International Conference on Banking and Finance in London 2016

Conference Programme

Organising Committee:
Vijay Lee, Chair
Dr Ling Xiao, Co-chair
Dr Zhibin Lin, Co-chair
Dr Nirmala Lee, Co-chair

1st June - 3rd June 2016

"I am delighted that the Business School here at LSBU is hosting this prestigious event that brings together thought leaders in their respective fields to address key issues relevant to banking and finance policy, in both a national and international context."

- Prof. Mike Molan, Pro Vice Chancellor, Dean of the School of Business, LSBU

Contents

1 Conference Schedule

Week: 30 May to 3 June

	Monday	Tuesday	Wednesday	Thursday	Friday
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10:30 am					
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12:30 am				Lunch	
1:00 pm					
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6:30 pm					Buffet Dinner (7-10pm) Mezzanine, Keyworth
7:00* pm					

2 Conference Programme

PhD Colloquium, Thursday, 2nd June at Keyworth, LSBU

Welcome (Room: K806)

Professor Mike Molan, Pro Vice Chancellor (Enhancement) and Dean of the School of Business, LSBU

Session I (Room: K806)

Nishani Ekanayake - *The Impact of Board Characteristics on Earnings Management in Deposit Taking Institutions - Evidence from Sri Lanka*
Berzanna Seydou Ouattara - *Re-examining the BRICS Stock Markets Interaction*

Session II (Room: K806)

Mafalda Vasconcelos - *Banking Flows and Credit Risk in the Southern European Countries*
Matias Ossandon Busch - *Banking Globalisation, Local Lending and Labor Market Outcomes: Micro-level Evidence from Brazil*

Session III (Room: K806)

Akash Baruah - *Cost and Benefit Analysis of an Optimum Currency Area*
Syed Nadeem Juman Shah - *E-Banking Issues Involves Through Service Oriented Architecture*

Session IV (Room: K806)

Babar Syed - *Interest Rate Spreads: Measuring and Comparing Linkage and Transmission Signals between Pre/During/and Post Financial Crisis Periods*
Muhammad Bilal Shakeel - *Modified Brownian Motion Model: A General Explanation*

Session V (Room: K806)

Subhakara Valluri - *Analysis of Causal Relationship between the Grains Futures and Agricultural Equities using Toda and Yamamoto Procedure*
Christina Anderl - *Exchange Rate Overshooting*

Closing (Room: K806)

Prof. Kenneth D'Silva, Director - Centre for Research in Accounting, Finance & Governance, Division of Accounting & Finance, School of Business, LSBU

Main Conference, Friday, 3rd June at Keyworth & K2, LSBU

Conference Opening (Room: VG06)

Vijay Lee, Head of Division, Accounting and Finance, School of Business, LSBU

Welcome (Room: VG06)

Prof. Shân Wareing, Pro Vice Chancellor (Education and Student Experience), LSBU

Keynote Speech I (Room: VG06)

Jon Norton, Director, Asset-Based Lending, Wells Fargo Capital Finance
- *"Incorporating Complexity - Are Banks too Opaque?"*

Keynote Speech II (Room: VG06)

Dr Panagiotis Andrikopoulos, Associate Head of School (Research), School of Economics, Finance and Accounting, Coventry University
- *"Corporate Social Responsibility: In Search of the Holy Grail"*

Keynote Speech III (Room: VG06)

Dr Simon Jones, Dean at Guildhall Faculty of Business and Law, London Metropolitan University
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Parallel Session I/A (Room: K801-808)

Sunil Kumar - *Assessing the Impact of the Global Financial Crisis on the Profit Efficiency of Indian Banks*
Rachita Gulati - *Assessing the State of Competition through Regulatory Framework: A Comparative Analysis of India with Other Emerging Economies*

Parallel Session I/B (Room: K801-808)

Satish Sharma - *Financial Contagion in the context of the European Debt Crisis*
Pellegrino Manfra - *European Central Bank (ECB) and The Federal Reserve System (FED): Different Policies and Objectives Towards Stabilization*

Parallel Session I/C (Room: K801-808)

Scott Ellis - *Systemic Risk and the Challenges for Regulators*
Mohd Mizan Bin Mohammad Aslam - *The Economic Prospect of Solid Waste Management in Perlis, Malaysia*

Parallel Session II/A (Room: K801-808)

Zhibin Lin - *Chinese Direct Investment into the European Union: A Six-Country Panel Data Analysis*
Nirmala Lee - *Enlightened Financial Services Marketing that Meets Consumers' Need to Know Their Needs: Darwin's Explanatory Schema Applied to the Survival of Financial Institutions*

Parallel Session II/B (Room: K801-808)

Angel Marchev, Jr. - *A Generalisation of Investment Portfolio Performance Measures*
Amani Hussein - *Determinants of Users' Intention to Use Internet Banking in Egypt*

