

**ABSTRACTS****1. THE IMPACT OF BOARD CHARACTERISTICS AND OWNERSHIP STRUCTURE ON CORPORATE DIVIDEND POLICY IN CANADA**

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**ABSTRACT**

*This paper examines the relation between ownership structure, composition of the board of directors and dividend policy in Canada. Our results show that external block-holders ownership has a significant positive effect on the decision to pay dividends while CEO duality is positively related to dividend yields. Consistent with prior research in finance, we document that firm size, prior financial performance and free cash flows are positively related to the decision to pay dividends as well as to the level of dividend payouts.*

**Keywords:** *dividend policy, board of directors, ownership structure*

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**2. THE EFFECT OF CROSS-LISTING ON CEO COMPENSATION**

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**ABSTRACT**

*This study investigates the effect of cross-listing on CEO compensation. Using a sample of Canadian firms that cross-listed on U.S. stock exchanges, we find that cross-listing has a significant positive influence on CEO compensation. CEOs receive significantly greater compensation after cross-listing compared to what they were paid before cross-listing. The study also found that firm size and board independence positively influences CEO compensation, but CEO duality does not have a significant influence on the pay of CEOs.*

**Keywords:** *cross-listing, CEO, compensation, firm performance*

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**3. IMPACT OF THE IMF'S EXCHANGE RATE POLICY ON THE GUYANESE ECONOMY**

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**ABSTRACT**

*One of the most controversial international institutions is the International Monetary Fund (IMF). That controversy is rooted in the manner in which the IMF provide assistance to developing countries and one hot issue is the requirement of developing countries with persistent trade deficits, and receiving economic assistance from the IMF, to devalue their currencies. In many of my classes, I usually encounter students with negative perceptions of the IMF. The fact is, many countries that have experimented with currency devaluation did not realized an economic improvement due to this measure, thus making it very difficult to convince many of its relevance in economic growth for many countries. In this study, which contributes to the ongoing academic analysis of the impact of currency devaluation/revaluation on trade balances, the results indicate that a country cannot devalue its way to a trade surplus and that the exchange rate policies of Guyana did not lead to an improvement in trade balance.*

**Keywords:** *IMF; Guyana; exchange rate trade performance; imports exports; currency devaluation*

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#### 4. ACCENTUATED INTRADAY VOLATILITY IN EMERGING MARKETS: THE TURKISH STOCK EXCHANGE

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##### ABSTRACT

*In this study intraday volatility pattern at the Istanbul Stock Exchange (ISE) are examined. The ISE is a good representative of an emerging country stock market. Moreover, the exchange went through substantial changes in the trading hours and in the implementation of call auction systems before the market opening and after the closing of the market. The effects of these changes on intraday volatility and on the efficiency of the market are examined using a large and comprehensive dataset. Accentuated volatility right after the opening of the market would imply market inefficiency and would point to the difficulties of market participants in interpreting the information accumulated overnight. Similarly, accentuated volatility right before the closing of the market would also imply market inefficiency and point out the difficulties of market makers in rebalancing their portfolios and in clearing the accumulated orders from their clients for the day.*

**Keywords:** Market microstructure; Intraday volatility; Price discovery; Emerging markets

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#### 5. GREEK CRISIS AND THE FAILURE OF GOLDMAN SACHS' GOVERNANCE

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##### ABSTRACT

*In this paper, we examine the root cause of Greek Crisis and ramifications in terms of negative publicity that Goldman Sachs experiences when it acts in ways inconsistent with their key principles or corporate governance guidelines. We analyze the specific roots of Greek crisis stemming from Goldman Sachs-Greek government currency swap and corporate governance guidelines for Goldman Sachs to assess if proper guidance exists, so that business transactions are conducted in a manner that protects the corporation's public reputation. Included in this paper is our assessment how Goldman Sachs is related to Greek Crisis and how Goldman Sachs should re-examine its business practices to better align with its proclaimed company values and corporate governance.*

