

ABSTRACTS

1. ACCOUNTING SUSTAINABILITY, BUSINESS ETHICS AND CORPORATE IMAGE: EVIDENCE FROM LISTED FIRMS IN THAILAND:

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ABSTRACT

The objective of this study is to examine the impacts of accounting sustainability and business ethics on corporate image of Thai listed firms. Accounting sustainability includes transparency, inclusiveness and auditability. Here, 114 Thai listed firms were chosen as the sample. The results show that transparency, inclusiveness and auditability have a significant positive influence on accounting sustainability. Also, business ethics is the moderator of the transparency-corporate image relationships. However, it does not moderate the inclusiveness-corporate image relationships and the auditability-corporate image relationships. In sum, business ethics is the partial moderator of the relationships. Thus, further study may consider finding practical reasons why it is so by reviewing extensive literature, or collecting a larger sample, for example. Potential discussion of the research results is implemented. Theoretical and managerial contributions are explicitly provided. Conclusion, suggestions and directions for future research are highlighted.

Keywords: Accounting Sustainability, Transparency, Inclusiveness, Auditability, Business Ethics, Corporate Image

2. FACTORS INFLUENCING THE EXTENT OF MANDATORY COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS: THE CASE OF KUWAITI LISTED COMPANIES

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ABSTRACT

The purpose of this study is to examine empirically the extent of disclosure compliance with international financial reporting standards (IFRSs) by 168 companies listed in the Kuwait Stock Exchange for the financial year ending in 2008 and to outline the underlying company characteristics affecting the compliance of companies with IFRSs. The results report that the extent of compliance with the disclosure requirements of IFRSs, measured by a self-constructed index, is 82%. Using multivariate regression analysis, this study provides evidence that the level of compliance is associated positively with company size, age, internationality and auditor and negatively with liquidity. There is also evidence that there are differences between industries. Noncompliance is also attributed to ineffectiveness in the functions of external auditors and enforcement bodies.

Keywords: Compliance, international financial reporting standards, company characteristics, external auditors, enforcement bodies, Kuwait

3. IS FOREIGN DIRECT INVESTMENT A CURE FOR ECONOMIC GROWTH IN DEVELOPING COUNTRIES? STRUCTURAL MODEL ESTIMATION APPLIED TO THE CASE OF THE SOUTH SHORE MEDITERRANEAN COUNTRIES

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ABSTRACT

In this paper, we study the effect of FDI over the economies of the Southern Mediterranean countries. Taking into account the spillover effects and based on the establishment of an applied to data panel structural two stage least square regression model, we attempted to indentify mechanisms through which FDI affects economic growth. The results of our model indicates that, human capital and to a lesser extend exports are the most dynamic factors in creating positive spillovers. However, these benefits do not seem to be large enough to generate positive growth, or at least to offset the FDI negative effects. This goes against most studies that tend in general to consider FDI as a homogeneous product that generates automatically positive effects over host economies.

Keywords: Foreign Direct Investment, Spillovers Effects, Economic Growth, Structural Model

4. DYNAMIC SERVICE STRATEGY AND THE ANTECEDENTS AND CONSEQUENCES: EVIDENCE FROM SPA BUSINESSES IN THAILAND

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ABSTRACT

This study is to investigate the influence of dynamic service strategy on corporate survival via service advantage, service effectiveness, service excellence, customer satisfaction, customer acceptance, and firm performance. In this study, five dimensions of dynamic service strategy (i.e. service innovation generation, service research and development orientation, continuous service improvement, proactive service enhancement, and transformational service mindset) are postulated. Also, it investigates the effect of antecedents (goal achievement focus, valuable employee competency, intelligent customer learning, and complex business competition) on dynamic service strategy. Corporate flexibility implementation and organizational adaptation capability are moderators, in the context of spa businesses in Thailand. Here, 158 spa businesses in Thailand were chosen as the sample. The results are partially supported on the hypotheses and the interaction is partial supported on hypotheses when we use corporate flexibility implementation and organizational adaptation capability as moderators. Contribution and suggestions for future research are provided.

