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**ABSTRACTS****1. PUBLIC SECTOR REFORM IN THE DEVELOPING WORLD:  
TRENDS, ISSUES AND CHALLENGES**

Abu Elias Sarker, University of Sharjah

**ABSTRACT**

*Since the late 1970s, fundamental changes have taken place in public management systems in both developed and developing countries. The overriding objectives have been to reduce the size and role of the government and to make the public management system managerially dynamic. This paper illustrates the current public sector reform (PSR) efforts in the developing world and analyzes the issues and challenges involved in the reform process. It argues that despite the great potential of the reform agenda, socio-economic, administrative, and political factors pose constraints to the PSR process in developing countries.*

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**2. THE CONSISTENCY OF CUSTOMER ONLINE RATINGS OF E-TAILERS ON SHOPPING AGENT WEBSITES**

Ming Wang, California State University, Los Angeles  
Doris Christopher, California State University, Los Angeles

**ABSTRACT**

*The customer online e-tailer evaluation systems have emerged with rapid development of shopping agent technology in the B2C e-commerce. More and more shopping agent Websites come with e-tailer online evaluation systems. As the increasing number of shopping agent Websites comes with e-tailer evaluation systems on the Internet, the consistency of ratings on the same set of e-tailers from different evaluation systems becomes a problem. Even though the consistency of e-tailer ratings is crucial in terms of its reliability for online shoppers, very little research has yet to examine it. To fill up the gap, this research identifies the three evaluation approaches and criteria of the current e-tailer evaluation systems and empirically tests the rating consistency of the same set of e-tailers from different customers within an e-tailer evaluation system and between different e-tailer evaluation systems. The findings are that customer ratings of e-tailers are neither very consistent within the same evaluation system nor across different evaluation systems. The indication is that the identified different evaluation approaches and different categorized rating criteria utilized in different online evaluation systems may attribute to the rating discrepancy between different e-tailer evaluation systems.*

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**3. SOCIAL RESPONSIBILITY AND E-COMMERCE: AN EXAMINATION OF C2C/P2P SYSTEMS**

Stephen C. Betts, William Paterson University.  
Zinaida Taran, St. John Fisher College

**ABSTRACT**

*The internet revolution has given rise to a number of new business models such as B2C (Business to Consumer), B2B (Business to Business), C2C (Consumer to Consumer) and P2P (Peer to Peer). C2C and P2P are without the legal entities and hierarchical governance structures associated with traditional organizations, but are they exempt from the social responsibilities? Here the notion of the 'social audit' is extended to C2C and P2P, making a preliminary multi-level assessment of the social performance of these new organizational forms. Specifically we look at the economic, legal, ethical and discretionary responsibility of these new organizations. We conclude that there is a general lack of standards for comparison across all levels of social responsibility, and specific concerns at the economic, legal, ethical*

*and discretionary levels. A proposed solution is to focus social auditing efforts in specific C2C and P2P domains.*

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#### **4. GENERATING ENVIRONMENTAL CONSCIOUSNESS WHILE TEACHING A COURSE ON PRODUCTION MANAGEMENT**

S.N. Chary, Indian Institute of Management, Bangalore

##### **ABSTRACT**

While 'Environment' and 'Ecology' are the major concerns of today's society, the businesses and industries worldwide are only grudgingly acquiescing to their responsibility. 'Environment' is mostly perceived as one of the 'constraints' and the business strategies are generally designed to go 'around' it. In such a scenario, Business schools also tend to teach 'environment' separately outside the main body of the academic curriculum or as an elective course. However, the urgent need of the day is to build in environmental and ecological concerns into the main body of the B-school curricula. B-schools need to take a leadership position in training the future environmentally concerned managers of business, industry and our society. It is not difficult to build in environmental consciousness even while teaching traditional hard-core 'functional' B-school courses such as Production management, if a symbiotic view is taken, as this paper suggests.

