

Irina-Marilena BAN, Paula PELLEGRINI – CURRENCY DEVALUATION AND EXTERNAL ADJUSTMENT IN ROMANIA / 5

Abstract: *The following work analyzes the impact of fluctuating exchange rates on Romanian trade balance, having as a theoretical background the Marshall-Lerner condition. The autoregressive distributed lag model was employed to estimate a bilateral trade model for Romania with its major commercial partners from Euro Area. The resulting data confirm that, between 1999 and 2016, the Marshall-Lerner condition is fulfilled and a real currency depreciation has an important positive impact on trade balance together with both national and foreign income.*

Key words: *balance of trade; Marshall-Lerner condition; external imbalances; ARDL; cointegration*

JEL Classification: *F40; F14; C32*

Gabriela BODEA – REGARDING THE LACK OF RESPONSABILITY IN THE CURRENT CRISIS / 21

Abstract: *Who is responsible for the financial crisis started in the U.S.A. in 2007, which then ravaged the whole world and has not ended even today? Can it be delimited? This paper attempts to provide several possible answers to these questions, generated by as many problems. And its motivation is simple: the contours of the future global economic recovery cannot do without the explanation of the crisis, and especially without the identification of its main responsible.*

Key words: *crisis; collective responsibility; institutional responsibility; international circumstances; risk; public image*

JEL Classification: *A13; F01; G01*

Paul COCIOC – NON-ECONOMIC APPROACHES TO COMPETITION: LESSONS FROM PSYCHOANALYSIS / 37

Abstract: *The paper suggests that several competitive behaviors are well explained by psychological mechanism of human mind. And such explanations could be generalized to the behavior of all economic actors, to the firms' strategies and actions on the market. Freud's classical psychoanalysis is the framework to offer potential valid arguments for the role of competition in modern societies, for its significance and importance.*

Key words: *competition; cooperation; Freud; rivalry; extreme competition; psychoanalysis*

JEL Classification: *A19; B49; D03*

Francis Kehinde EMENI, Olubukola Ranti UWUIGBE, Uwalomwa UWUIGBE, Olayinka Adedayo ERIN – THE VALUE RELEVANCE OF ADOPTING IFRS: EVIDENCE FROM THE NIGERIAN BANKING SECTOR / 49

Abstract: *This paper examined the value relevance of IFRS adoption in the Nigerian banking sector. It the research question using a sample of 15 banks listed on the Nigeria Stock Exchange for the periods 2009 to 2014. The pre-IFRS adoption period is 2009-2011 while post-IFRS adoption is 2012-2014. The consolidated financial statement of the sampled banks and figures from Nigerian Stock Exchange were used as the sources of data. This study used the regression analysis method to investigate the value relevance of accounting information. Empirical findings show a significant increase in value relevance of accounting information using regression*

variation analysis. The paper recommends that a separate section should be created in the annual report of banks called value relevance section aside the mandatory detailed financial statement for all Nigerian banks.

Key words: Nigerian banking sector; value relevance; accounting information; market value; IFRS

JEL Classification: M41

Simona-Gabriela MAȘCA, Voichița Adriana RADU – GOVERNMENT EXPENDITURES AND HUMP-SHAPED RESPONSES IN ROMANIA / 67

Abstract: This paper aims to highlight the importance of a three dimensions approach when the quality of public sector is investigated. Analyzing the government size – performance - economic growth mix is crucial either for small and big governments. Time is the fourth dimension that could strengthen or weaken the relationship between the public sector and economic growth in the long run. Methodology is based on aggregate and disaggregates indicators on public sector which are connected to the real growth rate. Centered on the Romanian public sector case the paper concludes that any increase in the government expenditures, if are not accompanied by an appropriate increase of the sector effectiveness, impedes economic progress. Results allow to distinguish between growth enhancing and purely consumptive expenditures and to draw some public policy measures.

Key words: government sector; economic growth; purely consumptive spending; growth enhancing expenditures; performance in the public sector

JEL Classification: H5; O43; P35

Ionela-Maria OLTEAN – FRAUD RISK ANALYSIS IN THE FINANCIAL AUDIT BASED ON THE INDICATORS FOR DETECTION OF ACCOUNTING MANIPULATIONS / 93

Abstract: This paper approaches the risk of fraud, triggered by accounting manipulations, using the eight indicators proposed by M. D. Beneish. The testing phase of the study was conducted on a sample of six companies listed on the Bucharest Stock Exchange, all belonging to the premium category. Taking into consideration the second objective of the testing phase, namely the observation of the economic crisis that started in 2007-2008 and its influence on the fraudrisk, the reporting period is 2005-2011. The early stage results offered the opportunity to classify the observed companies into the category of companies which dispose, or not, fraud risk, classification that is based on a score function and, therefore, possibility to observe fluctuation of indicators before and after the economic crisis. Based on these assumptions, the objectives of this research are to develop the testing phase by broadening the observed population, comparing the results obtained with the opinions issued by the financial auditors and observing the impact of the financial crisis on fraud depending on the companies' activity.

Key words: audit; fraud risk; economic crisis; Beneish indicators; econometric model

JEL Classification: G01; M40

Nataliia PARKHOMENKO – DIAGNOSTIC DE DÉVELOPPEMENT DE L'ENTREPRISE / 123

Abstract: This paper presents a model of the forecasting for a diagnosis of enterprise development. This model is based on the identification of the economic indicators; financial evaluation; selection of economic dynamics; computerization of management and forecasting. Our findings suggest that the diagnostic model must be determined based on business opportunities, reference data on activities and external factors. The diagnosis provides the opportunity to evaluate the most important impacts on the state of the company.

Key words: diagnosis; prediction; effective management; state of enterprise

JEL Classification: C40; D22; O20

Maria Miruna POCHEA – TESTING INVESTORS' HERDING BEHAVIOR IN BALTIC STATES / 137

Abstract: *This paper examines investors' herding behavior within Baltic countries using the cross-sectional absolute deviations of stock returns. We test herding behavior at industry level by using daily data on stock prices from January 2, 2003 to December 31, 2013 and we investigate for the potential asymmetric effects of herding behavior under high and low volatility. We find evidence of herding in several industries over the studied period and our results confirm that the global financial crisis affected herding behavior on Latvian and Lithuanian stock markets.*

Key words: *herding behavior; cross-sectional absolute deviation of returns; volatility; financial crisis; Baltic States*

JEL Classification: *G01; G14; G15*

Adrian ZOICAȘ-İENCIU – HOW TECHNICAL IS TECHNICAL ANALYSIS? / 155

Abstract: *This paper discusses the arbitrariness involved by technical trading rules and the impossibility to prove, beyond any doubt, that these rule does not work. Based on the existing literature, we analyze whether technical analysis could be consistent with rational investment behavior and what are the plausible economic arguments for its abnormal profits. We discuss the inference problems that arise when testing the profitability of technical rules and the necessity of out-of-sample tests. Finally, using the moving average rule as one of the most tested technical rule, we identify the layers of subjectivity involved by the use of this rule in practice. The paper contributes to the literature by underlining the difficulty of setting up a standard methodological framework for the evaluation of technical trading rules.*

Key words: *technical analysis; moving averages; market efficiency; performance evaluation*

JEL Classification: *G11; G12; G14*