Keywords: Dynamic service strategy; Service innovation generation; Service research and development; Continuous service improvement; Proactive service enhancement; Transformational service mindset; Service advantage; Service effectiveness; Service excellence; Customer satisfaction; Customer acceptance; Firm performance; Corporate survival; Goal achievement focus; Valuable employee competency; Intelligent customer learning; Complex business competition; Corporate flexibility implementation; Organizational adaptation capability

5. OBSERVED RATIONALIZATIONS FOR DISHONESTY IN A CLOSED GROUP

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ABSTRACT

This study addresses the troubling issue of the commonplace acceptance of dishonesty that has been observed in recent corporate scandals. Specifically, we looked at the degree to which individuals engaged in rationalizations to justify untrue statements and the extent to which they were supported in this behavior by others with something to gain. Traditional time and incentive limitations common to empirical research into honesty behavior are overcome by performing a qualitative study with direct participant observation of a televised high stakes contest over a period of two and a half months. Results of the study indicate that participants tended to freely make false statements, to rationalize false statements in predictable ways that were supported by others who had something to gain from those statements and did not appear to take into account the reputational effects of their behavior.

Keywords: Business Ethics; Honesty; Rationalizing Behavior; Group Behavior; Qualitative Research

6. DYNAMIC TECHNOLOGY CAPABILITY, FIRM COMPETITIVENESS ENHANCEMENT, AND ORGANIZATIONAL STABILITY: EVIDENCE FROM IT BUSINESSES IN THAILAND

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ABSTRACT

This study aims at investigating the impacts of dynamic technology capability on organizational stability through mediating influences of business knowledge creativity, corporate improvement integration, operational development excellence, and firm competitiveness enhancement via technology diffusion orientation, competitive dynamism, and business turbulence as moderators. Also, the association roles of proactiveness vision, technology competency, employee knowledge for technology growth, and stakeholder needs for technology improvement influence on dynamic technology capability are investigated, via change management efficiency as moderators. Dynamic technology capability consists of continuous learning mindset, critical innovation awareness, flexible IT implementation, and adaptable managerial function. Here, 115 information technology businesses in Thailand were chosen as the sample of the study. The results indicate that some dimensions of dynamic technology capability, business knowledge creativity, operational development excellence, and firm competitiveness enhancement have a positive significant effect on dynamic technology capability-organizational stability relationships. In addition, proactiveness vision, technology competency, and employee knowledge for technology growth are positively significant with the fourth dimensions of dynamic technology capability. Likewise, change management efficiency, technology diffusion orientation, competitive dynamism, and business turbulence have no moderating effect role on above mentioned relationships. Additionally, the potential discussion with the results is implemented in the study. Theoretical and managerial contributions are included. Conclusion, suggestions, and directions of the future research are also highlighted.

Keywords: Dynamic Technology Capability; Continuous Learning Mindset; Critical Innovation Awareness; Flexible IT Implementation; Adaptable Managerial Function; Business Knowledge Creativity; Corporate Improvement Integration; Operational Development Excellence; Firm Competitiveness Enhancement; Organizational Stability; Proactiveness Vision; Technology Competency; Employee Knowledge for Technology Growth; Stakeholder Needs for Technology Improvement; Change Management Efficiency; Technology Diffusion Orientation; Competitive Dynamism; Business Turbulence

7. GREENHOUSE GAS MITIGATION EFFORTS OF CHINESE STATE OIL COMPANIES AND THE IMPACTS ON THEIR FINANCIAL PERFORMANCE

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ABSTRACT

In the last few decades, global warming has become a legitimate issue and greenhouse gas (GHG) emissions have become a significant threat to our natural environment (Petersen et al, 2006). Historically, China has put economic growth interests ahead of the environment protection. As a result, China's carbon emissions per capita and per unit GNP are among the highest level compared with other countries, resulting a range of serious social problems (zhang & Stening, 2010). In November 2009, the Chinese government set specific GHG emission reduction targets, requiring the oil industry to establish monitoring and evaluation systems on GHG emissions. The purpose of this paper is to examine the efforts of the three Chinese state oil companies on mitigating GHG emissions, and the consequent impacts on their financial performance. This paper addresses the state oil companies (1) under the pressures of a shifting domestic social environment, (2) with the institutional pressures from western companies' partners, and (3) with coercive isomorphism, normative isomorphism and mimetic isomorphism among the three Chinese state oil companies. Findings suggest that more proactive environmental strategies have been developed by these companies in the last several years.

Keywords: GHG emissions; Chinese state oil companies; Environmental strategies; Financial performance

8. DYNAMIC LINKAGES BETWEEN OIL PRICES AND STOCK PRICES

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ABSTRACT

This paper examines the dynamic interactions among stock prices, oil prices and industrial production for Korea. From the empirical analysis, oil price and industrial production shocks explain significant portion of the fluctuations in stock price movements. Stock price and oil price respond positively to an industrial production shock implying that output growth leads to higher level of oil price and stock price. However, unlike the previous studies, stock price and industrial production respond positively to an oil price shock in Korea.

