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Impact of Financial Crisis on International Price Discovery: Evidence from Indian American Depository Receipts

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This study investigates the impact of financial crisis on information transmission between Indian American Depository Receipts (ADRs) and corresponding underlying stocks using daily data of six Indian firms. Data have been divided into three sub-periods: pre-crisis (ADR listing date to June 30, 2008); crisis (July 1, 2008 to June 30, 2009); and post-crisis (July 1, 2009 to March 31, 2014). Using Vector Auto Regression/Vector Error Correction Model, this study finds that returns of underlying stocks (ADRs) seem to overreact to its own lagged values, but underreact to lagged values of returns of corresponding ADRs (underlying stocks). Granger causality results suggest bi-directional causality between returns of ADRs and returns of corresponding underlying stocks. Variance decomposition results indicate that Indian (domestic) market is having more influence in price discovery of opening prices of ADRs (foreign market). The main finding is that during the crisis period, price discovery seems to occur in the domestic (Indian) market, and during non-crisis period, price discovery appears to occur in the foreign market (US). The evidence suggests that, during the crisis period, the domestic market becomes more efficient relatively as compared to the foreign market. These results have implications for market participants, regulators, and policymakers.

Key Words: *American Depository Receipts (ADRs), Financial Crisis, Information Transmission, Price Discovery, Vector Error Correction Model.*

Influence of Individual
and Socio-cultural Factors
on Entrepreneurial Intention†

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In the last decade, intellectuals have paid attention to entrepreneurship education and training as a vital instrument for stimulating the entrepreneurial intentions, attitudes and behaviors and enhancing economic productivity and development. However, entrepreneurship education is not effective and entrepreneurial reserve is limited in countries worldwide. Consensus on the factors affecting the individual's intention of starting-business is also scant. Although numerous studies had identified the entrepreneurial-intention factors, yet prior perspectives concentrate on either individual or socio-cultural aspect. The holistic perspective towards this issue and their linkages has not yet reached a consensus. Thus, literature suffers with incomplete explanation of this phenomenon. There is a requirement to illuminate the factors playing an influential role in affecting the individual's intention to open a firm in order to design, deliver and implement more effective educational programs and training. To fill these gaps, this study examines the influence of individual and socio-cultural factors on entrepreneurial-intention of the MBA students and applies SEM to test the hypotheses. Findings confirm the influence of individual and socio-cultural factors on entrepreneurial-intention. With respect to findings, influential factors of entrepreneurial education and training are suggested. Managerial implications and research avenues are also directed.

Key Words: *Entrepreneurial education, Entrepreneurial intentions, Individual factors, Socio-cultural factors, Training*

E-commerce Buying Behavior in India: The Role of Website Features in E-loyalty

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In an online buying situation, the other web retailer is just a click away. Maintaining customers and usage continuance intention of those buyers are important challenges for web retailers. Therefore, the authors try to identify factors that can build continued intention to use the same website in an online buying situation. Perceived ease of use features, perceived usefulness features and trust features in a website have been used as constructs to build the continued intention factor. A structured undisguised questionnaire and snowball sampling have been used to collect data. PLS path modeling approach has been used to analyze the data. The results suggest that perceived usefulness and trust features of a website have a positive impact on continued intention factor in electronic buying. This study has implications for website developers to improve the site as per browser and user requirements, and also for web retailers to improve customer intentions for repeated use of the same site in an online buying situation.

Key Words: *Continued intention, E-commerce, Perceived ease, Perceived usefulness, Trust*

Determinants of Intellectual
Capital Disclosure:
Evidence from Indian Banking Sector

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The intellectual capital disclosures of banks in India are largely unexplored in spite of the growing relevance of banks in the Indian economy. The study attempts to explain the extent of Intellectual Capital Disclosure (ICD) by Indian banking sector, and to examine the relationship of ICD with nine independent variables. The extent is studied by calculating an index for disclosure and multiple regression model is applied to examine its relationship with independent variables, namely: bank size, bank risks, efficiency, bank age, human capital pressure, ownership pattern, leverage level, structural complexity and board composition. The results reveal that there is no clear pattern of ICD in Indian banking sector. ICD is influenced by size, risk, human capital and board composition. The study concludes that banks in India must improve on ICD practices, as these disclosures will reduce information asymmetry between insiders and other stakeholders and make capital markets more efficient.

