ABSTRACTS

1. VALUE CREATION STRATEGY AND MARKETING PERFORMANCE OF FOOD BUSINESSES IN THAILAND: AN EMPIRICAL INVESTIGATION OF THE ANTECEDENTS AND CONSEQUENCES

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ABSTRACT

The objective of this research is to examine the relationships among four dimensions of value creation strategy, customer response excellence, outstanding market acceptance, competitive competency continuity, dynamic marketing advantage, proactive marketing success, and marketing performance through the moderating role of marketing knowledge management and marketing learning capability. Marketing leadership, marketing experience, marketing technology growth, and market complexity are also investigated as the antecedents. Value creation strategy consists of customer-based value development focus, competitive-based value establishment orientation, market-based value improvement capability, and environment-based value innovation emphasis. In this research, 248 food businesses in Thailand were chosen as the sample of the research. The results indicate that three out of four dimensions of value creation strategy (customer-based value development focus, market-based value improvement capability, and environment-based value innovation emphasis) have a significant positive association with customer response excellence, outstanding market acceptance, and competitive competency continuity. In addition, customer response excellence, outstanding market acceptance, and competitive competency continuity have a positive influence on dynamic marketing advantage and proactive marketing success, and ultimately these two marketing outcomes have a positive influence on marketing performance. Furthermore, marketing knowledge management has a positive moderate effect on the relationships among customer-based value development focus, environment-based value innovation emphasis, outstanding market acceptance, and competitive competency continuity. Moreover, three antecedents, including marketing experience, marketing technology growth, and market complexity have a positive impact on each dimension of value creation strategy. Additionally, the discussion with the results is implemented in the research. Theoretical and managerial contributions are presented. The future research needs to search for the moderating and antecedent variables, as well as it needs to include them in the conceptual model in order to increase the contributions and benefits of the research. Likewise, it needs to collect data from different groups of samples and/or comparative populations from other business sectors in Thailand and elsewhere.

Keywords: Value Creation Strategy, Customer Response, Market Acceptance, Competitive Competency, Marketing Advantage, Marketing Success, Marketing Performance

2. INTERNAL AUDIT GOVERNANCE AND BUSINESS GOAL ACHIEVEMENT: AN EMPIRICAL EXAMINATION OF ELECTRONIC PARTS BUSINESSES IN THAILAND

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ABSTRACT

The objective of this study is to examine the relationships among five dimensions of internal audit governance and business goal achievement of electronic parts businesses in Thailand. It also proves five dimensions of internal audit governance as internal audit independence orientation,
internal audit morality awareness, internal audit regulation focus, internal audit transparency concern, and internal audit professional commitment. The model is tested using data collected from a mail survey of questionnaires to 126 internal auditors of electronic parts businesses in Thailand. The result indicates that some dimensions of internal audit governance are positively related to financial information reliability, risk management excellence and organizational productivity enhancement. Financial information reliability, risk management excellence and organizational productivity enhancement response has a significant relationship with business goal achievement. Moreover, organizational learning as a moderator has effects on financial information reliability and business goal achievement. However, organizational learning as moderator has no effects on five dimensions of internal audit governance and financial information reliability, risk management excellence and organizational productivity enhancement. Moreover, ethical orientation, employee competency and competitive complexity are positively related to some dimensions of internal audit governance. These include market culture as moderator, which has effects on employee competency and internal audit professional competency. Potential discussion with the research result is effectively implemented in the study. Theoretical and managerial contributions are explicitly provided. A conclusion, suggestions and directions for future research are also presented.

Keywords: internal audit governance, internal audit independence orientation, internal audit morality awareness, internal audit regulation focus, internal audit transparency concern, and internal audit professional commitment

3. AN ANALYSIS OF EXTERNAL AUDIT PRACTICES IN AGRICULTURAL COOPERATIVES IN BRAZIL

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ABSTRACT

This study analyzes the use of external audit as a monitoring mechanism in agricultural cooperatives in Brazil. Cooperative members delegate to managers their right to control the assets of the cooperative. This is believed to generate agency problems and the need for governance mechanisms aimed at monitoring. This study also analyzes the relationship between the independence and size of the accounting firm, as well as the assumption that major accounting firms should have a higher quality of service linked to conditions such as independence, reputation, and risk of litigation. It also examines the practice of the rotation of accounting firms, as well as details of the accreditation of accounting firms by the Organization of Brazilian Cooperatives (OCB). The sample consists of 72 agricultural cooperatives contained in the database of the Best and Largest Businesses between 2005 and 2009. It was observed that small accounting firms are well represented in the audit market for agricultural cooperatives and that the major accounting firms are better represented when considering the stratified sample of the largest 25% of the cooperatives. It appears that only approximately half of the cooperatives rotate accounting firms every five years or less, as is indicated by the codes of corporate governance. Thus, there might be independence issues regarding the audits of agricultural cooperatives.