Parallel Session II/C (Room: K801-808)

Silvia Dal Bianco - *Exchange Rate Volatility and FDI flows in Latin America*
Imran Ali - *Financial Parenting, Financial Socialization and Wellbeing*

Parallel Session III/A (Room: K801-808)

Panagiotis Andrikopoulos - *Ownership Structure and choice of the SEO issue method*
Kefei You - *What Drives China's outward FDI? A Regional Analysis*
Gurjeet Dhesi - *Modified Brownian Motion Model: Forecasting Kurtosis of Returns Distributions*

Parallel Session III/B (Room: K801-808)

Gherardo Girardi - *Credit and Training Provision to the Poor by Vertically Linked NGO's and Commercial Banks*
Samuel O Idowu - *Business Perspectives on Sustainable Development Goals 2030*
Ling Xiao - *Liquidity Transmission and the Subprime Mortgage Crisis: A Multivariate GARCH Approach*

Parallel Session III/C (Room: K801-808)

Scott Ellis - *Does Bank Size Affect Capital Adequacy? An Analysis of the US SIFI*
Weiou Wu - *Quantile Dependence between Shanghai and Hong Kong Stock Markets: A Copula-based Approach*

3 Book of Abstracts

PhD Colloquium Session I

The Impact of Board Characteristics on Earnings Management in Deposit Taking Institutions - Evidence from Sri Lanka

- *Nishani Ekanayake*

Evidence of earnings management practices was signalled through recent corporate scandals and financial crises in developed and developing economies which questioned the good governance practices of corporations. This study aims to examine the ability of some board characteristics; board independence, board size and board activities in mitigating the earnings management practices in deposit taking institutions of Sri Lanka. For this quantitative study, secondary data was gathered through annual reports from a sample of 30 deposit taking institutions including commercial banks, specialized banks and finance companies for the period of 2010 to 2014. Discretionary accruals are used as a proxy for earnings management which is the dependent variable of the study. The cross-sectional version of modified Jones model as proposed by Dechow, Sloan and Sweeney (1995), was used to estimate discretionary accruals. The independent variables are comprised with; Board independence, Board size and Board activities measured by using the number of board meetings as a proxy. Ordinary least square method was used to estimate the regression model in order to analyse the relationship between board characteristics and earnings management. Two control variables; leverage and cash flows were incorporated to the model as control variables. The collected data was analysed using the 'EViews' statistical software.

The results of the study provide evidence that board meetings have a significant positive influence to earnings management. On the other hand, ratio of independence board members and board size, if taken individually are not significantly related to earnings management. However, the joint influence of these three variables on earnings management is significant. Thus, the combination of the factors; smaller boards, majority of independent directors, and lesser frequency of board meetings mitigate earnings management practices in Sri Lankan deposit-taking institutions. Further, the findings indicate individually significant negative influence of leverage and cash flows on earnings management. The findings of the study demonstrate that board characteristics that act as a corporate governance mechanism has the capability of mitigating earnings management practices in Sri Lankan context.

Re-examining the BRICS Stock Markets Interaction

- *Berzanna Seydou Ouattara*

Background, context, motivation and objectives: The main goal of this paper is to contribute to the international investment decision making process among the BRICS countries (Brazil, Russia, India, China and South Africa) and to the development or changes of policies in response to the dynamics in these countries. The BRICS economies are chosen, because they compose nearly two-thirds of the emerging economies, are the largest and most integrated economies in their corresponding regions, as well as have essential role in the world economic dynamics. The background is important for international investors seeking diversification benefits abroad and for policy makers reacting to the developments in the aforementioned economies. Thus, the context of this paper is directed to the examination of the stock market interaction among the BRICS countries. The motivation for the research is to provide professional conclusion regarding the cointegration level of the BRICS stock markets and the possibility of diversification gains in those markets. So, the following objectives prevail: to analyse the existence of the short-term linkages and long-term cointegration among the BRICS markets.

Literature Review: The study of the literature reveals that mostly the integration among BRIC countries and the integration of some of the mentioned markets with those of the developed countries, for instance US or Japan, are analysed. Few researches are conducted through BRICS countries, which differ from the current analysis by the methodology applied and/or by the data used, which did not capture the recent trends. Thus, the mentioned literary gap is addressed in this paper.

Design and Research Methodology: As the research is done on the basis of quantitative data collected from the social environment, the philosophy of positivism is adopted. The deductive approach to theory development is used as the study is carried out through testing hypotheses on the existing theory - CAPM. Going further, the research explores the linkages of the stock market indices within their real life context by adopting the case study strategy. The quantitative approach to data analysis is employed with longitudinal time horizon through using quarterly data of BRICS stock market indices for fifteen years from 2000 to 2015. The data source is the Bloomberg database. Augmented Dicker-Fuller (ADF) and Philips-Perron tests (PP) are applied for analysing stationarity among the selected variables. The research uses the correlation test, the Granger causality test, as well as Johansen and Juselius test to evaluate the short and long-run interrelationships and integration of BRICS stock markets. The study also extends the investigation by employing the VAR model, the Impulse Response function and the Variance Decomposition to assess the reaction of each stock to a shock from others stock prices.

