
ABSTRACTS**1. REACTIONS TO COMPENSATION DUE TO INEQUALITY PERCEPTIONS: A THEORETICAL MODEL**

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ABSTRACT

This paper investigates the effects of the perception of being under- or over-rewarded in regard to the employees' level of investment in work and non-work related activities. We examine the relationship between the effort invested by an employee in the workplace, in both work and non-work related activities, and the difference between what the employee believes he/she should receive (preferred reward) and the actual compensation received (actual reward). Moreover, we propose a mathematical two-period model which accounts for employees' reactions to being under and over-rewarded at work.

Keywords: over-rewarded, under-rewarded, work and non-work related, activities

2. THE IMPACT OF ASIAN FINANCIAL CRISIS AND GLOBAL ICT SECTOR CORRECTION ON THE RELATIONSHIPS BETWEEN STOCK PRICES AND EXCHANGE RATES IN ASEAN-5

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ABSTRACT

This paper has investigated the dynamic impacts of the Asian financial crisis and global Information, Communication and Technology (ICT) sector correction on the relationships between exchange rates and stock prices for the ASEAN-5 funding countries. They are Malaysia, Singapore, Thailand, the Philippines, and Indonesia. Using daily data 1995 – 2001, the results of variance decompositions analysis suggest that during pre-crisis, crisis and ICT bubble, the exchange rates have more influential power in influencing stock prices. Thus, this finding is in line with the traditional approach of stock prices determination, where exchange rate change is expected to give rise to stock price change. However, during post-bubble period stock prices become the dominant explanatory variable in all countries.

Keywords: Asian Financial Crisis; ASEAN-5; Exchange Rate; Information, Communication and Technology; Stock Price

3. A STUDY OF SHORT RATE DYNAMICS: NONSTATIONARITY AND NONLINEARITY

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ABSTRACT

Conventional unit root tests assume linearity and therefore do not have power to explain regime changes (existence of threshold effects). Caner–Hansen (CH, 2001) provides a new test which can simultaneously test for both non-stationarity and non-linearity (threshold effects). Their threshold unit root tests are more

powerful than conventional ADF tests, especially when the true process is nonlinear. We test for the presence of non-linearity and non-stationarity in the monthly Federal Funds rate for the 50 year period from July 1954 to January 2004. Existence of a threshold effect would imply that the Fed intervenes only when changes in the Fed Funds rate exceed a threshold level. This would mean that the Fed aggressively intervenes only when there is a shock to the market, otherwise the interest rate would follow a random walk as the Fed Funds rate would reflect all relevant and available information about Fed policy. This is supported by our results, which indicate the existence of a threshold effect and non-stationarity (presence of unit roots) in each regime.

Keywords: *rate dynamics, Fed policy*

4. STOCK RETURNS AROUND MAJOR SPORTS EVENTS

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ABSTRACT

A large body of research has called into question investor rationality in asset pricing. Behavioral biases, such as the moods of investors, appear to lead to stock returns that cannot be explained or justified by traditional financial models. I investigate whether one potential mood-enhancing event, large-scale sports events in the U.S., is associated with differential stock returns in U.S. markets. After controlling for the potential of stock-return seasonality, I find no such behavioral effect in U.S. markets.

Keywords: *Behavioral finance; asset pricing; stock returns; sports events*

5. PUBLIC SERVICE INCOME TAX CLINIC: INTEGRATING A NON-TRADITIONAL LEARNING EXPERIENCE INTO AN ACCOUNTING PROGRAM

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ABSTRACT

A community coalition public service income tax clinic (Clinic) was integrated into a school of accountancy program. The Clinic utilized three IRS programs (low-income tax clinic, volunteer individual tax assistance and tax counseling for the elderly) and a community coalition of governmental agencies and business entities to provide a non-traditional learning experience to accounting students.

Keywords: *Accounting, Service-learning, Volunteer Assistance, Community Coalitions, Civic Engagement, Public Service*

6. A NOTE ON FACTORS THAT IMPACT BOOK TO MARKET RATIOS OF PROPERTY MANAGEMENT FIRMS IN THE UNITED KINGDOM

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ABSTRACT

This study examines the relationship between various management controlled variables and their impact on the book to market ratio. Previous research statistically indicates that the book to market ratio serves as a predictor of excess returns. Managers therefore might be able to exercise control over this ratio and subsequently lower the cost of external funding. Results indicate that managers of property management firms in the United Kingdom have little control over the book to market ratio.

