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**ABSTRACTS****1. EFFECTS OF ENTREPRENEURIAL CAPACITY ON BUSINESS STABILITY OF SMEs IN THAILAND**

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**ABSTRACT**

*This research focuses on linkages between strategic entrepreneurial capacity and business stability of small- and medium-sized enterprises (SMEs) through operational excellence, strategic adaptation and learning competency. In SMEs manufacturing industry context, technology intensity and competitive intensity are moderators. Through area research supplemented by a review of related literature, this study identifies entrepreneurial capacity and strategy action that are significant to successful business stability. We used the model testing of the data collected from 173 SMEs manufacturing industry in Thailand. Overall the result revealed that relationship has positive influence on business stability, but the interaction is not significant when we use the technology intensity and competitive intensity as moderators. Contribution and suggestions are provided for the further research.*

**Keywords:** *Entrepreneurial Capacity; Innovativeness; Risk-taking; Proactiveness; Operational Excellence; Strategic Adaptation; Learning Competency; Business Stability*

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**2. ENVIRONMENTAL STRINGENCY AND FOREIGN DIRECT INVESTMENT INFLOWS: TESTING THE POLLUTION HAVEN HYPOTHESIS IN CHINA**

Yuanfei Kang, Massey University (Albany), Auckland, New Zealand  
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**ABSTRACT**

*The effect of environmental regulations on FDI inflows in host countries has been one of the most contentious controversies in the area of FDI research. It is suggested that low environmental standards in developing countries make them attractive to pollution-intensive industries, turning these countries into pollution havens. By examining the effect of environmental stringency on FDI inflows in China, this paper aims to test the validity of pollution haven hypothesis in the context of China. Based on FDI location theories, a theoretical model is developed and then empirically tested by using macro data at country-level. As a location-specific variable, environmental stringency is integrated into the FDI location determination model, which is formulated to test the pollution haven hypothesis. Evidence does not support the pollution haven hypothesis in the setting of China, as empirical results demonstrate that environmental regulation is not a significant factor determining FDI inflows to China.*

**Keywords:** *Pollution haven hypothesis, foreign direct investment, environmental stringency, China*

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**3. THE COSTS AND BENEFITS OF GLOBALIZATION IN LIGHT OF THE RECENT RECESSION IN THE AMERICAN ECONOMY**

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**ABSTRACT**

*This paper attempts to demonstrate some essential costs and benefits associated with the globalization regime. These costs and benefits are incurred and received by most members of the world community, and the paper emphasizes the most important ones in light of the recent recession in the American economy,*

*which started on December 2007. The paper does not recommend for isolation, but the costs of globalization must be controlled by the world community in order to generate the best outcomes. The paper advocates a fixed foreign exchange system in order to avoid structural economic dislocations through the depreciation and the appreciation of the exchange rates. A basic change is recommended, which is the elimination of outdated imperialist adventures, and some economic policies are suggested in order to enhance the global competitiveness of the United States.*

**Keywords:** *Economic dislocation; Financial integration; Financialization; Underdevelopment; Economic surplus; Recession*

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#### **4. METHODS OF CONSOLIDATION UNDER COMMON CONSOLIDATED CORPORATE TAX BASE**

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##### **ABSTRACT**

*The aim of the paper is to make a comparative analysis of the group taxation regimes and consolidation rules in EU Member States and to discuss the regulation suggested in that area by European Commission in Common Consolidated Corporate Tax Base (hereinafter as CCCTB) draft directive. At the end, there should be also suggested solutions to questionable regulations. Theoretical background of the paper presents the possible basis, which could be used by European Commission in drafting the rules. Second part of the paper presents the research of the rules which are used in individual EU member states for group taxation and consolidation. Third part of the paper shows the rules comprised in CCCTB draft directive and discusses mainly the problems connected with suggested simplified consolidation methods. All the aspects are analyzed with the use of concrete examples and schemes.*

**Keywords:** *Common consolidated tax base, consolidation, simplified methods, IAS/IFRS*

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#### **5. THE IMPACT OF INSTITUTIONAL QUALITY ON CAPITAL STRUCTURE, COST OF CAPITAL AND PROFITABILITY OF EMERGING MARKET PROJECTS**

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Paul J. Maloney, Providence College, Rhode Island, USA

##### **ABSTRACT**

*Institutional quality impacts the capital structure, cost of capital and value of projects in emerging markets. While we recognize the risk and high rates of return in emerging market investments, our analysis confirm why most foreign direct investments are equity financed instead of debt financing. Through equity financing, foreign investors share the investment risk with domestic investors and liquidity crisis triggered by sudden repudiation in debt payments is reduced.*

**Keywords:** *Foreign direct investments; institutional quality, capital structure and cost of capital*

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## 6. SOURCES OF INTERNATIONAL MOMENTUM: AN EMPIRICAL STUDY

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Chengru Hu, State University of New York at Canton, Canton, New York, USA