Keywords: Stock prices; Oil prices; Industrial production; VAR model

9. AN ANALYSIS ON THE LONG-TERM EFFECTS OF RURAL LABOR MIGRATION IN CHINA BASED ON THE MARKOV CHAIN METHOD

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ABSTRACT

The migration of rural labor to non-agricultural sectors helps solve three agriculture issues in China: dated agrarian methods, an overpopulation of rural areas, and an excess of supply of farm labor. But a large population and fast economic development may impede the process. The proportion of rural labor is large and the labor force participation rate is high, while education levels are low. Further, the elasticity

of employment is low, while economic growth is much faster than rural labor employment growth. Based on questionnaire data investigating rural labor markets, and utilizing the Markov Chain Method, a forecast is made of when the rural labor shift will stabilize, along with the three employment states' probabilities: (1) working and residing on the home farm, (2) leaving home but working near their hometown, and (3) leaving home and working far from their hometowns. It is projected that the rural labor shift will stabilize in 24 years. The probabilities of the three employment states mentioned above will be 5.9%, 45.4%, and 51.2%, respectively. These findings may contribute to policy decisions regarding city growth patterns, industrial development, and population migration.

Keywords: *rural labor stability, rural labor migration, labor force participation rate, employment elasticity, deviation of employment structure, Markov chain*

10. MISSISSIPPI RESIDENTIAL MORTGAGE FORECLOSURE: CONSERVATIVE OR NOT?

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ABSTRACT

This study analyzes the determinants of county level mortgage foreclosure start rates in the State of Mississippi with a focus on specific demographic variables including race, educational attainment, and marital status to determine if these factors affect county foreclosure start rates. The percentage of residents with a Bachelors Degree, the percentage of married couple headed households and nonfamily households, along with monthly owner costs including a mortgage are found to have a statistically significant negative correlation with the county foreclosure start rate.

11. ACCOUNTING PROFESSIONALISM, FINANCIAL REPORTING QUALITY AND INFORMATION USEFULNESS: EVIDENCE FROM EXPORTING FIRMS IN THAILAND

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ABSTRACT

This study aims at investigating the effects of accounting professionalism on information usefulness through mediating influences of financial reporting quality. Accounting professionalism consists of accounting practice focus, accountant's skill improvement, regulation implementation awareness, and professional ethic orientation. Data were collected by questionnaires administrated to the heads of accounting departments of exporting firms in Thailand, 65 completed questionnaires are used in the analysis. The results show that accounting practice focus, regulation implementation awareness, and professional ethic orientation have a significant positive effect on financial reporting quality, and financial reporting quality has a significant positive association with information usefulness. In contrast, accountant's skill improvements do not affect financial reporting quality. In addition, the results indicate that accountant competency is a moderator of the relationships between regulation implementation awareness and financial reporting quality, while competitive learning is not a moderator of the relationships between financial reporting quality and information usefulness. The implication, suggestions for further research, and limitations are also highlighted.

Keywords: *Accounting Professionalism; Accounting Practice Focus; Accountant's Skill Improvement; Regulation Implementation Awareness; Professional Ethic Orientation; Financial Reporting Quality; Accountant Competency; Competitive Learning; Information Usefulness*

12. THE VIX MARKET VOLATILITY INDEX AND U.S. STOCK INDEX RETURNS

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ABSTRACT

This study examines the intertemporal relationships between CBOE market volatility index (VIX) and returns of the S&P 100, 500, and 600 indexes during 1992-2009. We conduct the VIX-returns analysis separately for 1992-1997, 1998-2009, and 2004-2009 subperiods to account for previous evidence of structural shifts in VIX between these subperiods. Our results suggest a strong negative contemporaneous relation between daily changes (innovations) in VIX and S&P 100, 500, and 600 returns. This negative relation grows much stronger as we shift analysis from 1992-1997 to 2004-2009. The results suggest that the strength of contemporaneous VIX-returns relation depends on the mean and volatility regime of VIX, and that this contemporaneous relation is much stronger when VIX is both high and more volatile. Our results also indicate a strong asymmetric relation between daily stock market returns and innovations in VIX, suggesting that VIX is more of a gauge of investor fear than investor positive sentiment. However, unlike the contemporaneous VIX-returns relation, the asymmetric relationship between stock market returns and VIX is much weaker or nonexistent when VIX is large and more volatile. In fact, during 2004-2009, the contemporaneous negative relation between stock market returns and changes in VIX was the most dominating and the only significant relationship among the contemporaneous, asymmetric, and non-contemporaneous relationships between VIX and market returns.

