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Editorial

'The Business Review' is a research journal in the fields of business and economics. The first issue of the journal is a presentation of wide selection of research articles. The objective of it is to encourage research to bring a deep understanding of dynamics in these areas. The journal provides analyses on economics, business management, globalization and implications of technological advancement, and presents the research findings carried out by economists, financial analysts, academics, scholars and specialists.

It is mainly aimed to persuade academics, young researchers, and people who have professional interests, and students intend to do research around the world. This journal is for the dissemination of research emphasizing policy analyses and choices that also includes theoretical and methodological issues.

The journal is an attempt to be involved with global readership, especially among academics, economists, financial analysts, scientists, and executives of business, governments, international agencies and institutions. Articles are intended to be accessible to non-specialist readers as well but not necessarily proficient in advanced mathematical, financial or econometric techniques.

The contributors can send articles any time period addressed to the editor. Before being accepted for publication, all articles are peer reviewed. Inconsistency with the policies of the Review would not be ground for rejection of an article. Opinions expressed in the Review are those of the authors and do not necessarily represent the views and policies of the journal. Comments or brief notes responding to the Review are highly welcome and will be accepted for publications to the extent that space permits. Please address all editorial correspondences to the Editor.

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Professor Arifur Rahman PhD
Editor

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Adaptive Response Rate Exponential Smoothing Forecast in Analyzing IBM's Revenue

Abdul H. Chowdhury

School of Business, North South University

Dhaka-1213, Bangladesh

E-mail: hannan@northsouth.edu

Mohammad H. Rahman

University of Windsor, Ontario, Canada

Abstract — *Identification of appropriate forecasting method for time series data is a difficult job for most managers as forecasts are often inaccurate and uncertain. This paper explores several forecasting techniques in analyzing IBM's quarterly sales data for finding an appropriate method. Analysis of forecasts error has been performed for best method identification. Comparisons have been made on the basis of forecast accuracy measures and tracking signal test. It was found that adaptive response rate exponential smoothing (ARRES) technique is the optimal and best predictive technique.*

Keywords and Phrases: ARRES, forecasting, management decision, time series.

JEL Classification: C22; C32; C53.

Applications of Regression Diagnostics in Business, Economics and Social Sciences

A. A. M. Nurunnabi

School of Business, Uttara University

Dhaka-1230, Bangladesh

E-mail: pyal1471@yahoo.com

A. H. M. Rahmatullah Imon

Department of Mathematical Sciences, Ball State University

Muncie IN 47306, U.S.A.

E-mail: rimon@bsu.edu

Abstract— *It is well recognized that even a high quality data set tends to contain a remarkable percent of unusual observations. Till to date most of applied researchers use ordinary least squares (LS) method in regression because of its computational simplicity. Nowadays it is evident that a single aberrant observation may totally disastrous to the LS analysis. Regression diagnostics is a remedy to coop up this situation. This paper expresses the necessity and views of regression diagnostics as well as shows its use in linear regression through two numerical examples extracted from the fields of business, economics and social sciences.*

Keywords and Phrases: High leverage point, influential observation, least squares method, outlier, robust regression.

JEL Classification: C01; C51; C52; M21.

Real Exchange Rates and Purchasing Power Parity in South Asia

Abdullah M Noman

American International University Bangladesh
Dhaka-1213, Bangladesh
E-mail: amnoman@aiub.edu

Tamanna Z Khan

Southeast University
Dhaka-1213, Bangladesh
E-mail: z_tamanna@hotmail.com

Ishtiaque Arif

Southeast University
Dhaka-1213, Bangladesh
E-mail: ishtiaquearif@yahoo.com

Abstract—*The paper investigates time series properties of real exchange rates of seven south Asian currencies. It employs two alternative unit root tests, namely, the Augmented Dickey–Fuller (ADF) and the Phillips–Perron (PP) tests, to check whether these real exchange rates follow unit root process using 35 years of annual data ranging from 1972 to 2006. The ADF test statistic rejects the unit root null in 2 out of 21 cases only, while the PP test statistic rejects only 2 cases too. The overall results count against the stationarity of the South Asian currencies. The findings suggest that the Purchasing Power Parity (PPP) does not hold in South Asia vis-à-vis USA, the major trading partner of South Asian countries.*

Keywords and Phrases: Purchasing power parity, real exchange rate, South Asia, unit root tests.

JEL Classification: F31.

Exchange Rates with an Application to Developing Economy

Arifur Rahman

School of Business, Uttara University

Dhaka-1230, Bangladesh

E-mail: darif17@yahoo.com

Abstract— *This article reviews the literatures on exchange rates, remittances, balance of payment (BOP) and monetary theories. It is to examine the impacts of certain policies on some macro-economic variables in the developing economy, especially in the context of emerging developing economy of Bangladesh by exercising econometric and theoretical models. It has focused on macro-adjustments of lump sum tax and government expenditure. It attempts to provide an understanding of direction of the impacts of policy changes to the policy makers.*

Keywords and Phrases: Empirical simulation, endogenous variable, exogenous variable, general equilibrium, static macro-economic model.

JEL Classification: E52; F31.