### ABSTRACT

*There is substantial evidence of significant variations in performance of momentum-based strategies on international equity markets. This article reviews the evidence of such phenomenon with a sample of about 20,000 stocks from 18 developed countries during 1973-2001. We explore several explanations to such phenomenon. Specifically, we investigate if institutional and cultural differences across countries explain the cross-country variations in momentum returns. We also examine whether style investing is a potential source of price momentum.*

**Keywords:** *Momentum Strategies; Market Efficiency; Institutional and Cultural Differences; Style Momentum; Transaction costs*

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## 7. INTRADAY RETURN BEHAVIOR OF THE FIVE-MINUTE SHANGHAI STOCK EXCHANGE COMPOSITE INDEX

Hua Wang, Alibaba Group, Hangzhou, China

Yan Yu, University of Cincinnati, Cincinnati, OH, USA

Min Li, California State University-Sacramento, Sacramento, California, USA

### ABSTRACT

*This paper examines the intraday return behavior of the Shanghai Stock market with five-minute Shanghai Stock Exchange Composite Index (SHCI). Analysis of Variance and nonparametric tests are used to test the existence of significant time-of-the-day variation and day-end effect. Some intraday seasonal patterns are found. SHCI does not follow a Random Walk at a microstructure level according to the variance ratio test, indicating the returns are predictable to some degree. Several volatility models are applied to identify this predictability.*

**Keywords:** *GARCH, high-frequency data, intraday volatility, random walk*

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## 8. PREDATORY PRICING AND THE RECOUPMENT PERIOD: AN INVESTMENT MODEL

Raymond Jackson, University of Massachusetts- Dartmouth, USA

### ABSTRACT

*Antitrust cases in the United States involving predatory pricing must now consider the plausibility of the predator recouping its losses in addition to the need to show evidence of below cost pricing. A model is developed to estimate a dominant firm's investment in predation during the predatory period and its resulting net monopoly gains during the recoupment period. A breakeven recoupment time-period is then calculated indicating the minimum years of monopoly gains needed to justify the predatory strategy. Where market growth is strong, the length of the breakeven recoupment period can be quite short but is highly sensitive to the number of predatory years required to eliminate the fringe sector and deter reentry.*

**Keywords:** *Predatory Pricing, Antitrust Policy, Recoupment Period*

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## 9. STOCK MARKET REACTION TO CAPITAL CONTROL ANNOUNCEMENTS: EVIDENCE FROM INDUSTRIAL FIRMS IN THAILAND

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Jittima Tongurai, Oita University, Oita, Japan

### ABSTRACT

*We test the hypothesis that the imposition of capital control lowers stock prices, thereby increasing the firms' cost of equity capital. Based on a sample of 60 industrial firms listed on the Stock Exchange of Thailand (SET), we find that the average abnormal stock return for the industrial firms on the announcement day of the imposition of capital control in Thailand in 2006 is positive, albeit not statistically significant, while the average abnormal return on the effective date (Day 1) is -2.39 percent and statistically significant. Also, regressions results suggest that prior firm performance tends to positively affect abnormal stock returns around the announcement of the imposition of capital control, whereas firm size and financial risk have no effect on abnormal stock returns.*

**Keywords:** *abnormal return, event studies, capital control, Thailand*

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## 10. A CROSS-CULTURAL COMPARISON OF CONSUMER MISBEHAVIORS

Jungki Lee, Korea University-Sejong, Korea

### ABSTRACT

*This study explores consumer misbehaviors in a cross-cultural context. Using the theory of justice as a theoretical framework, the study contrasts the occurrence pattern of consumer misbehaviors between Korea and the United States. The presence of differences in distributive misbehaviors and procedural misbehaviors were observed, implying the culture's intervention on the occurrences of consumer misbehaviors. Managerial implications and future research directions are provided.*

**Keywords:** *consumer misbehaviors, cross-cultural comparison, theory of justice*

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## 11. ASSESSMENT OF IT OUTSOURCING TO RUSSIA

Alexander I. Mechitov, University of Montevallo, Montevallo, Alabama, USA

### ABSTRACT

*The paper discusses Russia as a perspective location for IT offshore outsourcing projects. Based on IT outsourcing success factors, commonly considered by IT professionals, the authors analyze the positive and negative aspects of Russia as an outsourcing location. The list of success factors under consideration includes local business climate, legal and political environment, security and privacy issues, and some other concerns.*

**Keywords:** *IT outsourcing, outsourcing factors, Russia*

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## 12. MEAN VARIANCE ANALYSIS FOR THE MALAYSIAN EQUITY SECURITIES

Xuan W. Wong, Multimedia University, Malaysia  
Lan T.P. Nguyen, Multimedia University, Malaysia  
Sayed Hossain, Multimedia University, Malaysia

### ABSTRACT

*This study attempts to construct optimal portfolios by employing traditional method - Quadratic Programming Model (QPM) introduced by Markowitz (1952). We then construct efficient frontier for all the optimal portfolios. Using ISI Emerging Market database, we collect daily returns from one thousand stocks listed in Kuala Lumpur Stock Exchange (KLSE) during the period of January 2005 to February 2009. We focus on stocks with more-than-zero average monthly returns and have at least 36 monthly data. Our seven constructed optimal portfolios give choices to different risk-averse investors on their investment decisions on the KLSE stocks. Our tests for in-sample and out-sample periods confirm the robustness of our constructed portfolios.*