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#### **5. THE USE OF HOMEWORK ASSIGNMENTS TO AVOID END-OF-SEMESTER GRADE ROUNDING STRESS**

Ronald C. Kettering, Columbus State University, Columbus, Georgia

##### **ABSTRACT**

*Assigning homework is thought by many to be an important factor to help students to learn. Unfortunately, today's budgetary constraints in most states are forcing institutions of higher education to mandate larger classes with less grading assistance. Instructors frequently do not have the time to make sure that students are doing the assignments even if homework is assigned. This study presents an approach that encourages instructors to use and grade homework assignments to reward those students who prepare for and attend class. The resultant by-product of the approach is that instructors can avoid the stress of normal end-of-semester grade rounding decisions.*

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#### **6. THE IMPACT OF ONLINE EMERGENCY MEDICAL SERVICES (EMS) ON THE EFFECTIVENESS OF CLINICAL SERVICES**

Ahmed Elmorshidy, Claremont Graduate University, Claremont, California

##### **ABSTRACT**

*The purpose of this study is to examine the impact of online Emergency Medical Services (EMS) training on the effectiveness of EMS clinical services in the United States. The research model of this study is guided by Frank (2001) model of quality assurance for clinical services. The research model is also guided by DeLone and McLean (1992) IS success model. The subsequent sections describe key research questions, literature review, theoretical framework, hypotheses, research method, limitations, and possible results and implications of the study.*

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## **7. RECRUITING & RETENTION OF FEMALE STUDENTS IN CIS/MIS/CS PROGRAMS IN ARKANSAS UNIVERSITIES**

Sheila J. Pearson, Southern Arkansas University  
Anna R. Trexler, Southern Arkansas University

### **ABSTRACT**

*The purpose of this study is to attempt to identify the reasons for a limited number of females selecting CIS/MIS/CS programs of study. The researchers gathered data concerning the population of CIS/MIS and Computer Science (CS) areas at four-year universities in Arkansas. Current articles indicate that there is a decline in the number of female students enrolling in CIS/MIS/CS programs. Data gathered supported the idea that fewer females enter IT programs. The researchers surveyed CIS/MIS and CS faculty in order to identify the processes used to recruit, retain, and graduate female students from four year universities in Arkansas.*

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## **8. GLOBAL SUPPLY CHAIN MANAGEMENT AND INFORMATION TECHNOLOGY: A PORTUGUESE SURVEY**

Philip Y. Huang, Virginia Polytechnic Institute and State University  
João Veríssimo Lisboa, University of Coimbra  
Carlos Ferreira Gomes, University of Coimbra

### **ABSTRACT**

*The current trend of globalization has forced many companies, large and small, to rethink their competitive strategy. It is apparent that the 21<sup>st</sup> century is a time that provides companies with both threats and opportunities. On the other hand, as the size of the world rapidly shrunk, very few companies could be protected by their national borders. Most companies have no choice but to face competitions from other countries. On the other hand, real time communication and fast transportation, along with their drastically reduced costs, allow many companies to extend their supply chain to different part of the world. The well-developed global supply chain certainly could help a company to better serve their customers. In this paper, we study the impact of information technology on the management of global supply chain. We developed a set of questionnaire to survey Portuguese companies. Currently, we have selected five companies to conduct an in-depth study, via telephone interview or on-site visit, to verify the validity of the questionnaire. We will then mail the revised questionnaires to the top five hundred Portuguese companies for a general survey.*

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## **9. DEVELOPING AN INTEGRATED ENGINEERING FOR BUSINESS CURRICULUM**

Colin O. Benjamin, Florida A & M University, Tallahassee, Florida  
Gail Thompkins, Florida A & M University, Tallahassee, Florida

### **ABSTRACT**

*In this paper, we apply a modified three-phase Quality Function Deployment (QFD) framework to facilitate the development of an integrated Engineering for Business curriculum. First, a Course Planning Matrix prioritizes the teaching methodologies best suited to deliver critical competencies. Next, a Course Design Matrix identifies and prioritizes the engineering tools and techniques to be incorporated into the curriculum. In the final phase, a Course Implementation Matrix assigns engineering tools and techniques to specific Engineering for Business courses. The robustness of this planning methodology is confirmed via sensitivity analysis and extensions of this structured, collaborative approach to curriculum planning are suggested.*

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## **10. THE IMPLICATIONS OF EUROPEAN UNION ENLARGEMENT ON LABOR AND EMPLOYMENT**

Jon L. Bryan, Bridgewater State College, Massachusetts

### **ABSTRACT**

*The historic passage of the Irish referendum on the Nice Treaty in October of 2002 has paved the way for the enlargement of the European Union (EU) and the entry of ten Central and East European countries. Supporters of the treaty believe that expansion of the European Union will lead to new growth opportunities for the economies of all member states, as well as an increase in EU diversity. Opponents fear a further loss of local control to a growing EU bureaucracy and a diminution of jobs and wages in the current 15 member states as future economic expansion flows to the lower-cost enlargement countries. This paper will examine the implications of EU enlargement on labor and employment in the current EU and the enlargement states.*

