑΕΠ που επεξεργάζεται και δημοσιεύεται από την ΕΛΣΤΑΤ σε σχέση με τις ενδιάμεσες και τελικές αναθεωρήσεις της προκειμένου να εξαχθούν συμπεράσματα για την αξιολόγηση της. Η ανάλυση των αναθεωρήσεων και η επίπτωσή τους διαδραματίζει σημαντικό ρόλο στην διαμόρφωση προτάσεων οικονομικής πολιτικής.

**“The Dynamic Linkages between Oil Prices and Stock Prices: A Non-Linear  
Asymmetric Cointegration Approach”**

*Panagiotis Rafailidis, Aristotle University of Thessaloniki, Greece*

*Emmanouil Trachanas, Aristotle University of Thessaloniki, Greece*

*Nikos Avgeris, Aristotle University of Thessaloniki, Greece*

*Constantinos Katrakilidis, Aristotle University of Thessaloniki, Greece*

**Abstract**

The purpose of this research is to investigate the long-run and short-run relationship between oil prices and stock market in the US economy over the period 01/01/1992 to 7/05/2010. For this purpose we examine the links between S&P 500 and WTI spot prices. Two different techniques are employed the linear ARDL model and the non-linear asymmetric ARDL. Also we employ VAR modeling in conjunction with Granger causal tests. Our findings suggest the existence of dynamic asymmetric long- and short-run relationships between the two markets over the period 01/01/1992 to 01/09/2008 while during the period 02/09/2008 to 07/05/2010 we detect only short-run two-way causal effects.

**Keywords:** Cointegration, Asymmetric ARDL, Causality

**JEL classification:** Oil prices, stock prices

## **Parallel Session 13: Market Microstructure**

*Session Chair: Georgios Kouretas, Athens University of Economics and Business,  
Greece*

Room: Conference Room

Time: 16:45 - 18:30

### **“Asset Markets Linkages and Contagion during the Global Financial Crisis”**

*Dimitrios Kenourgios, University of Athens, Greece*

*Apostolos Christopoulos, University of Athens, Greece*

#### **Abstract**

This paper examines the relationships between returns and the contagion effects of the global financial crisis (2007-2009) across multiple asset markets and regions. We use daily return data of six asset classes during the period 20009-2009; stocks, bonds, commodities, shipping, foreign exchange and real estate. Conventional cointegration and vector error correction analyses show a long-run relationship and strong interactions among the asset classes, with the exception of regional emerging market indices, commodities and shipping indices. In order to provide a more robust analysis of financial contagion, we estimate asymmetric conditional correlations among asset markets during pre- and post- crisis periods. Results support the existence of a correlated-information channel as a contagion mechanism among stocks, real estate and commodities. However, we provide evidence on the decoupling of BRIC, shipping and U.S. dollar indices to the financial crisis, and a flight to quality from the risky U.S. assets (stocks and real estate) to the German Bund. This evidence has



important implications for portfolio diversification strategies and the future work of policymakers around the world.

**Keywords:** Global financial crisis; Asset linkages; Contagion; Asymmetric dynamic conditional correlation.

**JEL Classification:** C32; F30; G15.

## **“Asymmetries of Stock Price Dynamics in U.K.: An Application of Hidden Co-Integration Technique”**

*Christos A. Alexakis, University of Piraeus, Greece*

*John M. Paleologos, University of Piraeus, Greece*

### **Abstract**

The purpose of this paper is to examine stock market efficiency, via stock price dynamics mechanisms between stock market prices of big and small capitalization companies in U.K. We decomposed stock prices into positive and negative components and we applied the Granger and Yoon (2002) hidden co-integration method which helps to reveal possible relationships between positive and negative components of time series, as stock returns. We followed this approach based on the well documented fact in behavioural finance literature, that investors' decisions are different between the profit and the losses equivalents, and thus investors' decisions may be influenced by the market positive or negative swings as well as the specific market characteristics i.e. big and small cap markets. According to our statistical results there is a dynamic relationship between the negative components of the stock price series and the estimated statistical models indicate that the small capitalization negative returns drive the shocks of the big capitalization negative returns.

