RECENT RESEARCHES in LAW SCIENCE and FINANCES

Proceedings of the 4th International Conference on Finance, Accounting and Law (ICFA '13)

Chania, Crete Island, Greece
August 27-29, 2013

Scientific Sponsors:
Democritus University of Thrace, Greece
University De Los Andes, Venezuela
Megatrend University of Belgrade, Serbia
Technical University of Cluj-Napoca, Romania
University of Ploiesti, Romania
University of Agricultural Sciences and Veterinary Medicine of Cluj-Napoca, Romania
University of Genoa, Italy
Kavala Institute of Technology, Greece
Romanian-American University, Romania
Istanbul Technical University, Turkey
Shu Zen College of Medicine and Management, Taiwan
Transilvania University of Brasov, Romania
International Telematic University Uninettuno in Rome, Italy
University of Tokushima, Japan

Ain Shams University, Egypt
Lucian Blaga University of Sibiu, Romania
Stefan Cel Mare University of Suceava, Romania
Universitatea Constantin Brancusi, Romania
University of Craiova, Romania
University of West Bohemia, Faculty of Economics, Czech Republic

Business and Economics Series | 11

ISSN: 2227-460X
RECENT RESEARCHES in LAW
SCIENCE and FINANCES

Proceedings of the 4th International Conference on Finance,
Accounting and Law (ICFA '13)

Chania, Crete Island, Greece
August 27-29, 2013
# Table of Contents

Plenary Lecture 1: Linkage of Financial Performance Analysis to Revaluation Models within Accounting Information Systems

 Jiří Strouhal

11

Plenary Lecture 2: Quality and Compliance of Information Disclosure from Financial Statements

Tatiana Danescu

12

Plenary Lecture 3: Accounting Forecast Models and Calculation, Information Support of Economic and Financial Policies

Lucian Patrascu

13

Changes to Agreements Related to Public Contracts in the EU and Czech Republic

Radek Jurčík

15

The Right to Legal Defense Exercised by Lawyers in the European Union Countries

Florea Măgureanu

20

Revaluation of Financial Securities and Its Impact on Selected Financial Ratios

Jiří Strouhal, Carmen Bonaci

26

Applying Czech Insolvency Law in Practice: Case Study Focused on OP Prostějov

Luboš Smrčka, Jiří Strouhal

32

Applying Czech Insolvency Law in Practice: Case Study Focused on Sazka (Lottery)

Luboš Smrčka, Jiří Strouhal

39

Tax Evasion, a National and Global Phenomenon

George Măgureanu

44

Controversy Regarding the Defining Elements of Financial Statements

Marilena-Roxana Zuca

51

Accrual Principle Accounting in the Context of the Reform of Accounting of Public Finance in the Czech Republic

Otrusinova Milana, Pastuszkova Eliska

58

Czech Financial Statements and Their Transformation into IFRS

Karel Šteker

65

The Leasing Contract as a Modern Form of Financing in the Contemporary Economy. The Greek Regulation

John Velentzas, Georgia Broni

71
Strategic Challenges for Business in the Use of Corporate Responsibility Codes, Standards, and Frameworks. Internal Auditing Activity as a Matter of Corporate Governance Control
Georgia Broni, John Velentzas

Panagiotis Pantelidis, Theodosios Nikiforidis, Dimitris Paschaloydis

The New Legislative Changes in Greece Concerning the Limited Partnership
Kalliopi Kalampouka, Eleftheria Panagiotidou, Stella Tzikanoula

Immigrant Patients at Emergency Visits at Kavala’s Hospital
Florou G., Aggelidis V., Batzios C., Karasavvoglou A., Petasakis I., Polychronidou P.

Policymaking across Different Levels of Governance in Consumer’s Protection Area
Ilektra Simitsi

International Jurisprudence about Exclusive Economic Zone of Costal States
Kalliopi Kalampouka, Ioulia Apostolou, Aglaia Vlachopoulou

Legal Reasons for the Dissolution of a General Partnership According Greek Law
Kalliopi Kalampouka, Elena Kafeliki, Irini Chrysou

Quality and Compliance of Information Disclosure from Financial Statements
Tatiana Dănescu

Perceptions Regarding the Approach Towards the Internal Audit Risks
Tatiana Dănescu, Mihaela Prozan, Andreea Cristina Dănescu

Fair Value vs Cost Model. An Application on Tangible Assets in SMEs Of Greece
Athanasios Mandilas, Dimitrios Kourtidis, Efstatios Dimitriadis

Financial Risk and Stock Prices
Ciprian Codau

Czech Civil Service in Context of Selected Recent European Courts’ Decisions
Jana Janderová, Miroslava Skřivánková

