

ABSTRACTS**1. MATERIALITY THRESHOLDS IN CONTINUOUS AUDITING:
RESEARCH AGENDA AND TRAINING MATERIALS**

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ABSTRACT

Continuous audits are a major trend of last decade and their deployment is projected to shape the market and practices of professionals in the auditing arena (KPMG, 2010; Deloitte 2010). The trend toward deploying more frequent (continuous) audits motivates the study of the assessment of materiality thresholds in these audits. The objective of the current study is twofold: first, to propose a research framework to investigate the most important elements that'll shape the future of the market for continuous assurance. Then second, to introduce a training manual that could be used either in the classroom or in small to mid-size public accounting firms involved in implementing continuous assurance products. Some of the most significant research questions the current study poses is whether auditors and investors use the same basis to compute materiality thresholds (net income, total assets, or pre-tax income) when continuous reports based on continuous audits are prepared/used to make investment decisions, or whether they determine their materiality estimates on different bases. The study also examines whether the basis to compute materiality thresholds (traditionally net income) used by investors/users and auditors is the annual or the period (month, week, day, etc.) of the report net income. Additionally, the research framework examines the controversy surrounding the congruency between auditors and users materiality estimates. Specifically, the study poses the question of the extent to which materiality threshold estimates of auditors and investors with respect to continuous reports generated by continuous audits will be congruent. Lastly, the study investigates whether the basis to compute materiality thresholds is a function of the subject matter being audited, and whether the congruency between investors and auditor's materiality estimates is a function of the subject matter being audited. Training materials are developed to reflect the most significant research issues examined in this study.

Keywords :*Materiality, Continuous Audits, Auditing, Materiality Thresholds, Training*

2. RESEARCH OF THE BUDGETARY RISKS IN RUSSIA

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ABSTRACT

At a planning and forecasting stage in modern budgetary process in Russia and other countries of BRICS, the concept «the budgetary risk» is practically not used. In this study, the available approaches to formalization of this risk are analyzed. The universal system from 15 budgetary risks is offered.

Keywords: *budgetary risk, budgetary systems of Russia.*

3. EXAMINING YOUNG CHINESE CONSUMERS' PERCEPTIONS OF BANK'S CORPORATE SOCIAL RESPONSIBILITY

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ABSTRACT

This study investigates the perceptions of banks' corporate social responsibility among young Chinese consumers. This study uses the data from a paper survey of 236 Chinese college students in spring, 2013 in Chengdu. This research shows that young Chinese consumers have much broader definitions of banks' corporate social responsibility, which is consistent with the stakeholder theory. The confirmatory factor analysis results show that 5 factors - customer care, philanthropic effort, honor code, accessibility, and the government regulation are all positively related to young Chinese consumers' perceptions of banks' corporate social responsibility.

Keywords: Social responsibility, Young Chinese consumers, Financial services marketing, Stakeholder theory

4. STOCK MARKETS AND ECONOMIC ACTIVITY IN ZIMBABWE

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ABSTRACT

The study evaluates the nexus between stock markets and economic activity in Zimbabwe for the period February 2009 to February 2012 using monthly data. Supporters of the stock market's predictive ability argue that the stock market is forward looking and current stock prices reflect future profitability. Cointegration and Granger causality tests are used to examine the causal relationships between stock prices and economic activity, and to see if they are consistent with theory. The study specifies a bivariate model in a VAR framework with the Volume of Manufacturing Index (VIM) as a coincident indicator of economic activity and Zimbabwe Industrial Index representing stock market performance. The Johansen cointegration test suggests that there is a long-run relationship between the stock market performance and economic activity. The results of Granger causality test suggest that there is a uni-directional relationship between the variables with causality running from economic activity to stock market performance. This study provides evidence in favour of the 'demand following' hypothesis. Therefore, it can be inferred that the movements in real economic activity cause movements in stock prices and stock market performance does not play a role as a leading economic indicator of future economic activity in Zimbabwe's dollarization era. The study recommends policy makers to propose strategies that develop Zimbabwe's real sector first to improve financial markets' performance and also investors are encouraged to look at other leading indicators of economic activity other than the stock market such as changes in business inventories and new construction (new housing).