**JEL Classification:** G14

**Keywords:** stock market dynamics, efficiency, hidden co-integration.

**“Stock Price Reaction of Acquiring Firms to M&A Announcements:  
Evidence from Athens Stock Exchange”**

*Athanasia Martinaiou, Tesa Tape S.A, Beiersdorf Group, Greece*

**Abstract**

The purpose of this paper is to examine the abnormal returns following M&A announcements, for stocks listed in the Athens Stock Exchange, and whether or not the results are consistent with the Efficient Market Hypothesis and similar international researches. Event Study Methodology in combination with the Market Model is used to capture new information effects. News items concern only acquirer firms of 34 merger-and-acquisition announcements in the period 2008-2010 and are sorted by whether the announcements generate a positive or a negative reaction. The results suggest that the Greek Stock Market does not work according to the Efficient Market Hypothesis, however, there is also evidence that mergers and acquisitions in Greece are associated with statistically significant abnormal returns and create wealth for acquiring firms.

**Keywords:** Mergers and acquisitions, market efficiency, event studies

**“Do Short-Selling Regulations Matter? Evidence from Europe”**

*Giannoula Karamichailidou, The University of Auckland, NZ*

**Abstract**

In autumn 2008, regulators around the world introduced short-selling rules to halt stock price declines of major banks and to restore confidence in the banking system. The focus of this study is an empirical examination of the effects of 2008 short-selling regulations on the information efficiency of European bank stocks subject to these regulations. Both the price discovery process and the speed of price adjustment to new information are estimated before and after the implementation of the new short-selling rules. Empirical evidence shows that there is no migration of informed trading from the spot market to the futures market after the enforcement of the short-selling rules. I find that the speed of the information incorporation into bank stock prices is faster during the short-selling bans only for bank stocks with derivatives.

## **Parallel Session 14: Financial Reporting II**

*Session Chair: Sandra Cohen, Athens University of Economics and Business, Greece*

Room: 339

Time: 16:45 - 18:30

### **“Quality in Financial Reporting: A Survey among Certified Public Auditors in Greece”**

*Stergios Tasios, University of the Aegean, Greece*

*Michail G. Bekiaris, University of the Aegean, Greece*

#### **Abstract**

According to IASB a key prerequisite for quality in financial reporting is the adherence to the objective and the qualitative characteristics of financial reporting information. Qualitative characteristics are the attributes that make financial information useful and consist of relevance, faithful representation, comparability, verifiability, timeliness and understandability. This paper aims to investigate auditor's perceptions of the quality of financial reports based on the qualitative characteristics defined by IASB in its conceptual framework. In addition, it aims to identify the key factors that influence and improve the quality of financial reports, as well as the factors that lead to poor quality. Finally, an effort is made to assess the quality of financial reporting of Greek companies according to each qualitative characteristic prescribed by the conceptual framework. For this reason a questionnaire survey was conducted among certified public auditors in Greece.

**Key words:** Financial reporting, quality, qualitative characteristics, IASB.

**“The Perceptions of Managers of Greek Firms Regarding the Costs and Benefits  
Ensuing from the Adoption of International Financial Reporting Standards in  
Greece”**

*Vasilios-Christos Naoum, Athens University of Economics and Business, Greece*

*Nicos Sykianakis, Technological Education Institute of Piraeus, Greece*

*Christos Tzovas, Athens University of Economics and Business, Greece*

**Abstract**

Our study seeks to investigate the costs and benefits resulting from the application of IFRS in Greece. We conducted a questionnaire survey in order to identify the perceptions of the financial managers of Greek listed firms regarding the benefits and the costs associated with the transition to IFRS. In addition, we asked to indicate whether the IFRS benefits are sufficient to cover the related costs. Four types of costs appear to be prevalent: personnel training costs, consultants' fees, preparation of two sets of accounts and costs to adjust existing information systems. The findings of the analysis of the responses suggest that, although the majority of respondents believe that the introduction of IFRS improved the quality of the financial statements published by Greek firms, they have serious concerns regarding the costs relating to the introduction of IFRS.