Public Administration and Globalisation
Sorin Purec

Measuring Hedge Effectiveness - A Major Challenge in Auditing Derivative Instruments Used in Portfolio Management
Tatiana Danescu, Ovidiu Spatacean, Paula Nistor

Using Balanced Scorecard for Measuring Excellence in SMEs
Amalia Venera Todorut, Moise Bojincă, Vassilis Tselentis
The Method of Evaluating the Security of the Information Systems
Ioan Rus, Tatiana Dănescu

Assessment of Internal Auditors’ Activity from Practitioners’ Standpoints. Case Study: Autonomous Forest Administration
Tatiana Dănescu, Ioana Călean, Raluca Sandru

The Main Aspects of the Returning Procedure of the Displaced or Kept Child by Violating an Entrusting Right
Alin-Gheorghe Gavrilescu

The Particularities of the Demographic Factors Impact on the Sustainability of the Public Pensions System in Romania
Croitoru Elena Lucía, Alexandru Felícia, Toader Stela Aurelia

Possibilities for the Application of the Altman Model within the Czech Republic
Michal Karas, Maria Reznakova, Vojtech Bartos, Marek Zinecker

International Organizations and the Fight Against Corruption
Radulescu Irina Gabriela, Popescu Catalin

Fuzzy Regression Model Applied to the Incurred but not Reported Claims (IBNR)
Marija Kerkez

Globalization and its Impact on the Financial Performance of Banks in Serbia
Ranka Mitrovic

Fiscal Policy Measures of Economic and Social Development and Ensure the Implementation of Regional Development Policies in the European Union Member
Bojincă Moise, Constantin Enea

Contract of Assignment in the Current Regulation of Romanian Civil Code
Moise Bojincă

Public Administration and Investment Decision Possibilities
Filip Mezera, Jiří Křupka

Consumer Bank Selection Criteria during Economic Crisis
Irene Kamenidou, Spyridon Mamalis, Constantinos-Vasilios Priporas

A Proposal for an E-Voting System and Its Legal Consequences
Stavros Valsamidis, Kalliopi Kalampouka, Sotirios Kontogiannis, Theodosios Theodosiou

Is There a Convergence in Tax Mixes during the Integration Process of the European Union?
Bušovská Monika, Ivana Petrovická

eHealth in Europe as Well as in Greece and the Protection of Health Data
Dimitris Anastasopoulos
The ‘Brain Drain’ Phenomenon: Measuring the Intention of Young Greek Scientists to Migrate Abroad  
Eleni Dalla, Dimitrios Chatzoudes, Anastasios Karasavoglou  

Legal Issues for Ubiquitous Learning  
Eleftheria Kolokytha, Stavros Valsamidis, Ioannis Kazanidis, Giannoula Florou  

The Function and the Efficiency of the General Electronic Company Register (GE.MI.)  
Baxevani Maria, Kalampouka Kalliopi  

Considerations on Discharge for Committing Drug Trafficking Crime  
Diana Gorun  

A Structural Equation Model Describes Ethnocentric Factors Influence on Freedom of Competition and Business Activity  
Sofia Anastasiadoy, Giannoyla Florou, Kaliopi Kalampouka, Lazaros Anastasiadis  

Authors Index  

Plenary Lecture 1

Linkage of Financial Performance Analysis to Revaluation Models within Accounting Information Systems

Professor Jiří Strouhal
Department of Business Economics
University of Economics Prague
Czech Republic
E-mail: strouhal@vse.cz

Abstract: Aspects related to identifying the most appropriate manner to account for assets and liabilities within the balance sheet, but also for changes appearing in relation to the valuation being used, have been one of the main preoccupations in financial reporting starting with the development of balance sheet oriented financial statements in the 19th century and the emergence of the income or profit and loss statement in the 20th century (Gwilliam and Jackson, 2008). Although a series of measurement basis were considered over time in terms of measurement for financial reporting, we can for sure say that the historical cost based approach represented the dominant paradigm for a significant period of time and for most of the accounting systems.

The 20th century brought the development of a significant number of researches dealing with identifying the most appropriate manner of measuring assets. In terms of papers that might be considered as benchmark in this area we must mention that of Baxter (1967) and Bonbright (1965). Similar preoccupations were related to identifying the most appropriate manner in which financial performance should be measured, starting with studies such as Chambers (1966), Edwards and Bell (1961) and Patton (1922). In parallel with these developments, but in some ways separate, an older tradition of economic literature, being focused on aspects related to valuation and results, and having started with Ricardo's and some other classic economists writings also continued to develop. On the other hand, economists such as Fisher (1906), Hicks (1946) and Lindahl (1933) already had preoccupations directly linked with establishing ways for periodically determining the result through a calculation framework of current values of future cash flows that were associated to assets and liabilities.

