

ABSTRACTS**1. SMALL BUSINESS PERFORMANCE, PLANNING SOPHISTICATION AND BENCHMARKING: AN EMPIRICAL STUDY**

Sudhir K. Chawla, Gulf University of Science and Technology, Hawally, Kuwait
Zafar U. Khan, Eastern Michigan University, Ypsilanti, Michigan, USA
Mark B. Pahlis, Angelo State University, San Angelo, Texas, USA

ABSTRACT

While innovation in management techniques usually takes place in large organizations, there is evidence that over time such techniques seep into small businesses. It is well established that many small businesses use planning. However, what is not clear is the extent of sophistication in planning and its impact on performance. This study investigated the use of written business plans incorporating external variables and benchmarking by small business and the impact on several performance variables. The results indicate a higher proportion of small businesses using written plans with incorporation of external variables than earlier studies. Results of impact on performance variables were mixed. Planning sophistication had a positive impact on performance against industry standards and sales revenue. There was no significant impact on ROI and sales growth rate. More importantly, the results suggest that small businesses with written plans that implement benchmarking are more likely to see increases in sales.

Keywords: *Small Business; Management Techniques; Planning; Benchmarking; Performance;*

2. INFLATION AND STOCK PRICES

A.T. Aburachis, Gannon University, Erie, Pennsylvania, USA
Daniel R. Taylor, Erie County Department of Health, Erie, Pennsylvania, USA

ABSTRACT

The classic proposition that stock prices can be expected, in the long-run, to rise in proportion to the increases in the price level has been challenged by several researchers suggesting there is a negative relationship between stock returns and inflation. Since the issue can be decided only empirically, in this brief essay we use cointegration, Granger causality, and an error correction model to confront the issue of whether stock prices are a good hedge against inflation in the long-run. Cointegration results showed that stock returns and inflation shared a common stochastic trend thus tending to move together in the long-run. In addition, Granger causality test results suggested that causality runs from inflation to stock returns. Finally, the error correction model confirms the Fisher hypothesis that stock prices rise in proportion to the rise in the price level.

Keywords: *Inflation, Stock Prices, Cointegration, Granger Causality*

3. VOLATILITY IN U.S. CURRENT ACCOUNT AND GOVERNMENT POLICY

David Y. Chen, North Carolina A&T State University, Greensboro, NC, USA

ABSTRACT

For the past two decades eight percent of real U.S.GDP was lost in an average year due to current account deficit. Does the volatility of current account matter? This paper examines relationships among this volatility and government fiscal deficit, money supply, foreign direct investment and terms of trade. Using a simple dynamic general equilibrium model consisting of consumer/producer, capital inflow, foreign trade, government budget deficit, money stock, current account volatility, and two rational

expectations components we found there exist positive relationship in the twin deficits, non-neutrality of money and a negative Harberger-Laursen-Metzler effect in the U.S. economy.

Keywords: U.S. current account volatility, Government deficit, money supply

4. EFFICIENCY OF SECTOR DIVERSIFICATION IN THE BRAZILIAN STOCK MARKET IN TIMES OF FINANCIAL CRISIS

Raphael M. Roquete, COPPEAD/Federal University of Rio de Janeiro, Rio de Janeiro, Brazil
Margarida M.G.P.S. Gutierrez, COPPEAD/Federal University of Rio de Janeiro, Rio de Janeiro, Brazil
Vicente A.C. Ferreira, COPPEAD/Federal University of Rio de Janeiro, Rio de Janeiro, Brazil
Luciana A. Alves, COPPEAD/Federal University of Rio de Janeiro, Rio de Janeiro, Brazil

ABSTRACT

Diversification can be an important tool for risk reduction and becomes even more useful in times of high market volatility, which are apt to be present during global crises. The present study aims to evaluate the efficiency of diversification in the Brazilian stock market in such times. For this purpose, an industry study was contemplated to review the inter-sector correlations during moments of relative stability (low volatility) and instability, thus enabling a comparative study between these two situations. The crises selected for this study were the Russian Crisis and the Crisis of 2008. Whereas in the former it was noted that the average correlation matrix did not undergo significant change compared with the preceding period, in the second there was a significant increase in the average correlation. Thus, for the Russian crisis, it was concluded that there was no loss of efficiency of diversification; in contrast, for the Crisis of 2008, diversification incurred a major loss of efficiency, so much so that it failed to do much to ameliorate investor risk. Certain observations on the Brazilian stock market were made in order to ground the respective results. For the Russian crisis, an evident lack of liquidity of shares present in the Bovespa index was discerned, and this hampered reliable conclusions from being reached. As for the Crisis of 2008, several factors were considered essential for the results presented: sales of foreign assets to cover losses in other countries, the flight to quality effect, and herd behavior.

