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**ABSTRACTS****1. PROFIT PLANNING EFFICIENCY, GOAL ACHIEVEMENT, AND FIRM SUCCESS: EVIDENCE FROM CANNED FOODS BUSINESS IN THAILAND**

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**ABSTRACT**

*The objective of this study is to examine four components of profit planning efficiency, goal achievement, and firm success. The key research question is how profit planning efficiency has an influence on goal achievement and firm success. Questionnaire is used as an instrument for data collection and accounting manager of each firm is the key informant. The regression analysis is employed as an examination of all hypotheses. Data are collected from the sample of 967 canned foods business in Thailand. The overall results indicated partially significant positive effect on the relationships among profit planning efficiency, goal achievement, firm success, business environment perception, accounting information usefulness, and employee cooperation quality. Learning culture definitely moderates the planning communication effectiveness on goal achievement and firm success. Hence, theoretical and managerial contributions are provided and limitations of the study and suggestions for further research are presented accordingly.*

**Keywords:** Profit Planning Efficiency, Planning Communication Effectiveness, Resource Allocation Efficiency, Activity Coordination Quality, Operational Controlling Competency, Goal Achievement, Firm Success, Business Environment Perception, Accounting Information Usefulness, Employee Cooperation Quality, Learning Culture

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**2. THE LOAN-BOND SPREAD AS A PREDICTOR OF REAL ECONOMIC ACTIVITY: EVIDENCES FROM 20 EUROPEAN COUNTRIES**

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**ABSTRACT**

*The high-yield and paper-bill spreads have been found as robust predictors of real economic activity. These results are due to a pro-cyclical impact of the spread on economy since the external finance premium is negatively related to the expected economic conditions in the future. The majority of credits extended to borrowers in most countries, however, are through bank financing. Therefore, the loan-bond spread (spread between bank lending and government bond rates) may also exhibit the similar pro-cyclical relationship found for the spreads of direct financial instruments in the U.S. and U.K. However, banks have advantages over securities market in solving problems of asymmetric information through their long-term customer relationships and line of credit arrangements. This may imply less pro-cyclical impact on real economic activity. Quarterly data for twenty European countries are analyzed using a panel study framework. The results show that the loan-bond spread has a significant negative impact on future real GDP growth rate in the long term. This negative relationship, however, becomes insignificant in the analysis of the Eastern European countries and stronger in magnitude for the Western European countries. It may be due to the conjecture that, for the countries in Eastern Europe, the monetary actions are fully absorbed by the inflation and the spread has no additional information beyond that already contained in other predictors, or the signals produced from the financial markets are inefficient as their financial and government bond markets are relatively immature and shallow in liquidity.*

**Keywords:** Financial Accelerator, credit spread, pro-cyclicity, loan-bond spread

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### 3. INFLATION TARGETING PERFORMANCE FOLLOWING FINANCIAL CRISES 2008

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#### ABSTRACT

*Following Filho (2010) and applying Ball's (2010) method, I evaluate the performance of inflation targeting regime under both advanced and non-advanced countries in comparison with non-inflation targeting regime following the onset crises 2008. I estimate the effect of inflation targeting on the post crises 2008 change in the output growth and I find that following financial crises 2008 inflation targeting does matter for advanced countries. This result is fairly robust to the several control variables including (i) the growth rate before the crises 2008 and (ii) policy rate cut at the onset crises 2008. Moreover, I could not find robust evidence that following financial crises 2008 inflation targeting does matter for non-advanced countries.*

**Keywords:** *Inflation Targeting, Monetary Policy, Credibility*

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### 4. COMPETITIVE ADVANTAGE AS A MEDIATOR OF THE RELATIONSHIP BETWEEN ENVIRONMENTAL INFORMATION DISCLOSURE QUALITY AND SUSTAINABLE GROWTH