Findings: One of the key findings of the research is that the Chinese stock markets are mostly independent from other BRICS markets, implying diversification benefits for the international investors both in the short and the long run. Another important finding is that the BRICS stock markets are not cointegrated in the long run, thus, being a favorable destination for the long-term investments. This study is particular innovative as it is the first to investigate market interdependencies using the BRICS recent stock prices and contributes to making the investment decisions and policy responses regarding the BRICS economies.

PhD Colloquium Session II

Banking Flows and Credit Risk in the Southern European Countries

- *Mafalda Vasconcelos*

The financial crisis that hit the economy in 2008 had caused significant disruptions to the functioning of the banking system and unwelcome impacts on the economic recovery of the fragile southern european countries. Some studies report that banking flows are an important support to economic growth with resulting effects been highly heterogeneous across countries (Gosh et al, 2011).

While Southern European countries slowly recover from this severe crisis, Germany strength its role in the global economy and in the financial market.

The aim of this work is to understand the effect of an increase in the southern European bank's credit risk on the growth rate of banking flows from German banks to southern european countries.

This study was conducted using quarterly data covering the period 2004 to 2014 for banking flows from German banks to three southern European countries: Portugal, Spain and Italy.

We use mediation models conducted using ordinary least squares path analysis, to understand the intermediate endpoints of the relationship between the bank?s credit risk and the growth rate of banking flows. The findings reveals several differences between the three countries with local pull factors and bilateral links playing a predominant role.

Banking Globalisation, Local Lending and Labor Market Outcomes: Micro-level Evidence from Brazil

- *Matias Ossandon Busch*

This paper estimates the effect of a foreign funding shock to banks in Brazil triggered by the collapse of Lehman Brothers in September 2008. Using an identification of the bank lending channel similar to Khwaja and Mian (2008) we find robustly that shocks to Brazilian parent banks negatively affected lending by their individual branches in Brazilian municipalities. However, in contrast to the existing literature there is no evidence that this bank lending channel affected aggregated credit supply or labor market outcomes at the municipal level. Our results suggest that Brazilian municipalities were able to compensate for a shortfall in funding of an important part of the financial sector.

PhD Colloquium Session III

Cost and Benefit Analysis of an Optimum Currency Area

- *Akash Baruah*

This paper traces the fundamental reasons of creating an Optimum Currency Area and gives an understanding of what makes a currency area optimum. There are certain definite costs and benefits associated with a currency area, which makes it very complicated to evaluate the net effect of forming it. Global integration of economies has made it even more imperative to study the synergy that could or could not arise due to the formation of a currency union. Some of the costs can have a deeper effect in the functioning of the economies and thus should be studied upon more, to keep the very essence of creating a currency area alive. The benefits should also be thought upon for understanding its positive effects upon the economies. I have studied some of the major costs and benefits associated with creating a monetary union and tried to explain them, highlighting their impacts upon the economy and at the end provided some of the possible solutions that can make a currency area optimum.

E-Banking Issues Involves Through Service Oriented Architecture

- *Syed Nadeem Juman Shah*

SOA(Service Oriented Architecture) is suitable progressively more essential nowadays. Service Oriented Architecture (SOA) supports the strategy for goal of the business. Standard of web services along with their implementations are the Key for Service Oriented Architecture (SOA). Successful implementations are growing for these technologies. Therefore solving wider business issues involves SOA designing at high quality at the premature period. within the article there is a motivation on behalf of SMM (Service Modeling Method) for handling wider designs with Unified Modeling Language (UML) analysis for service models and focused problems.

PhD Colloquium Session IV

Interest Rate Spreads: Measuring and Comparing Linkage and Transmission Signals between Pre/During/and Post Financial Crisis Periods

- *Babar Syed*

Robust financial econometric methodology is developed such as to measure and model dynamic linkage and transmission signals for interest rate spreads. This is tested on the daily data during (2005-2015) with the break up of three sub periods. The analysis provides econometric evidence on the difference in the magnitude of transmission signals, structural break and regime.

Modified Brownian Motion Model: A General Explanation

- *Muhammad Bilal Shakeel*

The Modified Brownian Motion Model provides an excellent fit to returns distribution of financial indices. We now model the returns distribution of the SP index on consecutive two year (daily data) period from (03-01-1950) till (31-12-2015) and the optimal time dependent parameters are estimated for this time series data. An econometric methodology to model the historic kurtosis on the optimal parameters is developed such as to make forecasts on kurtosis of returns distribution of financial indices.

