Structured Abstracts of 'Accounting, Finance, and Controlling in Times of Change: Digitalization, Sustainability, and Strategy' session

Corporate bonds in Hungary

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Background and introduction: In general, a bond is a debt security, which is a credit relationship between the issuer of the bond, the debtor, and the investor, the buyer of the bond. The bond is a money market and capital market instrument, and can be considered a relatively simple and reliable investment method. Bonds can be grouped according to many different criteria. Issuers can be governments, banks, municipalities and companies. In general, governments tend to be the largest issuers, with corporate bond issues coming second. If a company issues a bond, the buyer becomes a creditor of that company and will receive interest on the amount invested. The issuing company will have a long-term liability, which it can use to finance its operations, make investments, improvements and diversify its resource structure. The aim of this study is to examine the evolution of corporate bond issuance in Hungary and to assess the weight of corporate bonds in the financing structure.

Objective: The aim of this study is to examine the evolution of corporate bond issuance in Hungary and to assess the weight of corporate bonds in the financing structure.

Methodology: To estimate the stock of bonds issued, we used public information available on the Budapest Stock Exchange. Information on the role of bonds in the financing structure was obtained from the public accounting reports published by the issuing companies.

Results: Corporate bonds do not play a significant role in the financing of issuing companies. Their role in the financing structure is much smaller than that of loans, despite the fact that the design of corporate bonds offers much greater flexibility in the construction of the main parameters of the security.

Conclusions: Today, companies in Hungary can choose from a wide range of external sources. In addition to the use of internal sources, there are various external sources such as short and long-term loans, borrowings, leasing, factoring, raising funds through securities issues, bond issues, etc. Financing through bond issues can be a reliable and relatively flexible means of external financing for enterprises, but relatively few enterprises use or are able to use this form of financing.

Limitations and future research directions: The research focused on publicly available information on corporate bond issuance. We used the database of the Budapest Stock Exchange on the one hand and the publicly available accounting reports of the companies concerned on the other hand, which are, of course, the limitation of the research. Further research directions could be the investigation of so-called green corporate bonds.

Keywords: finance, corporate bonds, financing structure

The Impact of Operating Cash Cycle on Firm Profitability: Evidence from Hungarian SMEs

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Background and introduction: Understanding the relationship between working capital management and firm profitability is crucial for SMEs, as liquidity constraints often affect their financial health. The operating cash cycle (OCC), which consists of days inventory outstanding (DIO) and days sales outstanding (DSO), plays a key role in determining profitability. This study examines the impact of OCC on firm profitability, measured by return on assets (ROA), while also assessing the separate effects of DIO and DSO.

Objective: This research aims to analyze the effect of OCC on ROA in Hungarian SMEs, specifically investigating whether the relationship follows a nonlinear pattern. Additionally, it explores the independent impact of DIO and DSO on ROA.

Methodology: The study employs a sample of 1,230 Hungarian SMEs, covering 3,357 firm-year observations between 2019 and 2023. Using ordinary least squares (OLS) regression models with firm-level clustered errors, the study assesses the relationship between OCC, DIO, DSO, and ROA.

Results: The findings reveal a U-shaped relationship between OCC and ROA, suggesting that both very high and very low OCC levels are associated with higher profitability, while moderate OCC levels are linked to lower profitability. Similarly, DIO follows a U-shaped pattern, indicating that firms benefit from either very fast or very slow inventory turnover, while moderate levels reduce ROA. In contrast, DSO does not exhibit a significant effect on ROA.

Conclusions: The results of this study show that firms appear to benefit from either aggressive cash cycle minimization or a strategic extension of OCC and DIO, possibly due to economies of scale, supplier negotiation power, or flexibility in managing supply chain risks. Moderate levels of OCC and DIO may reflect inefficiencies or suboptimal resource allocation, leading to lower profitability.

Limitations and future research directions: This study focuses exclusively on Hungarian SMEs, limiting its generalizability to other contexts. Future research could explore sector-specific variations, incorporate alternative profitability measures, and investigate the role of macroeconomic conditions in shaping these nonlinear effects. Additionally, further exploration into why DSO shows no effect on profitability could provide valuable insights into SME credit policies.

Keywords: Operating Cash Cycle, Days Inventory Outstanding, Days Sales Outstanding, Firm Profitability, SMEs

Financial survival or decline? The situation of bread and fresh bakery products after the Covid-19

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Background and introduction: The food industry is the most important sector of the Hungarian economy, as it is responsible for meeting the physiological needs of society. It stands as the second largest manufacturing sector, with a market share of nearly 13%, and a major contributor to exports. Hungarian bread and pastries have gained international acclaim and their exports are continually increasing.

Objective: Present paper analysis the operational dynamics and financial performance of both family-owned and non-family-owned enterprises engaged in the production of bread and fresh bakery within the Hungarian context. The performance indicators employed in this study are drawn from the extant literature, namely return on assets, return on equity, and operating profit margin. The period under study encompasses the years from 2019 to 2023. The study analyzes the industry's economic recovery from COVID-19.

