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Abstracts and keywords, Volume 58, Issue 1-2

The measurement of share price volatility in the Athens Stock Exchange

*Michael Glezacos
Anna Merika
Peni Georga*

JEL Classifications: G15, C32

Within the framework of an efficient stock market, every piece of new information adjusts investors' expectations for the long-term prospects of the listed securities. As a result, prices are fluctuating accordingly, until they reach new equilibrium points. However, sometimes share price volatility is severe, due to certain factors which strongly affect the price formation mechanism. Measuring price volatility and identifying the factors primarily responsible for it, is the subject of the present study, which utilizes data from the Athens Stock Exchange

for the period 1986-2006. Applying standard methodologies, it is depicted that volatility is substantially affected by the political party in power (which in turn determines political risk), and institutional changes. Also, contrary to common belief, bear or bull market conditions are only marginally responsible for the increase of price volatility.

The use of websites as a strategic communicative tool of e-governance: In depth study of the Greek case

*Maria Vamvaka
Irina Rigopoulou*

The goal of the current study is to investigate the application of the internet's communicative potentials in the public sector. Specifically, there is an evaluation of

all the websites of the Greek ministries, through a questionnaire which is consisted of certain points based on Kent and Taylor's five principles model of dialogic communication.

The results of the research showed that the Greek ministries websites, as far as it concerns the ease of their interface, offer the conditions for developing interactivity with their audience, and at the same time they release useful information. But in spite of all these, Greek ministries websites do not manage to build any further their "relationship" with their audience and they do not enhance a dialogic perspective.

Corporate social responsibility: contribution to sustainable development and to effective management of european enterprises

Dr. Maria Vaxevanidou

JEL Classifications: M14, Q01

The aim of this paper is to present the European Commission's positions and propositions about Corporate Social Responsibility (CSR) and to describe a managerial model the European companies can apply, concerning the tripartite dimension (social, environmental and economic) of Corporate Social Responsibility the European Union Institutions have already determined.

Till now, there is not a concrete definition for the CSR could be commonly accepted on international level. For the European Commission, CSR is essentially a concept whereby companies can decide voluntarily to contribute to a better society and a cleaner environment.

In the end of this paper, it is described a managerial model can be applied according to the European vision of CSR, using the Deming's Quality Circle (PDCA).

Interdependence between U.S. and EU Goods, Money, and Foreign Markets and Spillover Effects

Dr. Ioannis N. Kallianiotis

Dr. Iordanis Petsas

Keywords: Estimation, Time-Series Models, Forecasting and Other Model Applications, Open Economy Macroeconomics, International Policy Coordination

JEL Classifications: C13, C22, C53, F41, F42

The paper examines the interdependence in three different markets (goods, money, and foreign sectors) between the U.S. and the EU. A theoretical open economy macroeconomic model is used for the analysis and tested with data from the two entities. The results show that there is a tremendous economic interdependence between the

U.S. and the EU, but the social and political influences from the U.S. overshadow the economic ones. Both entities face serious problems, like deficits and unemployment and at the same time loss of competitiveness and heterogeneity in their own countries. The current trend of inconsiderate integration and internationalization will hurt the citizens in Europe, first, and in America soon.

Stock Index Futures, Trading Volume and Open Interest: Random Walk and Forecasting in ADEX

Nikolas L. Hourvouliaides
Dimitrios V. Kousenidis

Keywords: Stock Index Futures, Unit Roots, Stationarity, Johansen Cointegration, Granger Causality, Linear Regression, Structural Breaks, GARCH.

JEL Classifications: G13, G14

The major purpose of this paper is dual: testing the Random Walk Hypothesis and the forecasting power of the linear regression and GARCH models. The data refer to the stock index FTSE/ATHEX20, for a five year period, from 2002-2006, contributing robustness to the findings. In particular, the paper finds strong evidence of random walk patterns, i.e. stationarity on first differences and cointegration according to Johansen. Furthermore, there is evidence of one

way Granger causality, with various lags, proving that the future markets lead the spot, by reacting faster to the news. The paper further examines the relationships among a set of four variables, looking into possible patterns in their behavior and deviations from the long term cointegrated equilibrium. Through gradual improvements, the constructed model evolves from a simple linear regression to a GARCH (1,1) one, corrected for structural break and autocorrelation. Surprisingly, the forecasting power of the advanced GARCH model is not superior to that of the simple linear one, showing that such costly and time consuming methods do not yield respective results and thus can be avoided if price movements are the major goal of forecasting.

A Multiobjective Genetic Algorithm for Portfolio Selection with Integer Constraints

K. P. Anagnostopoulos
G. Mamanis

Keywords: Markowitz model, Multi-objective optimization, NSGA, Portfolio selection

JEL Classifications: C61, C63, G11

In this paper we develop a computational procedure in order to find the efficient frontier, i.e. a non-decreasing curve representing the set of Pareto-optimal or non-dominated portfolios,

for the standard Markowitz mean-variance model enriched with integer constraints. These constraints limit both the portfolio to contain a pre-determined number of assets and the proportion of the portfolio held in a given asset. The problem is solved by adapting the multiobjective algorithm NSGA (Non-dominated Sorting Genetic Algorithm) that ranks the solutions of each generation in layers based on Pareto non-domination. The algorithm was applied in 60 assets of ATHEX and a comparison with a single genetic algorithm was realized. The computational results indicate that the procedure is promising for this class of problems.