**Keywords:** IFRS adoption, Greece, costs, benefits

**JEL classification:** M41

**“A Critical Examination of the Extensible Business Reporting Language in  
Compared with the Traditional Accounting Methods, and the Extent to which it  
could pertain to the Greek Financial System”**

*Despina C. Anargiridou, University of Macedonia, Greece*  
*Dimitrios L. Papadopoulos, University of Macedonia, Greece*

## **Abstract**

XBRL is set to become the standard way of making reports, storing and transmitting business and financial information. It is platform – independent and application – independent. It can be used throughout the world, whatever the language of the country concerned, for a wide variety of business purposes. It delivers major cost savings, improvements in processes and efficiency gains for companies, governments and other organizations. The purpose of this paper is twofold: First to provide a critical examination of XBRL in compared with the traditional accounting methods. More specifically, this paper refers to XBRL operation and its differences in compare with the traditional reporting methods and it also discusses its implementation difficulties. Second, this paper considers how XBRL’s penetration in Greece could pertain to the Greek financial system.

**Keywords:** financial reporting, XBRL, financial accounting, financial information, data exchange, XML, platform independent, application independent

## **Parallel Session 15: Corporate Finance II**

*Session Chair: Christos A. Alexakis, University of Piraeus, Greece*

Room: 340

Time: 16:45 - 18:30

### **“Intellectual Capital Disclosure: The Greek Case”**

*Eirini Manolopoulou, University of Patras, Greece*

#### **Abstract**

Intellectual capital (IC) shapes the patterns of a new business reality. Competitive advantage philosophy has changed. IC disclosure is a sign of corporate adjustment to this innovative direction. The aim of this study was to examine the extent of IC disclosure, its advance through time and the determinant factors of IC reporting behavior by Greek firms for the period 2008-2010. Importance placed on each IC category and use of different types of reports were also tested. Content analysis was the methodology to be implemented. Results showed a down turning level of disclosure over the years. Voluntary disclosure was found to be extremely restricted, with firms mainly focusing on legislation demands. Relational capital was indicated to be the most reported IC category while structural the least disclosed one. Size, industry and type of report used were proved to be crucial factors of IC disclosure.

**Keywords:** Intellectual capital, disclosure, Greece

### **“Default Risk Drivers in Shipping Bank Loans”**

*Manolis G. Kavussanos, Athens University of Economics and Business, Greece*

*Dimitris A. Tsouknidis, Athens University of Economics and Business, Greece*

## **Abstract**

This paper is the first to investigate the default risk drivers of shipping bank loans. The existing literature investigates the default risk drivers of corporate loans in general but not specifically into the shipping sector where defaults are more often and of greater magnitude. Moreover, the extreme volatility of the freight rates into shipping business casts doubts on the ability of a shipping company to generate sufficient cash-flows to follow the repayment schedule of a loan due. By utilizing a unique sample comprising of the loan portfolio of a ship lending bank, which contains both quantitative and qualitative data, several default risk drivers are revealed. Findings suggest that the leverage ratio, the current ratio and the internal bank rating are able to explain around 18% of the observed defaults in shipping bank loans. The results of this paper have several important implications for a number of players in the shipping market such as banks, ship-owners, financial institutions and regulatory authorities.