PhD Colloquium Session V

Analysis of Causal Relationship between the Grains Futures and Agricultural Equities using Toda and Yamamoto Procedure

- *Subhakara Valluri*

The recent years have evidenced an increased volatility in the price of grains. The increase in grain prices attracted investments in the grains sector as an asset class among both individual and institutional investors. Investors are under the impression that investing in the equities of the agricultural companies is a good way to gain indirect exposure to the grains futures. This study focuses on the rationale behind the theory by observing the causal relationship between grains futures and agricultural companies. The grains index is created with corn, wheat and soybean future contracts using world-production weighted methodology. To examine the relationship between grains index and commodity companies, Toda and Yamamoto (1995) procedure is applied instead of the ordinary Granger causality test. Appropriate lag length for the VAR model is chosen using AIC and FPE criterion, also verified the model with Lagrange Multiplier (LM) test to ensure that there is no serial correlation in the residuals.

Exchange Rate Overshooting

- *Christina Anderl*

Within the contemporaneous literature on international finance, one heavily researched area is the effect of exchange rate volatility on trade. While this topic has been approached from a variety of different angles, there is an absence of any substantial research on a potential connection between exchange rate overshooting and variations in trade flows.

Based on the dynamics set out in the classical Dornbusch model, this paper investigates the effect of exchange rate overshooting induced by an increase in the money supply on import and export volumes. The paper uses residual-based error-correction models as proposed by Engle and Granger (1987) in order to measure the deviation of the exchange rate from its long-run equilibrium and the lagged adjustment to the same. The effect on trade volumes in the short run and the long run is modelled in a multiple regression setup. The focus lies on the contrast between multilateral settings using aggregate data on real effective exchange rates and two-country models using real bilateral exchange rates for the G7 nations.

The findings suggest, that exchange rate overshooting accounts for variations in trade volumes. There is a strong negative effect of overshooting on trade flows in the short run, which is smoothed out over the long run. The effect further proves to be stronger for effective exchange rates in the aggregate models than for bilateral exchange rates, which can be attributed to exogenous third-country factors.

Main Conference Parallel Session I/A

Assessing the Impact of the Global Financial Crisis on the Profit Efficiency of Indian Banks

- *Sunil Kumar*

With the objective to assess the impact of the global financial crisis on bank efficiency in India, the study focuses on the evolution of profit efficiency before, during and after the crisis. For evaluating and comparing the risk-adjusted alternative profit efficiency of different ownership groups in the Indian banking industry, the study employs a DEA-based meta profit frontier framework that accounts for technological heterogeneity across groups. The equity capital is directly incorporated in the specification of production technology to control for the differences in bank risk preferences. The results highlight that profit efficiency of banks declined mildly during the global financial crisis, but then recovered quickly after the crisis. However, the global financial crisis had a differentiated impact across ownership groups. New private banks observed largest drag in the profit efficiency during the crisis years. The analysis of technology gap ratio suggests that foreign banks employed best-practice production technology, and were observed to be the technology leaders of Indian banking industry.

Assessing the State of Competition through Regulatory Framework: A Comparative Analysis of India with Other Emerging Economies

- *Rachita Gulati*

The study examines the developments in bank regulations that govern the competitive behaviour of banks in India. The regulatory practices are then compared with peers emerging economies-Brazil, China, Russia and South Africa.Further, the convergence in regulatory frameworks in BRICS nations to the banking standards in G7 nations has also been examined. We focus on the competitive conduct of banks by examining the regulatory measures influencing the entry and exit barriers. From different regulatory aspects, the study examines the restrictions on bank activities (insurance, securities, real estate and non-financial firms); limitations on entry into banking; bank exit and resolution power; and independence of the supervisory authority. The regulatory indices have been calculated using the responses of the central bank authorities' to Banking Regulation and Supervision Survey (BRSS) of World Bank. In particular, we closely follow the guidelines of Barth et al. (2013) to calculate the indices on selected dimensions. Based on the empirical assessment, the study suggests that the banking systems in BRICS countries have shown a convergence to international regulatory standards in terms of entry norms like licensing requirements for entry into banking, conglomerate restrictiveness and limitations on foreign bank entry. However, we note some weakness in the banking systems of both the regions especially in terms of government holding the majority ownership. On bank exit and resolution norms, the supervisory powers to restructure or declare bank insolvent, though low, has been noted to be comparable in both the regions in 2011. Following G7 norms, the BRICS countries adopt theprompt corrective actionframework as an initial resolution practice.

