
ABSTRACTS**1. MORTGAGE PREPAYMENTS AS PRECURSOR TO THE FINANCIAL CRISIS**

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ABSTRACT

Mortgage-backed security prices have depended on interest rates, while idiosyncrasies of prepayments had obscured the effect of rates on portfolio value before the financial crisis. The principal components of balance sheet accounts identified managerial dimensions that could help clarify the portfolio sensitivity to interest rates. The real impact of prepayments and default on the value of equity had appeared negligible since the first two components were correlated, as was required by hedge-accounting rules at that time.

Keywords: *Mortgage-Backed Securities, Prepayments, Default, Principal Component Analysis, Hedging*

2. COMMUNICATING STAKEHOLDER EXPECTATIONS IN PLANNING A SUPPLY CHAIN MANAGEMENT CURRICULUM

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ABSTRACT

In this paper, we propose a three-phase Quality Function Deployment (QFD) framework for use in communicating stakeholder expectations during the planning of a new Supply Chain Management (SCM) 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 Supply Chain Management tools and techniques to be incorporated into the curriculum. In the final phase, a Course Implementation Matrix assigns SCM tools and techniques to specific SCM courses. We report the application of a modified single-phase framework adopted by a large business school in Florida seeking to incorporate stakeholder input and feedback in the design a new program in Supply Chain Management. The robustness of this planning methodology will be confirmed via sensitivity analysis and extensions of this structured, collaborative approach to planning an SCM curriculum will be suggested.

Keywords: *Curriculum Planning, Quality Function Deployment (QFD), Supply Chain Management*

3. ADVERSE SELECTION, IRRATIONALITY AND UNDERPRICING OF IPOs IN CHINA

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ABSTRACT

I examines Rock's model, one of the major models that explains IPO underpricing, using 1996-2001 data (445 firms) from China's new issues market. The unique data availability of the allocation rate allows a direct test of Rock's model. I found that there is a huge underpricing in China's IPO market with an average of 141.72% market adjusted return on the first trading day. However this number becomes a statistically significant negative number (-2.163%) after weighting by allocation rate and subtracting the opportunity cost. I identify some factors that predict the initial excess return, indicating that firms' offer prices fail to incorporate ex ante market conditions and some publicly available information. Moreover, some of these factors also affect the level of excess demand, implying that underpricing is done more

than necessary to attract sufficient demand. I conclude that Rock's "informed and uninformed demand" story is not an exclusive explanation of IPO underpricing. Finally, I also examine the rationality of China's IPO market and find that the representative uninformed investor could do much better if they selectively purchase IPOs based on publicly available information during the pre-subscription period.

Keywords: *IPO Underpricing, China Stock Market, Investment Strategy*

4. ETHICS IN THE HALLOWED HALLS OF THE ACADEMY: ANTECEDENTS OF CHEATING BEHAVIOR

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ABSTRACT

This paper explores the relationship between student perceptions and the dispositional determinants of unethical behavior in a university setting. Members of the Academy continue to find rising incidents of student academic misconduct. Important findings from our research reveal the link between individual characteristics such as Idealism, Relativism, Machiavellianism, Tolerance for Peer Cheating and Students' Attitudes Towards Cheating. Strategies to decrease the likelihood of cheating are discussed.

Keywords: *Ethics, Idealism, Relativism, college students' cheating behavior, structural equations*

5. ETHICAL STANCE AMONGST SENIOR BUSINESS AND MARKETING STUDENTS AT MACQUARIE UNIVERSITY 2005 - 2007

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ABSTRACT

Marketing educators are under increasing pressure to better prepare students to deal with ethical questions in marketing practice. This paper presents the results of a series of surveys undertaken by three successive annual intakes of final year business and marketing students to identify each student's ethical ideology. The relationship between the students' ethical stance and their evaluations of the ethical nature of five scenarios, designed to be ambiguous, are explored. The importance of knowing the ethical stances of students is discussed, with particular reference to the designer of an ethics curriculum for marketing students.

