

**ABSTRACTS****1. RELEVANCE OF INFORMATION ASYMMETRY MODELS:  
A STUDY OF INDIAN INFORMATION TECHNOLOGY SECTOR**

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**ABSTRACT**

*This paper has two-pronged focus. It is an attempt to study various information asymmetry models of dividend policy. More importantly, it establishes a relationship between PAT and equity dividend with the aid of simple regression analysis. The basic objective of the study is to identify the primary determinant of dividend policy in Indian IT industry. Thus, this paper investigates whether IT firms strive for stability and regularity of dividends and tend to arrive at a target payout ratio or not. An effort has been made to find the applicability of information asymmetry models in IT sector through our study. The findings suggest that dividend is an active decision variable in IT sector.*

**Keywords:** information asymmetry models, IT sector, simple regression technique, dividend

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**2. EXPERTS AND END-USERS OPINIONS OF USING ONLINE INVESTMENT GAMES**

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**ABSTRACT**

*The advancement of technological prowess and the emergence of instantaneous financial information have propelled the online investment games (OIG) at the forefront of the learning process in business schools. Their popularities stem from the fact that they are often viewed as stimulating learning vehicles that combine the practical aspect of investment with the learned theoretical concepts. Nonetheless, the assertion that OIG have guaranteed pedagogical virtues with no shortcomings is a bit premature. This paper therefore addresses the pros and cons of OIG by soliciting the opinions of experts (i.e., finance professors) through interviews, and gauging the impression of novice end-users (i.e., undergraduate students of finance) through surveys. The perceived usefulness of OIG is far of making unanimity across the spectrum of the professors who teach investment management courses. In the final analysis, the potential benefits of OIG could outweigh their deficiencies provided they are judiciously formulated with the proper objectives and expectations in mind.*

**Keywords:** Investment Games; Pedagogical Values; Investment Management; Online Simulations

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### 3. TELEMEDICINE USAGE IN FRANCE AND THE U.S: AN EXPLORATORY INVESTIGATION USING THE TECHNOLOGY ACCEPTANCE MODEL

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#### ABSTRACT

*Telemedicine represents a broad range of medical applications including education and distance learning, diagnosis, treatment and prevention of disease, exchanging of information with healthcare providers and consumers, research, and evaluation. These functions and more can be accomplished and performed from a distance when a robust information communication infrastructure is deployed. This article is an exploratory study that seeks to determine the levels of telemedicine usage utilizing technology acceptance model (TAM) as its theoretical basis.*

**Keywords:** Technology Acceptance model, e-Commerce; e-Readiness, Diffusion, Tele-Health Networks, Telemedicine, Hard Technologies, Hospital Primary Care Networks.

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### 4. ECONOMICS OF ESCALATION: WHEN IS ESCALATION OF COMMITMENT RATIONAL FOR MANAGERS AND FOR FIRMS?

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#### ABSTRACT

*Escalation of commitment involves continuation of an investment project after receiving negative feedback about its chances for success. Previous studies report high likelihood of escalation by managers. Escalation is often viewed as irrational for the manager and the firm. This study identifies economic incentives that lead to escalation. Three separate economic theories are discussed. Escalation in order to protect reputation may occur under asymmetric information when the manager observes impending project failure before the firm does. Escalation in option-value context may be observed under uncertainty about project outcome when continuing a project yields new information about its likelihood of success. Finally, game-theoretic escalation occurs in instances of competition for a single prize such as multiple firms bidding for a single contract. A discussion of the rationality of escalation for the manager and the firm and the implications of these theories for businesses follows.*

**Keywords:** Escalation of Commitment, Asymmetric Information, Real Option Theory

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### 5. THE FINANCE TEXTBOOK ADOPTION PROCESS: A PILOT STUDY

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#### ABSTRACT

*This study examines the textbook selection process in the finance discipline and the effectiveness of techniques used by publishers to encourage finance textbook adoption. The process is important to faculties and students because the text and its ancillaries become an integral component of the higher education process. Publishers can also benefit from knowing how finance professors chose among competing texts. Results from 145-finance faculties indicate that content, ancillary materials and edition of*

*the text are the primary drivers of adoption. Examination copies, contact by the book representative, and direct mail were the best methods of encouraging finance faculties to examine a new textbook.*