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## **11. THE EXPLORATION OF MODERATORS OF THE JOB/LIFE SATISFACTION RELATIONSHIP: A FIELD STUDY**

Stephen Schepman, Central Washington University  
F. Lynn Richmond, Central Washington University  
Justin Elsner, Central Washington University

### **ABSTRACT**

*This study further explored the job/life satisfaction relationship by assessing potential demographic and organizational moderator variables. Response patterns of 202 subjects from a research and development laboratory were categorized as either compensatory, spillover, or segmentation. Significant differences in job classification, education, salary, and sick time were found for compensatory as compared to spillover and segmentation subjects.*

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## **12. SOCIAL COMPETENCE AND MOTIVATION**

James H. Turner, Morehead State University, Morehead, Kentucky

### **ABSTRACT**

*This article discusses the role of natural selection in social organization. The ability to create social organization predisposes social competence. The components of social competence are discussed: reciprocity, altruism, and cynicism. These attitudes synergistically produce social competence, i.e., the ability to become more fully social while maintaining autonomy and pursuing self interest. Social competence is integrated into Maslow's model of motivation. Testable hypotheses are proposed along with suggestions for managers and for further research.*

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### 13. FREEDOM AND ETHICS: THE CASE OF THE FORMER SOVIET REPUBLICS

Michael K. McCuddy, Valparaiso University  
Frank C. Dale, Valparaiso University

#### ABSTRACT

*Human beings have long been occupied with questions of freedom within the various social, economic, political, and religious institutions and processes they have created. These questions often revolve around who has freedom and who does not, as well as the impact of freedom or lack thereof on human existence. In this paper we explore the connection between freedom and ethics, developing the argument that freedom promotes ethical decisions and actions. Focusing on the countries of the former Soviet Union, we examine the context within which ethical behavior was discouraged prior to the break-up of the Soviet Republics in the early 1990s and has been variably encouraged since the break-up. Using both qualitative data □ with special attention being given to Russia and the Baltic States of Latvia, Lithuania, and Estonia □ and quantitative data for all but two of the former Soviet republics, we demonstrate the strong linkage between economic, political/civil, and religious freedoms, on the one hand, and ethical decisions and practices on the other hand.*

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### 14. EXCELLENCE IN A BUSINESS AND ECONOMICS CURRICULA THROUGH INTERDISCIPLINARITY

William Cordeiro, California State University Channel Islands  
Dennis Muraoka, California State University Channel Islands  
Paul Rivera, California State University Channel Islands  
Ashish Vaidya, California State University Channel Islands

#### ABSTRACT

*California State University Channel Islands (CSUCI) opened in Fall 2002 and is the newest campus in the CSU system. A vital element of CSUCI's mission is to "facilitate learning within and across disciplines through integrative approaches..." This mission stems from the desire to produce graduates whose broad education will contribute effectively to the identification and solution of multifaceted contemporary problems. Interdisciplinarity has been infused into the business and economics curriculum at CSUCI, and is an essential aspect of faculty recruiting. At present the undergraduate business degree program requires the completion of three upper-division interdisciplinary courses. These courses address problems and issues using the skills and competencies of more than one discipline. Courses include: "The Business of Art", "Drug Discovery & Development", "History of Business & Economics in North America", "Business and Economics in American Literature", and "The Museum: Perspectives from Business, Education, & Art". To encourage interdisciplinarity, faculty from across the university participate in recruiting business and economics faculty. We believe that an interdisciplinary model that combines a solid foundational core with other perspectives promotes excellence and innovation in business and economics curricula.*

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### 15. A MATHEMATICAL ANALYSIS OF CASINO DEAD CHIP PROGRAMS

Robert C. Hannum, University of Denver

#### ABSTRACT

*Dead chip programs are used by some casinos as a marketing strategy to attract and retain higher-end customers. Dead chips are non-negotiable chips that are not exchangeable or redeemable and cannot be used for any purpose except to gamble. In a typical program the player purchases a certain amount of non-negotiable chips, usually through a voucher called a chip warrant, at a discounted rate and uses*

*these chips for wagers just like normal chips. Once the player has used all the non-negotiables, the remaining regular chips from winning wagers may be redeemed for cash. The result of such a program is to reduce the effective statistical advantage on games played. This paper provides a mathematical framework to determine the effective house advantage under dead chip programs for a variety of wagers and games.*