Methodology: The analysis utilizes data from the OPTEN database, which includes Hungarian companies producing bread and fresh bakery products. A filtration process excluded firms with incomplete records, leaving 233 companies with data covering the full five-year period. The study examines liquidity and performance indicators to compare family and non-family businesses. Regression analysis was conducted using SPSS Statistics 25 to assess trends and relationships within the industry.

Results: The analysis identifies trends and differences between family and non-family firms using financial data. Performance indicators were measured through linear regression with independent and control variables (e.g., foreign/domestic majority ownership). Findings suggest family businesses had a positive impact on several indicators, likely due to their accumulation patterns. The study highlights financial performance disparities, competitiveness, and the impact of COVID-19 on market restructuring.

Conclusions: The findings show that family businesses significantly impact performance, though some negative effects may be partly attributed to their marginalization. Additionally, the effects of Covid-19 were already evident from 2019, with 2019–2021 being the most critical period for performance indicators. While literature debates the duration of the negative impact, this study highlights key trends. The results may offer valuable insights for academia and businesses, aiding informed decision-making.

Limitations and future research directions: The study's limitations include focusing on a single sector and excluding small companies based on turnover or workforce size. The performance indicators employed in the analysis could have been applied to a broader range of sectors, a shortcoming that can be addressed in future research. While the relevance of the examined period is clear, it is essential to view the findings as a foundation for further study rather than a definitive predictor of future economic downturns.

Keywords: Food industry, Financial performance, Family business, COVID-19, Performance indicators

Integrating social media usage and financial performance of community - based tourism enterprises: Empirical insights from Vietnam

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Background and introduction: Social media marketing (SMM) is integral for business communication, marketing, operations, and multiple other operations. There is an increasing interest among scholars, academics, and practitioners in comprehending the function of social media marketing in the tourist and hospitality sectors. However, limited research was conducted to comprehend the adoption and application of social media in community - based tourism enterprises (CBTEs).

Objective: The objective of this study is to investigate the adoption and utilization of social media platforms for financial performance by ownership of CBTEs. This study evaluates the determinants influencing owners' adoption of various platforms, grounded in an adaptation of the technology acceptance model (TAM).

Methodology: A survey was conducted with a convenience sample of 336 business owners utilizing social media in Vietnam. The SmartPLS methodology was employed to assess structural equation modeling (SEM) in order to investigate the causal relationships among all proposed constructs.

Results: The results indicate that social media utilization can improve the financial performance of CBTEs. This research presents numerous theoretical and practical outcomes.

Conclusions: The findings are beneficial for both managers and policymakers in Vietnam's community - based tourism sector, as both groups may utilize the data to attract a wider range of social media entrepreneurs to the tourism business.

Limitations and future research directions: The present study analyzed the impact of social media usage across various platforms, acknowledging their unique characteristics, advantages, and drawbacks. Future research could concentrate on individual sites for a comprehensive assessment, potentially enriching the knowledge base regarding the performance of specific platforms in relation to sustainable CBTEs.

Keywords: Integrating social media usage and financial performance of community - based tourism enterprises: Empirical insights from Vietnam

A Qualitative Study on the Main Reasons and Consequences of Abandoning Mandatory Joint Audit: Evidence from Kuwait and Denmark

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Background and introduction: In the aftermath of the global financial crisis, the European Union introduced mandatory joint auditing as a key recommendation aimed at rebuilding public trust in the auditing profession. Denmark discontinued mandatory joint auditing for all companies in 2005, while Kuwait did the same in 2016, maintaining it only for the banking sector. In a joint audit setting, two independent audit firms examine an entity's financial accounts, culminating in a single report that both firms sign.

Objective: This study aims to examine the main reasons and consequences of abandoning mandatory joint auditing and switching to voluntary joint auditing in both Kuwait and Denmark.

Methodology: To meet the study objectives, we examined the literature concerning the abandonment of mandatory joint auditing in Kuwait and Denmark. Furthermore, we carried out 11 online interviews, 9 of which took place in Kuwait and 3 in Denmark, involving the Big Four audit firms and chief financial officers (CFOs). The duration of each interview ranged from 35 to 45 minutes.

Results: Interviewees agreed that increased expenses and coordination challenges between audited enterprises and the two audit firms influenced the decision to eliminate mandated joint audits. However, most agreed that removing obligatory joint auditing delayed financial reporting and increased audit market concentration without affecting audit quality. Most interviewees stressed the importance of joint auditing for banks and large enterprises.

Conclusions: This study offers valuable insights for investors, policymakers, and companies interested in joint audit regimes by exploring the key reasons and consequences of abandoning mandatory joint audits, as viewed by Big Four auditors and chief financial officers (CFOs). It also emphasizes the importance of reevaluating the potential role of mandatory joint auditing within the banking sector and large corporations.