Main Conference Parallel Session I/B

Financial Contagion in the context of the European Debt Crisis

- *Satish Sharma*

This paper aims to evaluate financial contagion in the Eurozone during the European Debt Crisis. First two hypotheses tested in the study include an analysis of impact, which Debt-to-GDP had on the financial contagion and on the balance sheet fundamentals over the period of the European Debt Crisis. The third hypothesis is related to the relation of country?s default risk and financial contagion. Based on a sample of 40 European banks, we apply latent factor framework for cross-sectional and time-series analysis. The results shows that the strength of institutional connections on the interbank level had decreased, while on the sovereign-bank level it had increased; which could be explained by the change of the nature of the financial contagion with the flow of the crisis. Default risk of an individual bank had become less dangerous for the financial system; however, the dependence of banks on the sovereign stability had increased. An association of sovereign default risk and changes in the financial contagion was proved to vary among clusters, subject to the sovereign default risk probability.

European Central Bank (ECB) and The Federal Reserve System (FED): Different Policies and Objectives Towards Stabilization

- *Pellegrino Manfra*

This article examines the world's two most prominent central banks? European Central Bank (ECB) and the Federal Reserve System (FED) and their recent expansionary monetary policy to solve the high unemployment rate in the European Monetary Union and the US.

The policies of the FED have been successful. Unemployment in the US has declined from 10.7% in 2008 to about 5% in December 2015 where more than 4 million jobs have been created. On the other hand the ECB has no mandate to solve unemployment. The average unemployment rate in the European Monetary Union at the height of the crisis was lower than the US but by 2016 ? reached record high- to 11.8%.

The primary goal of the ECB as set forth by the Maastricht Treaty is to "maintain price stability"(Article 105.1). The treaty further instructs the Eurosystem to "support the general economic policies" (Article 105.1) in the euro area without prejudice to the goal of price stability. Thus, the treaty makes it clear that any other objectives are secondary to that of price stability.

The FED on the other hand has three policy goals: "maximum employment, stable prices and moderate long-term interest rates". Unlike the Eurosystem's mandate, price stability is not given a higher priority than the other goals. Clearly, the policymakers of the FED must assign at least an implicit ranking to these goals; in the long-run all three goals are compatible.

Mario Draghi, President of the ECB, pledged "The ECB is ready to do whatever it takes to preserve the euro," The ECB will purchase short-term Italian, Spanish and other countries bonds without any limit. In addition the ECB will add corporate bonds to its bank sheet. Thus the ECB can substantially reduce the interest rate on the sovereign debt of those countries, helping them to grow but remove the discipline that the bond market has had on their fiscal actions. But unemployment in these two countries has remained high. Spain has reached more than 25% and Italy in particularly has increased unemployment from about 8% to about 10.8%.

In the paper, I will argue that both central banks have embarked on different strategies unprecedented in their history with some risks. The policies of the FED have been successful. Unemployment in the US has declined to record levels. On the other hand the ECB has no mandate to solve unemployment. With the average unemployment rate in the EMU reached a record high with 11.8%. ECB should consider a policy for unemployment.

Main Conference Parallel Session I/C

Systemic Risk and the Challenges for Regulators

- *Scott Ellis*

This paper identifies the different types of systemic risk and the challenges regulators face in addressing this phenomena. We conducted a systematic literature review of 4,859 abstracts to categorize the main sources of systemic risk. Additionally, we critically appraise the measure of systemic risk developed post-2000 to inform academics and regulators of the model vulnerabilities. Our findings suggest that majority of these measures tend to focus on individual financial institutions rather than the entire system stability. This directly reflects the current regulations which aim to ensure individual institutions soundness. As macro-prudential regulation evolves, policy-makers face the issues of understanding contagion and how such regulations should be implemented.

The Economic Prospect of Solid Waste Management in Perlis, Malaysia

- *Mohd Mizan Bin Mohammad Aslam*

Solid Waste Management is a crucial issue in today's modern world. In the past, Malaysia used to have more than 300 solid waste disposal centres. However, the number has reduced to 160 centres to date and 3 of them is located in Perlis. Considering the tonnes of garbage recorded at the Padang Siding waste disposal site and Perlis population, there is indeed the necessity to research on the wastage pattern and level of awareness of the Perlis community, and also how the situation could generate income for Perlis. The main data sources of this research comprise of site visit, pilot study and secondary data. The findings show the level of management Perlis possesses and rooms of improvement especially in gearing Perlis towards a developed state by 2020.

Main Conference Parallel Session II/A

Chinese Direct Investment into the European Union: A Six-Country Panel Data Analysis

- *Zhibin Lin*

The objective of this paper is to examine the determinants of Chinese outward foreign direct investment (OFDI) into the European Union (EU). We investigate the determinants from a sample of annual data on Chinese OFDI in six countries within the EU (namely, UK, France, Italy, Germany, The Netherlands, and Sweden) during the period from 1999-2014, drawing from Bloomberg and World Bank data banks. Using a vector error correction model, we assess the GDP growth rate, real exchange rate, internet user per 100 people, degree of openness, R&D expenditure (% GDP) and consumer inflation rate as the independent variables, with foreign direct investment from Chinese companies as the dependent variable. The results show that GDP growth rate and degree of openness have a positive sign and are statistically significant; while the real exchange rate, internet user per 100, R&D expenditure and inflation rate have positive signs, but are not statistically significant. This suggests that the key determinants of Chinese OFDI into EU may not fit well with the traditional theories of internationalisation. Nevertheless, the history of Chinese OFDI is fairly short and the phenomenon is still evolving, more research in the future will uncover a clear picture of what determines Chinese OFDI into EU.

