
ABSTRACTS**1. FINANCIAL LEVERAGE AND GROWTH OPPORTUNITIES IN JAPAN**

Hoje Jo, Santa Clara University and Monterey Institute of International Studies (MIIS), CA, USA
Yong H. Kim, University of Cincinnati, Cincinnati, Ohio, U.S.A.

ABSTRACT

The Japanese institutional environment permits an examination of the agency hypothesis for firms with different organizational and debt structures. According to the agency hypothesis, corporations choose equity over debt in financing profitable new investments when the potential for conflicts between bondholders and stockholders is high. The negative relation between total debt-equity ratio and growth opportunities observed for U.S. firms in previous research is found only for non-keiretsu firms and not for firms who are members of a keiretsu group. In addition, the growth opportunities of keiretsu firms are unrelated to their use of long-term debt-equity ratios. These results provide favorable support for the agency hypothesis.

Keywords: Capital structure; Japanese corporate finance; Agency costs

2. A REVIEW OF EUROPEAN BUSINESS INTEGRATION: DOES EUROPEAN BUSINESS EXIST?

Nicolas M. Dahan, Long Island University–CW Post, College of Management, Brookville, NY, USA
William J. Frech, Ramapo College of NJ, Anisfield School of Business, Mahwah, NJ, USA

ABSTRACT

This paper poses the question of the existence and extent of "European business". This notion can be characterized along four dimensions. First, European business can be viewed as a homogeneous business environment (specifically, a regulatory framework and integrated consumer markets). Second, European business also corresponds to a certain type of firms: firms with a regional scale of operations, conducive to paneuropean standardization of corporate policies and practices. Through a review of existing empirical data along these main dimensions, our ultimate assessment is that "European business" does exist but is not as widespread as held by popular belief.

Keywords: European business; European integration; Europeanization; Economic convergence; Single Market

3. BANK FRAUD VS. BANK CREDIBILITY

Partenie Dumbrava, Babes Bolyai University, Business Faculty, Cluj – Napoca, ROMANIA
Marius D. Gavriletea, Babes Bolyai University, Business Faculty, Cluj – Napoca, ROMANIA
Lupulescu Grigore – Carpatica Bank, ROMANIA

ABSTRACT

The facts occurring in the financial and banking environment are not at all accidental, an obvious conclusion being confirmed, notably that finance and banking represent the mirror of society. These facts reflect at a glance the general state of society with respect to an essential component: finance and banking.

Unfortunately, dirty business and outrageous bankruptcies in the financial sector are often made publicly with delay, after their occurrence, when the huge losses shock all the performing "actors" at the fall of the curtains. Bank fraud constitutes an aggressive presence in this sector, where money is both "raw

material” and “finite product”. Therefore, temptation is ever growing, given the high liquidity of all values circulating throughout the entire banking system. The phenomenon has been noticed since the very beginning of banking activity, amplifying with the development of the banking system. Despite its negative effects, fraud is very much related to the banking evolution; in order to operate, banks make use of the capital held by other parties and obtain high profits out of that capital, due to their role of intermediaries in the economy.

The banking system is known to be one of the most rigorously regulated sectors and the strict observance of internal norms would make fraud difficult to operate, if not impossible. Only bank professionals can detect potential weaknesses of internal norms and they are usually not involved in fraud issues, because, apart from their professional training, they also have a clearly positive attitude.

Keywords: Bank, Fraud, Honesty, Credibility

4. THE INTERNATIONALIZATION PROCESS OF THIRD WORLD MULTINATIONAL FIRMS: A STUDY OF MALAYSIA GOVERNMENT-LINKED CORPORATIONS

Syed Zamberi Ahmad, University of Malaya, Kuala Lumpur, Malaysia

ABSTRACT

The study of the multinational corporations (MNCs) has been a fundamental component of the international business literature. Most studies have focused on the international expansion of MNCs from the western and very little academic attention examines and analyses the internationalisation strategies and characteristics of Asian MNCs. Despite their relative youth of the international market, several nascent Malaysia multinationals are now global corporations. In developing economy such as in Malaysia, government policy has been an important intervening variable in the growth and development of the local multinationals. Using an in-depth case study research methodology, empirical evidence is presented on the international expansion process of the three Malaysia government-linked corporations (GLCs) namely, Petroliam Nasional Berhad (Petronas), TM Berhad (TM), and Sime Darby Berhad (SDB). The findings indicate that the emerging and nascent Malaysian MNCs, while exhibiting characteristics such as described in extant foreign direct investment theories also suggest some differences.