Key Words: *Banking, Content analysis, Correlation analysis, Determinants, India, Intellectual capital disclosure, Multiple regression analysis*

Causal Links Between FDI Inflows and Macroeconomic Indicators of India

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Globally, many countries have seen a huge surge of Foreign Direct Investment inflows (FDI) into their economies during the last two decades of the twentieth century. This is because these countries have followed a process of liberalization of their economy. Many economists and policy makers believe that the role of FDI is significant in the process of development of many nations by way of enhancing productivity, exports, and employment. Hence, to test the general assumptions about FDI and to assess whether the objective of opening the economy to foreign players has been achieved, this research paper has empirically tested the cause-effect linkage between FDI inflows and the macroeconomic indicators which represented the economy at an aggregate level. The results of the paper indicate that while FDI inflow has not influenced the selected macroeconomic indicators (barring imports), most of these macroeconomic indicators in turn, have significantly influenced the inflow of FDI into India. Thus, India has merely been acting as a major investment hub for foreign players whereas the main objectives of allowing FDI into India have not yet been attained, even after twenty years of liberalization.

Key Words: Causality, FDI, Granger's Causality test, Macroeconomic indicators, VAR

Financial Reporting Irregularities in Indian Public Sector Units: An Analysis of Current Practices

Chinmoy Roy*

In search of a unifying measurement and reporting feature of accounting elements, this study analyzes the best practice efficiency as an operating parameter of the public enterprises in India with the help of a DEA sensitivity technique and then empirically evaluates how the interrelatedness of the elements in financials may help in congregating the warning signs of accounting irregularities using the F-Score testimony. The study lends support to how the elements in accounting statements support each other and how this inkling can be used to detect irregularities and highlight where more questions are warranted. Using the decision variables of 44 public enterprises {Turnover (T), Earning (P), and Research Expenditure (R)} the best practice status on the basis of efficiency score is evaluated to see whether a change in value of decisive factor significantly affects the performance grade between the enterprises under study and accordingly enterprises are categorized to detect accounting irregularities. Though no method to detect financial irregularities is full proof, but the findings evidently show that the public enterprises in India in general are not engaged in accounting games due to moderate profitability, strong liquidity and effective operating efficiency, and hence the possible motives for manipulating financial information is almost absent in 14 enterprises and more specifically the warning signs are completely absent when they optimize combined effect of decision variables.

Key Words: Financial irregularities, Warning signs, Efficiency score, Financial elements, Opportunistic behavior

Financial Integration among RCEP (ASEAN+6) Economies: Evidences from Stock and Forex Markets

Faisal Ahmed* and Vipul Kumar Singh**

This study investigates the financial integration among the Regional Comprehensive Economic Partnership (RCEP) countries which comprises ASEAN member countries and 6 non-ASEAN countries (India, China, Republic of Korea, Japan, Australia and New Zealand). It examines the co-movements of stock market and foreign exchange market at three levels: among ASEAN members; among non-ASEAN RCEP economies, viz., India, China, Republic of Korea, Japan, Australia and New Zealand; and among all RCEP (i.e., ASEAN+6) economies as a congregation. The strength of the study is that it employs advanced econometric techniques such as Gregory-Hansen cointegration test and multivariate DCC GARCH model. In case of stock indices, it is found that there is no cointegration both among ASEAN economies as well as among non-ASEAN RCEP economies. However, when they are combined to form RCEP, exhibited a cointegration equation. In terms of exchange rate, there is evident cointegration among ASEAN economies as well as among non-ASEAN RCEP economies, but there exists no cointegration within RCEP.

Key Words: *Asia-Pacific, RCEP, ASEAN, Financial integration, India, China*

Entrepreneurship Development in Business Schools: An Analysis of Initiatives in Delhi and NCR†

Sushmita Biswal Waraich* and Ajay Chaturvedi**

Promoting entrepreneurship development demands the fulfilment of three conditions: a stock of young graduates who have business sense, developed through a process of practical business education; a support system in the form of business incubators to help business ideas evolve through gestation and be realised in their birth; and finally, governmental support in the form of business friendly policies and smooth implementation thereof. While the business schools have no responsibility for and control over the government policies and their implementation, the onus of rolling out batches of enterprising students is their responsibility. The objective of the study is to make a comparative analysis (qualitative) of the efforts made by the business schools, with a focus on those who have their own entrepreneurship cells, in Delhi and the National Capital Region (NCR), towards entrepreneurship education. Based on the analysis and findings of the study a model has been evolved to enhance the effectiveness of delivery of entrepreneurship education.

Key Words: *Business schools, Entrepreneurship, Foster, Initiatives, Venture creation*