Keywords: *Ethics, gender, ideology*

6. LEADING INDICATORS OF VALUE AMONG WORLD CLASS MANUFACTURERS: FINDING METRICS THAT COUNT

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ABSTRACT

This research attempts to identify those factors (micro-value drivers) that distinguish the best publicly held manufacturing companies in terms of their ability to grow value for their shareholders. A sample consisting of the best manufacturing firms from Industrial World's 2008 Annual Survey of Manufacturers is subjected to a two-group step-wise discriminant analysis that relies on an unbiased classification procedure. Market value is treated as the criterion variable and each firm is classified as either a relatively high or low market value company with group membership a function of seven operations related metrics. Put otherwise, this research tests the following hypothesis:

H₀: There is not a statistically significant difference between high and low market value manufacturing firms measured in terms of their relative performance on the following set of operations related metrics: CGS%, DML, IT, e_i, ClP&E, FAT, and IMCO.

Keywords: Degree of manufacturing leverage, Capital intensity, Incremental manufacturing cash outflow rate, Unbiased classification procedure

7. A REVIEW OF THE EFFECT OF NATIONAL CULTURE ON CORPORATE CULTURE: AN EXAMPLE OF THE UNITED STATES & FRANCE

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ABSTRACT

This discussion builds on the extant literature on corporate and national cultures. It reaffirms the impact of national culture on organizational culture and the subsequent impact of national culture on the international competitiveness of American and French firms. The present review is useful to international managers, because of the commercial relationships between the US and France, and the political and commercial controversies between these two countries. A review of the literature provides the rationale for this review, and shows despite increasing globalization trends, corporate culture remains a reflection of national culture, making it relevant for companies to continue paying attention to national culture.

Keywords: corporate culture, national culture, managers

8. A STUDY IN THE USE OF ETFs AS A TAX STRATEGY IN COMPARISON TO MUTUAL FUNDS

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ABSTRACT

With the strong possibility of tax revisions in the treatment of capital gains, dividends and the marginal tax rate in 2010, it may prove prudent to review alternatives to mutual funds in the construction of after tax mutual fund equity portfolios. Specifically, this paper will explore the tax consequences of using ETFs (Exchange Traded Funds) versus mutual funds.

Keywords: taxes, ETFs, mutual funds

9. THE INSURANCE INDUSTRY AND CLIMATE CHANGE ECONOMICS

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ABSTRACT

With the emergence of insurance as a player, the insurance industry's current activities are important for analysis. The author focuses on the interest of insurance companies in the economical dynamics of climate change. Increase in payouts by insurance companies for weather-related catastrophes such as hurricanes and floods. The paper then describes the lobbying activity of insurers, followed by details on investment switching from fossil fuels to renewable energy and securitization of risks.

Keywords: *Climate Change, Global Warming, Insurance Industry, Business Strategy*

10. LEGITIMACY TO DEVELOP FAIR VALUE MEASUREMENT STANDARDS THE CASE OF THE IVSC DISCUSSION PAPER – DETERMINATION OF FAIR VALUE OF INTANGIBLE ASSETS FOR IFRS REPORTING PURPOSES

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ABSTRACT

This research studies, through a content analysis of the comment letters to the IVSC project on fair value determination of intangible assets, the legitimacy of this professional body, or of the accounting associations, to develop measurement standards specific to this accounting concept. At present, with the exception of FAS 157, no professional standard offers clear technical solutions for fair value determination for financial reporting purposes. We have come to the conclusion that, among respondents, accountants are more reserved than valuers in what regards the IVSC regulating of the fair value measurement. The Anglo-Saxon respondents are more open to accept the IVSC DP as compared to respondents from other countries, hence the IVSC legitimacy to develop fair value measurement standards. Generally, we consider that accounting bodies, rather than valuation bodies, should have legitimacy to develop fair value measurement standards.

Keywords: *fair value, professional standards, valuation techniques, guidance, project acceptance, value hierarchy*

11. INNOVATION AND US ENGINEERING SCHOOL RANKING

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ABSTRACT:

An association between the national ranking of a graduate school in engineering and innovation is investigated by product moment analysis and Spearman correlation coefficients. This paper combines school statistical data used in the national ranking with data normally associated with innovation, e.g., the college's number of patents, licenses and startups, to determine if there is some correlation between these factors and if so, to what extent there is a relationship. We determine the product moment and Spearman correlation coefficients between the ranking data and the innovation data from the top twenty five engineering schools in a recent USNWR ranking (2006). We find that disclosures of discoveries and inventions show a stronger relationship with innovation than ranking. Further, school ranking shows a

more significant relationship with enrollment and research expenditures than with innovation parameters. We conclude that the subjectivity input into school ranking may not take into account a school's contribution to innovation and the creation of intellectual property, two attributes that are more closely aligned with the national priorities of business creation and economic development.

