
Editorial

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various international journals and conference proceedings. His research interest includes corporate sustainability, performance measurement. He is recipient of the Emerald Literati Network Awards for Excellence 2016.

In recent decades, a great deal of scientific research has been carried out on issues relevant to management practices. Evidence-Based Management (EBM) means making decisions based on best accessible facts, that is, scientific findings and unbiased organisational facts. It is a field that explicitly applies the contemporary and optimal evidence in management and decision-making processes. EBM emerged as a separate discipline of management initially from healthcare (Sackett and Rosenberg, 1995; Sackett et al., 1996). In early 1999, the systematic foundation of EBM started to appear and the entry of EBM into the behavioural sciences enabled more effective decision making. In the first decade of the 21st century, EBM gained popularity due to Evidence Oriented Organising; Strategic-Finance; Marketing; Healthcare-Finance and Policy-Making (Walshe and Rundall, 2001; Sanderson, 2002; Junco et al., 2010; Armstrong, 2011; Rowley, 2012; Tourish, 2013).

This special issue aims to document the increasing acceptance and popularity of decision making based on the available evidence. We invited manuscripts of new ideas on EBM practices. More particularly, the special issue focused on accounting and finance, one of the emerging areas of EBM decision making, and will contribute to the literature with suggestions and recommendations to policy makers and practitioners. It also has a unique angle targeting the evidence-based managerial decisions made by firms operating at the international level. In this special issue, empirical evidences on EBM practices are presented in the area of accounting and finance. We have received total 20 manuscripts in the special issue of *IJMP*, and out of potential articles we have accepted six for the inclusion in the evidence-based management practice. The special issue is the outcome of paper submitted and invited for *IJMP* at the international conference ICEBM2015, BITS Pilani, India.

The first paper in this issue discusses about Investor Sentiment, Stock Market Returns and Volatility. They explores the relationship between investor sentiment and stock return volatility using monthly data for National Stock Exchange (NSE) of India over July 2001 to December 2013 period. To accomplish the study objective, an investor sentiment index has been constructed using seven market-related implicit sentiment indicators by employing the principal component analysis. Ordinary least squares (OLS) methods, vector autoregression (VAR) and EGARCH-M models have been employed to analyse the data. Findings indicate that sentiment index significantly influences market excess returns.

The second paper examines the impact of elections on stock price graph from US elections perspective. Authors focus on the impact of US presidential elections on stock market. The papers puts special emphasis on studying the abnormality of return related to stock prices and evaluating the uncertainty between the firm's tax policy and stock market; around the time of upcoming presidential elections. This is a comparative study wherein the effects of pre and post-election have been assessed. The results of the papers highlight industry return data churns out ambiguous results when compared for winning election party. Also, the rate of reaction tends to differ grossly with respect to different industries. Democratic victory impacts the stock return negatively but in case of Republican victory the result is insignificant. A positive correlation exists between

abnormal stock price and firms' marginal tax rate around the day of the election. The paper proves there is a transitional effect of election, felt in the stock market irrespective of the anticipated outcome of the election.

The third paper discusses about signalling power of cash dividend announcements and risk. The paper examines the impact of the announcement of 'pure' cash dividends on stock market returns and associated risk (if any) using the 'Event Study Methodology'. The sample consists of the Bombay Stock Exchange (BSE) 500 index non-finance companies. The period of the study is 2003–2013. Cash dividend announcements have information content to effect a change in prices leading to positive average abnormal returns. The findings lend support to dividend signalling hypothesis for the sample companies.

The fourth paper describes the mutual fund ownership and sponsor background: effect on performance and risk strategy. The study aims to analyse whether performance of mutual fund could be attributed to differential in information access and organisation culture which we propose could exist due to ownership pattern and background of sponsor. The results provided that performance measured with conditional Carhart alpha have been significantly different among mutual funds with different type of ownership and sponsor background though the results have been specific to style of mutual funds. In particular foreign mutual funds, joint venture of domestic and foreign funds performed significantly better than domestic mutual funds (which have been Indian private, Indian joint venture and institutional joint venture funds). The findings do not support information bias theory in the context of Indian stock market as foreign owned mutual funds have not been naïve traders but better performers which could be due to cultural differences based on ownership and sponsor background.

The second last article analyse the fair value measurement audit process using interpretive structural modelling. The study focused on FVM audit complexities and attempted to explore the key FVM audit factors while establishing the interrelationship among factors. To do this, authors used exploratory factor analysis (EFA) to ascertain the factors of FVM audit process and interpretive structural modelling (ISM) for establishing the relationship among the factors. Practitioners and academicians can use the findings of this study to better understand the FVM audit process. Moreover, auditing firms may use the findings of this study to find the discrepancy in their FVM audit process and take corrective actions against it.

The last paper explores the board independence and firm performance in India. Author studies the impact of board independence on firm performance for the emerging Indian market. The study examines Nifty firms over a period of six years from 2005 to 2010 using panel regression. The results show board independence to have positive impact on Tobin's Q, the proxy for firm value. The study found no direct impact of board independence on operating performance.

The special issue on 'Evidence-Based Management Practices in Accounting and Finance' encompassed six most prominent articles in line of EBM practice, focusing on stock market returns, dividend announcement and risk, mutual fund ownership and sponsor background, fair value measurement audit process and board independence and firm performance.

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