**Keywords:** Default Risk, Bank Loans, Logit Models, Shipping.

**JEL Classification:** G21, G33, E32, C25.

**“The Impact of Unrealised Income from Fair Value Adjustments  
on Dividend Policy in a Mandatory Dividend Payment Legal Setting”**

*Alexandros K. Sikalidis, Lancaster University, UK*



## **Abstract**

This study examines the impact of fair value accounting as promoted by the International Financial Reporting Standards (IFRS) on the dividend policy of Greek firms from 2006-2008. We focus on specific fair value adjustments which are included in the accounting income and are identified by the Hellenic Commission of Auditing and Accounting Regulation (HCAAR) as non-distributable if unrealised in order to avoid procyclicality of financial system and noise in economic decisions. We detect a positive relationship between dividend payouts and income deriving from fair value revaluations on investment property, suggesting that managers consider this type of income as a part of core earnings. We also find that revaluations of financial securities increase the likelihood of a dividend payment. We consider managerial opportunism to be a possible explanation for this relationship. Overall, our results indicate that managers pass on shareholders earnings from fair value adjustments waiving the suggestions of HCAAR, creating concerns for firms liquidity problems.

**Key Words:** Dividend policy, Mandatory dividend payment, Fair value accounting

### **“The investigation of the dynamic linkages between real estate market and stock market in United Kingdom”**

*Eftychia Tsanana, Aristotle University of Thessaloniki, Greece*

*Emmanouil Trachanas, Aristotle University of Thessaloniki, Greece*

*Foteini Emmanoulidou, Aristotle University of Thessaloniki, Greece*

*Constantinos Katrakilidis, Aristotle University of Thessaloniki, Greece*

## **Abstract**

This paper uses monthly data from United Kingdom (UK) over the period 1984:4-2011:9 and attempts to investigate the dynamic linkages between the price of the real estate market and the price of the stock market. The empirical analysis employs the ARDL cointegration technique and presents evidence supporting the existence of both the “wealth effect” and the “credit effect” in the long-run while in the short-run there is a one-way causal effect running from stock market towards house market.

**Keywords:** house prices, stock market, ARDL cointegration

## **Parallel Session 16: Equity Offerings**

*Session Chair: Dimitrios Gounopoulos, University of Surrey, UK*

Room: Conference Room

Time: 18:30 - 20:00

### **“A Century of Greek IPOs”**

*Stavros Thomadakis, University of Athens, Greece*

*Dimitrios Gounopoulos, University of Surrey, UK*

*Christos Nounis, University of Athens, Greece*

#### **Abstract**

Underpricing has been one of the few areas in Finance where researchers have reached consensus. The majority of studies cover few decades of IPOs in the more recent period of stability. We explore Greek IPOs during the long interval 1905-2010, a period over which many political, financial and regulatory changes took place. IPOs on the Athens Stock Exchange continued throughout the period with exceptions in times of crisis and war. Underpricing appears to be a relatively recent phenomenon which intensified with financial liberalization. Firm-specific factors, market conditions and institutional arrangements appear to have significant impact on the level of underpricing. It is likely that market development with massive participation of retail investors creates a complex environment with incentives and speculative trends which reinforce underpricing.

# **“Wealth Effects, Corporate Governance and the Long-Run Performance of Greek Seasoned Equity Offerings”**

*Apostolos Dasilas, International Hellenic University, Greece*

*Stergios Leventis, International Hellenic University, Greece*

*Zoi Zagalaki, International Hellenic University, Greece*

*Fani Karfi, International Hellenic University, Greece*

## **Abstract**

This paper examines both the short-term and long-term stock price behaviour around the announcement of seasoned equity offerings (SEOs) by all firms listed on the Athens Stock Exchange (ASE). The stock price reaction around ex-rights dates is also investigated. Furthermore, we assess the long-term operating performance of those firms involved in a seasoned equity offering. Finally, we analyse the effect of corporate governance mechanisms on the information content of seasoned equity offerings (SEOs). Based on a sample of 308 rights issues that took place between 2000 and 2006, we find some interesting results. In contrast to the dominating view that SEOs are associated with negative abnormal returns on the announcement day, we find evidence of significant share price appreciations of 1.21% on that day. However, we report significant price declines on ex-rights dates. The corporate governance quality seems to enhance the information content of SEOs. In specific, small board sizes, high proportion of independent directors are alleged to increase the signal conveyed by SEOs. Finally, the long-term operating performance of firms announcing a SEO deteriorates up to two years following the announcement.