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#### **16. MAKING THE GRADE IN BUSINESS COMMUNICATION: GIMME AN A!**

M. K. Easter, San Jose State University

##### **ABSTRACT**

*Earning good grades in school is an important goal for most students. Achieving the desirable, "A" has become a sign of victory, external proof of having "made the grade." However, despite attempts at standardized grading, these letter marks mean different things to different people. Students often have their own expectations about grading policies that may not coincide with those of the professor. Although desperate to make good grades, students often produce work that falls short of that typically expected of the "A" student. When student and professor expectations conflict, it is the overall standards of academic excellence that suffer. Not only can the student's quality of education decline, but also the institution's reputation can be tarnished. This case study focuses on the personal experiences of a professor dealing with the grading expectations of students.*

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#### **17. AN EXPLICATIVE MODEL FOR REGIONAL LOCATION OF FOREIGN DIRECT INVESTMENT: AN APPLICATION TO THE SPANISH ECONOMY**

Raquel Díaz Vázquez, University of Vigo, Spain

##### **ABSTRACT**

*Recent literature on international economics has shown new interest in the study of factors determining and promoting the territorial location of large masses of financial capital with productive aims. Increased international liberalisation and the reaffirmation of regional and local aspects within each nation are the elements defining the new situation. In this new context, traditional justifications for international movements of capital based almost exclusively on wage incentives do not seem to provide an answer for the current situation. On a theoretical level, regional variables with quantitative effects on multinational companies are revealed in this research as the basic determinants for the territorial placement of new international investment. On a real level, only these regional aspects (external to the company, yet with influence on it) could explain the unequal regional distribution of the Foreign Direct Investment that Spain's economy has recently received.*

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#### **18. DISCLOSURES BY BANKS IN INDIA: A DEPOSITORS' PERSPECTIVE**

R. Sadha Laxmi, Indian Institute of Management Calcutta, India

##### **ABSTRACT**

*The contribution of the service sector to the economy's GDP is significant. Banking forms an important part of the financial sector within the service sector. Unlike in other services and manufacturing firms where the investors are of sole importance, in the case of banks the depositors play an important role. The depositors provide the funds, which in turn are lent as loans and advances to individuals, corporates and other form of organisations. Hence banks face significant credit risk, apart from risks faced by any service organisation. Till date there has not been much emphasis on the transparency and accountability*

of a bank to its depositors. This paper analyses the adequacy of disclosure policies in the context of depositors. It deals with the regulatory aspects of banks in India and the disclosure requirements by such banks under various laws. A few improvements to the current disclosure policy have been suggested at the end of the paper.

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## **19. INTERTEMPORAL RELATIONSHIPS BETWEEN R&D EXPENDITURE AND TRADE PERFORMANCE WITH REFERENCE TO SOME DEVELOPING COUNTRIES**

Mazhar M. Islam, Sultan Qaboos University, Oman  
Ruhul A. Salim, Curtin University of Technology, Australia

### **ABSTRACT**

*There are many studies on the extent of R&D expenditure on the performance of trade in developed countries. This study tests the long run relationships of four Latin American countries, Chile, Brazil, Mexico and Venezuela. We applied the cointegration test to investigate the long run relationship. We also applied the Granger causality test to check the causality between the R&D expenditure and the trade performance. Using annual data from 1970 to 1999, we found the R&D, export and import variables have unit root in level series. The cointegration tests show that there is positive and significant long run relationship between the R&D and the export performance; and negative significant relationship between the R&D expenditure & import in the cases of Chile and Mexico. Applying the Granger Causality test, we also found significant causality between the R&D expenditure and the performance of trade. However, no such relationship was found in the cases of Brazil and Venezuela.*

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## **20. ARE THE BEST MARKET PRACTICES CONTEXT-FREE? THE CASE OF TRACKING ERROR IN THE PASSIVE FUND MANAGEMENT INDUSTRY IN INDIA**

G. Sethu, UTI Institute of Capital Markets, India  
Rachana Baid, UTI Institute of Capital Markets, India

### **ABSTRACT**

*It is now very well known that the equity markets of transition economies have vastly different characteristics in comparison to the equity markets of developed economies. The emerging market returns are characterized by higher average returns, low correlation with developed markets, and higher volatilities. These differences could be arising on account of the differences in the structural and the institutional factors. Though the emerging markets characteristics are noticeably different, it is seen that these markets often tend to borrow established practices from developed markets. It is not clear if such market practices are context-free. If they are context-specific, unintended side effects could manifest. The present study identifies and examines one such instance where well-established fund appraisal measures from developed markets are applied to the fund management industry in the transition economies. The passive fund management industry in India is studied in this paper. In particular, we examine the utility of measuring tracking error as an indicator of index fund performance. We notice that the ability of the tracking error to capture fund manager performance is blunted under the condition prevailing in the transition economies. This highlights the need to understand the context when established practices are transplanted from developed markets into emerging markets.*