Keywords: *property management, book to market ratio, United Kingdom*

7. EXTENDING AND EVALUATING GENERALIZABILITY OF ALBRECHT AND SACK

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ABSTRACT

This study extends Albrecht and Sack (A&S) which queried accounting practitioners and faculty on the importance of various academic topics and skills needed for professional development. The present study surveys accounting students taking courses online at a church-related university, using the A&S questionnaire. The study ranked mean responses to the questionnaire as did A&S. Results were compared with A&S, as well as with two other studies, Francisco/Kelly and Anderson/Stanny, which had also extended A&S. Distinct differences were found, including the interesting finding that online students ranked Ethics higher than respondents in any of the other studies. The validity of ranking responses was examined using a paired t-test. Results indicate that many of the response means could not be said to be significantly different. The authors then questioned the validity of ranking responses as had been presented by A&S in their study.

Keywords: *student, accounting, faculty*

8. A METHODOLOGY FOR SELECTING ACCOUNTING SOFTWARE

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ABSTRACT

In this paper, we review the range of accounting software available to business managers and survey industry professionals to assess current industry practice in selecting and upgrading accounting software. We examine alternative strategies proposed to guide the software selection process and develop a methodology for accounting software selection. We describe an implementation of this framework using an Access database developed to facilitate the storage and retrieval of profiles of accounting software

products, and a multi-criteria decision model using the Analytic Hierarchy Process to compare the software finalists. The robustness of this framework is illustrated using scenario analysis.

Keywords: Accounting Information Systems, Software Selection, Software Evaluation

9. THE INCLINATION TO SWITCH BANKS AS A FUNCTION OF CUSTOMER AGE AND BANK SIZE

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ABSTRACT

A factor analysis of 27 bank characteristics hypothesized to cause customers to switch banks yielded a four-factor solution (service quality, rates and policies, service charges, and convenience) containing 25 of the characteristics. Generally, younger persons (under 40 years of age) and customers of large banks appear most likely to change banks. To attract and retain customers, banks should strive to be competitive with respect to the factors identified in this study and should publicize this competitiveness. When attempting to lure customers away from other banks, it would seem worthwhile for financial institutions, especially large ones, to focus primarily on attracting the younger customer. A bank would seem to have the greatest likelihood of luring customers from other banks if it could convince younger persons that it offers superior service quality (especially more competent personnel and better complaint handling) and/or lower service charges.

Keywords: Banking, Financial Services, Consumer Behavior

10. HOLIDAY TAKING BEHAVIOUR AND EXPENDITURE ON HOLIDAYS BY THE AUSTRALIAN HOUSEHOLDS

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ABSTRACT

Using data from a nationally representative survey, this paper examines the holiday-taking behaviour, and expenditure on holidays by Australian households. It appears that 54% of the estimated 7.1 million Australian households took holidays during 1998-99, 27 percent could not afford, 6 percent did not want to, and the remainder (13 percent) gave other reasons for not taking holidays. Income, family composition, ethnicity, gender and age of the household heads exerted a major influence on their holiday-taking behaviour. It is estimated that Australian households spend more than \$10 billion annually on holidays; about 43% of this amount being spent on overseas holidays.

Keywords: Holidays; Tourism; Consumer Behaviour; Expenditure Patterns; Demographics

11. JOB OUTSOURCING AND THE GDP/UNEMPLOYMENT RELATIONSHIP

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ABSTRACT

Okun's law has been a cornerstone of macroeconomic theory. It asserts that a negative relationship should exist between output and unemployment. Specifically, for every one percent reduction in the unemployment rate, output should increase by three percent. In this paper, we provide an empirical analysis of the GDP/unemployment relationship. We hypothesize that job outsourcing has been the cause of instability in the relationship. Our empirical results support the general view that there is an inverse relationship between unemployment and GDP in the long run. We also find that the magnitude of the relation is weaker than what is suggested by the Okun's law. However, according to our test results, no significant relationship between GDP and unemployment has existed since 2000. This provides evidence in support of the view that job outsourcing has influenced the GDP/unemployment relationship in recent years. Our test results conform well to our hypothesis that job outsourcing has been responsible for the growth of GDP without causing solid declines in the unemployment rate.

Keywords: macroeconomic theory, unemployment, job outsourcing

12. CAPITAL STRUCTURE CHANGES IN NYSE AND NASDAQ FIRMS

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ABSTRACT

In this study, we found that NYSE and NASDAQ firms have somewhat different capital structures. NYSE firms generally use 8% to 10% more debt financing in their capital structures than NASDAQ firms. It was also found that the amount of debt in the capital structures of NASDAQ firms declined significantly between 1985 and 2003 but remained relatively stable for NYSE firms. Also, NYSE firms were found to exhibit a strong inverse relationship between firm profitability and the amount on debt in the firm's capital structure. This result is generally consistent with the Myers and Majluf's "asymmetric information theory" of capital structure. No relationship was found between profitability and capital structure for NASDAQ firms.