Keywords: Stock Market, Economic Activity, Volume of Manufacturing Index, Industrial Index, Granger causality, Johansen Cointegration

5. IS DSGE-VAR A USEFUL METHODOLOGY FOR CARIBBEAN FORECASTERS AND POLICYMAKERS?

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ABSTRACT

This study determines the extent to which, a small Caribbean economy can use a vector autoregressive (VAR) representation of a Dynamic Stochastic General Equilibrium (DSGE) model with informed priors of the economy to better forecast key economic variables. The empirical findings indicate that the DSGE-VAR produces superior forecasts to both the Bayesian VAR and unconstrained VAR methods used, especially as the analysis goes further into the forecasting horizon. The salient policy implication of this study is that a more robust forecasting performance can be achieved from a model with an informed prior distribution on the economy, even more than traditional methodologies such as unconstrained VAR with OLS-like estimates and Bayesian methods. It is therefore prudent that policymakers and central bankers consider the DSGE-VAR methodology as a robust way of accurately forecasting estimates for key economic variables which are usually critical components in understanding the economy.

Keywords: Bayesian VAR, Dynamic Stochastic General Equilibrium Models, VAR

6. THE ACCOUNTING DATABASE MANAGEMENT INFLUENCE ON FIRM SUCCESS: AN EMPIRICAL STUDY OF THAI-LISTED FIRMS

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ABSTRACT

Recently, all environmental changes in aspect of ASEAN free trade areas in 2015 force firms to have more competitive advantage. Including, Thai firms prepares to be ready on a newly phenomenon by seeking new efficiency procedures for firms' operations. Database management particular accounting information is an important mechanism for the appropriate decision-making of business, and certainly influences on the firm success in finally. Therefore, this research attempts to investigate the impact of accounting database management on decision-making efficiency and then affect next to firm success. Collecting data is done by questionnaire to Thai-listed firms and analyze by regression statistic technique. The results show the positive relationship between accounting database management and decision-making efficiency as well as the decision-making efficiency—firm success relationship is also positive. Surprisingly, the moderating effects are not occurred. Giving probable discussion is competently implemented in the research. Contributions, future research and conclusions will be purposed.

Keywords: Accounting Database Management; Decision-Making Efficiency, Firm Success, Governance Climate, Internal Encouragement, External Supports.

7. THE CHANGE AND DETERMINANTS OF URBAN PRODUCTION EFFICIENCY: EVIDENCE FROM CHINESE CITIES

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ABSTRACT

By using the Data Envelopment Analysis (DEA), this paper estimates the urban production efficiency for 289 Chinese cities from 1984 to 2009. The results show that there is a convergent trend for urban efficiency between cities in different sizes and areas. The change of urban efficiency of Chinese cities can be generally divided into three stages: fluctuating period before 1990s, rapid growing period in 1990s, and steady and slow growing period after 1990s. The reason to contribute the improvement of urban efficiency is the economies of scale in most periods. Furthermore, we adopt the spatial econometrics method to analyze the external factors which impact the efficiency. The results show that city size, fixed capital stock and market potential have positive effects on urban efficiency, while expansion of a city have reverse effects on it. The natural environment can provide some impacts on urban efficiency as well.

Keywords: *Urban production efficiency; Data Envelopment Analysis; Spatial econometric model*

8. CAN THE STOCK MARKET PREDICT ELECTIONS BETTER THAN THE POLLS?

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ABSTRACT:

The ability to accurately predict the outcome of the U.S. presidential election has long fascinated journalists and scientists and many theories have been proposed as a solution. This paper pits financial industry returns and factor analysis of both economic and non-economic variables against the well-respected Gallup Poll in predicting the outcome of elections prior to a presidential election cycle. The results show that while a large index like the S&P 500 has no predictive power, certain industries do yield p-values that are superior to the Gallup Poll at six and three month intervals prior to the election. Factor analysis also shows that, while certain observable financial, economic, and non-economic variables are important to voters prior to three weeks out from the election, a regime shift in the closing phases of an election changes what variables and industry returns are important to the final outcome.