Empirical Investigation of the impact of Mergers and Acquisitions on stock prices of Greek companies operating in the Greek Stock Exchange

*Christos Agiakloglou
Elpiniki Zontou*

Keywords: Mergers and acquisitions, event study methodology, abnormal returns

JEL Classifications: C22, C23, G34

This study examines the impact of mergers and acquisitions on stock prices of Greek companies operating in the Greek Stock Exchange. The empirical findings, using the event study methodology consisting of 106

bidders and 56 targets companies during the period 1998-2006, suggest that mergers and acquisitions in Greece do create value for the shareholders, as it is reflected by the abnormal returns of their stock prices. However, these abnormal returns differ significantly from the equivalent returns presented in the literature simply because the Greek stock market is small and not competitive enough.

An analysis of the market reaction on ex-dividend days: the case of the Athens Stock Exchange

Apostolos Dasilas

JEL Classifications: G12, G35

The objective of this study is the investigation of the ex-dividend day stock price behaviour in a unique institutional environment where there are neither taxes on dividends nor on capital gains, tick size is very small, dividends are distributed annually and the corporate law designates the minimum dividend amount paid. This is the Greek capital market. Like previous studies, we find that the stock price fall by less than the dividend amount and there is a significant positive return on the ex-dividend day. Consistent with the predictions of the short-term trading hypothesis, the results from the cross-sectional regression analysis display that the ex-

day abnormal returns are significantly affected by the systematic risk, the dividend yield and transaction costs.

ing the past twelve years are more likely to migrate compared to those who didn't migrate.

International Migration from Albania: Evidence from Wave 2 of the Albanian Living Standards Measurement Survey

Thomas Georgiadis

Keywords: Albania, migration, demography, employment, living conditions, ordered probit econometric analysis.
JEL Classifications: F22, O52, P2

Since more than one-fifth of the Albanian population lives abroad at any given point in time, the present study uses information obtained from Wave 2 of the Albanian Living Standard Measurement Survey (ALSMS) from spring 2003, in order to investigate the covariates that determine whether an individual considers migrating abroad from Albania. To be specific, the main interest of this research focuses on the impact of age, gender, education, household welfare, employment status and other selected factors on considering migration. An important contribution of the present study is the investigation of the impact of previous migration experiences on the likelihood to migrate internationally from Albania in the future. Evidence from the empirical analysis suggests that those who migrated abroad dur-

Target capital structure and acquisition choices: evidence from the greek market

Dimitrios Vasiliou

Nikolaos Eriotis

Nikolaos Daskalakis

Keywords: Corporate Finance, Capital Structure, Mergers and Acquisitions, Financial Leverage Deficit, Greek Firms.
JEL Classifications: G3, G32

The main objective of this paper is to analyze whether deviations from the target capital structure affect firms' decisions to become acquirers. The analysis is conducted in two stages. In the first stage we estimate the target leverage ratio considering the main determinants of capital structure. In the second stage we examine whether the deviation from the predicted target debt ratio affects acquisition choices. Our data come from 112 Greek companies listed on the Athens Exchange during 1997 – 2002. Our empirical results justify our hypothesis that the leverage deficit is negatively related to the probability of a firm becoming an acquirer. Thus, underleveraged firms, according to their target capital structure, are more likely to become

acquirers than overleveraged firms. We also test whether size and profitability affect acquisition choices and we find that larger firms are more likely to become acquirers, whereas profitability does not seem to play an important role. Results and conclusions are consistent with similar studies conducted for other economies.

**Bird strikes risk policy strategies:
Proposal for a risk classification
scheme**

*Vasilis Lykos
Apostolos Kiohos*

Keywords: bird strikes, risk based policy, precautionary strategy, discursive strategy and stakeholders.

This study, presents a classification scheme based on two main factors: the potential consequences in bird strikes hazards (outcomes, losses, damages) and the uncertainties about consequences in parallel with the examination of a classification specifically directed at accident risk with the dimensions closeness to hazard and

level authority i.e. airport operator, pilots, municipalities which are adjacent to airport, stakeholders etc.

The classification systems provide a knowledge base for structuring bird strikes' risk problems, risk policies and class-specific management strategies. Simultaneously in this study, three major management categories have been applied: risk – based, precautionary and discursive strategy. The risk – based policy means treatment of risk – avoidance, reduction, transfer and retention – using risk and decision analyses. The precautionary strategy means a policy of containment, constant monitoring, continuous research and the development of substitutes. Increasing resilience, i.e. resistance and robustness to surprises, is covered by the risk based strategy and the precautionary strategy. The discursive strategy means measures to build confidence and trustworthiness, through reduction of uncertainties, in air accidents and mishaps are caused by bird strikes, clarification of facts, involved human factors, deliberation and accountability. Nevertheless, in most cases, the appropriate strategy is a mixture of these strategies.

Regional hierarchies and the location of hi tech MNEs: The case of the pharmaceutical industry in the UK

Constantina Kottaridi

Keywords: regions, hierarchies, location, pharmaceuticals

JEL Classifications: F23, L65, R30

In the “new age of capitalism”, regions are emerging as important catalysts for innovation and production development. This paper investigates the location patterns of R&D-intensive MNEs at the geographical micro-level.

Analysis refers to the pharmaceutical industry and their foreign activities established in British regions. We develop a hierarchy of UK regions both on a technological and skills basis but also on a broader basis covering the overall macroeconomic environment. Results point towards a combination of corporate location strategies. This pattern is consistent with MNEs’ commitment to access and tap into the specific technological assets embedded in the local knowledge systems and at the same time exploit their corporate-specific advantages in large markets.