**Keywords:** Rights offerings, ex-rights dates, corporate governance, long-run performance.

**JEL classification:** G12; G32; G14

## **“Credit Rating and the Performance of U.S. IPOs”**

*Dimitrios Gounopoulos, University of Surrey, UK*

*Nikolaos Kosmadakis, University of Surrey, UK*

### **Abstract**

This paper examines the effect of credit ratings by S&P, Moody’s and Fitch on IPOs performance. The findings from U.S. common share IPOs during 2000–2010 indicate that newly listed firms with credit ratings before going public are less underpriced than IPOs without credit ratings. The existence of credit rating alleviates information asymmetry and consequently issuers of credit rated IPOs leave less money on the table due to the fact that are priced more efficiently. Investors value the credit rating IPOs highly, relying immensely on the companies’ assessment by the credit rating agencies. Markets evaluate ratings from different agencies in a dissimilar way with S&P’s credit rating existence having more impact on the initial returns, Moody’s behaving more sophisticated on announcing grade ratings and Fitch being more active on revising its ratings. Evidently IPOs obtaining assessments by different agencies experience lower level of underpricing.

**Keywords:** Credit Rating, Credit Agencies, Standard and Poor’s, Moody’s, Fitch, IPOs

## **“Initial Returns of Greek Deep Sea Shipping Companies”**

*Georgia Pazarzi, University of Piraeus, Greece*

### **Abstract**

The aim of this paper is to examine the raw and adjusted initial returns of the stocks of greek deep sea shipping companies after the completion of their Initial Public Offering (IPO). The companies examined are the greek deep sea shipping companies that are listed in major stock exchanges around the world. The sample consists of 25 greek maritime companies specializing in the deep sea sector that were listed during the years 1999 to 2008 in the New York Stock Exchange, the NASDAQ or the London Stock Exchange. We find that the average initial returns of greek deep sea shipping IPOs is 2,30%, which implies a very low level of underpricing. In order to test the IPOs' underpricing and the factors that might explain it, we formulate a model of five different independent variables that have been tested in previous IPO literature. We find that the raw initial returns are positively influenced by the age and the size of the firm, and the adjusted initial returns are influenced by the size of the firm and the reputation of the underwriter.

## **Parallel Session 17: Accounting Issues**

*Session Chair: Constantinos Zopounidis, Technical University of Crete, Greece*

Room: 339

Time: 18:30 - 20:00

### **“From Cash to Accruals in Greek Public Hospitals – Rhetoric or Reality”**

*Filippos Stamatiadis, Technological Educational Institute of Athens, Greece*

*Nikolaos Eriotis, National and Kapodistrian University of Athens, Greece*

*Dimitrios Vasiliou, Hellenic Open University, Greece*

#### **Abstract**

**Purpose** – the Greek government introduced in 2003 private sector accounting instruments based on accruals in all public hospitals of the National Health System (NHS). The purpose of this study is to obtain an overall idea of the reform adoption in Greek public hospitals and map possible factors of influence within a broad institutional framework.

**Design/methodology/approach** – Our research analysis is based on the results of two major types of data. Firstly, a structured questionnaire survey is issued to the financial managers of 94 public hospitals in order to assess the level of compliance with the reformed accounting legislation. Secondly, a series of semi-structured interviews were conducted to discuss the stated results and conclusions of this research with six public hospital Financial and Accounting executives.

