

Editors' Note

It is our pleasure to present you with the first issue of Volume 10 of the Asian Journal of Business and Accounting (AJBA). This issue has selected six papers which are co-authored by researchers from France, India, Indonesia, Malaysia, Pakistan and Spain. The papers cover a wide range of areas in finance, business and accounting.

The first of these papers looks at banking stability which is important to a country's economy. Bustaman, Ekaputra, Husodo and Prijadi investigate the factors impacting banking stability in ASEAN-4. They find that the intermediary activities which generate interest margins can be a dominating factor. Of interest is the finding that pure fee-based income products reduce banking instability while increased trading activities reduce banking stability. This occurrence can be attributed to the inadequate expertise banks have in conducting trade transactions. Another finding that is of interest is that macroeconomic factors namely, economic growth rate, inflation and currency depreciation do not significantly impact the banking stability of ASEAN-4.

The next paper by Mustafa, Ramlee and Kassim examine the impact of macroeconomic forces on the Malaysian Islamic stock market. Using the Auto Regressive Distributed Lag (ARDL) bound testing approach and the Vector Error Correction Model (VECM) to study data from 2007 to 2014, they find that various economic factors such as money supply, industrial activities, inflation, Islamic interbank rate, real effective exchange rate and Federal funds rate are significantly related to Islamic stock prices in the long term. Compared to the domestic factors, the foreign factors have a stronger influence on the Islamic stock market.

A country's institutional contexts such as its economic size, governance quality and IFRS adoption strategy play an important role in the relationships between leverage, IFRS convergence and earnings management. The findings noted by Anggraeni and Wardhani who examine data from six countries in Asia over a period of 12 years, from 2003 to 2014, are important for regulators who can use them to upgrade the quality of their financial reporting in promoting information transparency.

The importance of information transparency on investors' reaction is also given emphasis by Che-Yahya, Abdul-Rahim and Mohd-Rashid. Investigating 383 initial public offerings listed on the Malaysian stock exchange from 2000 to 2013, Che-Yahya et al. find that even though there

is a positive relationship between institutional investors' participation and initial return, the impact is weakened when the IPO issuer suffers from high information asymmetry.

Not only must IPO issuers take cognisance of the importance of making information available to their prospective investors, marketers should also respond to the need of consumers. Using social network marketing as a platform, marketers can reach out and engage consumers. Toor, Husnain and Hussain examine the relationship between social network marketing and consumer purchase intention. They find that this relationship is mediated by consumer engagement. Their findings reveal that marketers should take advantage of social media platforms as a means to share information about their products thereby, retaining their existing customers as well as widening their customer base.

The advent of technology does not displace the role of the salespersons supervised by their superiors. As the creative performance of the salesperson is necessary to move sales, it is crucial to examine the impact leadership has on salespersons' creative performance. In their study, Banerjee, Alena and Gupta find that transformational leadership is positively related to the salespersons' creative performance and their intrinsic motivation. While trust in the supervisor mediates the relationship between transformational leadership and creative performance, there is insufficient empirical evidence to support intrinsic motivation as a mediator.

The performance of AJBA and its effort towards becoming a top-tier and well cited business and accounting journal in Asia could not have been accomplished without the support of contributors, reviewers, associate editors and members of the international advisory board. To each and every one of you, AJBA wishes to record its deepest gratitude. Last but not least, AJBA also wishes to thank the Malaysian Accountancy Research and the Education Foundation (MAREF) for their financial support.

Thank you and Happy reading!

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