

## EDITORIAL

After conducting the double-blind peer-review procedure and the improvement of the submitted manuscripts, the Issue 1 Volume 23 Year 2021 of the *Economic Horizons* scientific journal contains seven contributions apart from the Editorial, namely the four original scientific papers and two review papers and the review of the scientific conference.

Respecting the significance of innovations for economic successfulness, the coauthors *Sladjana Savovic*, *Dejana Zlatanovic* and *Jelena Nikolic* do research in the key aspects of the improvement of an enterprise's innovative potential. Pursuant to that, different possibilities of improving the innovative potential of enterprises are analyzed through technological acquisitions. Based on the conducted empirical research studies, the coauthors found that the acquisition of technologies and types of knowledge from external sources and the adjustment of external types of knowledge to the internally developed knowledge base led to the improvement of an enterprise's innovative potential, which confirmed the research hypothesis. Due to their significance, technological acquisitions are perceived as one of strategic options for the implementation of open innovations, which represent a contemporary paradigm in innovation management.

Analyzing the conditions of doing business of small and medium-sized enterprises, *Henry Osahon Osazevbaru* does research in the joint influence of the volatility of interest rates and the exchange rate on the performance of the Nigerian nonformal sector in the period from 1981 to 2018. The result of the empirical research confirmed the existence of a long-

term relationship between the volatility of interest rates and the exchange rate, on the one hand, and the performance of small and medium-sized enterprises, on the other, which suggests that all the relevant variables move in the same direction in the long run, i.e. that the volatility of interest rates and the exchange rate positively influence the performance of small and medium-sized enterprises. The author suggests that the economic policy makers should adhere to the interest rate and exchange rate regimes that will encourage greater investments in small and medium-sized enterprises, which would positively reflect on their performance.

Based on the movement of the gross domestic product, the real effective foreign-exchange rate and the money stock, *Radovan Kovacevic*, applies the econometric model to analyze the adequacy of the level of the foreign-exchange reserves of the Republic of Serbia (RS). The research results show that the gross domestic product, the real effective foreign-exchange rate and the monetary aggregate  $M_2/BDP$  are the important determinants of the RS foreign-exchange reserve level, simultaneously emphasizing the role of the GDP growth. The author also indicates that, while determining the specific indicator of the adequate level of foreign-exchange reserves, the dividends realized by foreign investors and certain portfolio investment segments should also be taken into consideration. The research study concludes that the current level of the Republic of Serbia's foreign exchange is greater than their optimal amount which is recommended by the standard criteria for optimality.

Pursuant to the significance of information about an enterprise's business decision-making segment, the coauthors *Vladimir Obradovic*, *Marko Milasinovic*

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and *Jasmina Bogicevic* point out the necessity for disclosing those pieces of information in compliance with regulations. The paper examines the adequacy of information about the segments of the listed enterprises in the Republic of Serbia and in the Republic of Croatia with the aim of determining the connection between the volume of disclosed financial information about the segments and the size of the enterprise and the character of the audit house. The research study showed that disclosing information about the segments was not generally in compliance with the International Financial Reporting Standard Number 8 and also that joint-stock companies with a greater value of their total assets disclosed financial information about the segments in more detail. The amount of the disclosed information about the segments does not depend on whether the audit of financial reports is performed by major or other audit houses, either.

Starting from the attitude that the Law on Fiscal Responsibility is important for the better fiscal management of and ensuring fiscal discipline, the coauthors *Santosh Borkakati* and *Konthoujam Gyanendra* indicate the fact that a law like this is particularly significant for federal states, where local governments are frequently included in the activities resulting in fiscal indiscipline. Pursuant to the mentioned need and starting from the weaknesses in the fiscal responsibility domain, India adopted the Law on Fiscal Responsibility and Budget Management in 2003, after which (in 2005) a law like this was also enacted in the Federal State of Assam in order to achieve better fiscal management. Analyzing the dynamism of the fiscal variables prior to and after the enactment of the Law, the authors establish a fact that an improvement was made in the State of Assam in the fiscal responsibility domain after the introduction

of the Law although there are sporadic fiscal shocks.

Analyzing how the economy works in the conditions of the pandemic caused by the Covid-19 virus, the coauthors *Hasnan Baber* and *D. Tripati Rao* do research in the influence of the lockdown and social distancing policies on economic activities in India. The research study conducted based on the data for the period from 1<sup>st</sup> January to 31<sup>st</sup> August 2020 shows that the decision on locking down India had as a consequence a gradual complete cessation in economic, social and religious activities. The obtained results reveal a significant negative influence of the social distancing policies on the economic activity and doing business, the stock market and the currency exchange rate. Simultaneously, the Indian Government's economic stimulus was unable to exert a positive influence on the stock market.

This Issue of the Journal contains *Dejana Zlatanovic* review of the International Scientific Conference entitled Contemporary Issues in Economics, Business and Management - EBM 2020 organized by the Faculty of Economics of the University of Kragujevac held online on 14<sup>th</sup> December 2020.

On behalf of the Editorial Board of the Journal and on my own behalf, I would first of all like to thank the authors of the contributions published in this Issue of the Journal. At the same time, my special gratitude goes to the reviewers, whose constructive and critical comments and suggestions intended for the authors of the submitted contributions have contributed to raising the quality of the published papers to a higher level.

Editor-in-Chief  
Vlastimir Lekovic

*Vlastimir Lekovic* is a full professor of the Faculty of Economics of the University of Kragujevac, in retirement. He earned his Ph.D. at the Faculty of Economics of the University of Kragujevac in the scientific field of general economics and economic development. He teaches the teaching disciplines of Institutional Economics in the master's studies, and Scientific Research Methodology and Market Regulation Policy in the doctoral studies. The key areas of his scientific research interest are the economic system, the economic policy, and institutional economics.