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Summary of PhD Thesis

STATISTICAL METHODS IN THE ANALYSIS OF CORPORATE REPORTING

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Summary

The doctoral thesis titled *STATISTICAL METHODS IN THE ANALYSIS OF CORPORATE REPORTING* (*„ABORDARI STATISTICE ÎN STUDIUL RAPORTĂRILOR COMPANIILOR”* – in romanian) analyzes the relationship between the quality of audit and financial reporting standards (SARS) and international capital flows, focusing on foreign direct investments (FDI) and foreign portfolio investments (FPI). This research incorporates a solid theoretical approach, complemented by a rigorous empirical analysis on an extensive sample of 84 countries over a ten-year period (2007-2017). Using advanced statistical methods such as fixed-effects models and dynamic GMM (Generalized Method of Moments) regressions, the thesis explores the economic, institutional, and contextual factors influencing the relationship between SARS and capital flows.

In a global economic context marked by the intensification of international capital flows, the quality of financial reporting and auditing has become a critical factor for attracting foreign investments. The International Financial Reporting Standards (IFRS) and the International Standards on Auditing (ISA) were created to ensure the transparency, comparability, and credibility of financial information. In developed economies, SARS plays an essential role in strengthening investor confidence, stimulating portfolio investments (FPI), which are characterized by high liquidity and increased sensitivity to the quality of information. On the other hand, in emerging economies, where the institutional framework is weaker, foreign direct investments (FDI) predominate, offering long-term stability.

The thesis addresses a significant gap in the existing literature, which tends to analyze the effects of SARS on FDI and FPI separately, overlooking the interdependence between them. The study proposes an integrated analysis, highlighting how SARS influences the balance between FDI and FPI depending on the economic and institutional context of each country.

The main objectives of the research are testing statistical methodologies that can be used to evaluate the impact of audit and financial reporting standards on foreign direct and portfolio investment flows; analyzing the impact of SARS on FPI and FDI flows in developed and emerging economies; identifying the economic and institutional factors that influence the relationship between SARS and international investments; investigating the dynamic and long-term effects of

SARS on capital flows, using advanced econometric models; and providing public policy recommendations for emerging economies aimed at attracting diversified foreign investments.

Lucrarea utilizează o combinație de metode statistice și econometrice pentru analiza datelor panel. Principalele tehnici aplicate includ: Modelul cu efecte fixe (Fixed Effects): Această metodologie controlează pentru variațiile inobservabile constante între țări, asigurând estimări robuste ale relațiilor dintre SARS și variabilele dependente (FPI și FDI); Modelul dinamic GMM (Arellano-Bond): Această tehnică abordează problemele de endogenitate și corelație serială, fiind potrivită pentru analiza efectelor pe termen lung ale SARS asupra fluxurilor de capital; Indicatorul SARS: Pentru a evalua calitatea standardelor de raportare și audit, studiul utilizează un indicator complex, care integrează dimensiuni precum transparența informațiilor financiare, independența auditului și conformitatea cu IFRS; Variabile de control: Modelul include factori macroeconomici și instituționali, precum PIB-ul per capita, stabilitatea politică, calitatea infrastructurii și nivelul de educație.

The study provides significant results, highlighting the differentiated impact of SARS on FDI and FPI depending on the level of economic development:

Impact of SARS on FPI: In developed economies, SARS play a crucial role in attracting portfolio investments. Investors value transparency and comparability of financial information, and robust SARS reduce information asymmetry and perceived risks.

Impact of SARS on FDI: In emerging economies, the effects of SARS on FDI are less pronounced, being influenced by contextual factors such as low labor costs and infrastructure levels. However, the implementation of more rigorous standards can increase investor confidence and attract more stable FDI.

Dynamics of FPI and FDI: The dynamic analysis conducted using the GMM model reveals that the effects of SARS on FPI are persistent and significant in the long term. In contrast, the influence on FDI is more variable and depends on the specific economic and institutional context.

Regional differences: The study identifies significant disparities between developed and emerging economies. In developed economies, SARS support a steady flow of FPI, while in emerging economies, the lack of strong standards limits access to liquid capital.

The paper integrates a unified perspective on the relationship between SARS, FDI, and FPI, complementing the existing literature that addresses these aspects separately. Additionally, the study introduces a complex indicator for evaluating the quality of SARS. The results provide concrete recommendations for policymakers in emerging economies, emphasizing the importance of adopting IFRS and ISA, as well as strengthening the institutional framework to attract diversified foreign investments. Implementing reforms tailored to the regional context can help reduce risks, strengthen investor confidence, and stimulate sustainable economic growth.

The paper demonstrates that audit and financial reporting standards play a crucial role in shaping international capital flows, influencing portfolio and direct investments differently depending on the level of a country's development. In developed economies, SARS stimulate portfolio investments by increasing transparency and reducing perceived risks. In emerging economies, the effects on FDI are more pronounced but depend on the institutional and economic context. The study provides a robust analytical framework and recommends the implementation of tailored policies to maximize the benefits of international capital flows, thereby contributing to financial stability and sustainable economic development.