Keywords: Developing country, International expansion, Malaysia government-linked corporations

5. THE OTHER JANURAY EFFECT: INTERNATIONAL EVIDENCE

Michael J. Imhof, University of Missouri, Missouri, USA Jorge Brusa, Texas A&M International University, Texas, USA

ABSTRACT

The predictive power of January stock returns has been examined in the United States, but it is unexplored in international stock markets. We attempt to fill this gap in the finance literature by examining the predictive power of January returns in international markets such as Australia, Japan, Hong Kong, Germany and Switzerland. The results in the study show that positive January returns in international stock markets have a similar predictive power as those observed in the U.S. The results also indicate that January stock returns in the U.S. have a significant power to predict stock returns in international stock markets.

Keywords: January, anomaly, international, stock, return

6. AN APPLICATION OF SOCIAL COGNITIVE CAREER THEORY: EXPLORING FACTORS INFLUENCING THE DECISION TO SELECT PUBLIC ACCOUNTING AS A CAREER CHOICE

Ziette A. Hayes, Hampton University, Hampton Virginia, USA
Sid Howard Credle, Hampton University, Hampton Virginia, USA

ABSTRACT

The purpose of this study is to provide information that identifies important reasons why few African American business school graduates enter the public accounting profession. The study uses the Social Cognitive Career Theory Questionnaire (Cunningham, Bruening, Sartore, Sagas, & Fink, 2005) to examine African American business students' career self-efficacy, outcome expectations, and career choice goals regarding public accounting as a profession. Studying African American college students' interest in the public accounting profession is important because college students who enter into the profession as CPAs can later be promoted to partnership. For accounting firms, valuing diversity in the leadership ranks is important to the success of meeting the demands resulting from complex laws, such as Sarbanes-Oxley, and the expanding global economy. The survey sample consisted of 309 African American business students. Survey results indicate a positive relationship between career self-efficacy and the decision to select public accounting as a career choice. Similarly, there was a positive relationship between outcome expectations of the public accounting profession and the decision to select public accounting as a career choice. Correlations were also established for barriers to entrance (discrimination and lack of advancement opportunities) and supports (human and social capital).

Keywords: Public Accounting, Social Cognitive Career Theory, Accounting Profession, Business Students, African Americans

7. WHEN, HOW, AND WHERE DO SMES START GLOBAL BUSINESS?: ANALYSIS OF KOREAN NEW VENTURE FIRMS

Jong Wook Ha, Columbus State University, Columbus, Georgia, USA
Soon-Gwon Choi, Pukyong National University, Busan, South Korea
Sungwoo Jung, Columbus State University, Columbus, Georgia, USA

ABSTRACT

This paper investigates whether traditional internationalization theory, especially Uppsala Internationalization Process (UIP) perspective, can be applicable to analyze new international phenomena of small and medium sized enterprises, such as International New Venture (INV). Several propositions are tested by empirical data from Korean new venture firms. The main finding of this research is that the period of starting internationalization from establishment of Korean new venture firms' is very short, as INV perspective suggested. Also when Korean new venture firms select foreign market entry modes, most of them select 'export' as a first foreign market entry mode. We found that Korean new venture firms seem to select their target market by market situation, as INV perspective suggested. Based of these findings, we recommend the development of a new concept to explain and analyze new internationalization phenomena, such as INV, Born-global, as 'Condensed Internationalization.'

Keywords: Uppsala Internationalization Process; International New Venture; Korean New Venture Firms; Entry Modes

8. FOREIGN AID, ILLEGAL DRUG PRODUCTION, AND INCOMPLETE MONITORING

Catherine M. Chambers, University of Central Missouri, Warrensburg, Missouri, USA

Paul E. Chambers, University of Central Missouri, Warrensburg, Missouri, USA

ABSTRACT

Disruption of supply is one of the cornerstones of U.S. antidrug policy. In fiscal year 2008, the federal government's drug budget totaled \$12.961 billion, of which \$8.3 billion was dedicated to disrupting the market. One of the largest international programs is the Andean Antidrug Initiative, with a budget of \$734.5 million in 2006. This project involves cooperation between the U.S. and the governments of eight Andean nations, with the U.S. providing funding for eradication, crop substitution and other programs designed to reduce production of coca in these countries. But does this aid have the desired effects? In this paper, we assess the difficulty of maintaining and enforcing agreements between sovereign states. Because monitoring of actual production levels is very difficult, the price of illegal drugs is used as an imperfect proxy to detect noncompliance. We employ a repeated game format with trigger strategies to show the possibilities of maintaining the agreement in an environment with incomplete information.

