

THE IMPACT OF REFERENCE-DEPENDENT PREFERENCES IN VERTICAL PRODUCT DIFFERENTIATION

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The study examines the impact of economic decision makers' non-standard preferences (in particular, reference dependence and loss aversion) on the equilibrium of industrial organization models. We developed a behavioural industrial organization model that is based on the vertical product differentiation model of Belleflamme and Peitz (2010), but includes consumers' reference-dependent preferences and loss aversion. In the duopoly market, the reference price is determined by a suggested price proposed by a decision maker (Authority) that does not necessarily aim to maximise its profit. Based on the model, the study concludes that the publication of such a suggested price reduces both the equilibrium prices and corporate profits on the given product's market. Thus, it can be interpreted as a strategic instrument to reduce prices. Consequently, the reference price can serve as a tool for the Authority (e.g., a national government) to incentivize firms to engage in price competition and reduce their prices, thereby curbing inflation. However, whether the Authority exercises this option depends on its purpose.

THE RELATIONSHIP BETWEEN MUTUAL FUND FLOWS AND INVESTOR SENTIMENT IN THE HUNGARIAN STOCK MARKET

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The aim of this study is to examine the relationship between mutual fund flows, net asset value (NAV) changes of Hungarian mutual funds, and the Hungarian stock market. The research focuses on three main questions: (1) whether there is a relationship between mutual fund capital flows and stock market returns, (2) whether these data provide additional information, and (3) whether they have predictive power with respect to Hungarian stock market returns. The results show that equity fund flows, changes in net asset value, and the ratio of NAV between risk-free and risky assets are statistically significantly related to the monthly returns of the BUX index. An indicator constructed using principal component analysis (PCA) from these variables also shows a significant relationship with stock market returns (BUX and BUMIX), and increases explanatory power even when control variables (returns of the U.S. stock market, 10-year government bond yields) and investor sentiment indicators (VIX index, business confidence index) are included.

TWO COUNTRIES, TWO PATHS. TAX BURDENS AND WELL-BEING OF MINIMUM WAGE EARNERS IN IRELAND AND HUNGARY

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The tax burdens on single persons vary across the world. This leads to the question of how differences in the tax system, and thereby in the tax burdens, affect the welfare of individuals. This study examines the differences between Ireland and Hungary, based on the tax burden on single, childless citizens earning minimum wage. Since May 1, 2004, numerous changes have occurred in the tax systems of both countries, significantly influencing the tax and contribution burdens on their citizens, which may also have had an impact on the welfare of taxpayers. According to the research findings, a significant, strong, positive linear correlation can be observed between the Human Development Index (HDI) and the effective tax burdens on single individuals in the highlighted years in both countries. In Ireland, despite a two-rate and progressive income tax system, more complex social security system, and five different VAT rates, the effective tax burden on the analysed single individuals' minimum wage is significantly lower than in Hungary, thanks to the various reliefs. We conclude that a stable, progressive tax policy has a positive impact on the welfare of the poorer taxpayer segment.

ON THE SOCIETAL IMPACT OF BUSINESS RESEARCH

Imre Fertő

The societal impact of business research has so far remained limited, in part due to contradictions within economic and institutional frameworks, as well as internal barriers in the research community. While market mechanisms prioritize short-term profit and academic workshops aspire to high levels of theoretical rigour, the question of social benefit often becomes stuck between these dual demands. Focusing on Responsible Management Education (RME), social entrepreneurship, and corporate social responsibility (CSR), this study sheds light on how to forge a closer link between theory and practice. It identifies the challenges posed by “soft” funding conditions and difficult-to-compare metrics, and emphasizes that long-term results can only be achieved by promoting interdisciplinary collaboration, ethical and reflective research practices, and broad stakeholder engagement. The author concludes that business research can genuinely fulfil its transformative role only if the relevant institutions—whether public, market-based, or academic—coordinate and purposefully shape their incentives, thereby creating opportunities for innovations that are both theoretically robust and socially beneficial.