

GUEST EDITORIAL PREFACE

Special Issue on Advanced Techniques in Financial Risk Management

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During the last decades the globalization of financial markets, the intensifying competition as well as the rapid economic, social and technological changes, have led to an increasing uncertainty and instability in the financial and business environments. However, the global economic and financial turmoil has destabilizing effects on corporate strategies and performance. The Eurozone's future remains uncertain.

Historically, debt crises were encountered by inflation, debt restructuring and reforms that enabled the resumption of economic growth. If history and economic analysis can be used as guides, the risk of continuation of the crisis remains significant. Over time humanity has passed political, religious, health, economic and climate crises. The effects of many of them were dramatic and left indelible marks on humanity, but always exceeded.

Nowadays, humanity has much to gain from the information technology and the emergence of intelligent machines. Machines could eventually perform tasks that require much human labor. This implies rapid productivity growth and thus high overall economic growth. Within this context and taking into account the complexity of financial decisions, the development and implementation of advanced techniques for financial risk management is more than necessary.

The scope of this special issue is to publish high-quality studies and to encourage debate on the merits of various approaches to qualitative research. Submitted papers present innovative work on themes of practical and research interest and describe new methodological developments and experimental results. Most of the selected papers have the common parameter that in-

investigate the effects of the crisis or provide information on the economies and their markets which is important in order to anticipate crises and to make the right steps to solve them successfully. The selected works are addressed mainly to policy makers for the economy and the markets, investors, lenders and borrowers, governments etc.:

1. Their findings show a valid relationship between accounting and macroeconomic data for the Greek market and the Greek economy which endow economists and fund managers with crucial information (Vergos, Christopoulos, & Kalogirou);
2. They investigate how macroeconomic variables affected Greece and Turkey and how these macroeconomic variables have been affected by the financial crisis of 2008. They use AMOS (Analysis of Moment Structures) to examine the relationship between the macroeconomic variables, FDIs and financial crises for the period 2000-2010 (Rukiye & Aybars);
3. They apply a multivariable system with macroeconomic variables to assess the fiscal policy at a large negative business cycle shock that affects the output of the system. To assess the fiscal policy they propose a set of optimal control indicators against a large negative business cycle shock (Kollias & Leventides);
4. They examine comparatively two Greek cities, Chania and Kalamata. Chania offer an integrated cultural program in summer while Kalamata has launched an all-encompassing cultural campaign. Due to austerity measures, the two cities re-oriented their strategies seems questionable whether they can be designated as “creative” according to Florida’s criteria (Stavroulakis, Mitoula, Kaldis, & Papagrigoriou);
5. This study investigates the relation between earnings management and disclosed material weaknesses in the internal controls and examines whether audit quality has an effect on this relation. They find evidence that material weakness firms engage in more earnings management but not in opportunistic income-increasing earnings management. Other findings are that disclosed material weaknesses are lower when discretionary accruals are low while when material weakness firms are audited by a Big Four a positive relationship discretionary accruals seems to exist (Ravenstein, Georgakopoulos, Kalantonis, & Kaldis).

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