Key Words: External Auditing, Cooperatives, Monitoring
4. **CAPITAL STRUCTURE AND FIRM PERFORMANCE: A CASE OF SMALL NON-LISTED COMMERCIAL FIRMS.**

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**ABSTRACT**

This study’s objective is to investigate the impact of capital structure choice on firm performance. We use two performance measures; return on equity (ROE) and return on assets (ROA) as dependent variables and four independent variables; capital structure (measured through short-term debt, long-term debt and total debt ratio), tangibility (TANG), firm’s size (SIZE), and asset turnover (TURN). The investigation uses cross-sectional time series data for a sample of 69 non-listed commercial firms, which operate in Albania, over the period 2008-2011. The data are taken from balance sheets and include only accounting measures on the firm’s performance. The results revealed a significant negative relation of ROA to capital structure while the relation of ROE, SIZE and TURN to capital structure is positive and significant.

**Keywords:** Firm Performance, Accounting Measures, Capital Structure, Albania.

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5. **EXCHANGE RATE VOLATILITY AND TRADE FLOWS BETWEEN KOREA AND THE U.S.**

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**ABSTRACT**

Previous studies produced conflicting results on the relationship between the volatility in exchange rates and trade flows. Using the bilateral trade between Korea and the U.S., this study analyzes the relationship after Korea adopted flexible exchange rate system. It is found that the volatility of the exchange rate has a negative impact on imports while it has a positive effect on exports. Furthermore, the Korean exports are highly responsive to changes in income; whereas, a percent change in income in Korea leads to a one percent change in imports from the U.S. Similarly, exports are more sensitive to changes in income than that of imports. Finally, the relative prices have greater impact on exports relative to imports.

**Key Words:** Volatility; Exchange Rate; Trade Flows; Income; Relative Prices; Korea; and the U.S.
6. PRICING, COST STRUCTURE, AND CASH FLOW

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ABSTRACT

A firm’s primary financial obligation is to increase the value of its shareholders’ investment. Shareholder value is defined as the discounted value of the free cash flow. In turn, pricing which directly impacts revenue growth, cost structure which directly impacts profitability, and cash flows which directly impacts the shareholder value are the basic ingredients in development of a firm’s short-term operational and long-term business strategy. The decision makers need to comprehend the varied accounting, economic and financial issues. This study identifies the key factors that influence a firm’s decision-making process in the areas of cost structure, pricing, cash flows, and then discuss its implications in the development of an operation or business strategy.

Keywords: Marginal Cost; Fixed Cost; Overhead Cost; Pricing; Marginal Revenue; Free Cash Flow; Capital Expenditures; Net Present Value

7. RATE OF RETURN AND INFORMATION ASYMMETRY AROUND MULTIPLE RESTATEMENT FIRMS

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ABSTRACT

In this paper we empirically examine the market reaction of restatement announcements for multiple restatement firms by exploring the various reaction dimensions in terms of short and long term market reactions as well as the market reaction by direction of restatement announcements. Our findings show that market penalizes the companies that make more than one restatement announcements. Further we look at pattern of information asymmetry in terms of spread behavior and find that spread widens before the restatement announcements.

Keywords: Financial Restatements; Information asymmetry; market return; Market Efficiency

8. TRADING BEHAVIOR OF INSTITUTIONAL INVESTORS AND LAYOFFS

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ABSTRACT

We examine institutional investors’ trading behavior around layoff announcements of their investing firms. Specifically, we investigate how the number of institutional investors and their shareholdings in layoff firms change around the layoff announcements. We find that the number of institutional investors has increased significantly around the layoff announcements. However, the institutional shareholdings experience no significant change. Further, we provide some evidence that layoff characteristics are associated with the changes in the number of institutional investors around layoff announcements. We document a negative relation between layoff size and the changes in the number of institutional investors. The likelihood of the increase of the number of institutional investors in a layoff firm decreases as layoff size increases. We find no evidence that layoff characteristics significantly affect the aggregate equity holdings of institutional investors in
layoff firms. The results show that individual institutional investors do adjust their portfolios responding to layoff announcements. The insignificant change in aggregate institutional shareholdings may indicate that immediate mass purchasing and/or selling following a layoff may make institutional investors incur huge losses, implying both new and existing institutional investors of layoff firms trade more conservatively and cautiously.