**Keywords:** Greek Crisis, Goldman Sachs, Corporate Governance, Misalignment

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#### 6. (DYNAMIC) BALANCE OF TRADE DEFICITS DUE TO CURRENCY DEVALUATIONS: A TEST OF THE J-CURVE AND KULKARNI HYPOTHESIS

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##### ABSTRACT:

*This paper analyzes the exchange rate effect on the balance of trade in three African nations. With proper consideration of the J-Curve hypothesis, which states that currency devaluation will only precipitate an improvement in the balance of trade if the demand elasticities for imports and exports are large enough to satisfy the Marshall-Lerner Condition. The paper goes further to describe the Kulkarni Hypothesis and the potential for "persistent, dynamic balance of trade deficits" in the extreme case of a series of currency devaluations. After proper consideration of the theoretical framework, this paper*

*applies this relationship to three African countries: Malawi, Burundi, and Zambia, and finds that the three countries provide evidence for both the J-Curve and Kulkarni Hypothesis, however, the effects do vary across the three due to disparate country specific conditions.*

**Keywords:** *J-Curve Hypothesis, Devaluation, Exchange rate Policy, Kulkarni Hypothesis, African Currencies*

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## 7. THE NEW ECONOMY: THE IMPACTS OF THE ECONOMIC DOWNTURN

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### ABSTRACT

*The term, the 'New Economy' has been used to describe how globalization and continued innovations in information technology have impacts the world economy. Initially, there was optimism that these factors would result in a more stable economy, one that could withstand perturbations as they occur. The economic downturn of 2008-2009 and continued slow economic performance provide an opportunity to further explore if there is truly a 'new' economy or if the 'old' economy has just evolved into a more stable form. We find that the recent economic turbulence is still quite evident in the indicators which lead us to question if a more stable and controlled New Economy does exist or if other factors are at play in the economy.*

**Keywords:** *New Economy, Economic turbulence, Globalization, Innovations in Information Technology*

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## 8. DOES INTEREST RATE PARITY HOLD BETWEEN USA AND THE EMERGING CHINA?

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### ABSTRACT

*Interest Rate Parity (IRP) is a theory that in equilibrium, the forward rate differs from the spot rate by a sufficient amount to offset the interest rate differential between two currencies. This paper examines and does an empirical test of IRP between the United States and emerging China. I test out hypothesis using monthly data from 2006-2012, before, during, and after the financial crisis in 2008. If the null hypothesis is rejected, IRP does not hold. I also investigate the effects of financial crisis on the validness of IRP. Generally our empirical results reject the null hypothesis. I conclude that IRP does not hold between the United States and the emerging China economy. The arbitrage exists that investors can borrow from one country and deposit in another country. This study is the first to investigate the validness of IRP between the U.S. and China and provides important implications to eliminate arbitrage profits. The effects of financial crisis on IRP are also examined.*

**Keywords:** *Interest Rate Parity, 2008 Global Financial Crisis, U.S Dollar., China Yuan*

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**9. BAILING OUT “TOO BIG TO FAIL” BANKS: DOES IT IMPAIR THE EFFICIENT FUNCTIONING OF THE FINANCIAL MARKETS AND INSTITUTIONS?**

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**ABSTRACT**

*Following the September 2008 near-meltdown of the financial system, the US Congress passed the Emergency Economic Stabilization Act alongside the Troubled Asset Relief Program (TARP) in October 2008, authorizing the US Treasury and the Federal Reserve to bailout financial institutions known as the “too big to fail” banks. In this paper the direct and indirect costs of the bailouts more than three years after their approval by the federal government are investigated. This study asserts that indirect costs outweigh the benefits of the bailout programs since bailouts weaken corporate governance and risk management incentives at financial institutions. Hence, a free-banking experience with limited market intervention is more appropriate as is the case in other sectors of the economy. The focus, in the case of banking, should be rather shifted to prudential regulation of these systemically important institutions. The very concept of “too big to fail” will be critiqued for the inconsistent and unfair protection it provides to large banks and the accountability concerns for the banking industry.*

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**10. INTEREST RATE PARITY AND CONSUMPTION**