**Results** – The empirical evidence reveals that the level of accrual financial and especially cost accounting systems adoption in Greek public hospitals is realised only to a limited extent. In particular, results show that the effect of institutional

isomorphic pressures on the level of compliance with the reform is restricted by internal organisational capability factors (i.e., the quality of existing Information Technology systems, the education level of finance and accounting staff, and the professional support of consultants).

**Research limitations/implications** – Although this study takes into consideration the work of previous researchers on development of accounting practises in the public sector area, it acknowledges that empirical research on the subject in the Greek environment is limited. Therefore this study should be viewed as an initial step to address this limitation and understand accounting changes in public health sector and thus any generalizing of the conclusions beyond this context should be undertaken with care.

**Contribution** - This study contributes to the international literature of New Public Management (NPM) initiatives by providing, to our knowledge, the first large scale assessment of accrual accounting adoption level in the public secondary and tertiary health care sector in Greece. The empirical evidence of this study can enhance academics, practitioners and policy-makers understanding of major implementation processes and challenges and thus help them refine models of effective implementation process and improve systems and processes on similar future projects.

**Keywords:** Accrual Accounting, Public Sector Accounting, Compliance, Public Hospitals, Institutional isomorphism.

**JEL classification:** M4, M48.

**“Οι Προσδοκώμενες Επιδράσεις από την Εφαρμογή της Λογιστικής Αρχής της Εύλογης Αξίας στα Υλικά Πάγια Στοιχεία των Μικρών και Μεσάιων Εξαγωγικών Βιομηχανικών Επιχειρήσεων του Κλάδου των Τροφίμων της Περιφερειακής Ενότητας Θεσσαλονίκης”**



*Χρήστος Προγιόπουλος, Τεχνολογικό Εκπαιδευτικό Ίδρυμα Καβάλας, Ελλάδα*

*Αθανάσιος Μανδήλας, Τεχνολογικό Εκπαιδευτικό Ίδρυμα Καβάλας, Ελλάδα*

*Ευστάθιος Δημητριάδης, Τεχνολογικό Εκπαιδευτικό Ίδρυμα Καβάλας, Ελλάδα*

## **Abstract**

Ο σκοπός της έρευνας μας είναι η εξακρίβωση των αναμενόμενων αποτελεσμάτων και των ενδεχόμενων μεταβολών που θα προέρχονταν από την επανεκτίμηση των υλικών πάγιων συγκεκριμένων επιχειρηματικών μονάδων στην εύλογη αξία, όπως ορίζεται από τα Διεθνή Πρότυπα Χρηματοοικονομικής Παρουσίασης. Οι επιχειρήσεις που επιλέχθηκαν να εξεταστούν είναι οι μικρές και μεσαίες εξαγωγικές παραγωγικές επιχειρήσεις του κλάδου των τροφίμων, με έδρα στην περιφερειακή ενότητα Θεσσαλονίκης, που συντάσσουν τους ισολογισμούς τους με γνώμονα τις διατάξεις των Ελληνικών Λογιστικών Προτύπων. Σκοπός της είναι να εξετάσει αν η ενδεχόμενη εφαρμογή ενός αμφιλεγόμενου μέρους των Δ.Π.Χ.Π./Δ.Λ.Π., η αποτίμηση των υλικών παγίων στοιχείων στην δίκαιη αξία, επηρεάζει την πρόσβαση σε νέα κεφάλαια των ανωτέρω επιχειρήσεων και γενικότερα την ανταγωνιστικότητά τους. Η άντληση των πρωτογενών δεδομένων επικεντρώθηκε στις αντιλήψεις των προϊσταμένων των λογιστηρίων των εξεταζόμενων επιχειρήσεων. Τα ευρήματα της προέκυψαν με την εφαρμογή του ελέγχου ανεξαρτησίας  $X^2$  και των συντελεστών συσχέτισης  $V$  του Cramer και Kendall Tau.

