
Editorial

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Biographical notes: Satyendra Singh is the President of Academy of Business and Emerging Markets (<http://www.abem.ca>), and a Professor of Marketing and International Business in the Faculty of Business and Economics at the University of Winnipeg, Canada. His research interests lie in the area of emerging markets with particular emphasis on Africa and Asia. He has published in journals such as *Thunderbird International Business Review*, *Industrial Marketing Management*, *Journal of Services Marketing*, *Services Industries Journal*, among others, and presented papers at international conferences such as Academy of Marketing Science, American Marketing Association, British Academy of Management, European Marketing Academy, among others. He is the author of *Market Orientation, Corporate Culture and Business Performance* (Ashgate, UK 2004), and *Business Practices in Emerging and Re-emerging Markets* (Palgrave, USA 2008). He has also edited a book entitled *Handbook of Business Practices and Growth in Emerging Markets* (World Scientific, Singapore 2009).

This issue of *IJBEM* contains five articles from the four emerging markets – Australia, India, Bangladesh, and Ghana – and one book review. In the lead article, Paramati, Gupta and Tandon examine the extent to which Australian stock market is correlated with those of 18 frontier markets of five different regions, and investigate the long-term relationship between these markets. GARCH model indicates that:

- 1 the correlations of Australian stock market with those of frontier markets change over time though the correlation is weak
- 2 the effects of the global financial crisis on correlations of Australia and frontier markets are limited to only few frontier markets where correlations are slightly high
- 3 there is no evidence of long-term relationship between Australia and frontier markets
- 4 Australian stock market drives some of frontier markets; however, no evidence of reverse causality from these markets to Australia was observed.

The implications for this study are that Australian investors can diversify their portfolios into these frontier markets to gain higher risk-adjusted returns.

Further, in Indian financial sector, Kishor and Singh examine:

- 1 the cause and effect relationship between net investments made by foreign institutional investors and nifty index return in India
- 2 the long-term association between pre- and post-subprime crisis period.

The cause and effect relationship was investigated by applying augmented Dickey Fuller (ADF) unit root test, Granger causality test, Johansen co-integration test and variance decomposition. The authors find that there is:

- 1 a moderate positive correlation between foreign institutional investment inflows and nifty index
- 2 an evidence of unidirectional causality between foreign institutional investment net inflows and nifty index return
- 3 a strong evidence of long-term association during the pre- and post-subprime crisis period.

Furthermore on Indian finance, Gupta, Kumar and Verma investigate the impact of the degree of leverages on the stock returns for the firms operating in India. Using a sample of 232 manufacturing firms listed in National Stock Exchange (NSE) over a period from 2002 to 2011, the findings indicate that the degrees of operating, financial and total leverage have significant impact on the stock returns of the select listed Indian manufacturing firms. This study contributes to knowledge by providing insight into the areas of stock returns for practitioners, researchers and investors engaged in manufacturing firms.

However, in the context of finance in Bangladesh, Akhtaruddin and Islam examine the relationship between firm-specific characteristics, corporate governance factors and corporate disclosures. Using a sample of listed companies in Bangladesh, the study reports that companies in Bangladesh are improving very slowly in their disclosure of information. Although the level of compliance with mandatory disclosure is relatively high in Bangladesh, the level of voluntary disclosure is still relatively low. The size of the company was found to have significant influence on the level of disclosure, consistent with previous studies. No evidence is found to support the contention that independent boards are associated with increased disclosure. However, percentage of independent non-executive members on audit committee is significantly related to the level of disclosure. Implication of the study for regulatory bodies is that they should ensure more independent non-executive directors on the audit committee in order to ensure quality financial reporting.

In the final article, switching from finance to consumer preferences for foreign products, Okoe, Boateng and Anning-Dorson discover that the role of parental communication patterns in adolescents' decisions has been studied in various contexts. However, it appears that there is a paucity of literature on the role of parental communication patterns in consumers' preferences for foreign products in developing economies such as Ghana. The authors assess the role of parental communication patterns in consumers' preferences for foreign products. Using a purposive and convenience sample and confirmatory factor analysis, the goodness fit of the measurement model was tested. Multiple regression analyses indicate that parental communication patterns play a critical role in consumers' preferences for and consumption of foreign products.

In the book review section, Jose Godinez reviews the book entitled *Business in Emerging Latin America* authored by Fernando Robles, Nila M. Wiese, and Gladys Torres-Baumgarten and published by Routledge: Taylor & Francis Group, New York.