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#### ABSTRACT

*Previous research on environmental information disclosure has examined various aspect of environmental disclosure. The especially studies the relationship between environmental information disclosure and corporate performance consistently evidences mixed results. The purpose of this research is to investigate the mediating effect of competitive advantage as stakeholder credibility and corporate reputation on the relationship between environmental information disclosure quality and sustainable growth. The results showed that competitive advantage, namely stakeholder credibility and corporate reputation as mediator variables for positive relationship between environmental information disclosure quality and sustainable growth. Moreover, this findings clarify the effect of environmental information disclosure on corporate performance is not direct, but competitive advantage as stakeholder credibility and corporate reputation are a significant mediator in association between environmental information disclosure quality and sustainable growth of the firms using resource-based view perspective.*

**Keywords:** *Environmental Information Disclosure Quality, Stakeholder Credibility, Corporate Reputation, Sustainable Growth*

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### 5. INTERPRETATION OF ARTICLE XX OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE

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#### ABSTRACT

*Interpretation of the general exceptions in Article XX of the General Agreement on Tariffs and Trade has been subject to conflicting views ranging from environmentalists who give environmental protection preference over trade liberalization objectives to those who give preference to trade values over environmental protection such as the WTO Appellate body and panel. Despite attempts to resolve the issue by trying to create some balance between trade liberalization objectives and environmental protection, the issue is still unresolved. Moreover, GATT/WTO panel and Appellate Body interpretations of Article XX are still insufficient to clarify the issue as such interpretation varies from one panel to another depending on the specific decided case. This paper seeks to examine the interpretation of Article XX of the GATT in light of the WTO panel and Appellate body reports issued in specific cases related to complaints regarding contravention made to Article XX by some member states. One of the key cases*

where the Panel and Appellate body addressed the interpretation of Article XX of the GATT was United States - Imports Prohibition on Certain Shrimp and Shrimp Products case. Examination of the Appellate body decision in that case indicates that the Appellate body still gives preference to trade liberalization values over environmental protection.

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## 6. MISATTRIBUTION BIAS AND HIS INFLUENCE AT FINANCIAL MARKETS

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### ABSTRACT

*Recently, interest is growing regarding investor mood and its influence on behavior risk tolerance. The level of risk tolerance of an individual has a direct influence in consumption and in the way he/she will assign his/her assets; thus, it is understandable that less tolerant individuals look for safer options for their investments. However, most works have been empirical investigations. This paper shows that the work by Shan (2010) bridges the gap between empirical findings and financial theory. With his model we show how investor mood variations can affect equilibrium asset prices and expected returns. Analysis results indicate that both equity and bill prices are positively correlated to investor mood, with higher asset prices associated to better mood. Also, the mood effect on asset prices increases when investors are in a good mood, and mood variations exhibit a greater influence on equity markets than on bill markets.*

**Keywords:** Mood; Misattribution bias; Shan (2010) model

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## 7. VALUING EMPLOYEE STOCK OPTIONS USING THE CRR BINOMIAL MODEL

Jim Chen, Norfolk State University, Virginia, USA  
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### ABSTRACT

*Employee stock options are widely used. FAS 123(R), Share-Based Payment, issued in December 2004 requires all entities recognize an expense for employee stock options at the grant date using a fair-value-based option pricing model adjusted for the unique characteristics of those instruments. The Cox, Ross, and Rubinstein (CRR) binomial model, a lattice model that converges to the Black-Scholes (BS) model when the number of periods to expiration approaches infinity, meets the requirements of FAS 123(R), can factor in the often complex characteristics of the ESOs and always gives a lower option value than the BS model. This paper demonstrates the implementation of the CRR model using Microsoft Excel and shows that the constant dividend yield, early exercise and cliff vesting can be easily factored into the CRR model.*

**Keywords:** FAS 123(R), Employee Stock Options, Fair-Value-Based Option Pricing Model, CRR Model

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## 8. TRANSFORMATIONAL LEADERSHIP, ORGANIZATIONAL INNOVATION CAPABILITY, AND FIRM PERFORMANCE OF COSMETIC BUSINESSES IN THAILAND

