

**Editors**

Kalliopi Kalampouka

Carmen Nastase

**Recent Researches in  
Law Science and Finances**

**Proceedings of the 4<sup>th</sup> International Conference on  
Finance, Accounting and Law (ICFA '13)**

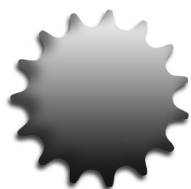
**Chania, Crete Island, Greece, August 27-29, 2013**



**Scientific Sponsors**

- Democritus University of Thrace, Greece
- Romanian-American University, Romania
- Ain Shams University, Egypt
- University De Los Andes, Venezuela
- Istanbul Technical University, Turkey
- Lucian Blaga University of Sibiu, Romania
- Megatrend University of Belgrade, Serbia
- Shu Zen College of Medicine and Management, Taiwan
- Stefan Cel Mare University of Suceava, Romania
- International Telematic University Uninettuno in Rome, Italy
- Kavala Institute of Technology

- Transilvania University of Brasov, Romania
- Universitatea Constantin Brancusi, Romania
- University of Ploiesti, Romania
- University of Tokushima, Japan
- University of Craiova, Romania
- University of West Bohemia, Czech Republic
- University of Genoa, Italy
- Technical University of Cluj-Napoca, Romania
- University of Agricultural Sciences and Veterinary Medicine of Cluj-Napoca, Romania



# **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

# **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**

Published by WSEAS Press  
[www.wseas.org](http://www.wseas.org)

**Copyright © 2013, by WSEAS Press**

All the copyright of the present book belongs to the World Scientific and Engineering Academy and Society Press. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the Editor of World Scientific and Engineering Academy and Society Press.

All papers of the present volume were peer reviewed by no less than two independent reviewers. Acceptance was granted when both reviewers' recommendations were positive.  
See also: <http://www.worldses.org/review/index.html>

ISSN: 2227-460X  
ISBN: 978-960-474-327-8

# **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**



**Editors:**

Prof. Kalliopi Kalampouka, Kavala Institute of Technology, Greece.

Prof. Carmen Nastase, Stefan cel Mare University of Suceava, Romania.