Keywords: Profitability, Capital Structure

13. OPTIMIZATION OF PRIVATE HIGHER EDUCATIONAL INSTITUTIONS IN TAIWAN

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ABSTRACT

The optimization of college management is an emerging research topic for management studies. The main operational funds in private colleges/universities come almost entirely from tuitions although a small portion may come from real estate revenue. The average of private colleges/universities charges twice as much tuition as public systems in Taiwan. Optimizing the student enrollment and tuition to obtain the maximal profit is the premise for good management. In this research, the private colleges/universities

budget was analyzed using cost estimation methods that calculated the cost of all individual items in the income and expenditure, using the sum to perform the analyses for understanding the current budgeting for private colleges/universities in Taiwan. The results indicated that under the current situation, 15,000 students will allow all private colleges/universities to become self-sufficient financially. If the number of the student body is increased to 18,000, the colleges/universities will enjoy the maximum profit.

Keywords: Optimization, Private College Management, Tuition, Enrollment

14. EARNINGS MANAGEMENT IN HONG KONG? A DISCUSSION ABOUT SOME OF THE ISSUES FOR FIXED ASSETS

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ABSTRACT

This study describes some of the Hong Kong earning management issues for one particular area, fixed assets. Asset valuation including accounting for fixed assets has been a concern for the Hong Kong Society of Accountants (as of September 2004, new name is Hong Kong Institute of Certified Public Accountants). Management has the opportunity to effect earnings based on the alternative accounting practices available related to fixed asset accounting. For example, the profit that will be reported at the time of sale will be increased or decreased depending if assets are revalued or not. Also, since depreciation expense reduces profit, any change in the assumptions including useful life and salvage value will affect reported profits. Management may also have some judgment in determining which costs are capitalised or expensed immediately.

This study examined two hundred and four annual reports for the years ending 1997 and 1998 to gather information about the existing accounting practices for fixed assets and investments. The firms that were selected randomly represent approximately 30 percent of the total firms traded on the Hong Kong Stock Exchange. In 1998, one hundred and sixty nine firms used historical cost to value their respective fixed assets. Thirty-six firms used market value. Only one firm changed their method from valuation to cost in 1998.

Keywords: Earnings management, asset valuation, Hong Kong accounting practices, profit manipulation

15. A PRACTICAL APPLICATION OF ACTIVE LEARNING TO ECONOMICS: PRODUCTION AND CONSUMPTION SIMULATION

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ABSTRACT

This lesson implements active learning by simulating a production line to introduce various microeconomic concepts as a precursor to the theory of the firm. Several students are involved so engagement is at a high level. Many terms are covered in one session and in a manner that allows deeper understanding beyond definitional terminology. The exercise has been designed in order to increase student interest and retention of material thus developing a sound foundation for advanced concepts. Topics covered include: marginal utility, total utility, diminishing marginal utility, marginal product, total product, average product, diminishing marginal productivity, increasing marginal productivity, fixed costs, variable costs, total costs, production and consumption maximization, production techniques and processes, and difficulty in quantifying utility.

Keywords: Active Learning, Microeconomics, Marginal Analysis, Production Process, Quantifying Utility

16. IMPLICATIONS AND GLOBAL TRENDS OF OURSOURCING

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ABSTRACT

For the past two decades, U.S. companies as well as those in other developed regions have looked to outsourcing as a way to focus on their own core competencies and relieve the monotony of managing everyday operations. Recently, the word outsourcing has new implications. The increasingly global economy has encouraged companies to begin off-shoring practices. Taking advantage of benefits provided by operating overseas, however, has risky implications. Companies are now exposed to a bevy of additional risks including government intervention and restrictions, trade barriers, and uncertainty. This study will explore the history of outsourcing and how it has evolved, and what implications it has for businesses.

Keywords: *Outsourcing, Global Trends, Globalization*

17. PERFORMANCE OF MUTUAL FUNDS OPERATED BY FINANCIAL SERVICES FIRMS

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ABSTRACT

This paper assesses the performance of mutual funds owned and operated by banks, securities firms, and insurance companies. The financial skills possessed by these types of firms suggest they would have advantages in terms of expertise and performance in fund management over other fund sponsors. In general, we find that financial firms have no significant performance advantage in fund management, a finding consistent with efficient markets. However, contrary to prior studies, we find that bank-owned funds as a group do not underperform. Finally, we provide evidence that foreign-owned mutual funds underperform, even after controlling for higher expenses.