Keywords: Drug Eradication, Repeated Game, Trigger Strategies, Foreign Aid

9. THE RELATION BETWEEN THE ROMANIAN CUSTOMERS'S INCOME AND THE DEMAND ON CLOTHES

Marius Bota, Babes-Bolyai University, Cluj-Napoca, Romania

Monica F. Boriceanu, Babes-Bolyai University

Smaranda A. Cosma, Babes-Bolyai University, Cluj-Napoca, Romania

ABSTRACT

The Romanian clothing market is a crowded one with a lot of powerful competitors, especially Asian firms with their cheap products. In order to survive on this market the Romanian clothing companies should adept their products offer to the customer's needs and wishes. In this paper we tried to find out the influence of the costumer's income on the demand on clothes. We used the chi-square test to find if there is a relation between income of the Romanian people and the monthly amount spent on clothes. We also obtained a mathematical model which shows the evolution of the demand on clothes, represented by amount, function of income.

Keywords: Romanian clothing market, chi-square test, income, demand on clothes

10. A MODERN PHILOSOPHY OF GLOBALIZATION: MOTIVES, CONSEQUENCES, AND ETHICS OF WORLDWIDE COMMERCE

Sean D. Jasso, Pepperdine University, Malibu, California, USA

ABSTRACT

This paper takes the position that globalization both in terminology and theory is overly used and misunderstood. Much has been written and debated in recent years about the phenomenon called 'globalization', but still students and business practitioners alike, fall into polarized and ideological camps of what it is, why it is, and what all the fuss is about. The paper addresses three central questions. First, what are the motives of nations to reach beyond their borders? Second, what are the consequences of this outreach – predominantly in the present time? Third, what are the ethics – or the general guidelines

– of worldwide commerce? The ultimate objective and destination of the paper is to offer a collective starting point for the new decade ahead and, moreover, that an aggregate discussion among economists, political scientists, and the business community might ensue. Not all people care about or are aware of globalization, but most people are impacted by its reality. Yet, for those who live in the world of ideas and the practice of policy design, implementation, and business management, a new philosophy can help simplify the diversification of globalization's meaning for those who may have strayed or have been skewed from the confusion.

Keywords: Globalization; Philosophy; Global Economy; Economic Development; Global Politics; Transnationalism; Global Governance; Global Reach; Ethics

11. POLAND POISED TO DRIVE ADVANCEMENT IN THE GLOBAL ECONOMY

Shelia A. Brown, Capella University, Atlanta, Georgia, USA
Marilyn E Harris, Capella University, Petoskey, Michigan, USA

ABSTRACT

Historically, Poland has proven to be a nation with tremendous tenacity, and a nation that has shown tremendous courage to fight against dominators, rulers, and oppressors. Today this nation operates as a viable player in the global economy and is a heralded example for democracy. This paper examines Poland's position in the global economy and it synthesizes the political, cultural, and economic factors relevant to Poland's advancement in the global economy by driving co-created value through global networks in the new age of innovation.

Keywords: Synthesis, Global Economy, Innovation, Poland

12. ETHICAL ISSUES ASSOCIATED WITH INTERNATIONAL TRANSFER PRICING PRACTICES

Agatha E. Jeffers, Montclair State University, Montclair, New Jersey, USA
Dionne Burgess, Montclair State University, Montclair, New Jersey, USA
Peggy Ann Hughes, Montclair State University, Montclair, New Jersey, USA

ABSTRACT

Mimization of taxes through the use of transfer pricing is a common and pervasive practice among multinational enterprises (MNEs). To make these practices more uniform, regulations have been put in place by the IRS as well as the OEC. However, the practices aimed at minimizing taxes can be circumvented and may sometimes be used to avoid taxation. Transfer pricing policies are very difficult and expensive to defend and if not done properly may lead to the risk of double taxation. With the increased scrutiny on transfer pricing practices, it is important that MNEs are vigilant to ensure that their policies are in compliance with the required arm's length standards while at the same time being in line with its own business objectives. There are many ethical issues associated with these transfer pricing policies. This paper discusses common transfer pricing strategies employed by multinational enterprises as well as some of the ethical and legal implications of transfer pricing strategies and their potential economic impact.