Keywords: *Diversification; Correlation; Volatility; Crisis; Investors' behavior*

5. TREND STRIPS: A NEW TOOL TO ANALYSE FINANCIAL MARKETS

Antonio Carlos da Silva Filho, Uni-FACEF, Centro Universitário de Franca, São Paulo, Brazil
Regiane Máximo de Souza, Universidade Federal do Triângulo Mineiro, Uberaba, Brazil
Fabiano Guasti Lima, Universidade de São Paulo, Ribeirão Preto, Brazil

ABSTRACT

The analysis of time series plays a key role on issues concerning forecasting or pattern recognition in financial markets. Problems concerning forecasting usually focus on estimating the behavior of the future based on information from the past, while problems concerning pattern recognition usually focus on the search for parameters (or configurations) that could characterize the state of the system as a whole. Dynamical modeling of the system usually looks for the construction of models that could explain the development of the system and how the time series originated from the system could be generated. The main goal of this work is to introduce a new technique that could be used to forecasting as well as to pattern recognition. We call this technique "Trend Strips" and apply it to a financial time series collected from the São Paulo Stock Exchange index, the Ibovespa.

Key-words: *Trend Strips, Forecasting, Pattern Recognition, Financial Markets*

6. GRADE PERFORMANCE IN STATISTICS: A BAYESIAN FRAMEWORK

Lawrence V. Fulton, Texas State University, San Marcos, Texas, USA
Nathaniel D. Bastian, University of Maryland University College, Adelphi, Maryland, USA
R. Muzaffer Musal, Texas State University, San Marcos, Texas, USA

ABSTRACT

In this paper, we investigate questions involving the impact of a multitude of covariates and their interactions on the scores of a comprehensive exit exam from 121 undergraduate students in Texas State University via a hierarchical Bayesian mixture model. The model uses a mixture of Beta distributions, inflated for the purposes of modeling the behavior of students who are no-shows for the exam. We formulate the predictive probability distribution of letter grade test scores as well as the probability that a student will belong to a particular grade cluster given a set of covariate values.

Keywords: Educational Research, Hierarchical Bayesian Modeling, Predictive Statistics, Performance

7. SIFs POSITION AT BUCHAREST STOCK EXCHANGE UNDER THE INFLUENCE 2007-2009 FINANCIAL CRISIS

Cornelia Pop Faculty of Business, Babes-Bolyai University, Cluj-Napoca, Romania
Marius Gavriltea, Faculty of Business, Babes-Bolyai University, Cluj-Napoca, Romania

ABSTRACT

The financial crisis of 2007-2009 had an important impact on financial markets all over the world. Bucharest Stock Exchange was also hit by the financial crisis propagation. The present paper will try to investigate if the financial crisis of 2007-2009 had an impact on SIFs position within the exchange or not. The results indicate that SIFs position remained relatively unchanged during 2008, 2009 and 2010; however it must be highlighted that new developments at Bucharest Stock Exchange during 2011 might end, at least for a while, SIFs dominance.

8. THE PURSUIT OF PROFITS IN DIFFERENT INDUSTRIES: WHAT IS THE IMPACT ON THE PRACTICE OF BUSINESS ETHICS?

Michael K. McCuddy, Valparaiso University, Valparaiso, Indiana, USA

ABSTRACT

During the recent Great Recession and in its aftermath, there has been much commentary regarding the ethical practices of businesses, and much of the commentary has been quite critical. In particular, ethical concerns have been raised about the financial services, healthcare and pharmaceuticals, and energy (especially petroleum) industries. Both business practices and profiteering have been criticized. Within the context of these ethical concerns, the present study addresses two research questions: Does the type of business being conducted interact with the level of profitability with respect to influencing the ethicality of business practices? Or does the type of business operate independently of the level of profitability in influencing the ethicality of business practices? These questions are addressed using data collected during a 16-year longitudinal study of members of the Institute of Management Accountants.