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## **21. PERFORMANCE OF INDEX FUNDS WITH SPECIAL REFERENCE TO INDIAN STOCK MARKET**

Prema Sankaran, SNMV Institute of Management, Coimbatore, India  
R. Venkatapathy, BS MED Bharathiar University, Coimbatore, India

### **ABSTRACT**

*Indian securities market is getting increasingly integrated with the rest of the world. The trading platform of the Indian exchanges is now accessed through the internet from anywhere in the world. Foreign Institutional Investors have been permitted to invest in all types of securities, including the government securities. The market is getting institutionalised due to the evolution of a regulatory framework for mutual funds. An investor tries to obtain maximum returns for his investment through appropriate investment strategy and portfolio selection. Among the investment avenues, selection of the best possible combination and allocation of the resources in the selected investment vehicles is a problem of paramount importance. This study is mainly concerned with the Index funds for maximizing the returns on equity investment.*

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## **22. MOVEMENT TOWARD FAIR VALUE**

Morsheda Hassan, Grambling State University  
Macil Wilkie, Grambling State University  
Aaron Witherspoon, Grambling State University

### **ABSTRACT**

*The Financial Accounting Standards Board (FASB) has issued a large number of accounting standards in recent years, which require the presentation of fair value disclosure of certain assets and liabilities. This article outlines recent accounting pronouncements that deal with fair value. The article also identifies choices in applying the present value technique: the traditional and the expected cash flow approaches. In addition, this article identifies the steps that the FASB provides to assist practitioners in implementing its new standards that require fair value estimations. Finally, the article discusses the auditor's approach to fair value.*

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## **23. A COMPARATIVE STUDY OF THE EFFICIENCY OF THE CONVENTIONAL AND ISLAMIC BANKS IN GCC COUNTRIES WITH RESPECT TO REGULATIONS, ACCOUNTING & AUDITING**

Mazhar M. Islam, Sultan Qaboos University, Oman  
Mostatque Hussain, Sultan Qaboos University, Oman

### **ABSTRACT**

*Over the years the central monetary authorities of GCC countries have made several regulatory changes in order to achieve socio-economic objectives. The monetary authorities of these countries have adopted different international standards. Although asset classifications and provisioning norms have moved closer to international standards and local banks follow International Accounting Standards, there is an increasing need for the harmonization of those regulations and accounting standards in accordance with the Islamic Sharia Laws. It is believed that it will not only achieve the efficiency of the overall financial system, but will also address the questions of ethics in generating and distributing the economic benefits. In an Islamic banking system, regulators should consider the compatibility of the Western regulatory systems with the Islamic Sharia rules. Through a deep understanding of the nature of the Islamic ways of doing business and the Western accounting & auditing practices, Islamic banking regulators will be able to develop a sound financial market system without losing its fundamental objectives.*

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**24. BASEBALL AND LABOR MARKET DISCRIMINATION:  
EVIDENCE FOR THE NEW MILLENNIUM**

Mark A. Sembower, University of Pittsburgh Medical Center  
Mary Ellen Benedict, Bowling Green State University

**ABSTRACT**

*Using data on all players for the 2001 season, this paper investigates whether race is statistically associated with field position and if so, whether positional segregation is associated with salary discrimination. The results indicate that positional segregation is evident in 2001, with African American players much more likely to play in outfield positions compared to other race groups and much less likely to be pitchers. The fact that players are situated in positions by race, however, does not always lead to lower salaries for minority groups. Minority players who are starters tend to earn high salaries that are comparable to their white counterparts. On the other hand, a salary differential of over 30% exists between North American white and foreign nonstarters and North American minority nonstarters. Although some of this differential can be explained by skill differences, more than 54% of that differential is attributed to discrimination, primarily due to differences in return to age and differences in salaries for relief pitchers for different race groups.*

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**25. THE ROLE OF MOBILE-PHONE-BASED PAYMENT SYSTEM FOR MOBILE COMMERCE**

Ook Lee, Hanyang University, Seoul, Korea  
Woonghee Lee, Hanyang University, Seoul, Korea

