
Current Issue

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**The Moderating Roles of Involvement and Heuristics on Advertising Effectiveness: A Study of Financial Advertisements**
Wann-Yih Wu*, Hsiao-Yun Lu And Liang-Tzu Chen

Abstract:
This study investigates the effect of advertisement appeals and the moderating effects of involvement and heuristics of 50 financial advertisements on consumers’ emotional/cognitive responses, attitude and purchase intention in Taiwan. The findings indicate that consumers tend to process their emotional responses first, followed by their cognitive ones when emotional appeals are dominant. However, the process is reversed when the cognitive messages are dominant. Between the two advertising approaches, emotional appeal is identified to produce greater explained variance in the advertising effectiveness. The findings also suggest that involvement can serve as a moderator to accelerate the influence of advertising appeal on consumer responses.

Keywords: Advertising Appeal, Attitude, Heuristics, Involvement, Response

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Convergence of Accounting Standards Does Not Always Lead to Convergence of Accounting Practices: The Case of China
Karin Olesen* And Fiona Cheng

Abstract:
This paper explores the extent to which the adoption of the 2006 Accounting Standards for Business Enterprises (ASBE) in China has resulted in a closer alignment of the Chinese Generally Accepted Accounting Practices (GAAP) with the International Financial Reporting Standards (IFRS). We examine the annual reports of forty seven (47) companies listed on the Shanghai and Shenzhen Stock Exchanges over a two year period between 2006 and 2007. We find that the gap in the profit and equity values between the IFRS and the Chinese GAAP shrunk in absolute terms and that differences between the two sets of accounts disappear following the introduction of the ASBE 2006. In addition, we examine the source of the continued differences between the IFRS and the Chinese GAAP values following the introduction of the 2006 ASBE. The results show that the differences still exist in respect of treatments of financial assets and liabilities, revaluation and depreciation of financial assets, business combinations and land use rights, because even though the companies employed the fair value method in their IFRS accounts, they chose to implement cost method for their accounts prepared under the Chinese GAAP. Our results show that the alignment of standards through convergence has not caused an alignment of practices.

Keywords: Chinese GAAP, International financial reporting standards

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A Comparative Analysis of the Firm Specific Determinants of Syariah Compliant Versus Non-Syariah Compliant Firms in Bursa Malaysia
Mohamed Albaity* And Rubi Ahmad

Abstract:
This paper aims at investigating two issues. Firstly, whether there is a significant difference in returns between Syariah compliant and non-Syariah compliant firms listed on the Malaysian stock exchange, Bursa Malaysia; and secondly, whether both types of firms react differently to the same selected firm specific variables. Using panel data techniques, we analyse three hundred (300) firms in Bursa Malaysia for the
period from 2000 to 2006. The determinants of stock returns used are market capitalization, market-to-book ratio, price-earnings ratio, market risk and total debt. The results indicate that there is no significant difference between Syariah compliant firms and their counterparts. In addition, using three (3) different models for estimation (i.e. fixed effect, pooled and random effect models), it is found that the fixed effect model is the best model that fits the data. For Syariah compliant firms, it is found that size and market-to-book ratios are the most significant variables explaining returns. However, for non-Syariah compliant firms, market-to-book ratio and market risk (beta) are the most significant variables influencing returns.

Keywords: Firm Specific, Fixed Effect, Panel Data, Syariah Compliant

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The 2008-09 Global Financial Crisis: Services to the Rescue in Malaysia
Sieh Lee Mei Ling

Abstract:
Conventional approaches of increasing public expenditure on economic sectors and on social infrastructure construction for the purpose of boosting demand and stimulating multiplier effects continued to be important in the global financial crisis of 2008-09. In most Asian countries that were negatively impacted, largely because of their reliance on the US market where the problems started, the Keynesian path was followed along with other actions. The economic stimulus packages executed by Malaysia included numerous policy measures within the services sector. They reflected the changing economic structure and understanding of evolving needs. Various services subsectors have assumed significance not only as avenues for economic growth in prosperous years, but also as important avenues for buffering and correcting the debilitating effects of the recession. There is a need among developing economies, such as Malaysia, to identify gaps to develop and strengthen the capabilities of monetised services activities for playing a bigger role in times of future economic challenges.

Keywords: Economic Crisis, Policy Intervention, Services Recovery Measures

Please contact Editor Manager for the full paper
Asia as the New Master of the Business Universe
Lord Digby Jones

Abstract:
The global power has shifted from the West to the East. Currently, the main assets or investments for the future should be on education and value added skills, and universities must be well equipped to produce graduates with these qualities. Asia must rise to the current challenge to be leader of the world’s economy and take advantage of three main pillars of globalisation: the movement of ‘product and services’, ‘money’, and ‘people’. In Asia, two notable aspects which hinder the full potential of globalization are free trade protective policies and corruption. Despite the obvious future dominance of Asia economically, globalisation efforts should be directed towards achieving worldwide equality in terms of economy and cultural dominance. Asians must be willing to learn and ask questions, all of which benefit themselves, employers and businesses. In the journey to success, one should hold firmly on the integrity and have the willingness to include and guide others to achieve the same goal.

Keywords: Free Trade Protective Policies, Globalisation, Knowledge, Skills

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