Keywords: *Innovation, Engineering School Ranking, Economic Development*

12. INNOVATION AND GLOBAL COMPETITIVENESS STRATEGIC MANAGEMENT DELIVERY ONLINE: PARITY AT LAST

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Jifu Wang, University of Houston - Victoria, TX, USA
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ABSTRACT

This paper reports on the means we have used to close the performance gap we had formerly observed in teaching approaches for graduate level strategic management at an AACSB college of business. Our college routinely measures learning outcomes through independent evaluations of students' written work as a part of its assurance of learning continuous improvement process. The empirical results from the third cycle of evaluations by an expert panel continued to identify a performance gap between face-to-face and internet delivery methods on specific learning outcome dimensions. In response, we implemented a hybrid approach that was intended to close the gap. The approaches we used and the results of our continuing adjustment process are reported in sufficient detail to inform the academy. Our explicit empirical comparison is included to guide others. We report success at closing the previously observed performance gap.

Keywords: *Strategic Management, Technology, Online Instruction, Curriculum*

13. FINANCIAL KNOWLEDGE AND FINANCIAL RESPONSIBILITY: A STUDY ON ADULTS IN TURKEY

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ABSTRACT

Turkey, a developing country with many problematic issues regarding economics is now facing one of the most influential economic crisis of the history. After the long run destructive effects of the previous crisis (2001) Turkey is caught to this world wide economic burden in the middle of its recovery period. Respective economic crisis and resulting economic burden led Turkish people to acquire more financial knowledge in order to overcome the trouble and to protect themselves from economic and legal problems. Literature has shown that there is a correlation between the level of financial knowledge and individual financial responsibility. Thus, the aim of this paper is to examine the relation between the two concepts through a study conducted on a sample of Turkish adults.

Keywords: *Financial responsibility, financial knowledge, objective knowledge, subjective knowledge, Turkey*

14. ANALYSIS OF U.S. SENATE WEB SITES FOR DISABILITY ACCESSIBILITY

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Gregory Weisenborn, Fort Hays State University, Hays, Kansas, USA
Thomas Philippe, St Petersburg College, St Petersburg, Florida, USA
Anthony Gabel, Fort Hays State University, Hays, Kansas, USA
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ABSTRACT

U.S. federal government web sites have increased significantly the level of services and information offered to various internal and external stakeholders. The Workforce Investment Act of 1998 amended Section 508 of the Rehabilitation Act of 1973, which complemented the intent and aims of the 1990 Americans with Disabilities Act (ADA). As a result, federal agencies and departments were mandated to provide disabled stakeholders with access to key information from federal web sites. However, since this enactment, some federal web sites still do not meet fully the legal requirements to accommodate users with disabilities. Additionally, web sites of members of the U.S. Congress technically do not fall under regulation. Without regulation, non-adherence to accessibility standards by congressional web sites may result in poor or ineffective utilization by citizen consumers or other stakeholders with disabilities. The purpose of this study is to examine the accessibility statistics for a pseudo-random sample of 50 web sites of U.S. Senators. The main web page of each site was evaluated with an online web site analysis software tool – Truwex. Three factors were used to gauge the level of accessibility: criteria based on Section 508, WCAG 1.0 standards, and WCAG 2.0 standards. Results suggest that the vast majority of the U.S. Senate web sites do not meet the federal legal guidelines that otherwise are imposed on other U.S. governmental agencies and departments. Many of the sites contain consistent patterns of non-compliance, and some minor changes could result in increased accessibility for disabled stakeholders.

Keywords: *Web Content Accessibility Guidelines (WCAG), U.S. Senate, W3C, Truwex, e-government, Human Computer Interaction (HCI), Workforce Investment Act, Section 508, Rehabilitation Act, Americans with Disabilities Act (ADA)*

15. THE RELATIONSHIP BETWEEN FUNDAMENTAL SIGNALS AND FUTURE EARNINGS

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ABSTRACT

This paper examines the relationship between detailed financial statement data (fundamental signals) and the future earnings. We focus on the impact of the economic intuition underlying fundamentals signals. Factor analysis summarizes the selected fundamental signals to three factors: profitability, investment and labor. The regression results show fundamental signals significantly explain the future earnings. Furthermore, the profitability signals and investment signals show a strong relationship with the future performance.