**Keywords:** Δίκαια αξία, Δ.Π.Χ.Π/Δ.Λ.Π, Υλικά Πάγια Στοιχεία Ενεργητικού, Ε.Λ.Π.

**“Κοστολόγηση Υπηρεσιών - Εμπειρική Έρευνα σε Εταιρείες Υπηρεσιών  
της Β. Ελλάδος”**

*Αναστάσιος Χατζής, Αλεξάνδρειο Τεχνολογικό Εκπαιδευτικό Ίδρυμα Θεσσαλονίκης,  
Ελλάδα*

## **Abstract**

Κύριο αποτέλεσμα της σωστής κοστολόγησης αποτελεί η λήψη σωστών και ορθολογικών αποφάσεων. Η παρούσα εργασία εξετάζει πως οι εταιρείες που δραστηριοποιούνται στον κλάδο της πληροφορικής χρησιμοποιούν τα συστήματα κοστολόγησης για την υποστήριξη της διαδικασίας λήψης αποφάσεων. Παρουσιάζονται τα αποτελέσματα έρευνας που πραγματοποιήθηκε σε εταιρείες πληροφορικής της Βόρειας Ελλάδας. Τα αποτελέσματα της έρευνας έδειξαν ότι οι περισσότερες εταιρείες είναι ικανοποιημένες από την ακρίβεια των πληροφοριών που τους παρέχει το υφιστάμενο κοστολογικό σύστημα για τη διαδικασία της λήψης αποφάσεων.

**“Διερεύνηση της Επάρκειας της Πληροφόρησης που Παρέχεται από τις Λογιστικές Καταστάσεις για τις Καινοτομικές Επενδύσεις των Επιχειρήσεων”**

*Π. Καλαντώνης, Τεχνολογικό Εκπαιδευτικό Ίδρυμα Πειραιά, Ελλάδα*

*Χρυσοβαλάντης Γαγάνης, Πανεπιστήμιο Κρήτης, Ελλάδα*

*Κωνσταντίνος Ζοπουνίδης, Πολυτεχνείο Κρήτης, Ελλάδα*

*Κ. Κάντζος, Τεχνολογικό Εκπαιδευτικό Ίδρυμα Πειραιά, Ελλάδα*

## **Abstract**

Μεταξύ άλλων σε περιόδους οικονομικής ύφεσης κυβερνήσεις και περιφερειακοί και εθνικοί οργανισμοί τείνουν να προτρέπουν τις επιχειρήσεις να επενδύσουν και στην καινοτομία την οποία συνδέουν με την οικονομική ανάπτυξη. Αλλά η καινοτομία στη σύγχρονη επιχειρηματικότητα χρειάζεται, όπως και κάθε καινούργια ιδέα, την κατάλληλη τεχνολογία για να εφαρμοστεί και να αξιολογηθεί

σαν αποδοτική επένδυση που προτείνεται. Σκοπός της παρούσας μελέτης είναι να αναλυθεί η επάρκεια της σύγχρονης λογιστικής τεχνολογίας να παρακολουθήσει τις καινοτομικές επενδύσεις και να πληροφορήσει γι' αυτές στα πλαίσια μιας αποτελεσματικής χρηματαγοράς. Σύμφωνα όμως με τα ευρήματα της έρευνας οι λογιστική πληροφόρηση όπως αυτή παρέχεται από τις λογιστικές δεν μπορεί να θεωρηθεί επαρκής. Το γεγονός αυτό αναδεικνύει την ανεπάρκεια και την υποβάθμιση του θεσμικού ρόλου των λογιστικών καταστάσεων, αλλά και τις αρνητικές επιπτώσεις στην αποτελεσματικότητα της Αγοράς, λόγω της προφανούς υποκατάστασης της θεσμοθετημένης και συστηματικής λογιστικής πληροφόρησης από παράπλευρες, μη επίσημες και πιθανόν μη αξιόπιστες πηγές χρηματοοικονομικής πληροφόρησης του επενδυτικού κοινού. Το πρόβλημα καθίσταται εντονότερο για τους επενδυτές εκείνους οι οποίοι για διάφορους λόγους αδυνατούν να αναζητήσουν ή και να χρησιμοποιήσουν αποτελεσματικά άλλες πηγές πληροφόρησης.