**ABSTRACT**

*This paper deals with the role of mobile-phone-based payment system for the success of m-commerce. The government support on building mobile infrastructure is considered as the major factor to facilitate commerce success. Among the components of national mobile infrastructure is the penetration rate of mobile phones since mobile phones are main devices for m-commerce. In this paper, we look into two countries which have very advanced mobile infrastructure including the very high level of penetration of mobile phones. Although these two countries flourish in m-commerce comparing other nations, it seems that one country does better than the other. We posit that the different level of m-commerce is caused by presence (or absence) of mobile-phone-based payment system. We provide a description of a company which runs the mobile-phone-based payment system.*

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**26. EARNINGS PREMIUM OF ASIAN IMMIGRANTS:  
EVIDENCE FROM CURRENT POPULATION SURVEY**

Jongsung Kim, Bryant College

**ABSTRACT**

*The heterogeneity of immigrants raises a question as to whether there is a general pattern of earnings progress that applies to all immigrants. Using the Current Population Survey data, this paper investigates the role of various determinants on the earnings process of Mexican and Asian immigrants in two time periods. Cotton's modified version of the Oaxaca-Blinder procedure is used to decompose the earnings gap. Most of the earnings gap is due to the higher education and overrepresentation of Asian immigrants in the managerial occupations. However, as the poverty rates of Asian immigrants increase, a particular attention should be focused on each ethnic group within broadly defined Asian immigrant workers.*

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**27. AN ANALYSIS OF ACCOUNTING STUDENTS' CHARACTERISTICS THROUGH THE LENS OF STRENGTHS-BASED ASSESSMENT**

Richard (Rick) K. Hogrefe, Jr., Crafton Hills College, Yucaipa  
Robert L. Hurt, California State Polytechnic University Pomona

**ABSTRACT**

*This paper discusses the relationship between strengths-based assessment and desired characteristics of entry-level accountants. Strengths-based assessment was developed by the Gallup Organization; it focuses, as the name implies, on identifying a person's strengths and capitalizing on them when making major life choices (such as employment). A small sample of ready-to-graduate accounting students completed an online survey to identify their strengths; the paper compares their survey results with the professional literature on the attributes needed by entry-level accountants.*

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**28. A DECADE OF CHANGE IN THE INTERNAL AUDIT JOB MARKET: GENDER INEQUITY FADES**

Donald E. Edwards, University of Arkansas at Little Rock  
Tom Oxner, University of Central Arkansas  
Jim Kusel, University of Arkansas at Little Rock

**ABSTRACT**

*This study presents changes that have occurred over the past ten years (1992-2002) in the internal audit profession, with emphasis on gender comparisons of employment and compensation of the director. Although the percentage of directorships held by women is rising and female wages are increasing at a rate higher than that of their male counterparts, the men still occupy a larger number of the positions and have consistently earned higher wages. Factors that may be contributing to this salary differential by gender are: women tend to be employed in the lower-paying non-manufacturing sector, they are predominately associated with firms where the audit staffs are small, and female directors tend to have less experience than their male counterparts. Still, the employment situation for female internal audit directors has improved significantly over the last decade, and it is apparent that trends are in the proper direction. Women, as well as men, continue to reach the top in the internal audit profession.*

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**29. THE CORPORATE MERGER PHENOMENON: DETERMINANTS AND CHANGES IN MERGER POLICIES EVIDENCE FOR ACQUIRING FIRMS: 1986-1998**

Roxana Postolache, Capital University, Columbus, Ohio

**ABSTRACT**

*The purpose of this paper is to examine the role of the 1992 Horizontal Merger Guidelines in the early 1990s merger boom. The effect of the change in legislation will be isolated by controlling for other determinants of mergers – formulated as the managerial, life-cycle, cash flow, and tax hypotheses. The paper uses data for acquiring firms in manufacturing before and after the 1992 Horizontal Merger Guidelines became public. The empirical evidence does not support the hypothesis that softening in the language of the 1992 Guidelines as it pertains to the Hirschman-Herfindahl ranges led to a significant increase in the probability of a merger, horizontal or otherwise. In fact, the change in Guidelines only made official the lower weight placed on market shares and concentration ratios that had been in effect for a while. The empirical results partially support the managerial hypothesis, that managers will have an incentive to invest in mergers and acquisitions when they feel their position is being threatened or cash is available internally. The cash flow variables are not always significant, though, and the same thing is true about the managerial and tax incentive variables. This would support an "eclectic theory" of mergers, with*