Keywords: *Fundamental signals, Future earnings, Factor analysis*

16. PERFORMANCE OF MARKET BASED MERGERS IN INDIAN BANKING INSTITUTIONS: AN EMPIRICAL STUDY USING DEA ANALYSIS

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Rasidah Mohd-Said, University Kebangsaan, Malaysia

ABSTRACT

This paper applies Data Envelopment Analysis (DEA) for analyzing the efficiency of market based bank mergers in India. Empirical research was carried out on seven Indian banks (three private banks and four nationalized banks) and found that merger and acquisition (M&A) has greater impact on banking efficiency. Furthermore, the non-market oriented M&A bring some negative effects to banking efficiency. M&A usually becomes the burden of the acquiring bank. Finally, we briefly put forward some M&A suggestion for Indian banking industry to improve the banking efficiency based on the empirical conclusion.

Keywords: Bank M&A, Banking Efficiency, Data Envelopment Analysis

17. INVESTING IN INDIA'S INCLUSIVE GROWTH AND SUSTAINABLE DEVELOPMENT: THE ITC MODEL

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ABSTRACT

One of the challenges for India, a leading developing country, is to ensure 'inclusive growth', i.e. growth that embraces all sections of the population. Although India has achieved an impressive economic growth in the recent past, a vast majority of Indians, mostly comprising those living in rural India, has remained deprived of the fruits of this growth. Ensuring that this section of the Indian society is included in the growth process is the single most difficult challenge that the country faces today. Equally important is the challenge of ensuring sustainable development. Indiscriminate exploitation of precious natural resources, without any effort to conserve and replenish them, has rendered the future unsustainable. Apart from the Government, India Inc. has a significant role to play in meeting these challenges. This thesis delineates how these challenges are taken up not only as a Corporate Social Responsibility (CSR), but as an integral part of a business model by one of India's leading conglomerates, ITC Ltd. Most of the business organizations have been sensitive to social needs, but their perception of social responsibility remained limited to philanthropic responses: extending help during a natural calamity, occasionally donating to social charities or local events or patronizing a social project. This perception is undergoing a change. CSR is now becoming an important objective of business. It is increasingly being realized that business has an obligation to the society that extends beyond its narrow obligations to its immediate stakeholders. Even from a purely business point of view, it is important for an organization to develop an image of being socially responsible as it translates into a better brand value and a higher customer response. In case of business organizations operating in developing countries, there is a need to contribute to the larger goal of inclusive growth and sustainable development. ITC Ltd. is a case in point. In matters of inclusive growth and sustainable development, ITC has lead by examples in achieving exemplary standards in corporate citizenship. If this example is emulated by other corporates, the country will go a long way in creating a sustainable and secure future.

Keywords: inclusive growth, sustainable development, corporate social responsibility

18. MERGER ARBITRAGE AND IDIOSYNCRATIC RISK

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ABSTRACT

The practice of merger arbitrage is one of the more popular and profitable strategies employed by many hedge funds. At its core, the strategy is one that earns an excess return for the assumption of a specified risk. Merger arbs purchase shares of a company targeted for acquisition after the announcement has been made public. Shares of the target company usually trade some measure below the agreed-upon merger price, due to the risk that the merger might not actually occur. If all goes well and the merger is consummated as planned, merger arbs earn this spread between the market price at time of purchase and the deal price. If, however, the deal is cancelled, then shares of the target company often fall precipitously.

The risk to an individual risk arbitrage investment, then, comes from one specified source: the risk of deal completion. (Actually, deal postponement – where the deal is eventually completed, but at a later date than originally expected – can be considered a second source of return-reducing risk.) If this risk was purely idiosyncratic, then a large arbitrageur could easily invest in many such deals and drive the portfolio risk to zero. Not surprisingly, this does not appear to be the case. It is therefore very important to fully understand the nature and magnitude of the risks inherent in merger arbitrage.

This paper identifies a merger arbitrage risk factor that is superior to market beta in explaining the risks assumed by a merger arbitrage portfolio. Previous research has documented a weak tie between market beta and merger arbitrage returns. Mitchell and Pulvino (2002), for example, note that the beta to a merger arbitrage strategy appear to be nonlinear; they are close to zero in a flat to rising market but large in a falling market. However, when our risk factor is added to market beta in a two-factor risk model, the resulting beta cannot be statistically distinguished from zero in all market conditions.