**Keywords:** Finance Textbooks, Textbook Adoption Process, Textbook Supplements

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## 6. ETHICAL DECISION-MAKING IN A FAST CHANGING WORLD

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### ABSTRACT

*Individuals are the instruments who enact the ethical guidelines set before them. What factors influence the ethical decision-making process of individuals? It may be possible to provide an environment that supports ethical decisions by accommodating factors that influence the individual. Early childhood ethical understanding appears to be influenced by the examples of parents, teachers, organization leaders, and spiritual leaders. Adult relationships influencing ethical decisions including organizational superiors, friends, spouses, government officials, parents and spiritual leaders also play a formative role. Consistent behavior, honesty, openness, and willingness to listen appear to be appreciably related to perception of another's ethicality and influence. Codes of conduct influence ethical decision making if those codes were observed in the daily actions of others. How an ethical decision-making impacts others involved in the ethical dilemma affects the decisions that are reached. Monetary value of an object in an ethical dilemma does not seem to considerably modify individual's ethical decisions. This paper discusses a research study that was done using Narrative Inquiry as a mechanism for developing a deeper understanding of individual ethical and moral decision-making.*

**Keywords:** Business ethics, decision-making, moral behavior, ethical behavior.

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## 7. ROMANIA BRANDING PROCESS AS A TOURIST DESTINATION

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### ABSTRACT

*In the last years many discussions took place regarding the fact that Romania has no brand as a nation or a tourist destination. This paper would try to present Romania's competitive advantages and stages of the branding process for our country. The implementation of such a project remains a dream.*

**Keywords:** tourist destination, branding, Romania

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## 8. THE INFORMATIONAL CONTENT OF INTEREST RATE SPREADS: THE CASE OF BRAZIL<sup>1</sup>

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### ABSTRACT

*This paper studies the information content of interest rates spread for the Brazilian economy. Empirical results suggest that the information content of interest rates spread has been increasing substantially in*

recent years with the implementation of the Inflation Targeting framework. Furthermore, risk premium has decreased substantially over the recent years, which suggests that monetary policy has gained credibility.

**Keywords:** interest rates; monetary policy; information content; inflation targeting.

<sup>1</sup> The opinions expressed in this paper are those of the author and do not necessarily reflect those of the Banco Central do Brasil. The author gratefully acknowledges financial support from CNPQ foundation.

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## 9. BANKING PSYCHOGRAPHICS: AN INDIAN EMPIRICAL STUDY

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### ABSTRACT

*India has been witnessing an economic boom which fuelling a huge growth in the financial sector especially the banks. The spending power and consumerism has been increasing along with the growth in GDP. The numbers of banks are around 3000 (data according to Reserve Bank of India). With a population base of close to 1.1 billion and a diverse culture that has been dictating the mindset and lifestyle of the population, it has been a challenge for the banks to understand the customer better and hence a the need of the hour is a proper psychographic study of retail banking customers.*

**Keywords:** GDP, RBI, Psychographic, retail banking

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## 10. PEDAGOGICAL VALUE OF COMPUTER-BASED SIMULATIONS: A CROSS-DISCIPLINARY STUDY

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### ABSTRACT

*This research builds on past research in the area of simulations as pedagogical devices and provides preliminary results on student perception of the value of using computer-based simulations in business courses in a cross-disciplinary context – finance and marketing. It contributes to our understanding of student-point-of-view of learning outcomes achieved through the use of such simulations. In addition, it contributes to the extant knowledge in the area of measuring the effectiveness of simulations in teaching learning endeavors and if the perceived usefulness of this pedagogical technique is uniform across different subject areas. This paper concludes by underscoring the implications of our study on attainment of learning outcomes achieved through the use of a computer-based simulation upon student learning, employer expectations, and faculty expectation from teaching-learning endeavors.*

**Keywords:** Computer-based Simulations; Cross Disciplinary; Student Sample; Primary data; Assessment of Learning Outcomes.