*no single cause for the merger activity in the 1990s, a conclusion that is consistent with the previous literature and the results obtained by Schwartz (1984), and Grabowski and Mueller (1972).*

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### **30. LEGO IN THE CLASSROOM: USING BUILDING SETS TO BUILD UNDERSTANDING**

Joy Turnheim Smith, Indiana University Purdue University Fort Wayne

#### **ABSTRACT**

*Reification of constructs for students is a constant challenge. Students learn better from hands-on processes than from lecture. One of the hands-on processes that has been particularly successful is role playing. This paper presents a role-play classroom activity for students that is intended to reify historical management theories. Using role-play and familiar children's toys, this exercise assists students in understanding what the views held by historical management theorists were by assigning them roles that mirror the thinking of various theorists and assigning groups comprised of representatives of each of the different theories the task of building the best tower. The paper concludes with debriefing suggestions as well as anecdotal comments with respect to prior runs of this exercise.*

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### **31. APPLICATION OF GOAL PROGRAMMING TO SOCIOECONOMIC IMPACTS OF FISH RESOURCE UTILIZATION IN MARYLAND COASTAL BAYS REGION**

Julius A. Alade, University of Maryland Eastern Shore, Princess Anne  
Dinesh K. Sharma, University of Maryland Eastern Shore, Princess Anne  
Eric May, University of Maryland Eastern Shore, Princess Anne

#### **ABSTRACT**

*This paper presents a priority based linear goal-programming (GP) model for management decision making for fishery management problems. The priority based linear GP technique allows us to find the optimal solution, based on the priorities of the goals in a decision-making environment. An attempt has been made in the study to demonstrate the application of GP model to socioeconomic analysis in the Maryland Coastal Bays region.*

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### **32. THE CHALLENGES OF MANAGING IN AN INFORMATION AGE**

Kamal Nayan Agarwal, Howard University, Washington, DC.

#### **ABSTRACT**

*The rapid evolution and spread of information systems technology (IT) during the last two decades is challenging both business and IT management to rethink the very nature of the business. A fundamental change is taking place in the nature and application of the technology. This change has profound and far reaching implications for organization. Management must recognize the digital needs within their organization and plan their business strategy accordingly. The main challenges which managers are facing managing IT growth are: young technology, rapid technological growth, IT end-user coordination, specialization, security, competition in small companies, and shift in focus. The aim of this paper is to highlight some of these challenges and complexity of managing in our information age.*

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### **33. CENTRAL BANK INDEPENDENCE AND REVENUE SMOOTHING HYPOTHESIS: IMPLICATIONS ON TAXES.**

Hermann Sintim–Aboagye, Montclair State University, New Jersey

#### **ABSTRACT**

*This paper examines the implication of the inverse central bank independence (CBI) and inflation on the behavior of taxes within the context of the revenue-smoothing hypothesis. For testing purposes we develop and use a functional form that indigenizes the moments of direct tax rates in relation to CBI measures within a maximum likelihood (ML) framework. This allowed for the direct modeling of CBI measures in the residual covariance matrix in the maximum likelihood optimization process thereby intensively impounding the information value of CBI in the estimates. It is the proposition of this paper that estimates obtained by this approach are perhaps better reflects the influence of CBI measures. The results obtained provide some evidence amongst the countries in the test of a positive relationship between CBI measures and direct taxes during the 1955 to 1988 period. We also obtained further evidence of the revenue-smoothing hypothesis.*

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### **34. THE STATE AND FUTURE OF E-COMMERCE IN DEVELOPING COUNTRIES**

Darius Navran, Myers University, Cleveland

#### **ABSTRACT**

*E-commerce has become a major tool of efficiency gains and business expansion for enterprises across the globe. A growing percentage of business transactions today are done online in the developed world. Unfortunately, the growth of e-commerce has not been uniform worldwide. The data in the paper indicates that e-commerce in the developing world is largely in an embryonic stage, with only a handful of nations making measurable progress. The key to the promotion and utilization of e-commerce in developing nations will hinge on a change in the attitude of the policymakers, the creation of a climate of confidence, major upgrades of the infrastructure, and assistance by transnational organizations.*

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### **35. NEW FASB PRONOUNCEMENTS THAT ATTEMPT TO IMPROVE THE TRANSPARENCY OF ACCOUNTING AND REPORTING OF BUSINESS COMBINATIONS**

