

## Abstracts in English

### **Mária Illés: Fisher's rate and ranking of investment projects**

This paper seeks to explain the formation mechanism and economic relationships of Fisher's rate and Fisher's intersection. The Fisher's rate is a discount rate at which the net present values of two investment projects are equal. This information is especially important when the ranking happens according to the net present value. However, net present value is not suitable for ranking. After removing distorting effects from the net present value method (and assuming equal required rate of return) this ranking list leads to the same ranking as the internal rate of return. Consequently, the knowledge of the Fisher's rate in business practices is irrelevant. The Fisher's rate and the Fisher's intersection can only have theoretical significance. The study works out the causal relationships that are necessary for existence of the intersection. Their analyses can give a better understanding of the content background of the net present value method.

**Journal of Economic Literature (JEL) code:** M21

**Keywords:** net present value, internal rate of return, ranking, Fisher's rate

### **Kármén Kovács: The improvement and the new manifestation of the Veblenian conspicuous consumption theory**

This paper focuses on how the Veblenian conspicuous consumption theory has been developed further by the theorists of modern economics. The connection between status, status goods and conspicuous consumption is underlined in the discussion. It is emphasized that the price has a multiple role, however, the hypothesized positive relation between price and quantity is not necessarily valid. The wide-ranging motivations and consequences of conspicuous consumption are also analyzed. Finally, the new features of conspicuous consumption are discussed, that is, instead of wasting money on goods, cultural capital and taste have become the core of conspicuous consumption, and instead of focusing on wealth, the contexts of income have become relevant.

**Journal of Economic Literature (JEL) Codes:** D11, Z13

**Keywords:** conspicuous consumption, Veblen effect, status, status goods

**Andrea Szabó: Testing the long run  
equilibrium relationship between the nominal exchange rate and  
monetary macro-fundamentals**

The pure time series testing of long-run monetary models of exchange rate determination and its fundamental building block, purchasing power parity, in the most cases fails to support the conjectures of the theory. Thus, the empirical literature increasingly uses the panel technique when testing both models because the power of the panel unit root and panel cointegration tests seems higher than their time series obverse. In the article we examine the validity of the monetary exchange rate models and purchasing power parity over the period 1996Q1-2011Q4 for US dollar exchange rates of 15 OECD countries using panel cointegration tests. The results show moderate empirical support for monetary exchange rate models and also purchasing power parity.

**Journal of Economic Literature (JEL) codes:** F31, F41, C33

**Keywords:** monetary exchange rate models, purchasing power parity, panel cointegration test

**Anett Fluskár: The role of franchise as a governance  
form in the economy**

Today franchise is becoming an increasingly common form of governance. Its popularity can be explained by the fact that a company can quickly expand and develop with the help of this business model. The franchise system affects the whole economy positively because it creates jobs and contributes to GDP. The paper is concerned with analyzing the role of franchise networks in the US economy which is considered to be the home of franchise, and also in European economy. Surveys, published by the International Franchise Association and the European Franchise Federation, provide information about the number of units, employment, payroll, the value of economic output and contributions of franchised networks to GDP. These data indicate that the franchise sector is playing a more and more important role in the economy, outperform other sectors, and considered to be the main engine of employment and economic growth.

**Journal of Economic Literature (JEL) codes:** D22, L14

**Keywords:** franchise, dual distribution, Franchise Associations

**Katalin Lipták: Analysis of labor market  
in Northern Hungary**

The aim of the paper is to reveal the main causes of unemployment and understand the labor market situation in Northern Hungary, as well as quantify and evaluate the changes in the employment structure. The main concern is about the changes in the number of registered job-seekers in Hungary and in particular, in the North Hungarian region. The author uses several tools to investigate this issue, such as shift-share analysis, linear regression, Lilien-index and Beveridge-curve. The Lilien-index suggests that in Northern Hungary the flow of sectoral labor force has exerted less and less influential power on

employment since the transition. Job vacancies and the high number of unemployed do not meet in Northern Hungary; the reason for that is the inadequate qualification level of the unemployed. The labor market position of the North Hungarian region is determined by the specific socio-economic situation resulting from the transition, so it will be useful the regionally differentiated employment policy in Hungary.

**Journal of Economic Literature (JEL) codes:** J21, R23

**Keywords:** labor market, Lilien-index, shift-share analysis