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## 11. MEASURING CONSUMER PREFERENCES FOR THRIFT STORES

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### ABSTRACT

*This research project focused on the Montana Rescue Mission which operates three Bargain Centers' (thrift stores) in the Billings, Montana area. The goal was to increase profits, by improving the customer shopping experience. An initial survey of all Billings area thrift stores, aided the design of a primary survey, conducted at all MRM locations. Two hypotheses were proposed, and the results of the survey rejected the first hypothesis that; prices alone influence the thrift shop customer. The second hypothesis however was accepted, as it was significantly shown that; customer service is more important than merchandise diversity. From this initial step, MRM Bargain Center is now in a better position to analyze their customer preferences, and tailor any marketing strategies toward them.*

**Keywords:** Consumer Preferences, Consumer Demographics, Thrift Stores

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## 12. CHALLENGES FACING EXPATRIATE PERFORMANCE ABROAD

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### ABSTRACT

*Multinational corporations (MNCs) seem to be paying little attention to international training and management development for new expatriate assignments. Effective training of expatriate employees is needed for the success of any MNC. The literature review provides the view that more sensitivity needs to be paid to the intense training needs for the benefit of MNCs, expatriates, and family members. It also provide a better understanding to the merits of the unique experiences of expatriate managers in international assignments adjusting to the cross-cultural conditions on global tours and confronting the challenges affecting their career goals. In order to succeed in a globally competitive environment, MNCs need to effectively train expatriates in international capabilities, including fluency in foreign languages and in the ability to adapt to different cultures. Those international assignments can lower the probability of expatriate failure through training programs. This paper has been developed from the same tradition that the expatriate assignment is often poorly performed in international business operation as a result of deficiencies in training and learning. It focuses on ways to improve and foster knowledge acquisition for expatriates in MNCs' training and learning programs.*

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## 13. USAGE, MOTIVES AND USEFULNESS OF THE BALANCED SCORECARD (BSC): EVIDENCE FROM BAHRAIN

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### ABSTRACT

*Nowadays most of the firms in the world actively adopt new approaches to their performance measurement systems. A new approach to strategic management was developed in the early 1990's by Kaplan and Norton. They named this system the 'balanced scorecard'. The balanced scorecard (BSC) is one of the major developments in management accounting in the past decade (Ittner and Larcker, 2001). Many organizations have invested substantial resources in recent years to implement a balanced scorecard of performance metrics (Banker et al., 2004). The main objectives of this study are to analyze*

*and to identify: the extent to which Bahraini firms uses BSC; the factors that could encourage Bahraini firms to adopt BSC; the reasons why some Bahraini companies do not use BSC; and the usefulness of Balanced Scorecard. In Bahrain by now no study exist concerning BSC. A questionnaire survey of 83 Bahraini companies showed that 54 companies applied the BSC approach. The results show that the main reason for not using the BSC by Bahraini firms is BSC requires upgrading of employees knowledge. All respondents consider BSC is full of usefulness to Bahraini companies. The findings show that the most important factors that could encourage Bahraini firms to adopt BSC are the following: BSC helps companies to assess the application of its vision and strategy; BSC enables managers to translate business unit strategies into a measurement system; BSC provides executives with a comprehensive framework to translate the company's strategic objectives into a coherent set of performance measures; BSC enables managers to see the breadth and totality of company operations; and BSC helps companies to assess the importance of its vision and strategy.*

**Keywords:** The Balanced Scorecard (BSC), Usage, Encouragement Factors, Usefulness, Requirements, Difficulties, Bahraini Firms, Bahrain.

#### **14. LOGISTIC REGRESSION ANALYSIS OF REPOSSESSION OF PROPERTY: ARE MINORITIES TAKING MORE THAN THEIR FAIR SHARE OF THE TOLL?**

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##### **ABSTRACT**

*The aggregate amount and rate at what which credit card debt is growing is alarming, contributing to bankruptcy and repossession of property. Information on average credit card debt of families, income and prevalence of credit cards and debt by race relative to the median income in dollars by race/ethnicity portray a gloom financial picture for the minority consumers. This led to the assumption that race likely impacts repossession of property. A Consumer Credit Survey of 20,000 consumers conducted by Freddie Mac in collaboration with five historically black colleges and universities (HBCU) is used as a database. Logistic regression analysis is used to address the hypothesis posed by way of determining the odds of White and minority consumers experiencing repossession of property. The estimates of odds for Whites and for minority consumers are found to be 36 and 31 respectively. The corresponding estimated ratio of odds of 1.16 does not seem to support the claim, as it is too close to 1. Testing the significance of the coefficient of race in the logistic regression model, leads to the conclusion that race does not play a role in repossession of property.*