For the performance analysis there were tested following measurement models: (i) cost model, (ii) fair value model (with effect to P/L and with effect on OCI). The most sensitive ratio on cost model seems to be EPS (the effect is proportional). Cost model does not allow the revaluation on higher values, therefore it is clearly seen, that there is any effect on revaluation higher than 0 % from the initial costs.

The most sensitive ratio on Fair Value through Profit/Loss is EPS, however this sensitivity is under-proportional. The less sensitive seems to be ROE.

The most sensitive ratio on this revaluation model is ROE (higher values than initial costs have negative under-proportional effect on profitability ratios given by the higher value of revaluation fund). However this revaluation model has any effect on EPS. These revaluation methods do not have any effect on Earnings per Share.

Brief Biography of the Speaker: Jiří Strouhal graduated from the University of Economics Prague in 2003 and finished his doctoral studies in 2005. In 2006 he became an accounting expect (Czech accounting profession certification scheme based on British ACCA curricula). In the period 2007 – 2009 he was member of the Committee for Education and Certification of Accountants Czech Republic and Executive Board member of the Chamber of Certified Accountants (Union of Accountants CR). From 2011 he is President of Chamber of Certified Accountants Czech Republic and member of Accreditation Committee of this professional organization.

He is reputed academician and practitioner; he published more than 400 research outputs, from which could be stated 25 monographers in the area of accounting and corporate finance, more than 40 research papers published in reputed databases (ISI, SCOPUS – important piece of them in WSEAS/NAUN research journals). His SCOPUS H-index is 7 and his Google Scholar H-index is 10. His major is corporate financial reporting, partially focused on international accounting harmonization and financial securities reporting.

He was a plenary speaker of DEEEE 2010 conference in Tenerife, E-ACTIVITIES 2011 conference in Jakarta, and conferences in Harvard (ICBA 2012) and Cambridge (EDUCATION 2012). Also did organized special sessions focused on measurement issues in finance and accounting at WSEAS conferences in Timisoara (EMT 2010), Iasi (AEBD 2011), Angers (EMT 2011), Harvard (ICBA 2012), Porto (AEBD 2012) and Zlin (FAA 2012). He was a chair of Zlin conferences which were held in September 2012 at Tomas Bata University in Zlin, Czech Republic.
Abstract: Present economic vulnerabilities have called in question the quality of financial information produced by accountancy, their usability underwritten by the requirements of quality attributes claimed to published information. The intercessions of accounting setters led to the repositioning and completion of qualitative requirements regarding information disclosure; but these ones point out a new dilemma under the impact they had on the dimension and complexity of financial statements: Complexity or usability of financial presentations? The complexity of present presentations is eloquent especially for the disclosures of financial instruments, of new business models, of risks and uncertainties. But to what extent: Does usability mean quality or compliance? Therefore, one can take into consideration the extent to which users of financial statements’ expectations receive the expected answers regarding the quality of information from financial statements; this extent depends both on how financial information producers accomplish their mission broadly, and on financial auditors who must have the nerve to contest the presentations of information published under the responsibility of the management of the entity, presentations considered not to be adequate from the point of view of users’ expectations. Accountants and auditors denote their role also by choosing the perspective of a fair presentation of the financial statement and of the performance, namely if this one is in size of “a correct presentation” or “a compliant presentation”.

Brief Biography of the Speaker: Tatiana Danescu is an Professor Ph.D. of Financial Audit and Accounting at Faculty of Economic, Juridical and Administrative Sciences and vicerector of "PETRU MAIOR" University of Targu-Mures, Romania. She is Ph.D coordinator within "1 December 1918" University of AlbaIulia. Shies area of expertise is financial audit and accounting. She authored 6 books and co-authored 17 books, monographs, materials for study. She wrote over 160 articles, papers presented at national or international conferences and papers published in international database indexed journals. Also she evaluated over 50 academic studies programs and she had the opportunity to be research fellow in over 23 projects under contract /grant. Tatiana Danescu won 2 prices and 1 medal for shies professional activity in accounting and financial audit. Moreover, she has more professional certificates, for example: Internal auditor for public institutions, Practitioner in reorganization and liquidation Financial auditor, Chartered Accountant, Financial audit of the entities from the capital market, Investment Consultant, Fiscal consultant, Assessor of the quality of the higher education in Romania, Trainer CAFR financial audit, Member Scientific Board of the journal (ApulensisUniversitatis, Series Oeconomica, University "1 December 1918" Alba Iulia, Universities study PetruMaioir "series Oeconomica, Annals of the University of Petrosani, Economics Series). She is a member of the National Counciliof the Romanian Financial Auditors’ Chamber.
Plenary Lecture 3