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**ABSTRACT**

*Countries whose marginal utility of consumption are high relative to other countries have negative slopes in interest rate parity (IRP) regressions. Interest rate parity regressions using government bonds with maturities higher than three months suffer from omitted variable bias. The negative slope obtained in IRP regressions is not explained by foreign investment or trade of goods and services.*

**Keywords:** *Interest rate parity, consumption, international finance*

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## 11. THE EFFECT OF SOCIAL MEDIA ON THE FINANCIAL SERVICES INDUSTRY

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### ABSTRACT

*Social media is affecting all aspects of our culture. The use of social media in financial services is growing at a rapid rate as the global economy has been experiencing great difficulties. Those offering financial services have, by necessity, started to use social media to become more competitive. Another factor resulting in an increased use of social media is the fact that society is becoming more and more tech savvy. Sixty five percent of adult Internet users stated in a recent Pew Research Center study they use social networking sites (McKinney, 2012). Even thirty-three percent of adults 65 and older stated they used social media. These figures demonstrate a very large increase over the year before. Credit card companies, debit card companies, and banks, are examples of organizations offering various financial services through social media outlets such as Facebook and Twitter. Financial services firms are making great efforts to mine the external and internal communication potential of social media. This paper discusses how social media has, and is, affecting the way financial services are marketed and how it is growing in the importance it plays in the financial services arena.*

**Keywords:** *Social media, financial services, banking, Internet, culture, evolution of society, Internet marketing, world wide web, mobile-based technology*

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## 12. STOCK RETURNS AND LIQUIDITY PREMIUM IN AN EMERGING MARKET

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### ABSTRACT

*The paper investigates evidence on liquidity premium of stock returns in emerging markets. We employ 3 liquidity measures—zero return, share turnover and Liu's (2006)—on Thai stock returns data for the period 1991 to 2010. Our results suggest that stock returns in Thai market exhibit liquidity premium when the zero return and Liu's measures are used. The four-factor model that incorporates size, value and liquidity factors gives more explanatory power compared to the standard CAPM. Nevertheless, size and value premium fail to explain stock returns in this market.*

**Keywords:** *Emerging Markets; Asset Pricing; Liquidity; Stock Returns; CAPM*

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### 13. DOES CHINESE STOCK MARKET OVER- OR UNDER-REACT?

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#### ABSTRACT

*In this study, we examine the stock price behavior after a one-day extreme movement using Shanghai Composite Index over the sample period of January 4th, 2000 to December 30, 2011. We find strong evidence of price continuation after an extreme one-day good performance and weak evidence of price reversal after an extreme one-day bad performance, suggesting investors in Chinese stock market tend to under-react to good news but over-react to bad news. These results are consistent with the uncertain information hypothesis which states that investors tend to err on the side of caution when they are uncertain about the information they received.*

**Key words:** *Efficient market hypothesis, Overreaction, Under-reaction, Uncertain information hypothesis*

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### 14. EFFECTS OF AUDIT MORALITY AND ETHICAL JUDGMENT ON AUDIT SUCCESS OF CERTIFIED PUBLIC ACCOUNTANTS (CPAs) IN THAILAND

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#### ABSTRACT

*The objective of this study is to examine the influences of audit morality and ethical judgment on audit success of certified public accountants (CPAs) in Thailand. Audit morality is the independent variable, ethical judgment is the mediating variable, and audit success is the dependent variable of the study. In this study, 113 CPAs in Thailand are the sample of the study. The results of this study show that audit morality has a positive relationship with ethical judgment. Audit morality has a positive association with audit success and ethical judgment has a positive interaction with audit success. Accordingly, audit morality becomes a main determinant of explaining both ethical judgment and audit success. Ethical judgment is a partial mediator of the audit morality-audit success relationships. Potential discussion is efficiently implemented in the study. Theoretical and professional contributions are explicitly provided. Conclusions, suggestions and directions for future research are also highlighted.*

**Keywords:** *Audit Morality, Ethical Judgment, Audit Success, Certified Public Accountant (CPAs)*

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