Identifying the risk side of a merger arbitrage portfolio is particularly important, because the returns are relatively well specified. The return in the case of success is known precisely – the spread between the deal price and the current market price. The return in case of failure must be estimated, and often is done so by measuring the difference between current market price and the price at the time of announcement. This return must then be balanced against some unknown amount of risk.

Keywords: risk, portfolio, shares

19. PROMOTION RESPONSE MEASUREMENT AND TOTAL QUALITY MANAGEMENT

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ABSTRACT

The effectiveness of market promotions has received mixed reviews over the years. In this paper we suggest a fundamental change in the paradigm by which marketing departments conduct their promotional operations. Specifically, it is suggested that for most medium and large companies, the traditional marketing department structure, which we characterize here as a master craftsman structure, be replaced by a promotional job shop structure. This new structure offers a greater potential for total quality management, systematic quality assurance and continuous improvement. This potential is demonstrated with a final output data set from a large pharmaceutical company.

Keywords: Promotion Response Measurement; Total Quality Management; Quality Assurance; Continuous Improvement; Marketing Function; Promotional Project Management

20. IMPACT OF INTEGRATION COST AND PRODUCT SUBSTITUTIBILITY ON EQUILIBRIUM STRUCTURE OF COMPETING SUPPLY CHAINS

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ABSTRACT

Consider two manufacturers, each producing a single differentiated but competing product that is sold exclusively through a retail outlet, which could be owned privately or by the manufacturer. Each manufacturer makes vertical integration decision in her best interest incurring a fixed set-up cost if applicable. Using a game theoretic model we find the equilibrium channel configurations and investigate the effect of integration cost on equilibrium channel structures under both price and quantity competition. Our work generalizes the McGuire and Staelin (1983) model in the presence of integration cost. We show that the mixed channel arrangement not allowed in McGuire and Staelin (1983) can be the equilibrium outcome.

Keywords: Vertical Integration, Supply Chain, Price and Quantity Competition

21. PLATFORMS OF KNOWLEDGE AND ORGANIZATIONS' DOMINANCE IN SUPPLY CHAIN

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ABSTRACT

Active participation in a supply chain network is almost a prerequisite to be successful in the marketplace. At the same time, participants also constantly jockey amongst themselves, to enhance their dominance within the networks. The dominance bestows organizations with powerful voices in their networks' decision-making processes. Besides, it can also confer them with the ability to command premium prices for their products (or services). This article elaborates the concept of "knowledge based platform" and, discusses its role in facilitating organizations' dominance in supply chain. In doing so, it extends the "make or buy" framework developed and elaborated by various researchers in the past.

Keywords: Supply Chain, Make or Buy, Knowledge

22. THE WHO, WHAT, WHERE, AND HOW OF NON-FINANCIAL METRIC DISCLOSURE: AN EXPLORATORY QUALITATIVE EXAMINATION OF EUROPEAN MULTINATIONAL AND INDIAN COMPANIES' DISCLOSURE OF NON-FINANCIAL METRICS

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ABSTRACT

While it is common for companies to analyze both non-financial and financial data for internal decision-making, companies in the United States often choose to keep their non-financial metrics internal, avoiding public disclosure in their financial statements. Without a clear assessment of a company's financial and non-financial state of affairs, it is challenging at best to accurately value companies. However, a handful of European Multinational and Indian companies disclose such data using a combination of the Lev Schwartz (Lev & Schwartz, 1974) and Sveiby (1989, 1997) models. This phenomenon led us to ask why and how some (non-U.S.) disclose non-financial assets while their U.S. counterparts do not.

Written in the early stages of a larger study of culture and non-financial metric disclosure, this article qualitatively analyzes the annual reports of BSE 100 (Bombay Stock Exchange 100) companies from three countries to examine which non-financial metrics they disclose and whether documented cultural differences (Hofstede, 1996) may impact disclosure. Specifically, we analyze the annual reports of one company from Denmark (PLS-Consult A/S), three companies from India (Bharat Heavy Electronics Ltd, Stell Authority of India Ltd, and InfoSys Technologies Ltd), and two companies from Sweden (Skandia AFS and WM-DATA AB). After presenting the findings of our study, implications for disclosing non-financial metrics are discussed.

Keywords: *Non-financial metrics, Intangible Assets, international accounting*