Morsheda Hassan , Grambling State University  
Karim Dhanani, Grambling State University  
Bob Cunningham, Grambling State University

#### **ABSTRACT**

*The Financial Accounting Standards (FASB) has issued the rules of accounting for business combinations with the issuance of the Statement of Financial Accounting Standards (SFAS) No. 141, Business Combination, and SFAS No. 142, Goodwill and Other Intangible Assets, in June, 2001. Statement No. 141 requires all companies entering into business combinations after June, 30, 2001, to use "purchase" method of accounting and eliminates the "pooling" method. Statement No. 142 eliminates the amortization of goodwill and requires annual impairment testing of goodwill using a two step, fair value method. This article addresses four issues: (1) how the new approach SFAS 141 differs from Opinion 16; (2) how the new approach SFAS 142 differs from Opinion 17; (3) the recognition and measurement of intangible assets; and (5) a highlight of the International Accounting Standard Board (IASB) exposure drafts on business combinations.*

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**36. PORTFOLIO OPTIMIZATION UNDER NEW MEASURES OF RISK**

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**ABSTRACT**

*This paper investigates the use of new measures of risk in portfolio optimization. First, we summarize the theoretical underpinnings of these risk measures and discuss their flexibility in modeling financial risk. Then we turn to the more popular models for portfolio optimization, focusing on the Markowitz mean variance models, the mean-absolute deviation model, and the lower-partial moment formulations. We also explain how the use of these new measures of risk gives insight into the preference conditions required for each formulation.*

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**37. COULD A FREE MARKET WORK IN SYRIA?**

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**ABSTRACT**

*Free market thinking and capitalist ethic are supreme. Their foothold in Syria is, however, very fragile. The paper starts with an analysis of capitalist thinking along systems theory lines and proceeds to project that on the Syrian situation. Analysis of capitalist and free market thinking is done within a systems theory framework. System building blocks i.e. Inputs (premises, resources and players), transformation (policies, strategies and actions) outputs (productivity, value added and profits) and feed-back, were identified. System growth and decline forces were also analysed. System 'breeds' i.e. Anglo-Saxon, European and Asian capitalist norms were also explored. When analysing the Syrian situation attention was paid to the fact that the Syrian economy is, in reality, an inward looking economy with heavy reliance on State intervention. A State enterprise system dominates all major industries. The State is the source of policies, strategies and resources. Syria stands on the threshold of a process of economic transformation, however. The inputs are still being formulated, the transformation mechanisms are also beginning to operate and the outputs are a long way down the road. What is needed is a serious attempt at completing the inputs and giving the transformation mechanism a strong nudge. And create a feed back loop.*

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**38. EVIDENCE OF SCALE INVARIANCE IN FOREIGN EXCHANGE RATES**

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**ABSTRACT**

*Contrary to the traditional random walk model formalized by Osborne (1964), Mandelbrot (1963) observes that financial time series have nonnormal distributions and proposes the Stable Paretian hypothesis, in which asset price behavior is generalized to allow the possibility of nonlinear structure. Stable Paretian distributions are characterized by a tendency to have nonlinear cycles and discontinuous changes. Moreover, observations are not independent; each observation carries a "memory" of all the events that precede it, and variance is nonstationary. Stable Paretian distributions are scale invariant and have fractal dimensions as well. Initial support for the notion that foreign exchange rate time series exhibit scale invariance has been provided by several sources, including Müller et al. (1990), Hsieh (1991) and Mahajan and Wagner (1999). In this study, emphasis is put on the self-similar properties of the financial time series under investigation by applying multiresolution wavelet analysis, a method developed by Mallat (1989), to estimate the fractal dimension and analyze the variation of sample FX rates in a mixed time-scale domain. Since the fractal dimension of any deterministic system must be scale invariant, the stability of each fractal dimension estimate is tested by comparing the estimate at varying time resolutions*

*or scales. The fractal dimension and variance estimates are used to generate simulated fractional random walks with incremental fractional Brownian motion. The distributional characteristics of simulated fractional random walk series are compared to those of simulated traditional random walk series (with incremental ordinary Brownian motion), as well as sample intraday currency exchange rate time series, to discern which diffusion process, ordinary Brownian motion or fractional Brownian motion, more accurately describes innovations in currency exchange rates. The result of this study is that foreign exchange rates do not follow walks more accurately of this investigation suggest that intraday currency spot exchange rate time series are not ordinary random walks and may be more accurately described as fractal random walks.*

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