

Editorial Foreword

Alisher Akhmedjonov

In the first paper in this issue of the Journal of Applied Economics and Business Research, Horace Ho, Kin Chau and Pauline Cheung examine the effect of intellectual capital disclosure on the initial public offering (IPO) of shares listed on the Hong Kong Stock Exchange. Specifically, the authors construct a disclosure index score that characterizes different corporate aspects influencing the disclosure decision. Then they perform multiple regression analysis to study the effect of intellectual capital disclosure in an IPO prospectus on its subscription rate, a measure of success of an IPO. In addition, the authors investigate the corporate factors that influence the level of intellectual capital disclosure being made. The paper finds that intellectual capital disclosure has a positive and significant effect on the level of investor confidence in the IPO. Whereas company size is found to be an important factor in determining the level of intellectual capital disclosure, the same cannot be said about managerial ownership, industry differences and company age.

The second paper, by Ta Quang Binh, using information from annual reports of 199 non-financial listed companies in Vietnam for 2009, examines the extent of voluntary disclosure by financial analysts and financial managers of general corporate information, financials, firm human resources and other information. The author finds that firm-level disclosure practices vary across firms and suggests further research on the factors that may influence voluntary information disclosure level.

In the third paper, Sanjoy Saha investigates productivity growth in India and the impact of trade openness on total factor productivity (TFP) during 1961-2008. The author uses the conventional growth accounting method, which decomposes output growth into its labor, capital and total factor productivity components. The study uses Export/GDP, Import/GDP and Trade/GDP as measures of trade openness. The author shows that average TFP growth was low during 1960s, negative during 1970s, and high since 1980s. The result of econometric analysis to study the determinants of TFP growth suggests that trade openness has a positive and significant effect on TFP growth.

The last paper in this issue examines the relationship between unemployment rate and the probability of a person choosing to commit suicide across the United States regions. To test this, Michael Snipes, Timothy Cunha and David Hemley employ probit analysis, which allows identifying the exact magnitude of the effect and estimating the associated changes in probabilities. The authors offer some interesting conclusions and relate their findings to the current literature.