Enlightened Financial Services Marketing that Meets Consumers' Need to Know Their Needs: Darwin's Explanatory Schema Applied to the Survival of Financial Institutions

- *Nirmala Lee*

Darwin's theory of natural selection is applied to the world of financial institutions and financial services marketing. In the Darwinian schema of adaptive evolution, the financially fittest will survive, and their survival would have ensured the perpetuation of financial practices that are best adapted for such survival. The origin of marketing like the origin of species records the descent of the institutum sapien from the evolutionary ladder represented by selling, mass marketing, product variety marketing and target marketing. It is argued that the natural next stage in the evolutionary process is enlightened marketing that witnesses the tailoring of products to the enlightened / financially literate consumer. Financial Literacy involves a critical literacy which frames reading, writing and arithmetic in terms of monetary and financial decision-making, linking financial competency to analytical skills that empower the consumer to make meaning of the financial world and make appropriate financial decisions. A study on financial literacy carried out in collaboration with the National Institute of Adult Continuing Education (NIACE) reveals that the majority of financial advisers have very little interest in finding out about or contributing to consumer financial literacy or coping strategies. Financial institutions, however, owe it in their own interests to recognise and support financial literacy needs of consumers if they wish to survive in the struggle for existence. If marketing is about meeting consumer needs, what need can be greater than the need for the consumer to be able to know his or her own real needs?

Main Conference Parallel Session II/B

A Generalisation of Investment Portfolio Performance Measures

- *Angel Marchev, Jr.*

In any process of investment portfolio management, as specially constructed by financial markets securities, the measurement of the investment performance over time quickly becomes the most vital question. The theory and mostly the practice of investment have invented a number of investment performance measures with various applications. The typical uses of the measures are for real investment assessment and comparison, for analyzing the results from historical simulations, for criterion in investment choices, etc. At the same time there are issues with applying most of the measures - some of them are not performing well under certain circumstances, others have methodological flaws. This paper aims to solve the shortcomings of the most widely used measures by analytically generalising them into one method and proposing the empirical study for testing it.

Determinants of Users' Intention to Use Internet Banking in Egypt

- *Amani Hussein*

The success of a technology is largely dependent on the individual acceptance of the new technology (Sharma and Govindaluri, 2014). Yousafzai, and Yani-de-Soriano (2012) clarified that the success of internet banking is determined not only by banks or government support but also by users' acceptance of it. The latter has a great influence on the adoption of internet banking.

To the best of the authors' knowledge, the number of studies that addressed the factors influencing adoption of internet banking services in Egypt is limited. According to Sharma and Govindaluri, (2014) behavioral intention to use a system is a key determinant of the actual use Accordingly the choice of intention of use rather than actual usage of internet banking services is considered both appropriate and necessary. Therefore, this research aims to examine the determinants of users' intention to use internet banking in Egypt.

Previous studies extended the original postulates of technology acceptance model (TAM) (perceived usefulness and perceived ease of use) by including new factors which have been derived from the available literature. However, this research design new model through using these original postulates perceived usefulness and perceived ease of use and introduce new factors (such as security risk, financial risk, privacy risk, awareness, Computer self-efficacy (CSE) and resistance to Change.

Using a structured questionnaire of a sample of 200 respondent and multiple regression method to determine the factors that have an impact on Internet banking intention to use.

Main Conference Parallel Session II/C

Exchange Rate Volatility and FDI flows in Latin America

- *Silvia Dal Bianco*

This research aims to empirically examine the effect of economic uncertainty on Foreign Direct Investment (FDI) inflows in Latin American and the Caribbean countries. A panel data set of ten host countries from the region over the period from 1990 to 2012 is selected for the analysis. Generalized autoregressive conditional heteroscedastic (GARCH) model is used to generate economic uncertainty indicators of the inflation rate and the real exchange rate. Different estimators (Pooled Ordinary Least Square, Fixed-Effects and Random-Effects Estimator) are used to investigate the effect of uncertainty indicators upon FDI. The model also controls for other FDI determinants: domestic market size, trade openness, human capital quality and infrastructure development.

The overall results show that economic uncertainty has a negative effect on FDI inflows in selected Latin American and the Caribbean countries, although the impact is only statistically significant for exchange rate volatility while insignificant for inflation rate volatility. Trade openness and the development of human capital and infrastructure are shown to have a positive impact on FDI, although the impact of infrastructure development is not highly relevant. Interestingly, the market size presents a negative, yet statistically insignificant impact on FDI inflows in the region.

