



# ΣΠΟΥΔΑΙ / SPOUDAI

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### Abstracts and keywords, Volume 63, Issue 1-2

#### **Similarities and Differences between Households' and SME's Financial Knowledge and Behaviour: A Greek Survey**

*Marinos Stefanitsis*  
*Irene Fafaliou*  
*Joseph Hassid*

**JEL Classifications:** L20, D10, D22.

**Keywords:** Households; Small and medium-sized enterprises; Financial knowledge; Financial behaviour; Greece.

In this paper, we examine the financial literacy, thus the financial behaviour of 352 Greek households. In turn, we compare our findings with results from a similar survey we conducted on an equivalent sample of small and medium-sized enterprises (SMEs). Our aim was to realise if there is any link between financial knowledge and behaviour in each surveyed micro-system and, further, indicate similarities and

differences between them. It is argued that the sample of households make better use of financial knowledge than the surveyed SMEs. Further, even in cases where financial knowledge was of high performance, both groups did not perform accordingly in terms of their financial behaviour. Such results indicate the complexity of the relationship between knowledge and behaviour.

#### **An Empirical Investigation of Outsourcing Decisions in Enterprises Operating in Greece**

*Nikolaos K. Liapopoulos,*  
*Socrates J. Moschuris*

**JEL Classifications:** L60, L81, M11.

**Keywords:** Outsourcing, Motivations, Risks, Benefits, Strategic, Greece.

This paper presents some preliminary results, regarding outsourcing deci-

sions, based on a study, which was conducted using a sample of enterprises operating in Greece. Specifically, the motivations, the risks, and the impact, positive or negative, of outsourcing are described and analyzed. 56 companies, which operate in the trading and manufacturing sectors, participated in this research. Results indicate that cost reduction and acquisition of technology/skills are the most important motivations for outsourcing, whereas contracting-out core activities and loss of control are the most serious risks of outsourcing. Generally, the impact of outsourcing is positive, with cost reduction and increase in flexibility the mostly cited benefits.

### **Regional Mix and the Roles of Foreign Subsidiaries: A New Conceptualization and Empirical Evidence on the UK Case**

*Constantina Kottaridi*  
*Fragkiskos Filippaios*  
*Marina Papanastassiou*  
*Robert Pearce*

**JEL Classifications:** F23, L20, R10.

**Keywords:** UK Regions, Subsidiaries' roles, Regional mix, Location choice, Agglomeration.

This paper develops a new conceptualization of the relationship between regional determinants and roles of foreign subsidiaries and empirically investigates this relation-

ship in the UK at a disaggregated regional level. It focuses particularly on a relatively under-investigated field, that of the linkage between choice of regional location -within a particular host country- and subsidiary roles. The key contribution stemming from this analysis is the development of the Asset Specificity Framework (ASF) combining regional characteristics with distinctive types of subsidiaries. This framework is further examined providing detailed support for our allegations. The external environment impacts differently on subsidiary types, with agglomeration features playing the most significant role. At the same time though, idiosyncratic Foreign Direct Investment (FDI) aspects do seem to exert the most important influence for these types of subsidiaries. Interesting policy implications may then be raised regarding the design of well-targeted FDI promoting policies, aiming at upgrading regional potential on one hand and pursue the attraction of specific sectors and companies on the other.

### **Decision Making in Energy Market with Producers with Different Profiles**

*Nikolaos Chr. Kakogiannis*

**JEL Classifications:** C63, C78, D47.

**Keywords:** Energy optimization cost, Decision Policy tool, Strategies, Liberalized Energy Market.

The purpose of this paper is to formulate and study a game where there is a player who is involved for a long time interval and several small players who stay in the game for short time intervals. Examples of such games abound in practice. For example a Bank is a long-term player who stays in business for a very long time whereas most of its customers are affiliated with the Bank for relatively short time periods. Another example is the Hellenic Electrical Grid. There is the Grid Administrator, which is the major long time player, and there are many minor players (power producers with different technologies, quantity and quality features). The Grid Administrator is considered to have an infinite time horizon and the minor players are considered as players who stay in the game for a fixed period of five years (indicative number). A minor producer/consumer who enters the system a certain year is considered as one player who is involved for five (specific) time levels. This player overlaps in action with the other players who entered at different time and with the Grid Administrator. The minor players (energy producers) try to improve their strategies, by changing their profile, so as to penetrate in the electrical grid and succeed to sell more energy to the Grid (improve their profits). The Grid Administrator tries to imply the best policy so as to improve his gain.

### **On the Relation between the Equilibrium Set and the Demand Functions**

*Nickolas J. Michelacakis*

**JEL Classifications:** D50, D51.

**Keywords:** Equilibrium set (manifold), Demand functions.

It is shown that, in pure exchange economies, the individual demand functions can be recovered from the equilibrium set regardless of the way we evaluate wealth. Following Balasco (2004), the demand functions do not have to be differentiable, not even continuous nor utility maximizing. Thus, the set of equilibria does not necessarily carry the structure of a manifold. Further, it is proved that the inner product structure is redundant in the sense that the result holds true even if wealth is being evaluated by means of a more general function on the price commodity space satisfying minimal requirements.

### **Cross-sectional Analysis of Stock Returns in Athens Stock Exchange for the Period 2004-2011**

*Argiro Svingou*

**JEL Classifications:** G10, G11, G14.

**Keywords:** Cross-sectional analysis, Market beta, Size effect.

This study is an investigation of the factors affecting the average returns of stocks that were traded on the

Athens Stock Exchange for the period July 2004 - June 2011. The methodological approach is similar to that applied by Fama and French (1992), in the first stage, stocks are grouped into portfolios with predefined criteria, and subsequently monthly cross sectional regressions are carried out, according to the Fama-MacBeth approach (1973). The main result of this study is that average stock returns in the ASE are not associated with the market beta (market risk) and there is not a strong relationship with any other risk factor for the stocks market value or book to market ratio.

**Currency Union and Foreign Direct Investment Inflow: Evidence from Economic Community of West African States (ECOWAS)**

*Anokye M. Adam*

**JEL Classifications:** F15, F21, F30.

**Keywords:** Currency Union, Foreign Direct Investment, Gravity Model and DOLS.

This study investigates the effect of currency union membership on foreign direct investment inflow to ECOWAS subregion. The study employed panel dynamic ordinary least square (DOLS) to estimate a panel data of fifteen ECOWAS countries from 1995 to 2010 with the framework of the gravity model. The result indicates a positive effect of a currency union on FDI inflow to ECOWAS, which shows that the presence of a currency union is likely to increase FDI by 46%. The control variables; political constraint, current account and trade openness is significant in explaining FDI inflow to ECOWAS. The implications of the findings are that currency union positively influences the flow of FDI into ECOWAS region, and this requires stable political environment, financial and trade openness. It goes to suggest that adoption of common currency should go with these factors to maximize the benefit of currency union membership in the region.