

## EDITORIAL

Issue 3 Volume 20 Year 2018 contains four original scientific papers, one review paper, a review of the international scientific conference, the Subject-matter Index of the papers and the List of the Authors and Titles of all of the contributions published in the *Economic Horizons* in 2018. Simultaneously, we are indicating the fact that six scientific papers by the authors from abroad (Nigeria, China, Turkey, and Croatia) have been published in Volume 20 Year 2018, which accounts for 35.3% of the total number of the scientific papers published in the Journal in 2018.

Apart from the undisputed fact that corporate innovations and the application of technologies contribute to the improvement of business operations, *Alphonse Kumaza* does research into business innovations in the context social responsibility and companies' responsibility for the imperilment of the living environment. The research results show that companies' business-innovative technologies are not sufficiently oriented towards the promotion of social and ecological responsibility, but that the exclusive orientation of their business policy is reduced to the promotion, spreading, growth and profitability. As one of the reasons for suchlike behavior of companies and their weak ecological performances, the author sees their management lacking the needed understanding for the consequences of business operations, which manifest in the form of externalities, due to which, despite the continuous growth of their profits, companies are not interested in solving the same. The absence of companies' ecological responsibility is manifested in the negligence of the consideration of the issues of social and ecological sustainability, which has implications for the pollution and degradation of the living environment.

Starting from the attitude that organizations in many countries are faced with serious crises due to bad corporate governance, *Olubunmi Florence Osemene, Joshua Solomon Adeyele and Pauline Adinnu* are considering the manner in which the ownership structure and the characteristics of the boards of directors of the deposit money banks in Nigeria listed on the stock-exchange influence earnings management. By the analysis of earnings management in the five-year period from 2011-2016, a fact was established that private, foreign and government shareholdings, as well as the directors' tenures, have a negative impact on earnings management, whereas the number of the members of the Boards of Directors, the gender structure and the size of the bank do not have a significant impact. Based on the foregoing findings, the coauthors conclude that the ownership structure importantly influences earnings management, whereas the characteristics of the Boards of Directors, exempting the directors' tenures, do not significantly influence the earnings policy. Pursuant to the stated conclusions, the paper suggests that the 10-percent threshold of the government shareholding should be maintained, and a proposal is made for the regulatory and supervisory agencies to pay adequate attention to and monitor the activities performed by banks' directors in order to protect shareholders' interests.

On the basis of the perception of the position of the International Financial Reporting Standard for small and medium-sized entities, *Vladimir Obradovic* is testing the hypothesis stipulating that the option of applying the International Financial Standard for Small and Medium-sized Entities is more acceptable for the entities without public responsibility, but do prepare general purpose financial reports than the option of applying full IFRSs. The acceptability of the stated option is opted for due to the fact that it facilitates financial reporting of many enterprises which were obliged to apply the full IFRSs in an

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