**Λέξεις κλειδιά:** Λογιστικές καταστάσεις, λογιστική πληροφόρηση, καινοτομικές επενδύσεις

## **Parallel Session 18: Financial Reporting III**

*Session Chair: Aristeidis Samitas, University of the Aegean, Greece*

Room: 340

Time: 18:30 - 20:00

### **“Activity Performance Analysis of the Greek Hotels”**

*Mihail Diakomihalis, Technological Educational Institute of Epirus, Greece*

*Evangelos Vrochidis, Hellenic Open University, Greece*

#### **Abstract**

The paper examines the activity performance of the hotel sector in Greece. The research aims to realise and estimate any variations in activity financial ratios owed to different categorization of the hotels. The financial analysis includes 146 private hotels of two, three, four and five stars, from the entire territory of Greece for 2005-2007. The five-star hotels achieve the least values in the fixed asset turnover ratio, and asset turnover ratio in 2007, while they reached the maximum value for the owner's equity turnover ratio in 2005. The four-star hotels achieved the least value in owner's equity turnover ratio in 2005 while the three-star hotels achieved the lowest cash turnover ratio in 2006. The four-star hotels reached the maximum asset turnover ratio and cash turnover ratio in 2006. The two-star hotels achieved their only maximum value in the fixed asset turnover ratio in 2007.

**Key words:** Hotel sector, Activity ratios, Anova test, Levene's test.

**JEL Classification:** G32, L83, M4.

**“Η Επίδραση των Συμφωνιών Σ&Ε στην Αποδοτικότητα και την Γενική  
Επίδοση  
των Ελληνικών Οργανισμών”**

*Ιωάννης Κουτρούλης, Davaris Textiles, Ελλάδα*

**Abstract**

Η έρευνα που ακολουθεί μελετά την πορεία των συμφωνιών Σ&Ε μεταξύ ελληνικών οργανισμών για την περίοδο 2004-2006 και την επίδραση που αυτές έχουν στην αποδοτικότητα των εμπλεκόμενων σε αυτές οργανισμών. Το ερώτημα που η παρούσα μελέτη θέτει προς απάντηση είναι «*ποιά είναι η επίδραση των συμφωνιών Σ&Ε στην αποδοτικότητα και την γενική επίδοση των ελληνικών οργανισμών που έχουν εμπλακεί σε αυτές*». Η απάντηση στην ερώτηση αυτή είναι ότι οι συμφωνίες Σ&Ε συμβάλουν θετικά στην αποδοτικότητα και γενική επίδοση των οργανισμών αλλά μόνο στο βραχυχρόνιο διάστημα καθώς στο μακροχρόνιο διάστημα η θετική πορεία αντιστρέφεται και η επίδραση τους είναι αρνητική. Τα αποτελέσματα αυτά συνάδουν με αποτελέσματα άλλων ερευνών που μελετούν την αποδοτικότητα των συμφωνιών συγχωνεύσεων και εξαγορών όπου παρατηρούν την βραχυχρόνια θετική πορεία να μετατρέπεται σε αρνητική στο μακροχρόνιο επίπεδο τόσο για ελληνικούς οργανισμούς (Κυριαζής 2010) όσο και για οργανισμούς ξένων χρηματιστηρίων (Agrawal, Jaffe, Mendelker 1992), (Asquith 1983), (Rosen 2006) και άλλοι.

**“Investigating Enviromental Indexes in Public Sector Companies:  
A Literature Review”**

*Savas Savidis, University of Macedonia, Greece*

*Dimitrios Ginoglou, University of Macedonia, Greece*