Keywords: Business Ethics, Business Profitability, Standard Industrial Classification

9. THE EFFECT OF CONTINUOUS ENTERPRISE RISK MANAGEMENT IMPROVEMENT ON INTERNAL AUDIT WORK SUCCESS OF THE INSTITUTE OF HIGHER EDUCATION

Pornpun Musig, Mahasarakham Business School, Mahasarakham University, Thailand
Rotcharin Kunsrison, Mahasarakham Business School, Mahasarakham University, Thailand

ABSTRACT

The purposes of this study are to investigate the relationships among continuous enterprise risk management improvement and assurance activity efficiency, consulting practice effectiveness, and internal audit work success. Here, 197 Internal Auditor of the institute of higher education in Thailand were the sample for data collecting by questionnaire. The results of OLS regression analysis indicate that continuous enterprise risk management improvement, namely strategic risk, operational risk, and compliance risk has a positive impact on assurance activity efficiency, consulting practice effectiveness. In addition, Assurance activity efficiency, consulting practice effectiveness have positive impact on internal audit work success. Finally contributions, suggestions and conclusions are provided for future research.

Keywords: Continuous Enterprise Risk Management Improvement, Assurance Activity Efficiency, Consulting Practice Effectiveness, and Internal Audit Work Success.

10. A THRESHOLD VAR MODEL OF THE PROPAGATION OF U.S. FINANCIAL STRESS TO PRODUCTION AND EMPLOYMENT

Todd B. Potts, Indiana University of Pennsylvania, USA

ABSTRACT

This paper incorporates a widely used financial stress index within a threshold VAR model outlined by (Tsay, 1998) to examine if the dynamic response of U.S. production and employment to an increase in financial stress differs depending on whether or not the U.S. is in a high-stress or low-stress environment. Results show that a structural break is indeed present and that the threshold for high financial stress occurs at the 81st percentile of the financial stress index, which is consistent with previous findings. There are substantial differences in the output and employment response to financial stress between the high and low-stress regimes, with the response of the unemployment rate to an increase in financial stress in the low-stress regime being only one-fourth of that experienced when incorporating the full sample.

Keywords: Vector Autoregression, Threshold Analysis, Financial Stress

11. ACCOUNTING QUALITY CONTROL AND FIRM GROWTH: AN EMPIRICAL INVESTIGATION OF CORPORATE GOVERNANCE AWARDED FIRMS IN THAILAND

Ar-porn Hongsombud, Mahasarakham Business School, Mahasarakham University, Thailand
Phapruek Ussahawanitchakit, Mahasarakham Business School, Mahasarakham University, Thailand
Kesinee Muenthaisong, Mahasarakham Business School, Mahasarakham University, Thailand

ABSTRACT

This study attempts to integrate the key components of accounting quality control in the new model. The primary objectives of this research are to examine the effects of accounting control on firm growth and to investigate the antecedence and consequences of accounting quality control in corporate governance awarded firms in Thailand. The key research question is how accounting quality control has an influence on firm growth. Underlying the stakeholder, contingency and cognitive learning theories are fundamental. Questionnaire is used as an instrument for data collection and accounting executive of each firm is the

key informant of the study. The regression analysis is employed to examine all hypotheses. Data are collected from the sample of 90 corporate governance awarded firms in Thailand. The overall results indicate the partially significant positive effect of relationships among accounting quality control, accounting practice planning, accounting system design, accounting method selection, accounting standard utilization, accounting process reviews, and accounting development continuity, financial reporting efficiency, financial information transparency, and financial information value. Interestingly, the results also demonstrate that firms with higher degree of financial reporting efficiency promote greater financial information transparency, financial information value, and concrete decision making efficiency. However, only concrete decision making efficiency has a positive effect on firm growth. Moreover, one antecedent has a positive effect on accounting quality control. Theoretical and managerial contributions are explicitly provided. Conclusions, suggestions and directions for future research are also presented.

Keywords: Accounting Quality Control; Accounting Practice Planning; Accounting System Design; Accounting Method Selection; Accounting Standard Utilization; Accounting Process Reviews; Accounting Development Continuity; Financial Reporting Efficiency; Financial Information Transparency; Financial Information Value; Continuous Stakeholder Participation; Concrete Decision Making Efficiency; Firm Growth; Executive Accounting Vision; Accounting Experience Utilization; Accounting Learning; Accounting Regulation Change; Stakeholder Force; Corporate Governance Culture; Accounting Adaptation Competency; Corporate-Stakeholder Relationship

12. BEST MODERN MANAGERIAL ACCOUNTING PRACTICE OF CORPORATE GOVERNANCE AWARDED FIRMS IN THAILAND: AN EMPIRICAL INVESTIGATION OF THE ANTECEDENTS AND CONSEQUENCES

Suphansa Chitmun, Mahasarakham Business School, Mahasarakham University, Thailand
Phapruke Ussahawanitchakit, Mahasarakham Business School, Mahasarakham University, Thailand
Sutana Boonlua, Mahasarakham Business School, Mahasarakham University, Thailand