**Reviewers:**

Mihaiela Iliescu

Francisco Antunes

Adina Andreea Ohota

Chunwei Lu Wini Lu

Ana Barreira

Catalin Popescu

Chunwei Lu

Ivan Pogarcic

Carmen-Mariana Mihalache

Lukacs Edit

Roxana Ionescu

Jordi Andreu

Moise Bojincă

Constantinescu Dan

Maria Gabriela Sterian

Daniela Zirra

Sebastian Bakalarczyk

Athanassios Mandilas

Rimma Shiptsova

Katarina Curko

Vassos Vassiliou

Tiberiu Socaciu

Kalliopi Kalampouka

Capusneanu Sorinel

Amin Daneshmand Malayeri

Alina Nuta

David Procházka

Gheorghe Mugurel Radulescu

Nikos Loukeris

Andrei Madalina-Teodora

Iuliana Oana Mihai

Balcu Florina

Jan Stejskal

Jose Antonio Porfirio

Ioana Adrian

Eleftherios Skalidis

U. C. Jha

Dumitru-Alexandru Bodislav

Carmen Gabriela Sirbu

Ashraf Bany Mohammed

Javier De Andrés

Jiri Strouhal

Stoican Mirela

Andreea Iacobuta

Doinita Ariton

John Manuel Delgado Barroso

Mihaela Gondor

Angela Roman

Loukas Georgiou

Abdelkader Nouibat

Yin-Tsuo Huang

José Farinha

Larion Alin

Otrusinová Milana

Daniela Litan

Mioara Chirita

Ionel Bostan-Dhc

Marios Soteriades



## Table of Contents

<b>Plenary Lecture 1: Linkage of Financial Performance Analysis to Revaluation Models within Accounting Information Systems</b> <i>Jiří Strouhal</i>	11
<b>Plenary Lecture 2: Quality and Compliance of Information Disclosure from Financial Statements</b> <i>Tatiana Danescu</i>	12
<b>Plenary Lecture 3: Accounting Forecast Models and Calculation, Information Support of Economic and Financial Policies</b> <i>Lucian Patrascu</i>	13
<b>Changes to Agreements Related to Public Contracts in the EU and Czech Republic</b> <i>Radek Jurčik</i>	15
<b>The Right to Legal Defense Exercised by Lawyers in the European Union Countries</b> <i>Florea Măgureanu</i>	20
<b>Revaluation of Financial Securities and Its Impact on Selected Financial Ratios</b> <i>Jiří Strouhal, Carmen Bonaci</i>	26
<b>Applying Czech Insolvency Law in Practice: Case Study Focused on OP Prostějov</b> <i>Luboš Smrčka, Jiří Strouhal</i>	32
<b>Applying Czech Insolvency Law in Practice: Case Study Focused on Sazka (Lottery)</b> <i>Luboš Smrčka, Jiří Strouhal</i>	39
<b>Tax Evasion, a National and Global Phenomenon</b> <i>George Măgureanu</i>	44
<b>Controversy Regarding the Defining Elements of Financial Statements</b> <i>Marilena-Roxana Zuca</i>	51
<b>Accrual Principle Accounting in the Context of the Reform of Accounting of Public Finance in the Czech Republic</b> <i>Otrusinova Milana, Pastuszkova Eliska</i>	58
<b>Czech Financial Statements and Their Transformation into IFRS</b> <i>Karel Šteker</i>	65
<b>The Leasing Contract as a Modern Form of Financing in the Contemporary Economy. The Greek Regulation</b> <i>John Velentzas, Georgia Broni</i>	71



<b>Strategic Challenges for Business in the Use of Corporate Responsibility Codes, Standards, and Frameworks. Internal Auditing Activity as a Matter of Corporate Governance Control</b>	76
<i>Georgia Broni, John Velentzas</i>	
<b>International Financial Reporting Standards – IFRS and Its Taxation Management</b>	81
<i>Panagiotis Pantelidis, Theodosios Nikiforidis, Dimitris Paschaloydis</i>	
<b>The New Legislative Changes in Greece Concerning the Limited Partnership</b>	86
<i>Kalliopi Kalampouka, Eleftheria Panagiotidou, Stella Tzikanoula</i>	
<b>Immigrant Patients at Emergency Visits at Kavala’s Hospital</b>	91
<i>Florou G., Aggelidis V., Batzios C., Karasavvoglou A., Petasakis I., Polychronidou P.</i>	
<b>Policymaking across Different Levels of Governance in Consumer’s Protection Area</b>	96
<i>Ilektra Simitsi</i>	
<b>International Jurisprudence about Exclusive Economic Zone of Coastal States</b>	104
<i>Kalliopi Kalampouka, Ioulia Apostolou, Aglaia Vlachopoulou</i>	
<b>Legal Reasons for the Dissolution of a General Partnership According Greek Law</b>	110
<i>Kalliopi Kalampouka, Elena Kafeliki, Irini Chrysou</i>	
<b>Quality and Compliance of Information Disclosure from Financial Statements</b>	117
<i>Tatiana Dănescu</i>	
<b>Perceptions Regarding the Approach Towards the Internal Audit Risks</b>	123
<i>Tatiana Dănescu, Mihaela Prozan, Andreea Cristina Dănescu</i>	
<b>Fair Value vs Cost Model. An Application on Tangible Assets in SMEs Of Greece</b>	128
<i>Athanasios Mandilas, Dimitrios Kourtidis, Efstathios Dimitriadis</i>	
<b>Financial Risk and Stock Prices</b>	139
<i>Ciprian Codau</i>	
<b>Czech Civil Service in Context of Selected Recent European Courts’ Decisions</b>	151
<i>Jana Janderová, Miroslava Skřivánková</i>	
<b>Public Administration and Globalisation</b>	160
<i>Sorin Purec</i>	
<b>Measuring Hedge Effectiveness - A Major Challenge in Auditing Derivative Instruments Used in Portfolio Management</b>	168
<i>Tatiana Danescu, Ovidiu Spatacean, Paula Nistor</i>	
<b>Using Balanced Scorecard for Measuring Excellence in SMEs</b>	174
<i>Amalia Venera Todorut, Moise Bojincă, Vassilis Tselentis</i>	