Keywords: VIX, stock index returns, fear gauge, intertemporal relations

13. MODELING MORTGAGE REFINANCING DECISION

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ABSTRACT

We investigate whether a decision to refinance or not is influenced by socio-economic characteristics of different borrower groups. These characteristics may include immobility and lack of financial knowledge and information. We use the zip-codes of household borrowers as proxy for these socio-economic characteristics for loans originated in Los Angeles County. Our finding suggests that there is a relationship between socio-economic characteristics of borrowers and their refinancing decisions. Borrowers in certain geographic locations tend to miss significantly more refinancing opportunities, as defined by the interest rate difference between the original loan and market rates.

Keywords: refinancing decisions, transaction costs, socio-economic factors

14. EXPLORING THE UNIQUE CULTURE-SPECIFIC ENABLERS OF ENTREPRENEURSHIP IN IRANIAN SOCIETY

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ABSTRACT

The exploration of the nature of entrepreneurship in specific cultural contexts continues to be of significant relevance to many nations grappling with the challenges of economic development. In order to better understand the factors contributing to entrepreneurship success in Iranian society, we qualitatively

examined the interview transcripts of a select number of Iranian entrepreneurs. The study suggests that parental influence, economic need, politico-religious context, and entrepreneurial persistence are the dominant culture-specific enablers of entrepreneurship in Iranian society.

Keywords: Entrepreneurship, Culture, Cultural Orientation

15. CAUSES OF THE RECENT CONTRACTION IN THE U.S. CREDIT CARD MARKET

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ABSTRACT

This paper uses economic and financial principles to explain how changes in government regulations, corporate practices, and financial markets have collectively increased the cost and reduced the expected benefits of issuing and using credit cards. These inefficient changes in government policies and corporate practices demonstrate public sector failure and private sector failure, which are causing the credit card market to sharply contract. Unexpectedly high default rates have made credit cards unprofitable to issue; while high debt levels at high interest rates have made credit cards unaffordable to use by many consumers. This paper also examines projected future changes which could help revive the credit card market for consumers' use. The data, analysis, explanations, evaluations, and predictions provided by the author, are partly based on researched sources, including journal articles, government publications, and corporate news reports.

Keywords: Credit Cards, Financial Markets, Government Regulations, Public Sector Failure, Bank Lending, Private Sector Failure, Principles of Finance

16. ANALYSIS OF THE WEALTH EFFECT OF NEW PRODUCT INTRODUCTIONS WITH CONDITIONAL EVENT STUDY METHOD

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ABSTRACT

Given new product introductions are corporate voluntary events, we argue that the cross-sectional regressions using OLS or GLS in previous studies on the new product announcement effect are mis-specified and yield inconsistent results. We utilize the conditional event study method and find a significant difference between results from the traditional event study method and the conditional event study method. Our results suggest that product announcement contains valuable private information not incorporated into the market valuation of the products prior to the announcements. Under this circumstance, conditional event study model is a more desirable and valuable tool in analyzing the announcement effect of new product introductions.

Keywords: event study; conditional event study model; new product introduction

17. TESTING THE RATIONAL EXPECTATIONS HYPOTHESIS ON THE RETAIL TRADE SECTOR USING SURVEY DATA FROM MALAYSIA

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ABSTRACT

The rational expectations hypothesis states that when people are expecting things to happen, using the available information, the predicted outcomes usually occur. This study utilized survey data provided by the Business Expectations Survey of Limited Companies to test whether forecasts of the Malaysian retail sector, based on gross revenue and capital expenditures, are rational. The empirical evidence illustrates that the decision-makers expectations in the retail sector are biased and too optimistic in forecasting gross revenue and capital expenditures.

Keywords: REH, Unbiasedness, Non-serial Correlation, Weak-form Efficiency

18. R&D, MARKET STRUCTURE AND APPROPRIABILITY IN THE BRAZILIAN MANUFACTURING

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ABSTRACT

Recent studies suggest that firms use not only patents but a mix of appropriability mechanisms (MAM) as R&D protection strategy. This paper presents empirical evidence on the relationship between R&D, market structure and a mix of appropriability mechanisms in Brazilian manufacturing firms. Our results suggest that market share and MAM increase firm's R&D likelihood.

Keywords: R&D, market structure, appropriability, Brazilian manufacturing

JEL codes: L10, L21, 032