Keywords: *stock market, finance, Gallup Poll*

9. THE SCOPE AND STRUCTURE OF EXECUTIVE COMPENSATION IN CHINA AND THE U.S.

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ABSTRACT

We believe that executive compensation structures are designed differently in developing and developed countries. The structure of compensation accompanied with the contracting environments and ownership culture implies different incentives to executives. On this first

paper of a series of research effort, we report the scope and structure of the top 5 executives' compensation in China and in U.S. public firms over the years of 1992 ~ 2011. The executive compensation in China experienced a substantive reform since the implementation of the "yearly salary system" in 1992. The Chinese executive remuneration is made up mainly of salaries and bonuses. Equity and stock options are a rare phenomenon and introduced only since 2005. On the contrary, equity compensation carries significant weight in a typical U.S. executive pay arrangements. Our extensive comparison shows that overall both the Chinese and U.S. executive compensation experiences a dramatic growth in the past decades. However, the weight of stock options in a typical U.S. executive pay arrangement reaches its maximum in the year of 2000 and drops afterwards. At the same time, stock awards gains more attention. Executive shareholding is a rare phenomenon but it becomes more widespread since 2005 for Chinese public firms. The overall equity compensation (i.e. stock options and stock awards) still dominates U.S. executive remuneration while it is just on the verge of growing in Chinese public firms. As for the contracting environment, while overly concentrated ownership structure is rare in the U.S., the proportion of state-owned shares is substantial in the Chinese public firms. Yet our data shows the percentage of state-owned shares is gradually declining over the years.

Keywords: *executive compensation, China, U.S.*

10. HOW FINANCIAL CRISES AFFECT STOCK AND INTERNATIONAL TRADE IN THREE ASIAN COUNTRIES?

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ABSTRACT

This paper intends to answer the question "How the changes in exchange rate and interest rate affect changes in stock market indices and current account balance?" under two conditions, first there is no emphasis on consumption, and second these rates are driven by financial crises. Thailand, Malaysia, and Taiwan, ROC were selected from 1997 to 2010 inclusive the 1997 Asian and the 2008 global financial crises. Results from a dynamic state-space model with expectations components confirm that changes in both rates positively affect changes in stock market index. However, the magnitudes in descending order are Taiwan, Malaysia and Thailand for change in exchange rate, but Malaysia, Taiwan, and Thailand for change in interest rate. For changes in current account balance we detect small positive effect caused by changes in exchange rate but small negative effect by change in interest rate changes in all three Asian countries.

Keywords: *Financial Crises, Stock Indices, Current Accounts*

11. A COMPARISON OF THE FINANCIAL CHARACTERISTICS OF JAPANESE AND AUSTRALIAN MANUFACTURING FIRMS

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ABSTRACT

In this paper, we compare the financial characteristics of Japanese and Australian manufacturing firms with the MANOVA (Multivariate Analysis of Variance) technique. Our empirical findings indicate that the overall financial characteristics of Japanese and Australian manufacturing firms are significantly different. Japanese firms have more efficient inventory management compared with Australian firms. However, Australian firms have more efficient accounts receivable management compared with Japanese firms. Japanese firms have more liquidity, therefore they have less technical insolvency risk, compared with Australian firms. Australian firms generate more sales per dollar of investment in fixed assets and they achieve a higher total assets turnover and annual sales growth rate compared with their Japanese counterparts. Return-on-assets is higher in Australian firms than in Japanese firms. However, return-on-equity is not significantly different in the two countries.

Keywords: *Japanese manufacturing Firms, Australian Manufacturing Firms, Financial Characteristics, Multivariate Analysis of Variance (MANOVA)*