ABSTRACT

This study investigates the effects of the best modern managerial accounting practice, information advantage diversity, valuable unique decision making, operational management well-roundedness, dynamic organization survival, sustainable business growth on ongoing firms' stability of corporate governance awarded firms in Thailand. Executive creativity mindset, corporate resource readiness, employee learning experience and competitive market challenge have become the antecedents of best modern managerial accounting practice by using business circumstance understanding and organizational adaptation competency as the moderators. 83 corporate governance awarded firms in Thailand and OLS regression are examined in this study. The results indicate that the best modern managerial accounting practice influence information advantage diversity, valuable unique decision making and operational management well-roundedness of corporate governance awarded firms in Thailand which create valuable unique decision making and operational management well-roundedness and provides dynamic organization survival and sustainable business growth, but information advantage diversity is on the other hand. The results show that dynamic organization survival and sustainable business growth provides ongoing firm stability as a result. Surprisingly, corporate resource readiness is not the antecedent of the best modern managerial accounting practice. Organizational adaptation competency does not moderate the relationships among information advantage diversity, operational management well-roundedness, dynamic organization survival and sustainable business growth of corporate governance awarded firms in Thailand. Conclusion and suggestions for future research are presented accordingly.

Keywords: Best Modern Managerial Accounting Practice, Information Advantage Diversity, Valuable Unique Decision Making, Operational Management Well-roundedness, Dynamic Organization Survival, Sustainable Business Growth, Ongoing Firm Stability, Executive Creativity, Corporate Resource Readiness, Employee Learning Experience, Competitive Market Challenge, Business Circumstance Understanding, Organizational Adaptation Competency

13. INTER-FIRM RELATIONSHIP MANAGEMENT STRATEGY AND FIRM PERFORMANCE: EVIDENCE FROM ELECTRONIC PARTS AND EQUIPMENT MANUFACTURING BUSINESSES IN THAILAND

Sutee Ngowsiri, Mahasarakham Business School, Mahasarakham University, Thailand
Phapruek Ussahawanitchakit, Mahasarakham Business School, Mahasarakham University, Thailand

ABSTRACT

The purpose of this study is to examine the relationships among five dimensions of inter-firm relationship management strategy, operational flexibility, resource utilization effectiveness, customer fulfillment, and firm performance of electronic parts and equipment manufacturing business in Thailand. It also states five dimensions of inter-firm relationship management strategy as trust, bonding, communication, shared value and empathy. The theories used to support the study of the relationships among conceptual framework are network theory, organizational learning theory, resource-based view and contingency theory. Network theory and resource-based view are able to explain the relations among conceptual framework. The model is tested using data collected from mail survey questionnaires of 149 electronic parts and equipment manufacturers in Thailand. The result of this research shows that inter-firm relationship management strategy has a significant relation with operational flexibility, resource utilization effectiveness, and customer fulfillment. In addition, operational flexibility, resource utilization effectiveness, and customer fulfillment have a significant positive effect on firm performance. Inter-coordination experience and environmental munificence however are not moderating variables related to the conceptual framework. This paper might be useful to scholars and those who are interested. It also can be used as a guideline for future researches. Potential discussion with the research results is effectively implemented in the study. Theoretical and managerial contributions are explicitly provided with the directions for future research.

Keywords: *Inter-firm relationship management strategy, Operational flexibility, Resource utilization effectiveness, Customer fulfillment, Inter-coordination experience, Environmental munificence, Firm performance*

14. CONSUMER ONLINE SOFTWARE SAMPLING: A MULTILEVEL ANALYSIS

Young Jin Lee, University of Wisconsin-Green Bay, Green Bay, Wisconsin, USA

ABSTRACT

Product sampling is a part of promotion tools to increase the sales of goods. Especially, the marginal sampling cost for consumer is close to zero in software markets since consumers may download a freeware or trial version of the focal product easily through the internet. Unlike other consumable goods, sampling is an inexpensive strategy to software vendors. Hence, it is common practice in software markets. This research builds a multilevel model to illustrate categorical heterogeneity in software sampling and the effects of sampling strategy on sampling performance among software categories. Using the data collected from download.com, we find that: 1) sampling intensity is different among software categories; 2) trial version strategy outperforms freeware strategy in some categories, but on average its effect on sampling performance is lower than that of freeware strategy by 19%. These results serve to provide guidance for software vendors to choose the better sampling strategy.

Keywords: *Software Free Trials, Freeware, Trialware*