**Keywords:** Repossession, credit card debt, logistic analysis, odds of repossession

#### **15. MEASURING THE ECONOMIC IMPACT OF INTERNATIONAL R&D COOPERATION IN GEOSCIENCE FIELD IN KOREA**

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##### **ABSTRACT**

*Science and technology (S&T) is a source of knowledge in a knowledge-based economy and its importance is gaining increasing interest, that is regarded as a significant factor in economic growth. As the S&T environment changes, international R&D cooperation becomes a serious agenda in international relations. There are various types of R&D activities according to its objectives for international R&D cooperation. Korea Institute of Geoscience & Mineral Resources has taken part in the Coordinating Committee for Geoscience Programmes in East and Southeast Asia (CCOP) for sustainable development in geoscience field since 1966. What compares the economic impact of a R&D program on a case by case basis could be an efficient decision-making method for scientists and researchers as well as policy*

*makers in order to meet the needs for international R&D cooperation and to select an effective international R&D program. So the economic impact of a R&D program of CCOP is measured to be about 0.208 billion South Korea won and the rate of return of it is 30.6%. This paper concerns with how much the economic impact of geoscience R&D investment is quantitatively. We present the economic impact and the rate of return of an international R&D cooperation program and there is enough motivation to invest in international R&D cooperation in geoscience field of Korea.*

**Keywords:** International R&D, Economic impact, CCOP.

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## 16. TIME MANAGEMENT AT HOTEL MANAGER'S LEVEL: E-MAIL BASED RESEARCH

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### ABSTRACT

*A hotel is a 24-hour a day operation. Since time has become a very precious resource, hotel managers have to know precisely in which direction to concentrate their attention. They also have to know how to manage their time with efficiency in order to run this specialized business. This paper is focused on a research about time management at the hotel manager's level. The research uses the e-mail service of the Internet, spreadsheets, and statistical tools and has been carried out in order to enhance the content of our faculty's education materials which deal with time management. We now speak about "the art of computer usage" (Kovács et al., 2006); in this sense, special importance is given to understanding how managers use their time for web surfing and electronic messages. Try to minimize the time that you are available to take unplanned phone calls (Chapman, 2006); in this sense, we were interested to find out how much time the manager spends speaking on fixed/mobile phones. We conclude that the e-mail based research is unfamiliar in Romania.*

**Keywords:** e-mail based research, hotel industry, time management, statistical analysis

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## 17. IS CERTIFIED PUBLIC EXECUTIVE THE NEXT GOVERNANCE FRONTIER?

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### ABSTRACT

*Typical corporate governance discussions involve issues such as audit reform, independence of the board of directors, and regulatory or legislative reforms. These discussions attempt to provide evidence that reforms are necessary and should be designed to protect shareholder rights and improve investor confidence in the market. This paper focuses on corporate governance issues specifically related to the various methods utilized by corporate executives to maintain control of a firm, the costs associated with maintaining this control, the costs related to executive compensation, and compensation schemes; recent reforms in corporate governance relating to executives, and inadequacies that currently exist regarding fulfillment of their responsibilities to investors and other stakeholders. It also explores the potential effectiveness of professional licensing requirements similar to those in the field of accounting and suggests the creation of and submission to professional licensure requirements for executives managing public firms as a means of reducing agency costs.*

**Keywords:** Corporate Governance, Certified Public Executive

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**18. BIASED DISCRIMINANT ANALYSIS: AN INNOVATIVE APPROACH TO DETERMINING ECONOMIC FACTORS USEFUL IN IDENTIFYING DISTRESSED FIRMS**

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**ABSTRACT**

*This paper examines coefficient estimation problems in multiple discriminant analysis which arise due to the correlation (multicollinearity) between the independent variables. In the presence of multicollinearity in data, the estimation of coefficients in corporate failure prediction models by means of the above methods may give inflated estimates with high variance and wrong signs. The potential usefulness of the ridge regression analysis to handle multicollinearity in accounting and economic data is demonstrated.*

**Keywords:** Bankruptcy, Financial Ratios, Regression Analysis, Multivariate Approach, Quantitative Analysis.

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**19. THE RELATIVE FOREIGN PROFITABILITY OF U.S. MULTINATIONALS' FOREIGN DIRECT INVESTMENTS: SCALE, CYCLE AND REPUTATION EFFECTS**