<b>The Method of Evaluating the Security of the Information Systems</b>	180
<i>Ioan Rus, Tatiana Dănescu</i>	
<b>Assessment of Internal Auditors' Activity from Practitioners' Standpoints. Case Study: Autonomous Forest Administration</b>	186
<i>Tatiana Dănescu, Ioana Călean, Raluca Sandru</i>	
<b>The Main Aspects of the Returning Procedure of the Displaced or Kept Child by Violating an Entrusting Right</b>	190
<i>Alin-Gheorghe Gavrilescu</i>	
<b>The Particularities of the Demographic Factors Impact on the Sustainability of the Public Pensions System in Romania</b>	196
<i>Croitoru Elena Lucia, Alexandru Felicia, Toader Stela Aurelia</i>	
<b>Possibilities for the Application of the Altman Model within the Czech Republic</b>	203
<i>Michal Karas, Maria Reznakova, Vojtech Bartos, Marek Zinecker</i>	
<b>International Organizations and the Fight Against Corruption</b>	209
<i>Radulescu Irina Gabriela, Popescu Catalin</i>	
<b>Fuzzy Regression Model Applied to the Incurred but not Reported Claims (IBNR)</b>	216
<i>Marija Kerkez</i>	
<b>Globalization and its Impact on the Financial Performance of Banks in Serbia</b>	222
<i>Ranka Mitrovic</i>	
<b>Fiscal Policy Measures of Economic and Social Development and Ensure the Implementation of Regional Development Policies in the European Union Member</b>	228
<i>Bojincă Moise, Constantin Enea</i>	
<b>Contract of Assignment in the Current Regulation of Romanian Civil Code</b>	236
<i>Moise Bojincă</i>	
<b>Public Administration and Investment Decision Possibilities</b>	242
<i>Filip Mezera, Jiří Křupka</i>	
<b>Consumer Bank Selection Criteria during Economic Crisis</b>	248
<i>Irene Kamenidou, Spyridon Mamalis, Constantinos-Vasilios Priporas</i>	
<b>A Proposal for an E-Voting System and Its Legal Consequences</b>	257
<i>Stavros Valsamidis, Kalliopi Kalamvouka, Sotirios Kontogiannis, Theodosios Theodosiou</i>	
<b>Is There a Convergence in Tax Mixes during the Integration Process of the European Union?</b>	267
<i>Bušovská Monika, Ivana Petrovická</i>	
<b>eHealth in Europe as Well as in Greece and the Protection of Health Data</b>	274
<i>Dimitris Anastasopoulos</i>	

<b>The ‘Brain Drain’ Phenomenon: Measuring the Intention of Young Greek Scientists to Migrate Abroad</b>	278
<i>Eleni Dalla, Dimitrios Chatzoules, Anastasios Karasavoglou</i>	
<b>Legal Issues for Ubiquitous Learning</b>	284
<i>Eleftheria Kolokytha, Stavros Valsamidis, Ioannis Kazanidis, Giannoula Florou</i>	
<b>The Function and the Efficiency of the General Electronic Company Register (GE.MI.)</b>	291
<i>Baxevani Maria, Kalampouka Kalliopi</i>	
<b>Considerations on Discharge for Committing Drug Trafficking Crime</b>	298
<i>Diana Gorun</i>	
<b>A Structural Equation Model Describes Ethnocentric Factors Influence on Freedom of Competition and Business Activity</b>	302
<i>Sofia Anastasiadou, Giannoula Florou, Kalliopi Kalampouka, Lazaros Anastasiadis</i>	
<b>Authors Index</b>	308

## 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 expert (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 monographs 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 DEEE 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.

## Plenary Lecture 2

### Quality and Compliance of Information Disclosure from Financial Statements



**Professor Tatiana Danescu**

Faculty of Economics  
Juridical and Administrative Sciences  
"Petru Maior" University  
ROMANIA  
E-mail: [tatiana\\_danescu@yahoo.com](mailto:tatiana_danescu@yahoo.com)

**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 Albalulia. 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 prizes 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 (Apulensis Universitatis, Series Oeconomica, University "1 December 1918" Alba Iulia, Universities study Petru Maior "series Oeconomica, Annals of the University of Petrosani, Economics Series). She is a member of the National Council of 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: [lucianpatrascu@yahoo.com](mailto:lucianpatrascu@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 Braşov, 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	Kafeliki, E.	110	Polychronidou, P.	91
Anastasiadis, L.	302	Kalampouka, K.	86, 104, 110	Popescu, C.	209
Anastasiadou, S.	302	Kalampouka, 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	Karasavoglou, 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	Simitsi, 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	Măgureanu, F.	20	Spatacean, O.	168
Chatzoudes, D.	278	Măgureanu, 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	Mitrovic, R.	222	Todorut, A. V.	174
Dănescu, A. C.	123	Moise, B.	228	Tselentis, 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		