Abstract of the articles

FACTORS AFFECTING SHAREHOLDER ACTIVISM BY INSTITUTIONAL INVESTORS: ASSESSING THE ENVIRONMENT IN HUNGARY

Zsolt Bedő

The study is to introduce internal and external factors affecting the willingness and efficiency of institutional investors in the system of market oriented corporate governance. In another word I assess the environmental setting for shareholder activism by institutional investors in Hungary. By subdividing factors into internal and external groups I am able to pinpoint factors that fall under the jurisdiction of the institutional financers. The study concludes that currently the high level of ownership concentration of portfolio companies that are listed on the Budapest Stock Exchange do not allow institutional investors to efficiently interfere in corporate decision making. Legal setting as the other external factor, which can not be influenced by the institutional investors is also a bottleneck for active involvement. Although company culture, agency problems and the free rider problem as internal factors fall under the jurisdiction of the institutional investors survey shows that the willingness to overcome these shortcomings is rather low.

SIX STRATEGIC REASONS BEHIND GOING PUBLIC

Miklós Lestár

This article examines the connection between corporate strategy and going public in today's Hungarian economy. The analysis is based on interviews conducted with the executives and shareholders of companies listed on the Budapest Stock Exchange in the last five years. Listing on the stock exchange can help the company's strategy through financing growth opportunities, supporting marketing activities and motivating employees. It can also serve the owners' goals by providing an exit opportunity and making correct valuation available. Public governance influences strategy: It demands the clarification of connections with the owner's other interests, creates the opportunity of a takeover, affects the investment horizon and necessitates transparency.

HOW IMPORTANT THE OIL IS? – ACTIONS AND REACTIONS BETWEEN THE OIL AND CAPITAL MARKET

Gergely Kotán–Valéria László–András Sali

In this paper we investigate the causal relationships between stock market and oil market price movements. We especially focus on the connection between stock price volatility and oil price volatility. If there exists a strong connection between oil price and stock price volatility, then arguably either short term oil price movements have great impact on stock price evolution, or vice versa. Therefore, through this study we firstly wish to determine the importance of oil prices on various economies in the short term, and secondly we wish to explore the opposite relationship as well. The first part of our paper presents an outline of past researches investigating the importance of oil price in connection with the real economy and monetary policy. In the second part of our study we briefly explore the most important aspects of the oil market, which are important to understand how informations concerning economic developments of certain countries can affect oil prices. Thirdly we carry out an empirical investigation to determine in which direction the cause-effect relationships in practive stand, involving five countries – the United States, United Kingdom, Japan, Russia and Hungary.

CREDIT SCORING MODELS AND MEASURING THEIR PERFORMANCE

Beatrix Oravecz

In the last 15-20 years there have been revolutionary changes in the market of financial supplies. Banks began to use automatic decision making methods and decision supporting models, in order to make crediting faster.
Credit scoring played a very important role in the great increase of the consumer credits. Without an exact and automated risk analysing system the banks would not have been able to manage to increase inhabitant placing so much.
In this article we look shortly over the task and applied methods of credit scoring and the most often used and recommended methods and indices, suitable to value them.

THE DIVIDEND PUZZLE AND ITS BEHAVIOURAL EXPLANATIONS

Bálint Nagy

The corporate dividend policy is a subject of great interest in the financial literature and the last 50 years have seen a large number of tests and debates over the topic. In the present several theories are competing to explain the corporate dividend behaviour but few of these models have been empirically validated.
In this article we review the most important theoretical and empirical results and we present the results of a study carried through on data from the Hungarian Stock Exchange.
Our main result is that in the case of Hungarian companies, there is no evidence of „dividend smoothing" and no evidence of homogeneity of dividend policy within an industry.