This study suggests that a focus by policymakers on macroeconomic stability enhancement, besides trade openness promotion, infrastructure facilities and human capital development, would be key to attracting FDI for Latin America and the Caribbean.

Financial Parenting, Financial Socialization and Wellbeing

- *Imran Ali*

Plenty of research suggests crucial role of parents' in developing social behaviors of their children. However, there is less evidence on the role of parents in shaping responsible financial management behavior of children in their later life. This study bridge this gap by investigating the role of financial parenting in improving wellbeing among young professionals. The study also examines the role of childhood financial socialization and childhood financial experiences in developing responsible financial behavior among young adults. The role of financial parenting, childhood financial socialization and childhood financial experiences is also examined to develop financial self-efficacy and financial coping behaviors to determine financial wellbeing among young adults in Saudi Arabia. The study proposed and tested a theoretical model through Structural Equation Modeling (SEM). Data has been collected from 450 university students enrolled in undergraduate and postgraduate programs. The study found that financial parenting significantly influence financial self-efficacy, financial coping behavior and financial wellbeing among children in their later life. Therefore, parents should pay special attention in coaching/teaching financial skills to their kids in order to improve financial wellbeing in their later life. The role of social network including parents, peers, media, and school and childhood financial experiences are also important in improving financial self-efficacy, financial coping behaviors and wellbeing among young people to spend financially satisfied and happy life. Higher levels of financial self-efficacy and financial coping behavior also contribute towards financially healthy life among young adults. The applications and implications of this research for different stakeholders have been discussed in detail.

Main Conference Parallel Session III/A

Ownership Structure and choice of the SEO issue method

- *Panagiotis Andrikopoulos*

This study analyses the role of ownership characteristics in a firm's choice of seasoned equity offering (SEO) methods, offer price discounts, and market reactions to SEO announcements, particularly the differences between rights offers, placings, open offers, and combinations of placings and open offers. We find that ownership-concentrated firms prefer rights or open offers to placings, supporting the argument that large shareholders favour rights-preserving issues as the SEO method to maintain the benefits of control. Consistent with the managerial entrenchment hypothesis, our results indicate that firms with high managerial ownership are more likely to choose a placing as their SEO method. We also find that firms with lower institutional ownership are more likely to use a placing to improve monitoring.

What Drives China's outward FDI? A Regional Analysis

- *Kefei You*

Our study examines home drivers of China's regional outward FDI. We propose a theoretical framework that incorporates an extended Investment Development Path (IDP) theory, home locational constraints, policy incentives and geographic factors. Empirically, we employ the Bayesian Averaging Maximum Likelihood Estimates method to address model uncertainty. All proposed theories (except for geographic aspects) are found to provide important perspectives explaining China's regional outward FDI. Our results highlight the importance of government policies but do not support the original IDP hypothesis that outward investment is automatically generated as income grows. Our findings have implications for both regional and central government policy.

Modified Brownian Motion Model: Forecasting Kurtosis of Returns Distributions

- *Gurjeet Dhesi*

The Modified Brownian Motion Model provides an excellent fit to returns distribution of financial indices. We now model the returns distribution of the SP index on consecutive two year (daily data) period from (03-01-1950) till (31-12-2015) and the optimal time dependent parameters are estimated for this time series data. An econometric methodology to model the historic kurtosis on the optimal parameters is developed such as to make forecasts on kurtosis of returns distribution of financial indices.

Main Conference Parallel Session III/B

Credit and Training Provision to the Poor by Vertically Linked NGO's and Commercial Banks

- *Gherardo Girardi*

We develop a model where an NGO trains potential entrepreneurs and lends them money in period 1. In period 2, those who are successful in their projects are eligible to apply for commercial bank loans. Defining empowerment as the amount of training which the NGO provides to each trainee, and outreach as the number of successful trainees at the end of the first period, we ask the following question: does the presence of a socially responsible agent (the NGO) ensure that the market outcome coincides with the social optimum? We find that the answer depends on the particular social objective of the policy maker: if the policy maker seeks to maximize the welfare of the poor, then the market correctly provides empowerment but underprovides outreach. If, on the other hand, the policy maker seeks to maximize the social surplus (the sum of welfare of the poor and bank profits), then the market correctly provides both empowerment and outreach. We assess, in the context of the model, the validity of the policy of capping microfinance interest rates that is practised in some countries. In addition, we allow the NGO and a bank to merge, compare the resulting market outcome with the social optimum, and apply the results to the present situation in Latin America, where banks are entering the very poor segment of the market in which NGO's operate.