Bootstrapping Unit Root Test for Small Sample: Application on Gross Domestic Product and Carbon Dioxide Emission in Bangladesh

M. A. Yushuf Sharker
PIDVS, HSID, ICDDR,B
Dhaka-1212, Bangladesh
E-mail: mayushuf@gmail.com

M. Nasser
Department of Statistics, Rajshahi University
Rajshahi-6205, Bangladesh
E-mail: mnasser.ru@gmail.com

Abstract —*The power of conventional unit root tests is very low and suffers a severe size distortion problem in small sample time series. A simulation-based study is done to extract the performance of bootstrap on Augmented Dickey-Fuller (ADF) and Covariance Augmented Dickey-Fuller (CADF) tests. It is found that for small sample ($n = 30$) bootstrapped CADF test performs relatively better than all other tests. We perform these test on GDP per capita and Carbon Dioxide (CO_2) emission per capita of Bangladesh where data are available from 1972-2000 i.e. the data size is only 29. The test result shows that CO_2 emission per capita and GDP per capita in Bangladesh are unit root process. GDP per capita performs better as a covariate for applying CADF test on CO_2 emission in Bangladesh.*

Keywords and Phrases: Bootstrap, small sample, time series, unit root test.

JEL Classification: C01; C15; E27.

Human Resource Accounting: A Pathfinder in Internal-External Decision Making

Kazi Tareq Ullah

School of Business, Uttara University
Dhaka-1230, Bangladesh
E-mail: kazitareq@gmail.com

Mamun Abdul Kayeum

School of Business, Uttara University
Dhaka-1230, Bangladesh
E-mail: makbangla@yahoo.com

Abstract—*The shift to a knowledge-based economy has created increased attention on entirely different categories of asset known as human. Human counted as a part of intellectual capital is playing an increasingly important role in the wealth creating dynamic of the knowledge economy. However, this asset is less reflective in traditional accounting system which is the principal supplier of such information, its gathering and presenting. It allows timely and informed decision making by management and stakeholders. This paper investigate the possible inclusion of human asset into the accounting system known as human resource accounting and analyze development of modern accounting approach which can contribute to the new age of Human Resource Management practices and the decision making of stakeholders.*

Keywords and Phrases: Human resource accounting, intellectual capital management, valuating human resource.

JEL Classification: M41; O15.

Environmental Friendly Cultivation Method and Profitable Agricultural Marketing -How Far being Implementing in Bangladesh

Md. Asif Kamal

Faculty of Business, IBAIS University
Dhaka-1209, Bangladesh
E-mail: masifuk@gmail.com

Abstract—*This study investigates why farmers of Bangladesh are not eager to adopt environmental friendly way of cultivation and how are being deprived from desired profits. Most farmers are using lands for aggressive cultivation with hybrid seeds and chemical fertilizer in order to yield surplus and healthy profit margin that might cause unrepairable environmental damages. The distribution networks of agricultural products are strongly controlled by intermediary groups who grasp the lion share of benefit leaving a little for farmers. Traditionally farmers in Bangladesh have leaving with natural hazards like flood, cyclone, drought etc and unnatural hazards like crisis of production inputs seeds, fertilizers, insecticide etc. Reasonably, this study evidences the causes and consequences of not being environmental friendly by the framers and low financial returns.*

Keywords and Phrases: Environmental friendly, intermediaries, hybrid, high yield variety.

JEL Classification: Q13; Q18.

Cash Flow Reporting Practices in Bangladesh: A Study on Textile and Clothing Companies

Md. Zahangir Alam

School of Business, Uttara University

Dhaka-1230, Bangladesh

E-mail: zahangir_419@yahoo.com

Md. Mahmudul Huq

Faculty of Business

ASA University Bangladesh

Dhaka-1207, Bangladesh

E-mail: mahmudulhuq81@yahoo.com

Md. Badruzzaman Bhuiyan

Department of Accounting

Jagannath University

Dhaka-1100, Bangladesh

E-mail: kanchan_accju@yahoo.com

Abstract—Cash flow statement is an integral part of the financial statements. Although preparation of cash flow statement is not mandatory as per Companies Act 1994, public limited companies enlisted with stock exchange are to prepare this statement as per other statutory laws and regulations. Since cash flow statement endows with information on the cash flows from a company's operating, investing and financing activities to enable users of its financial statements to appraise the ability of the company to generate cash and to predict cash flows, companies are now preparing this statement as an fundamental part of their financial statement. This paper examines empirically the current practices followed by sample companies in preparation of cash flow statement and concludes that sample companies are in line (with a few exceptions) with the requirements of International Accounting Standard-7 (IAS-7) and Bangladesh Accounting Standard- 6 (BAS-6) and suggests to overcome these exceptions by following BAS-6.

Keywords and Phrases: Cash flow statements, IAS, listed company.

JEL Classification: M41.

Higher Education Marketing: 8S Marketing Mix for Private Universities in Bangladesh

Mahamudul Hasan

School of Business, Uttara University
Dhaka-1230, Bangladesh
E-mail: mahamudmkt@yahoo.com

Benazir Ahmed Siddiqui

School of Business, Uttara University
Dhaka-1230, Bangladesh
E-mail: benazir.ahmed@gmail.com

Saiful Kibria Chowdhury

Department of Business Administration
Stamford University, Bangladesh
E-mail: saifulmkt@hotmail.com

Abstract—*In higher educational landscape, many private universities are facing competition for having talented students; since quality in higher education is expected widely. Along with pedagogical activities, how higher education is being developed, from where it is executed and to what extent our graduating students are performing at their profession that are also significant issues. In this context, universities can emphasize on integrated marketing mix as mnemonic 8S. It is enormously needed for attracting one's who help to retain the institution with fund generation and others who have a stake in the outcomes of private universities. 8S provides opportunities to communicate quality services in higher education for the overall success of university values. This study depicts the priority of different elements of 8S and finds correlation among different groups of respondents for conducting marketing activities of private universities in Bangladesh.*

Keywords and Phrases: Integrated marketing mix, 8S, higher education marketing, private university.

JEL Classification: M31; M37.

The Business Review (TBR) Author's Guideline
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