Limitations and future research directions: Only 11 interviews were used in this study, which may have limited the data's generalizability because of the small sample size. By using questionnaires and conducting more interviews, future research may think about reproducing this study. Future studies could also look at how the Danish banking industry, which no longer requires joint audits, differs from Kuwaiti banking, which still does, in terms of report delays, market concentration, audit quality, and audit fees.

Keywords: Mandatory joint audit, interviews, Kuwait, Denmark

Mapping Debt and Productivity: Regional Disparities of Large Firms in the Visegrád (V4) Countries

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Background and introduction: Economic crises often reduce firms' access to external financing. Understanding how these effects vary by region is key to supporting balanced recovery. In Central Europe, large firms play a crucial role in local economies, and their financial behavior influences regional resilience during post-crisis periods.

Objective: The study investigates the relationship between corporate indebtedness and regional economic performance in the V4 countries (Hungary, Czechia, Poland, Slovakia). It focuses on high-revenue firms and aims to identify territorial financial disparities during the 2021–2023 post-pandemic recovery phase.

Methodology: We conduct a comparative analysis of financial indicators—including total liabilities and loan volumes—across NUTS 3 regions. Quantitative methods are paired with spatial mapping to explore correlations between firm-level debt data and regional productivity and resilience indicators sourced from Eurostat.

Results: Preliminary findings suggest a strong geographical concentration of corporate debt in regions with higher economic activity. The spatial distribution of liabilities aligns with regional centers and reflects structural imbalances in access to credit and capital between more and less developed areas.

Conclusions: The study highlights how regional economic hubs attract disproportionate financial resources. These patterns reveal persistent territorial inequalities in corporate financing and underscore the importance of targeting financial policy tools to support lagging regions during economic recovery.

Limitations and future research directions: The analysis is limited to formal large enterprises and does not capture micro or informal firms. Cross-country data comparability and resilience index design also present constraints. Future research should examine causal mechanisms and explore small business financing at regional levels.

Keywords: Corporate debt, regional development, Visegrád Four, NUTS 3, spatial finance, economic recovery, post-COVID, resilience index

The attitudes of families towards insurance policies in Hungary based on qualitative research.

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Background and introduction: Insurance policies in post socialist countries are often viewed suspiciously and the trust towards them is low or unstable. The research tries to reveal the determining factors behind the attitudes concerning such policies.

Objective: The study aims to reveal the attitudes, perceptions, judgements and opinions of students with respect to different insurances. The research shed light on how attitudes towards insurances in post-socialist societies are rooted in beliefs and judgements that involve trust and security.

Methodology: The interviews were conducted individually with students and their families about the choices of insurances, how important and necessary families consider such policies. 40 interviews were conducted, each focusing on the factors that determine the decisions behind insurance policies.

Results: The results show that there are four main factors that have a determining role which influence the attitudes towards insurance policies. The first is age, as the young are exposed to limited importance of insurances. The second is social status that explain how important respondents view insurances. The third factor is entrepreneurship and professional status as such roles require the expertise towards insurances. The fourth determining feature is media and social communication.

Conclusions: The conclusions emphasise that the attitudes towards insurance policies are greatly dependent on the education level and lifestyle of the respondents. Families differ in both social status and level of education, in terms of viewing insurance policies as indispensable and fundamental in the case of risk management and providing a secure future for family members.

Limitations and future research directions: The limitations of the research are due to its qualitative nature and the limited number of respondents involved in the stud. However in the future further interviews are to be conducted to reveal deeper connections with reference to social attitudes towards insurance policies.

Keywords: Insurance policies, attitudes, interview, social status, determining features

The Relationship Between Financial Personality and Financial Stress in Consumer's Decision-Making

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Background and introduction: Financial literacy and behaviour, as well as the skill to deal with stress, significantly influence the consumer choice. However, not much is found regarding how they interact with each other and in different social and cultural situations.

Objective: To analyse the impact of financial literacy upon financial conduct across behavioural segments and the association between knowledge and management of stress across cross-country and demographic variation.

Methodology: With the aid of OECD financial literacy survey statistics, we apply quantile regression to control for heterogeneous knowledge impacts on behaviour and multigroup factor analysis to verify invariance in the management of stress across countries, sex groups, and age groups.

Results: Findings show that financial literacy has heterogeneous behavioural-level effects. Stress management strategies are partially consistent across segments and show cultural and demographic differences in coping strategies.

Conclusions: Financial literacy influences decision-making and coping with stress in complex manners. Our outcomes reinforce the necessity of specialized financial education, adapted to the demographic and cultural environment, in order to enhance effective consumer decision-making.

Limitations and future research directions: The analysis is based on cross-sectional OECD survey data, constraining causality. There is a future direction to utilize longitudinal data and to examine psychological considerations and interventions in order to enhance financial literacy and stress management.

Keywords: Financial literacy, financial behaviour, financial stress, decision-making, quantile regression, factor analysis