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### ABSTRACT

*This study investigated the relationships among transformational leadership (idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration), organizational innovation capability and firm performance by using market culture as a moderator, and self-efficacy, emotional intelligence and learning competency as antecedents of transformational leadership in the context of cosmetic businesses in Thailand. The model used in this study was explained by using resource-based view and contingency theory. The sample involved 128 cosmetic businesses in Thailand. The statistic results revealed that among all four dimensions of transformational leadership, only Idealized influence had an effect on organizational innovation capability. Organizational innovation capability was found to have a positive effect on firm performance. Market culture was not a moderator of the relationships among four dimensions of transformational leadership and organizational innovation capability and it was not a moderator of the relationships between organizational innovation capability and firm performance. Self-efficacy and learning competency had only a partial positive relationship on four dimensions of transformational leadership.*

**Keywords:** Transformational Leadership, Organizational Innovation Capability, Market Culture, Self-Efficacy, Emotional Intelligence, Learning Competency.

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## 9. THE IMPACT OF THE EXTERNAL AUDITOR'S PAST ASSOCIATIONS WITH EARNINGS RESTATEMENTS ON PERCEPTIONS OF CURRENT AUDIT QUALITY

R. Steven Flynn, Thomas More College, USA

### ABSTRACT

*Recent archival research suggests that the deleterious market consequences experienced by a firm when it announces an earnings restatement may transfer to non-restating firms that possess a common characteristic with the restating firm, a phenomenon commonly referred to as a contagion effect. While this immediate result may arise when firms share common industries and board directors, its longer-term impact on the external auditor remains less clear. Using an experimental case focused on earnings credibility, this study empirically examines nonprofessional investors' perceptions regarding the extended effect of earnings restatements on the external auditor. It finds that investors generally do not believe that an impairment to audit quality occurs when a non-restating firm employs an auditor associated with past earnings corrections. These results suggest that the auditor may largely elude any long-term consequences of earnings restatements and that his/her prior associations with these corrections may not impact perceptions of the quality of his/her current work.*

**Keywords:** Earnings Restatements, Nonprofessional Investors, Audit Quality, Earnings Quality

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## 10. PURCHASING POWER PARITY: A CHINA/U.S. EXPLORATION

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### ABSTRACT

*Purchasing Power Parity (PPP) is a theory that the equilibrium exchange rate will adjust by the same magnitude as the differential in inflation rates between two countries. The purpose of the study is to investigate the existence of PPP using the examples of the United States and the emerging China economy. I test the hypothesis using monthly data from 2006-2012, before, during, and after the financial crisis in 2008. If the null hypothesis is rejected, PPP does not hold. I also investigate the effects of financial crisis on the validness of PPP. Results do not support the PPP theory in any of the research periods. The effects of financial crisis on PPP are also examined.*

**Keywords:** *Purchasing Power Parity, 2008 Global Financial Crisis, U.S Dollar, China Yuan, exchange rate*

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## 11. THE PERCEIVED ETHICALITY AND EFFICACY OF FEAR APPEALS: THE USE OF GRAPHIC WARNING LABELS IN THAILAND

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### ABSTRACT

*Despite the noted persuasive effects of fear appeals in public health campaigns, there are criticisms of the ethicality of such appeals because they may create unnecessary concerns among audiences. This study examines the perceived ethicality of strong and mild fear appeals and their effect on attitude toward the package, attitude toward the product, and intention to change behavior in the context of an anti-smoking campaign launched in Thailand. A between-subjects experimental design involving 205 Thai smokers was implemented to measure the effects of "strong" and "mild" graphic warning labels (GWL). Results indicate that the "strong" fear appeal is considered unethical, yet, effective in creating unfavorable attitudes toward the cigarette package and toward cigarettes. Interestingly, although the strong fear appeal prompted the highest intention to quit smoking, as compared to that stimulated by the mild fear appeal, intention to quit smoking is at a low absolute level.*

**Keywords:** *Fear appeal, ethicality, anti-smoking campaign, experimental design*

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