**Keywords:** mean-variance, optimal portfolio, KLSE, The Malaysian stocks, quadratic programming

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## 13. ECONOMIC GROWTH, ECONOMIC FREEDOM, AND GOVERNANCE

Richard J. Cebula, Armstrong Atlantic State University, Savannah, GA, USA  
Marcus Ekstrom, Armstrong Atlantic State University, Savannah, GA, USA

### ABSTRACT

*This study examines the impact of various forms of economic freedom and various dimensions of governance, as well as a number of economic factors, on economic growth among OECD nations. The study period runs from 2004 through 2007. Panel least squares estimation finds that the natural log of per capita purchasing-power-parity adjusted real GDP in OECD nations is positively impacted by business freedom, monetary freedom, investment freedom, fiscal freedom, and property rights security. Economic growth is found to be negatively affected by perceived government corruption while being positively impacted by political stability. Other findings indicate that higher long term nominal interest rates inhibit economic growth, while net export growth enhances economic growth.*

**Keywords:** Economic Growth; Economic Freedoms; Good Governance

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## 14. APPLICABILITY AND ACCEPTANCE OF ONLINE AND OFFLINE INSTRUCTION FOR INTERNATIONAL EDUCATION

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### ABSTRACT

*The empirical research described in this paper investigates the applicability and acceptance of online instruction by students in an international MBA program in Moscow, Russia. Based on survey results, we analyzed and compared the online instructional format versus other instructional formats like "Face-to-Face", "Web-assisted", and "Hybrid". We also analyzed relationships between online teaching and the students' attributes such as age, education, work experience, position, salary, and type of employment. We have developed eight research hypotheses that were tested based on the survey data.*

**Keywords:** Instructional Format, Online, Face-to-Face, Hybrid, Web-Assisted, MBA, Russia

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## 15. SUSTAINABILITY OF AN OFFSHORE EDUCATION PROGRAM IN VIETNAM: EXPECTATIONS, NEEDS AND PERCEPTIONS OF STUDENTS

Denis G. Vinen, Swinburne University of Technology, Melbourne, Victoria, Australia

### ABSTRACT

*Offshore education programs provided by Australian universities have become a significant component of the internationalization of their education activities as they seek to gain a competitive advantage in international markets. A major problem however in delivering these programs is how to ensure both the sustainability and quality and effectiveness of the education service being provided. The requirements and expectations of offshore program stakeholders and how well a particular program meets these needs is critical for providing and maintaining a quality experience. Awareness of these obligations may enable Australian universities to initiate a more systematic and strategic planning process to ensure that such offshore ventures will be successful. A major study involving all stakeholders of an offshore business education program in Vietnam was undertaken by the author in an effort to identify and evaluate the factors that contribute to the sustainability of the program. This paper reports on part of that study. Specifically, it reports on student expectations, needs and perceptions when they enrolled in the program and whether these were achieved during the student's study time in the program; together with student observations of the strengths and factors influencing sustainability of the program. The results revealed a range of issues and attributes that can be considered as critical success factors required for an offshore education program to succeed.*

**Keywords:** *Offshore Business Education, Student Expectations, Needs, Perceptions, Quality Education*

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## 16. WHAT IS THE VALUE OF CORPORATE SOCIAL RESPONSIBILITY? AN ANSWER FROM BRAZILIAN SUSTAINABILITY INDEX

José Luiz Rossi Júnior, Insper Institute of Education and Research, São Paulo, Brazil

### ABSTRACT

*Using a sample of non-financial Brazilian companies from 2005 to 2007, this paper analyzes whether corporate social responsibility (CSR) has an impact on firm value. Using companies' Tobin's Q as a proxy for their market value, the paper finds that firms that compose the Bovespa Corporate Sustainability Index (ISE) are traded at a premium compared to the other publicly traded firms. They also indicate that the positive impact of these policies is independent of the econometric method and period analyzed. The result is also robust with relation to the inclusion of control variables. In addition, after controlling for self-selectivity, the results confirm that the benefits of corporate social responsibility policies surpass the possible costs implied by the adoption of such policies, leading corporate social responsibility to exert a positive impact on firm value. The results of the estimation are in line with studies by Lo and Sheu (2007) for companies in the Dow Jones sustainability index, displaying evidence that for Brazilian companies there is a significant gain in adopting social responsible policies.*

**Keywords:** *Sustainability, firm value, Tobin's Q*

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## 17. THE COINTEGRATION OF STOCK PRICES AND ECONOMIC FACTORS

Janikan Supanvanij, St. Cloud State University, St. Cloud, Minnesota, USA

### ABSTRACT

*This paper examines the long-run relationship between stock prices and its determinants, including earnings, interest rate, term spread and consumer price index. The sample consists of S&P500 stocks during 1997-2008. Johansen's cointegration test and Variance decomposition method are also employed in this study. Results show that economic factors can affect the stock price movement in short-run and long-run.*

**Keywords:** *Stock Price, Earnings, Interest Rates*

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