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## Editorial

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**Biographical notes:** Peter Molnár is an Associate Professor at the University of Stavanger and at the Prague University of Economics and Business. His research focuses on financial modelling and energy economics. He is the author of research papers in distinguished academic journals like *Energy Economics*, *Finance Research Letters*, *Decision Support Systems*, *Journal of Economic Organization and Behaviour*, *Journal of Empirical Finance and Post-Communist Economies*. He participated in number of research project funded by the Czech Grant Agency.

Karel Brůna is an Associate Professor and the Head of the Department of Monetary Theory and Policy at the Faculty of Finance and Accounting at Prague University of Economics and Business. His research focuses on monetary policy, financial stability, dynamics of interest rates, and macroeconomics of open economy. He is the author of research papers in distinguished academic journals like *Energy Economics*, *Economic Change and Restructuring*, *Journal of Economic Organization and Behaviour*, *Economic Analysis and Policy*, and *Post-Communist Economies*. He participated in number of research project funded by the Czech Grant Agency.

David Procházka is the Head of the Department of Financial Accounting and Auditing at Prague University of Economics and Business. His research is focused on the specifics of IFRS adoption in emerging and transitioning economies. He has been a board member of the European Accounting

Association since 2017. He is actively engaged in the accounting profession, including cooperation with the Czech Accounting Board. Since 2022, he has been serving as a member of the EFRAG Financial Reporting Technical Expert Group.

Sagi Akron is a Senior Lecturer of Finance in the School of Business Administration, the University of Haifa. His research focuses on corporate finance and corporate governance – e.g., managerial compensation, corporate hedging, boards characteristics and performance, IPOs certification and governance, corporate social responsibility, economic uncertainty impact on corporate variables. He published papers in distinguished academic journals as *Journal of Corporate Finance*, *Journal of Financial Stability*, *Finance Research Letters*, *Tourism Management*, *Building and Environment*, *Eurasian Business Review*, and *Journal of Real Estate Research*. He is a Subject Editor in the *Journal of Multinational Financial Management* and the *European Financial and Accounting Journal*.

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This special issue consists of selected papers from the *22nd Annual Conference on Finance and Accounting (ACFA 2021)*. The Conference (<https://convention.vse.cz/>) is organised by the Faculty of Finance and Accounting at the Prague University of Economics and Business in the Czech Republic. The 22nd edition took place on 3–4 June 2021, with 64 submissions accepted for presentation in virtual scientific sessions. One of the main themes of ACFA 2021 was “Financial markets and stabilisation policies in turbulent times”. More than 100 participants from around the world presented and discussed relevant challenges brought by intensifying globalisation and the increasing importance of sustainable development and their impact on public regulation and supervision, monetary economics, banking, taxation, financial reporting or corporate finance and governance, focusing on local specifics in emerging markets.

This special issue aims to present contemporary research on the economic stabilisation policies being applied in case of financial and economic shocks preventing the financial markets from collapsing and dysfunction. All the submitted papers went through the double-blind review process following the rules of the *International Journal of Monetary Economics and Finance*. Four high-quality papers were accepted for inclusion in this special issue. These papers address specific topics related to the effects of the COVID-19 pandemic on the exchange rate, the effect of demographic changes on real interest rates, drivers of foreign exchange rate co-movements, recovery theorem and risk aversion, and price discovery on commodity futures markets.

In the paper ‘The effects of COVID-19 pandemic on the exchange rate: an empirical analysis for Turkey as an emerging economy’, Fatih Ayhan analyses the effects of the COVID-19 pandemic on the exchange rate using the case of the Turkish lira. The main determinants of the lira exchange rate against the dollar are empirically tested during the three-month period in the spring of 2020. The findings of the RALS regression model show that a daily number of COVID-19 cases, gold prices, and oil prices have a statistically significant negative effect on the lira exchange rate. The most influential factor in determining the lira exchange rate appears to be the oil prices.

Kristine Gevorgyan focuses in the paper ‘The effect of demographic changes on real interest rates: theory and empirical evidence from the OECD’ on declining real interest rates in the sample of OECD countries considering demographic changes as the main

explanatory variable in the framework of the three-period overlapping generation model. It is shown that a higher fertility rate is associated with an increase in the long-term interest rate and an increase in life expectancy (a decline in the mortality rate) is associated with a decline in the long-term interest rates.

The paper 'The Markov-switching drivers of foreign exchange rate comovements in the case of CEE countries' authored by Mercédesz Mészáros, Dóra Sallai and Gábor Dávid Kiss focuses on the problem of the co-movements of the exchange rates as a result of market contagion after exogenous shocks. They use Dynamic Conditional Correlation and Markov-Switching models using the sample of the Czech, Hungarian, and Polish exchange rates to test their co-movements with their euro area benchmarks between 2007 and 2020. The results show the heterogeneity of the regional currencies and that the regime changes reveal more similarities in the case of the Polish zloty and Hungarian forint than in the case of the Czech crown.

Finally, Martin Časta presents a paper on 'Recovery theorem and the risk aversion: evidence from the Czech Republic' that shows how to obtain expectations regarding the future development of the exchange rate using derived option probabilities and calculate the perception of risk by investors using the Ross recovery theorem for the CZK/EUR exchange rate. An expression of the Ross recovery theorem using different numeraire is used and a novel approach to the calculation of the implied risk premium is applied. The results show that both subjective and risk-neutral densities are not unbiased probability estimates of a future exchange rate. However, the results show a significant increase in implied risk aversion during the Covid19 pandemic.

In closing, we would like to thank the Editor-in-Chief of the *International Journal of Monetary Economics and Finance*, Professor Bruno Sergi, for giving us the opportunity to arrange this special issue. We also want to thank all the conference participants and reviewers whose comments improved the papers included in this special issue. Finally, we would like to thank all the authors that decided to submit their papers for publication consideration in this special issue. We hope that you will enjoy reading all these papers.