Accounting Forecast Models and Calculation, Information Support of Economic and Financial Policies

Lecturer Lucian Patrascu
Department of Economics, Accounting and Computing Mathematics Socio-Human Sciences „George Baritiu” University
Brasov, ROMANIA
E-mail: luccianpatrascu@yahoo.com

Abstract: Accounting information is the raw material and finished product for any company both for performance and performance management. Concerns regarding the further development of socio-economic systems at both micro and macro, is today the heart of business management. Therefore, current concerns are concerted work to standardize accounting methods for integrated data processing and the use of new technologies, including artificial intelligence. Therefore, in theory and accounting practice in some countries, was conceived alternative forecasting and hence the forecast balance sheet accounts. It is true at the same time and that different tools are used in practice to predict under certain names, such as "budget system" which outlines the monetary and non-monetary flows, but not be summarized in a forecast balance sheet. However, the use of assessment methods based on yield, employs a forecast balance in full or elements. How to prepare and present provisional accounting records are different, and there is no unified methodology in the field. In this context we propose the development of a variant of the forecast balance sheet and capitalization in economic practice.

Brief Biography of the Speaker:
Academic Positions:
• Lecturer Phd., Department of Economics, Accounting and Computing Mathematics Socio-Human Sciences, „George Baritiu” University of Brasov, Romania.
Scientific activity:
• He has published a total of 8 books. Has participated in 1 national research projects, has published 55 various papers in conference proceedings or refereed journals (30 papers have been published abroad), has participated with 20 papers at the WSEAS Conferences.
Studies:
• Ph.D. in Accounting, Academy of Economic Studies of Bucharest, (2008);
• Licensed in Economy, Faculty Economic Sciences, specialization Accounting and Management Information Systems, at the „George Baritiu” University of Brasov, Romania (2004);
• Licensed in Law, Faculty of Law, specialization Law, at the „George Baritiu” University of Brașov, Romania(2007)
Experience:
• Lecturer Phd., Department of Economics at „George Baritiu” University of Brasov, Romania;
• Expert Accountant;
• Financial Auditor
Authors Index

Aggelidis, V. 91  Jurčík, R. 15  Petrovická, I. 267
Alexandru, F. 196  Kafelíki, E. 110  Polychronidou, P. 91
Anastasiadis, L. 302  Kalamouka, K. 86, 104, 110  Popescu, C. 209
Anastasiadou, S. 302  Kalamouka, K. 257, 291, 302  Priporas, C.-V. 248
Anastasopoulos, D. 274  Kamenidou, I. 248  Prozan, M. 123
Apostolou, I. 104  Karas, M. 203  Purec, S. 160
Bartos, V. 203  Karasavvoglou, A. 91, 278  Radulescu, I. G. 209
Batzios, C. 91  Kazanidis, I. 284  Reznakova, M. 203
Baxevani, M. 291  Kerkez, M. 216  Rus, I. 180
Bojincă, M. 174, 236  Kolokytha, E. 284  Sandru, R. 186
Bonaci, C. 26  Kontogiannis, S. 257  Similtsi, I. 96
Broni, G. 71, 76  Kourtidis, D. 128  Skřivánková, M. 151
Bušovská, M. 267  Křupka, J. 242  Smrčka, L. 32, 39
Călean, I. 186  Măguareanu, F. 20  Spatecean, O. 168
Chatzoudes, D. 278  Măguareanu, G. 44  Šteker, K. 65
Chrysou, I. 110  Mamalis, S. 248  Strouhal, J. 26, 32, 39
Codau, C. 139  Mandilas, A. 128  Theodosiou, T. 257
Croitoru, E. L. 196  Mezera, F. 242  Toader, S. A. 196
Dalla, E. 278  Mitrović, R. 222  Todorut, A. V. 174
Dănescu, A. C. 123  Moise, B. 228  Tselfentsis, V. 174
Dănescu, T. 117, 123, 168  Nikiforidis, T. 81  Tzikanoula, S. 86
Dănescu, T. 180, 186  Nistor, P. 168  Valsamidis, S. 257, 284
Dimitriadis, E. 128  Otrusinova, M. 58  Velentzas, J. 71, 76
Enea, C. 228  Panagiotidou, E. 86  Vlachopoulou, A. 104
Florou, G. 91, 284, 302  Pantelidis, P. 81  Zinecker, M. 203
Gavrilescu, A.-G. 190  Paschaloydis, D. 81  Zuca, M.-R. 51
Gorun, D. 298  Pastuszkova, E. 58
Janderová, J. 151  Petasakis, I. 91