Keywords: *Mutual funds, financial institutions, returns*

18. AGENCY PROBLEM AND FRAUD: AN EMPIRICAL STUDY

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ABSTRACT

This study examines the relation between fraud and agency problem. The principle-agent relationship arises from the separation of ownership and control. Peregrine Systems Inc. is used to test this relationship. An agency problem at a company does not necessarily result in the erosion of interest of the shareholders. This was not the case at Peregrine. The erosion of Peregrine shareholders' interest arose from the outright financial fraud that permeated the company and led to loss in stock value. At Peregrine, the main purpose of the fraud was to inflate revenues and stock price. Revenue was overstated by more than \$507 million (38%) and shareholders' losses were estimated by four billions. In October 2004, the SEC filed civil fraud charges against six former executives. This study gives some recommendations to avoid such future problems. These recommendations related to internal control, board of directors, auditors, executive compensation, and corporate culture.

Keywords: *Agency problem; Fraud; Peregrine Systems Inc.*

19. DELIVERY STRATEGIES OF CONSTRUCTION PROJECTS IN THE MIDDLE EAST

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ABSTRACT

The delivery strategies of construction projects in the Middle East have emerged as issues of considerable importance for foreign investors seeking adequate return on their investments. Indeed, the Middle East has its own peculiarities and cultures. In the absence of a proactive stance, a misguided strategic delivery decision could result in financial disaster with dire consequences. Based on interview results with firms having significant construction experience in the Middle East, this paper proposes the means to establish the appropriate organizational structures and contracting schemes to ensure the satisfactory completion of a construction undertaking for all the participants.

Keywords: foreign investors, investments, projects, Middle East

20. BANKING STRUCTURE AND PERFORMANCE: THE EVIDENCE FROM UTAH

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ABSTRACT

The main focus of this paper is to explore the evidence of the two competing hypotheses with regard to market structure and performance in the context of Utah banking: whether firms' concentration facilitating collusion leads to higher profit (SCP) or firm's efficiency creating a larger market share and concentration generates higher profits (EP). Using the pooled and cross-sectional annual data for the period 2000-2002 from Utah banking industry, this paper provides evidence in support of SCP hypothesis.

Keywords: Banking, Market structure, Performance, Utah

21. INITIAL PUBLIC OFFERINGS, IPO UNDERPRICING, AND IPO UNDERPERFORMANCE

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ABSTRACT

This paper details a review of Initial public offerings literature and its two anomalies and the implications for future research in these areas. Specifically, this paper reviews the IPO process, different theories and empirical evidence proposed to explain the IPO underpricing and IPO underperformance phenomena. Finally, this paper identifies a few important opportunities for future research in the IPO area.

Keywords: Initial Public Offerings; IPO Underpricing; IPO Underperformance

22. COUNTERING NEGATIVE DONOR REACTION TO HIGH EXECUTIVE COMPENSATION: DIRECT PROGRAM COSTS VERSUS INDIRECT COST ALLOCATIONS

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ABSTRACT

Prior research suggests that a high program expenditure ratio may partially mitigate donor reaction to high management compensation amounts reported in nonprofits' Forms 990. The importance of this ratio may lead some organizations to use indirect cost allocations to inflate its magnitude. This paper examines the role of direct program costs and indirect cost allocations in diffusing negative donor reaction. The study finds that because of donors' lack of program cost discernment, higher proportions of direct program costs may not augment the program expenditure ratio's ability to counter negative donor reaction, but large allocations of indirect costs to increase the metric's value may enhance it.

Keywords: Nonprofit Accounting, Form 990, Nonprofit Management Compensation, Cost Allocations

23. RETURN COMPUTATIONS AND THEIR IMPLICATIONS

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ABSTRACT

The rate of return computation is the bedrock of investment analysis. In academic research, it is a common practice to use log returns instead of simple returns. This investigation critically evaluates the two methods of return computation with the help of data on the Lucent Technology stock, the Dow Jones Industrial Average and the Stock Exchange of Thailand Index. The statistical analysis indicates that log transformed returns are adequate substitutes of the simple returns. This conclusion holds for daily, weekly, as well as monthly time intervals even during turbulent market conditions.

Keywords: Return Computations, Log Return, Statistical Attributes