**Key words**: Layoffs; The number of institutional investors; Institutional shareholdings

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9. **AGGREGATE ANALYSTS’ REVISIONS AND MARKET REACTION**

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**ABSTRACT**
Several studies have explored the role of accounting earnings in the capital market at the aggregate level following Kothari et al (2006). However, it is unclear whether accounting earnings are informative as to the market price variations at the aggregate level. In this study, we use aggregate analysts’ revisions of earnings forecasts as a proxy for aggregate earnings surprises and explore the relation between market returns and the beliefs of an important user group (analysts) as to future earnings. We find that (1) the direction of analysts’ revisions is predictable to some extent with market returns but the magnitude of revisions is not; (2) aggregate analysts’ revisions are significantly positively correlated with contemporaneous market returns; (3) there is a weak and negative predictive relation between aggregate analysts’ revisions and future market returns. This study not only sheds light on the role of accounting earnings in the capital market but also improves our understanding of financial analysts’ role in the stock market.

**Keywords**: Analysts’ Revisions, Market Reaction, Aggregate Market Return, Earnings Forecasts.

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10. **SENIOR MANAGERS’ SHARE HOLDING REDUCTION: CAUSES AND EXPLANATIONS**

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**ABSTRACT**
This paper examined the share reduction behavior of senior managers in ChiNext market since 2009. At the end of 2012, there are 351 listed companies; while 204 companies’ senior managers have reduced their holding shares by 370 million. In contrast, shares increased hold by senior managers are less than 32.74 million in the same period. It shows that more and more senior managers are selling their holding shares. Based on the 204 companies’ statistics, we found that restricted shares’ lifting is the direct reason for the top managers’ substantial share holding reduction. The main aim for reducing share is to recover investment. The paper suggested that regulatory authority should enact some regulations to constraint such senior managers’ behavior.

**Keywords**: ChiNext; Top managers; Share holding reduction
11. GOLD STOCK MARKET: A REFUGE FOR RATIONAL OR NOISE TRADERS? EVIDENCE FROM SOUTH AFRICAN GOLD STOCK RETURNS

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ABSTRACT

Motivated by an extremely strong positive trend in gold prices over the last seven years, this paper investigates whether feedback trading is present in the gold stock market. The analysis is performed by the original Sentana-Wadhwani (SW) model (1992) augmented with a GARCH framework. The model yields testable implications about the presence of positive and negative feedback traders in stock markets. The hypothesis is tested using South Africa’s gold stock returns for the period 2000 to 2010. The empirical results indicate the presence of positive feedback trading in the gold stock market. Finally, the paper finds evidence consistent with positive feedback trading in the pre-2007-09 global crisis period. There is no evidence supporting the hypothesis that positive feedback trading drives short-term dynamics of gold stock returns in the post-global crisis period. More importantly, the feedback trading pattern does not exhibit significant asymmetry contingent on market direction.

Keywords: Gold, Volatility, Asymmetry, Positive Feedback Trading, Gold Stock Return

12. A CRITICAL SURVEY OF RECENT DEVELOPMENTS IN CAPITAL FLOW THEORY AND MACROPRUDENTIAL POLICY: CONTRIBUTIONS TO CRISIS PREDEICTION

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ABSTRACT

This article attempts to consolidate and critique some of the recent profound literature and research in the area of capital flow theory and macroprudential regulation. I chose research based on its impact in relaying information to investors and policymakers and aiding them in financial crisis prediction and prevention. In the article, I begin with an overview of the works selected and then proceed to critique the research methods, data chosen, and variables considered and/or omitted. The articles included have also assisted me in my own research by providing methodologies, econometric tips, and though-provoking, interest-piquing questions to pursue.

Keywords: Capital Flows, Credit booms. Financial crises