Business Perspectives on Sustainable Development Goals 2030

- *Samuel O Idowu*

Since the Brundtland Report 1987 on "Our Common Future", the United Nations in its drive to encourage and propagate Corporate Social Responsibility (CSR) has been involved in a number of CSR related activities. In the organisation's attempt to combat global warming, climate change, human rights abuses, poverty etc the UN has championed many CSR focused events and activities worldwide. We are all too aware of several UN Climate Change Conferences, Paris 2015 being the latest, the UN Global Compact which has the world's largest corporate responsibility initiative, the 8 UN Millennium Development Goals (MDGs) 2000 - 2015 and now the UN Sustainable Development Goals (SDGs) 2030 which was agreed in September 2015. The field of CSR is of increasing importance in all areas of our existence - in business, politics, academia and the civil society in general. Issues relating to CSR are discussed, researched and propagated in all economies around the globe. There is practically nowhere in the world today where issues relating to CSR, Sustainability, Ethics and Governance are not debated, researched, encouraged, practiced and perceived as being desirable. In fact, it is today a core part of corporate strategies of many companies in most economies.

The new Sustainable Development Goals (SDGs) target the 5Ps (People, Planet, Prosperity (originally Profit), Peace and Partnership and encompass seventeen goals which are of importance to everyone in the world. They are all about CSR. What effects will the achievement of these goals have on corporate entities ? small medium or large everywhere? How are businesses going to help the United Nations in meeting the 2030 target year of achievement of these goals? All good corporations are going to have to expand their strategies to embed many if not all these seventeen goals into their strategies. How are we going to measure whether or not the goals have been achieved? What effect will the SDGs have on Corporate Governance? A few of the 8 MDGs have also been included in the 17 SDGs, are we to assume that these were not achieved satisfactorily between 2000 and 2015? How will government of the 196 countries that make up our world going to assist in meeting these goals? These and many other relevant SD issues are what this paper will explore.

The intention of the paper will be to add to knowledge by exploring issues relating to the new UN SDGs and perhaps the old MDGs if there are pertinent issues relating to the eight goals of the old MDGs.

Liquidity Transmission and the Subprime Mortgage Crisis: A Multivariate GARCH Approach

- *Ling Xiao*

This paper investigates and makes a thorough analysis of the liquidity transmission across the interbank money market by using appropriate econometric methodologies. It is perceived that the liquidity shortage contagion induced the collapse of the whole money market. This study is based on an investigation of four liquidity measurements covering the period Oct, 2004 to Dec, 2010. There is clear empirical evidence to show that there is an increased conditional correlation across different liquidity channels during the crisis period. Two structural breaks are observed which link to the start of the subprime mortgage crisis and the failure of Lehman Brother during the mid of 2007 and mid of 2008. Furthermore, two of three significant pairwise liquidity transmissions involved the TED liquidity spread. This finding guides us to undertake a further examination of the role of TED spread in the liquidity transmission.

Main Conference Parallel Session III/C

Does Bank Size Affect Capital Adequacy? An Analysis of the US SIFI

- *Scott Ellis*

Capital adequacy is one of the main indicators used by regulators and stakeholders to assess the safety and soundness of banks and financial institutions. Since the financial crisis of 2007/08 there has been a plethora of literature to assess the drivers of capital adequacy. A large proposition of this literature focuses on the role of regulation on capital adequacy with many academics analysing the Basel Accords, the Dodd-Frank Wall Street Reform and Consumer Protection Act. This study will assess the role played by pro-cyclical nature of the economy and bank size on the capital held by banks. Previous empirical studies suggest a negative relationship between both the macro-economics and bank size on capital adequacy. We further analysis these relationships using a sample of US SIFI and found that there is a negative linear relationship amongst the variables. However, the sample delivered limited statistically significant due to other external factors.

Quantile Dependence between Shanghai and Hong Kong Stock Markets: A Copula-based Approach

- *Weiou Wu*

This paper models the quantile dependence between the Shanghai and Hong Kong stock index returns using a copula approach. Adapting a censering technology, we provide a more detailed bivariate tail structure including asymmetric and non-linear relationship. Moreover, we extend the classic quantile dependence measure by considering external co-movements both along and beyond the main diagonal, and obtain information associated with heterogeneous as well as homogeneous behaviour. The empirical parts applied the framework to three different sub-samples and demonstrate substantial evidence of asymmetric tail dependence. However, testing for the asymmetry for the entire bivariate structure shows that the difference between upper and lower quantile is not significant.

LSBU Campus Map

01 Borough Road
02 Tower Block
03 Metal Block
04 Joseph Lancaster
05 Extension Block
06 Faraday Wing
07 Perry Library
08 Admissions & Recruitment Centre
09 Technopark
10 London Road / Academy of Sport
11 Foundation Campus
12 Student Centre / Students Union
13 Keyworth Centre
14 K2
15 Learning Resources Centre
16 Caxton House
17 McLaren House
18 The Clarence Centre for Enterprise & Innovation