Keywords: Multinational enterprise (MNE), transfer pricing policies, minimize taxes, tax avoidance, ethical practices

13. AN EXAMINATION OF THE ANTECEDENTS OF MOTIVATION TO LEAD

Stacey R. Kessler, Montclair State University, Montclair, NJ
David J. Radosevich, University of Wisconsin – Green Bay, Green Bay, WI
Jeewon Cho, Montclair State University, Montclair, NJ
Soo K. Kim, Montclair State University, Montclair, NJ

ABSTRACT

This study examines the relationships between motivations to lead and personality variables. The primary purpose was to explore the antecedents of motivation to lead, a relatively new construct with three distinct factors: affective identity, non-calculative, and social normative. Participants (N = 332) completed an online survey assessing study variables. Results indicated support for a differential pattern of relationships for each of the three types of motivations to lead. Theoretical and applied implications for future research are discussed.

Keywords: *Personality; Motivation to Lead; Core Self-Evaluation*

14. A STUDY ON RELATIONSHIP BETWEEN SUPPLY CHAIN STRUCTURE AND SCM ACTIVITIES: AN EMPIRICAL TEST IN KOREA

Sang Shik Lee, Kyungsung University, Pusan, South Korea
Hyeong-Wook Jang, Hanjin Logistics Institute, Seoul, South Korea
Sung Kim, Minnesota State University, Mankato, Minnesota, USA
Jong Weon Kim, Dongeui University, Pusan, South Korea
Hyungmok Lee, Kyungsung University, Pusan, South Korea

ABSTRACT

Supply chain management is vital for securing competitive advantage and improving organizational performance in the global market as the shape of global competition is changing from company-based competition to supply chain competition. The purpose of this study is to confirm that there are distinct and separate categories of supply chain management (SCM) networks, and to define SCM into different dimensions of activities. The dimensions of activities were identified as organizational capacity; revitalization support; collaboration; appraisal and responsibility; and information system. For the network categorization, hierarchical cluster analysis was executed through factor analysis to confirm three distinct networks of supply chain structure. Finally, the study examines whether the different categories of network focuses on different SCM activities. Analytical results confirm that there is an average difference in SCM activity depending on supply chain structure.

Keywords: *Supply Chain Management (SCM), Supply chain structure, SCM activities*

15. RESEARCH ON RELATIONSHIP BETWEEN CONSUMER SATISFACTION AND WEB CONSUMER SHOPPING BEHAVIOR

Meilian Liu, Guilin University of Electronic and Technology, Guilin, China
Yuefeng Xiao, Guilin University of Electronic and Technology, Guilin, China

ABSTRACT

The paper focuses on the relation between consumer satisfaction and consumer behavior in Internet. Based on the customer satisfaction and consumer behavior theory, a hypothesized relation model

between consumer satisfaction and consumer behavior in Internet has been set forward, according to the present conditions of electronic commerce and Internet marketing. After statistics analysis have been done, such as factor analysis, relation analysis and hypothesis test, results show that web service quality, web safe, web interaction and others are important to consumer satisfaction by means of SPSS software. Further studies show that consumer satisfaction, attitude to Internet shopping and perceived usefulness are significant to shopping intention, while consumer satisfaction is positively related to web shopping intention.

Keywords: *Consumer satisfaction; Internet shopping intention; Internet shopping behavior*

16. ESTIMATION OF MARKET POTENTIAL FOR SPACEBORNE REMOTE SENSING DATA SERVICES

Murthy Remilla L.N, Indian Institute of Science, Bangalore, India
Srinivasan R, Indian Institute of Science, Bangalore, India
Prakash C.V.S, Antrix Corporation Limited, Bangalore, India

ABSTRACT

Today, Remote Sensing is an important and successful business activity in the field of space with satellites launched by the space agencies of select few countries like USA, India, France, Russia, Japan, Israel, and by some international commercial companies. Remote Sensing (RS) is the observation of objects and features without contact and includes mapping and digital image processing techniques to provide the required information to the user. Remote Sensing uses instruments/cameras mounted on aeroplanes and satellites to produce images of the earth's surface- aerial photography and spaceborne remote sensing respectively.