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**ABSTRACT**

*Profit maximization is a pivotal concern in economic theory. Sales and cost considerations loom large amongst the reasons offered for foreign direct investments by multinationals. This paper compares the relative domestic and foreign profitability of the direct investments of multinationals as well as the relative profitability of a subset of companies that are household names in the sample of multinationals considered. It appears from the evidence that scale, business cycle, reputation and threshold effects are present on relative foreign profitability*

**Keywords:** Foreign direct investment, multinationals, relative profitability, scale, cycle, reputation effects.

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**20. THE CHALLENGES OF NGDO IN THE SEARCH OF THE EQUILIBRIUM AMONG DELEGATION, PERFORMANCE MEASUREMENT AND INCENTIVE SYSTEMS: AN AGENCY PERSPECTIVE**

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**ABSTRACT**

*The internal structure of organizations has always been considered a relevant topic, but scarcely treated in the literature. In this paper, we focus on non-governmental organizations for development aid (NGDO), greatly concerned with obtaining a suitable organizational design for the development of their strategy, the size of their organization or the changes in their environment. The aim of this paper is to evaluate the balance of organizational components in the design of an efficient organizational architecture from an agency perspective. The results of the empirical analysis, performed in the most prominent Spanish NGDO throughout the year 2003, show the great importance of the mutual influence among the delegation of decision rights, the incentive systems and the use of performance measurements in the achievement of organizational equilibrium.*

**Keywords:** Organizational Architecture, Organizational Design, Incentive Compensation Systems, Performance Measurement, Delegation, Nonprofit Organizations, NGDO.

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**21. EARNINGS AND EQUITY VALUATION IN EMERGING MARKETS:  
EVIDENCE FROM BANGLADESH STOCK MARKET**

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**ABSTRACT**

*This study investigates the impact of earnings stream on stock prices in Bangladesh capital market. The study shows that the stock prices are directly affected by the fluctuation of earnings streams. It also shows that changes in the dividend pay-out do not have any effect on stock prices in Bangladesh capital market. Thus, the finding of the study indicates that earnings stream can significantly affect the stock prices irrespective of the changes in dividend payout.*

**Keywords:** Earnings stream, dividend policy, capital market

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**22. A CROSS-NATIONAL EXAMINATION OF THE DIMENSIONALITY OF THE CONSUMER SUSCEPTIBILITY TO INTERPERSONAL INFLUENCE SCALE**

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**ABSTRACT**

*This study examines the structure and properties of the "Consumer Susceptibility to Interpersonal Influence" (SUSCEP) scale developed by (Bearden, Netemeyer, and Teel, 1989). By using a sample of Chinese and American college students, this study serves as an extension to D'Rozario (2001), which examined the dimensionality of this construct as it occurred among various American ethnic groups, including Chinese Americans. The present study finds that the underlying structures and properties of the SUSCEP scale for American sample were largely the same as those reported by D'Rozario (2001) for their Euro- and Chinese-American samples. However, the Chinese sample of the present study differed markedly from each of those groups, with the Chinese perceiving SUSCEP as a three, rather than two, dimensional construct. Implications for marketers are discussed.*

**Keywords:** Consumer Susceptibility to Influence, Interpersonal Influence, Chinese, Americans.

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**23. BUILD-TO-ORDER SUPPLY CHAIN MANAGEMENT:  
PROCREATING AND PROTRACTING SUPERB PERFORMANCE IN THE COMPUTER INDUSTRY**

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**ABSTRACT**

*Build-to-order (BTO) in supply chain management is defined as a situation in which the customer can specify the components and features they want included in their final product. In the computer industry, the BTO method has become a popular means of customization. The BTO method allows firms to be more flexible and responsive to customer needs in a cost effective manner. BTO environments allow companies to provide a wide range of products based on the needs and wants of customers. Other systems can limit the customer to specific products in which the company determines the specifications. Therefore, a BTO company must be able to be customer-focused rather than product-focused. Many companies in the computer industry have adopted the BTO method of designing and distributing computers to people all over the world. Because computers are widely used and have become a common*

*necessity in today's society, BTO has allowed customers to make decisions regarding the components of their personal computers. A computer is a large, expensive investment, so it is highly important that the customer is satisfied. Dell was the first company to produce computers that are built to the specifications of each individual customer. Examples of major computer producers that have adopted BTO include Dell, IBM, Gateway and Hewlett Packard-Compaq.*

