Editorial: AABFJ Volume 12, Issue 3, 2018

Monir Mir[1] and Ciorstan Smark[2]

Could social media help in combating corruptions in developing countries especially when their respective governments' control and operating mechanisms themselves are corrupt? Could it be possible to develop a financial derivative disclosure index in the Indian context where large corporations are still family owned even if they are listed on the stock exchange? Is the clarification of 'value to the owner concept' given by the Family Court of Australia acceptable and practical? Does increased charter capital requirement for banks improves the financial stability of the banks? Could a mathematical model be used for predicting debt repayment? What is microbusiness? What is the impact of ownership structure and dividends on company performance? Above are the questions investigated, explored and answered in this issue of Australasian, Accounting, Business & Finance Journal.

Prabowo, Hamdani and Sanusi (2018) explored the role of social media in combating corruptions in Indonesia and found that social media indeed have helped in combating corruptions where the government's control mechanisms have failed. In the developing countries, the powerful elites and wealthy class are generally involved in high profile corruption which has the power to bypass the government's control mechanisms. Prabowo et al., using three high profile corruption cases in Indonesia provide evidence that 'naming and shaming' social media activities were crucial in unearthing these corruptions while these high-profile corruptors tried to bypass government control mechanisms. It would be interesting to explore the experience of other developing countries concerning the role of social media in combatting corruptions, particularly where governments are not democratically elected and are suppressive.

Kota and Charumathi (2018), successfully developed an unweighted financial derivative disclosure index for measuring disclosure by Indian Nifty 50 companies. Developing an Index in this regard is particularly challenging for India where companies are family owned, and the promoters are the main decision makers. Because of the existence of family ownership, Kota and Charumathi also claim that the principal-agent problems are virtually non-existent in India which lead to a further challenge in developing an Index. However, Kota and Charumathi were able to develop an Index and found that there has been a significant increase in financial derivative disclosure by Indian companies over the years. They also observed that stewardship theory explained the determinants of financial derivative in the Indian context. Further studies on family-owned company and in various country context should establish the support for the observation of Kota and Charumathi (2018) that

[1] University of Canberra, Australia

[2] University of Wollongong, Australia

stewardship theory may explain increased disclosure of financial derivatives by companies particularly where promoters of the companies are the main decision makers.

Fargher (2018), through analysing the ‘value to the owner’ provisions outlined in the *Family Law Act 1975 (Cth)* observed that the Court has not attempted to define theory with its value to the owner objective and suggested that the Court’s guidance needs to be interpreted hierarchically in order to appropriately and purposefully apply the valuation expert’s methods and tools. Fargher further suggested that basing decisions on the method of valuation without prior methodological consideration can affect the parties by leading to double counting of property and earning capacity, and cash flow limitations.

Le (2018) investigated the relationship amongst risk, capital requirement and technical efficiency of banks in Vietnam and found a positive impact of increased capital requirement on banks’ efficiency and also found that banks with more capital operate more efficiently than those with less capital. Through using this finding as evidence, Le supported the argument that Vietnamese central bank’s initiatives to increase minimum charter capital requirement from time to time is beneficial for bank’s efficient operation and financial stability. Le’s findings should be important lessons for other developing countries where governments often face a dilemma in increasing charter capital requirements due to various political and social pressures.

Wijewardhana (2018) experimented with the effectiveness of mathematical, data mining and statistical models in logistic regression artificial neural networks and market-based analysis to predict debt recovery based on large unbalanced data sample collected from debt collection agency. Wijewardhana has provided evidence that all three models could predict the repayments with considerable accuracy. However, Wijewardhana has cautioned stating that the prediction that has been tested in this study has a direct influence from the data set and therefore has suggested for further investigation and testing for other types of data set.

Pfitzner and McLaren (2018) explored the role microbusinesses play in the Australian economy and normatively suggested an appropriate definition of micro business. They provided evidence that microbusinesses play crucial roles in Australian economic activities and proposed that Australia needs to formally treat microbusinesses as a separate category from small business category so that data could be collected about their roles in Australian economy and at the same time the data could be used to identify support, regulation and monitoring to be needed by microbusinesses. After examining limitations of the current standard Australian definitions for micro, small and medium enterprises, they normatively suggested an extension of the definition of microbusiness. As their suggested definition overcomes the limitations of the current definitions adopted by the Australian Bureau of Statistics, they should think of adopting the new definition in place of the old definition.

Al Sa’eed (2018) investigated the impact of ownership structure and dividends on the performance of Jordanian manufacturing companies and found that ownership structure and dividends are good predictors of firms’ performance. Al Sa’eed’s findings support the majority of the studies conducted to establish the association between ownership structure and dividends on the firms’ performance in the developed economies context where stock markets are much more regulated and efficient compared to Jordanian stock market. Because of that Al Sa’eed’s findings might have been different to what other studies have found in developed countries’ contexts. This opens up arguments in favour of further investigations in the developing countries’ context.

References

Al-Sa'eed, Mo'taz Amin Abdulhameed, The Impact of Ownership Structure and Dividends on Firm's Performance: Evidence from Manufacturing Companies Listed on the Amman Stock Exchange, *Australasian Accounting, Business and Finance Journal*, 12(3), 2018, 87-106. doi:10.14453/aabfj.v12i3.7

Fargher, Ian, The 'Value to the Owner' Objective and its Implications in the Separate Recognition of Personal and Enterprise Goodwill, *Australasian Accounting, Business and Finance Journal*, 12(3), 2018, 67-86. doi:10.14453/aabfj.v12i3.6

Le, Tu DQ, Bank Risk, Capitalisation and Technical Efficiency in the Vietnamese Banking System, *Australasian Accounting, Business and Finance Journal*, 12(3), 2018, 41-61. doi:10.14453/aabfj.v12i3.4

Kota, Hima Bindu and B., Charumathi, Determinants of Financial Derivative Disclosures in an Emerging Economy: A Stewardship Theory Perspective, *Australasian Accounting, Business and Finance Journal*, 12(3), 2018, 42-66. doi:10.14453/aabfj.v12i3.5

Pfitzner, Darius M. and McLaren, John, Microbusinesses in Australia: a Robust Definition, *Australasian Accounting, Business and Finance Journal*, 12(3), 2018, 4-18. doi:10.14453/aabfj.v12i3.2

Prabowo, Hendi Yogi; Hamdan, Rizki; and Sanusi, Zuraidah Mohd, The New Face of People Power: An Exploratory Study on the Potential of Social Media for Combating Corruption in Indonesia, *Australasian Accounting, Business and Finance Journal*, 12(3), 2018, 19-20. doi:10.14453/aabfj.v12i3.3

Wijewardhana, Udani A., A Mathematical Model for Predicting Debt Repayment: A Technical Note, *Australasian Accounting, Business and Finance Journal*, 12(3), 2018, 107-115. doi:10.14453/aabfj.v12i3.8