This paper looks at the international marketing issues involved in this fast developing and advanced space related business of spaceborne remote sensing. It identifies the factors affecting the market potential for spaceborne remote sensing and gives a methodology for estimating the same. The model developed on indexing method using primary and secondary data captures about 65% of the factors contributing to the market potential.

Keywords: *Remote Sensing, Satellite, Earth Observation (EO), Market Dynamics, Marketing Model*

17. RECOVERY RESPONSES OF THE ASIAN ECONOMIC CRISIS

Shahidur Rahman, Nanyang Technological University, Singapore
Ho Pei Yui, HockSeng Marine Engineering Private Ltd. Singapore
Ho Shu Foon, Ministry of Education, Singapore

ABSTRACT

The Asian Economic Crisis (AEC) started in Thailand and subsequently spread to the rest of the Asia due to contagion effects. Most of the articles and reports covering the AEC found are mainly about the causes of the crisis, policy responses and the lessons to be learnt from the crisis. There are very few articles that cover the responsiveness of the recovery. The main objective of this paper is to analyze the comparative speed of the recovery of the Asian Economic Crisis affected countries, utilizing an econometric analysis. We analyze responsiveness based on comparison of the speed of adjustment from the Error Correction Model. Of the three countries that turned to IMF for help, Indonesia is found to be the least responsive.

Keywords: *Asian Economic Crisis, Cointegration, Error Correction, Speed of Adjustment*

18. EFFECT OF OIL PRICE VOLATILITY ON GOVERNMENT EXPENDITURES IN IRAN

Reza Varjavand, Saint Xavier University, Chicago, USA
Nazanin Navid, Free University of Iran
Karim Emami, Free University of Iran

ABSTRACT

In developed countries, income tax is the main source of financing for government spending, often supplemented by borrowing from the public. However, in a developing country like Iran, the oil revenue, not the income tax, is the key source of government revenue hence spending. As such, when there is too much instability in price of oil, the government cannot project its revenues accurately. Consequently, its investment spending cannot be well planned ahead of time. If the projected oil revenue will not materialize as envisioned, most public projects will have to be either stopped or remain unfinished. Therefore, oil price volatility may have a broad-based impact on the Iranian economy in general and on public projects and the labor market in particular.

Government spending in Iran is categorized into current and development (investment) expenditures. While the main source of revenue for government is oil exports, it has no control whatsoever over the price of crude oil. Because crude oil is a publicly traded commodity, its price is determined in commodity markets via the interaction of demand and supply worldwide and it constantly fluctuates. When the government of Iran is faced with abrupt fluctuations in oil prices, its forecast of current as well as investment expenditures becomes complicated and often imprecise. Changes in the price of crude oil force government to adjust its expenditures in line with such changes. This creates a dilemma especially for development expenditures because they are entirely financed by oil revenues. Many public projects, as a result, will remain in jeopardy.

The overall goal of this research is to investigate the effects of oil price volatility on government expenditures in Iran and to explore the channels through which such effects are carried out. We have applied multiple regression techniques to extended time series data to examine the link between the changes in oil price and government expenditures in both categories. In addition to oil price we have also included in our research the effect of tax revenue especially on current government expenditures.

Overall, we found that oil price volatility has an adverse effect on both current and development expenditures. A 1% additional volatility in price of crude oil, for example, will lower current expenditures by almost the same amount, 0.96%. Similarly, oil price volatility had a negative effect on investment expenditures. When oil price volatility increases by 1%, investment expenditures are forced down by more than one percent, 1.16% according to our finding.

An increase in the price of oil will obviously boost government revenue and its total expenditures. Our findings confirmed this relationship; a 1% increase in oil price will boost development expenditures by 1.20% and the current expenditures by about 0.75%. Similarly, a 1% increase in tax revenues will lead to 1.47% increase in current expenditures and a meager effect on development expenditures according to our findings.

Keywords: *International Economics, Government Policy*