**Keywords:** Build-To-Order, Supply Chain Management, Competitive Advantage, E-Commerce, Computer Industry

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## **24. EXTERNAL DEBT AND ECONOMIC GROWTH: A VECTOR ERROR CORRECTION APPROACH**

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 Kesseven Padachi, University of Technology, MAURITIUS  
 Ramesh Durbarry, University of Technology, MAURITIUS

### **ABSTRACT**

*The paper investigates the link between external debt and economic performance for the case of the small island developing state of Mauritius over the period 1960-2004. Given the possibility of endogeneity and dynamics in the relationship, a Vector Error Correction (VECM) Framework was employed to explain the short and long variations of the country's output level. Result from the analysis shows that external debt has been negatively associated with the output level of the economy in both short and long run. Interestingly bi-causality between public debt and economic development is also reported. Moreover there are evidences of the debt overhang and crowding out hypotheses as public external debt have also negative impact on both private and public capital stock of the country.*

**Keywords:** External Debt, Growth, VECM

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## **25. SOUTH AFRICA'S AS A MOTOR OF ECONOMIC GROWTH FOR OTHER SSA COUNTRIES: A DYNAMIC PANEL ESTIMATION**

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 Ramesh Durbarry, University of Technology, Mauritius, La Tour Koenig, MAURITIUS

### **ABSTRACT**

*South Africa's peaceful transformation and subsequent reintegration into both global and regional economics has generated hopes of positive spillovers for SADC members, of more rapid domestic economic growth. However, the "New Economic Geography" theory predicts that, in Regional Integration Arrangements (RTAs), agglomeration economies will promote industrial concentration in the relatively advantaged country at the expense of the others who will experience trade diversion effects. The present paper takes a step towards filling this gap by assessing the role of South Africa in SADC as an economic engine for other members of this regional bloc. Moreover more open trading partners and those which are closer to South Africa's city centre benefit in term of higher growth. Such a result suggests that spillover benefits can be strengthened through more focused and coordinated regional development strategies, and that countries generating the largest spillovers can serve as important growth poles for their surrounding regions.*

**Keywords:** South Africa, Economic Growth, Dynamic Panel.

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**26. UNLOCKING VALUE: CONVERTING C- CORP'S REAL ESTATE ASSETS INTO REITS**

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**ABSTRACT**

*This paper examines the conversion of a C-Corporation's real-estate assets into a Real Estate Investment Trust or REIT. A REIT is a tax designation for a corporation investing in real estate assets that, subject to meeting certain provisions of the tax code, can eliminate taxes at the corporate level. The paper examines a typical conversion of a C-Corp to a REIT and investigates the possible advantages and disadvantages of such a conversion. Further, the paper discusses the applicability of such a conversion for other firms with real estate assets. This paper has relevance to an European audience given the large interest of foreign investors in investing in European REITs.*

**Keywords:** REIT, real estate assets, conversion, C-Corporations, taxes

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**27. RAISING THE ALARM FOR LOGISTICS NETWORK SECURITY**

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**ABSTRACT**

*The dual threats of criminal and terrorist activities against the global Logistics Network (the basic infrastructure that enables global trade to flow) have put enormous economic and social pressures on private businesses. These threats are symptomatic of deeper problems including increased dependency on vulnerable Web-based technologies, the overall complexity of the U.S. trade, and export/import processes. Furthermore, structural deficiencies such as the lack of standard cargo crime reporting systems, the weakness in current cargo crime laws, the low priority on security technology applications and the lack of public security training are making cargo an increasingly attractive business for international crime syndicates and terrorists. This paper reviews these problems and analyzes the specific effects of such deficiencies on the Logistics Network. This paper also discusses several compelling benefits and challenges associated with recent government trade in literatures. Finally, several strategic improvements are offered to strengthen the capabilities and security of the Logistics Network.*

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**28. ON THE OPTIMALITY OF GOVERNMENT SIZE IN DEVELOPING COUNTRIES:  
THE CASE OF JORDAN**

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**ABSTRACT**

*This paper examines whether the government spending in the case of Jordan for the period 1975-1996 is optimal or not. This goal was achieved using the methodology suggested by Barro (1990) and Karras (1993, 1996) and applied by Aly & Strazicich (2000). According to "Barro Rule" the government services are optimally provided when their marginal product is equal to one. The regression results found that the government services are productive. It also estimated the government size, on average, at 10.4 percent ( $\pm 3$  percent).*

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