EDITORIAL

In addition to the endeavors of the Journal Editorial Board aimed at improving the quality of the published contributions as well as increasing the visibility of the Journal through including it in the referent bases of the academic journals EconLit, EBSCO, Cabell's Directories, ProQuest ABI/INFORM, Index Copernicus, Ulrich's Web, we point out - particularly in relation with the openness of the Journal for scientific contributions from abroad - that the six original scientific papers written by the authors from abroad have been published in the Volume 16, Issues 1, 2 and 3 of the *Economic Horizons*, after the double-blind review process and revisions.

We would like to inform the domestic and international academic community that *Economic Horizons* has valued positively within the Index Copernicus Journals Master List 2013, and - in relation to the ICV (Index Copernicus Value) in 2012 (4.71) - received the grade / the rating 5.65.

Issue 3 of Volume 16, Year 2014 of the *Economic Horizons* scientific journal contains four original scientific papers, two review papers, a book review, the Subject Index of the papers published in the Journal in 2014, and the List of the authors and all contributions published in the *Economic Horizons* during 2014.

Starting from the relevant fact that the importance of the international aspect of the corporate sector taxation is particularly emphasized in the conditions of the increasing complexity of international economic relations, *Srdjan M. Djindjic* critically evaluates the complex effects of the deferral of the repatriation and reallocation of international income as well as the effects of the reform tendencies in the countries from the European Union (EU) on the achievements of international tax planning in the Republic of Serbia (RS). The three hypotheses have been confirmed through the research process: a) There is an inverse relation between the length of the period of the deferral of the repatriation of international income in a parent company in the country of residence and effective tax paying by a resident transnational corporation (TNC); b) The intensity of the international reallocation of income is in the function of the size of international differences in statutory tax rates on corporate income; c) During the taxation of TNCs, i.e. their subsidiaries, each redesign of the corporation income tax in the destination country has to be integrally considered with tax solutions in the countries of a TNC's residence.

Assuming that a corporate crisis is an inherent feature of business activities and a component of the risk management process in the contemporary turbulent business environment, *Jarosław Kaczmarek* explores the phenomenon of a business failure and assesses the degree of the financial security of industrial companies in Poland during the period of the economic transformation (1990-2013), particularly singling out the global economic crisis (2007-2013). After identifying the types of crises and their causes, the symptoms of deteriorating financial conditions have been quantified. The degree of the financial security of industrial companies in Poland has been empirically measured, and the trends and dynamics of changes and the corresponding interdependencies have been considered. In addition to the presentation of industrial mezzo structures, it has been confirmed through the research process that the degree of financial security can be regarded as a relevant symptom of changes to macroeconomic business cycles.

Starting from the insight that the purpose of the periodic rebalancing of the securities portfolio is to improve the performances of the existing portfolio through its adjustment to the market circumstances,

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Mikica Drenovak and Vladimir Rankovic test two portfolio rebalancing strategies – the one being based on the optimal value of the market risk, and the other being based on the optimal risk-return tradeoff. As a criterion for the initial portfolio allocation and rebalancing over the observed period, the optimal volatility or the Sharpe ratio has been used. The two relevant hypotheses that the minimum volatility strategy results in a portfolio with better risk performances compared to chosen benchmarks as well as that the maximum Sharpe strategy results in a portfolio with a higher Sharpe ratio compared to chosen benchmarks have been confirmed through the research process.

Relying on the claim that the efficient market hypothesis is the one of the most important theories in finance and the one of the most significant research areas for both developed and developing stock markets, *Fatih B. Gümüş* and *Feyyaz Zeren* test the random-walk hypothesis for the main stock market of the G-20 countries. After determining the linearity of the series, the Fourier ADF unit root test has been applied to the stock markets with a linear structure, while the Fourier KSS unit root test has been used for the Japanese stock market as the only one such market a having non-linear structure. It is pointed out that the efficient market hypothesis is valid for nine of seventeen countries, for the countries that have developed economies and stock markets as well.

The complex process of the transformation of the International Financial Reporting Standards (IFRS) into a single global language of financial reporting is followed by the relevant problem of their inconsistent application in different countries, i.e. with the resulting negative consequences for the global comparability of financial statements. As the principal causes of inconsistent accounting practices, *Vladimir Obradovic* discusses the flexibility of the IFRS provisions, modifications during their incorporation into national regulatory frameworks, as well as the diversity and unequal efficiency of national mechanisms for their imposing and the supervision of their implementation.

After the preliminary determination of time equations as the mathematical basis of the Time-Driven Activity Based Costing (TDABC) system, *Mirjana Tododrovic* considers the essential aspects of creating time equations and cost calculation, the issues of the application of the multiple factors of the duration of activities in time equations, as well as possible mistakes in time equations. The hypothesis that an application of time equations within the TDABC system enables an increasing accuracy of cost calculation and the determination of a cost price and enables us to simplify the procedure of costing with an acceptable cost/profitability ratio has been confirmed through the research process.

This issue of the Journal also contains a book review: Belch, E. G., & Belch, M. A. (2012). *Advertising and Promotion: An Integrated Marketing Communications Perspective.* New York, NY: McGraw Hill, written by *Katarina Radakovic.*

On behalf of the Editorial Board and my own behalf, I would, first of all, like to thank the authors of the contributions published in this issue. At the same time, we owe special gratitude to the reviewers for their efforts and constructive and critical comments and guidelines for the authors of the submitted manuscripts.

Besides the detailed Subject Index of the papers published in the Journal in 2014, this issue contains the List of the authors and all contributions published in *Economic Horizons* in 2014 as well.

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