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Editorial

The Editorial Board of The Business Review is pleased to publish Volume 4, (1st & 2nd Issues) of the journal. A good number of papers were received by the Board for this issue. After double blind review process, six papers were finally selected. The papers published in this volume covered some important aspects of modern business such as, knowledge sharing, corporate mandatory disclosure practices, creative accounting practices, financial and environmental effects of systems loss in electricity, stock market performance and facebook as a media of brand communication. The first paper is “Assessing the Scale of Trust from Knowledge Sharing Perspective: CFA Approach” written by Dr Muhammad Sabbir Rahman & Md. Aftab Anwar of International Islamic University Malaysia, and Dr Sharmina Afrin of Uttara University. The study results of this paper revealed the significant items of trust factor in regards of non-academic staff knowledge sharing behavior from the perspective of higher learning institutions.

The next paper is on “Corporate Mandatory Disclosure Practices in Bangladesh” written by Shohana Rahman Lisa & Mostofa Mahmud Hasan of Stamford University Bangladesh. The purpose of this study was to investigate the extent of mandatory disclosure by twenty seven listed companies of Bangladesh. The study results show that the companies in general have not responded adequately to the mandatory disclosure requirements of the regulatory bodies of Bangladesh. There exist an insignificant relationship between a number of company characteristics in respect of size, age, profitability and the extent of mandatory disclosure. The next paper titled “Blessings of Creative Accounting Practices: A Perception Analysis between the Accountants and Auditors of Non-listed Companies in Bangladesh” was written by Md. Rafiqul Islam of BGC Trust University, Asif Mahbub Karim of Port City International University Chittagong, AHM Yeaseen Chowdhury of Bangladesh University of Professionals & Niaz Uddin Mahmud of USA. This paper is on creative accounting practices which is now a burning issue in the competitive business environment. It is practiced to protect the firm’s image in different issues and achieve their desired financial needs subject to the fulfillment of accounting standards. The results revealed consistency in opinions with a significant perception gap in Bangladesh.

Dr Helal Uddin Ahmed, Md. Jakker Hossain and Md. Abul Kashem wrote paper on “The Financial and Environmental Effects of System Loss due to Transmission and Distribution of Electricity in Bangladesh”. This paper deals with financial and environmental effects regarding system loss for transmission and distribution of electricity. It found that system loss for the distribution and transmission system of electricity has a great impact on the environment. The next paper is on “Secondary Stock Market Performance of Initial Public Offers: Evidence from Dhaka Stock Exchange” written by Mohammad Ashrafuz-zaman of BUBT. This paper tried to look into the under pricing behavior of IPOs in Bangladesh. Only 2 out of 45 IPOs were found to be overpriced, whereas the rest of the IPOs were underpriced.

Another paper titled “Measuring the Effectiveness of Facebook as a Medium of Brand Communication in Bangladesh” written by Md. Ashraf Harun of University of Dhaka. This study focuses on how to enhance the Effectiveness of Facebook as a Medium of Brand Communication in Bangladesh. The findings show that the most significant factors to measure the Effectiveness of Facebook as a Medium of Brand Communication in Bangladesh are speed, global reach and user interactivity. All the papers published in this volume are very much important in today’s business context and, therefore, the findings of these studies might be highly useful to the policy makers of the business.

In conclusion, the Editorial Board sincerely recognizes the contribution of the reviewers of the papers published in this issue. The Board is also thankful to Professor Dr M Azizur Rahman, and Professor Dr Eayesmin Ara Lekha Vice Chancellor and Pro Vice Chancellor of Uttara University for their whole hearted support for publishing this volume of the journal. Finally, the Board is thankful to the researchers who selected TBR for publishing their valuable research papers. The Editorial Board is also thankful to Executive Editor Mr Kazi Tareq Ullah for his relentless effort to publish this volume.



Professor Nazrul Islam, PhD
Chief Editor

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Assessing the Scale of Trust from Knowledge Sharing Perspective: CFA Approach

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Abstract- *Trust has been recognized as one of the primary antecedents in the determination of the success of staff knowledge sharing behavior. The aim of this inquiry is to empirically examine the construct of trust from the perspective of knowledge sharing behavior of the non-academic staff of higher learning institutions. In total, 250 valid samples were collected via self-administered survey procedure from the non-academic staff of different public and private higher learning institutions in Malaysia. Confirmatory factor analysis (CFA) was employed to examine the construct. The results revealed the significant items of trust factor in regards of non-academic staff knowledge sharing behavior in higher learning institutions. The proposed model of trust has been empirically tested for unidimensionality, reliability and validity using CFA. This study is one of the first attempts to specifically focus on trust constructs in aspects of knowledge sharing behavior under the scope of higher learning institutions in Malaysia.*

Keywords: Higher Learning Institutions Trust, Knowledge Sharing Behaviour, Confirmatory Factor Analysis (CFA), Malaysia.

JEL Classification: I21; I23

The Extent of Corporate Mandatory Disclosure Practices in Bangladesh

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Abstract: *The purpose of this study is to investigate the extent of mandatory disclosure by 27 listed companies in Bangladesh. It also reports the results of the relationship between company specific characteristics and mandatory disclosure of the sample companies. Multiple panel regression is used covering the 2011-2014 period. To assess the significance of each independent variable on the dependent variable TDE, we use the t-test. All the variables are found to be statistically not significant as their t-sig is higher than 5%. The results indicate that companies in general have not responded adequately to the mandatory disclosure requirements of the regulatory bodies. It has been found that companies, on average, disclose 40% of the items of information. There exist an insignificant relationship between a number of company characteristics in respect of size, age, profitability and the extent of mandatory disclosure.*

Key Words: Disclosure Index, TDE, Multiple Regression, T-test.

JEL Classification: M41; M42; M48

Blessings of Creative Accounting Practices: A Perception Analysis between the Accountants and Auditors of Non-listed Companies in Bangladesh

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Abstract: *Creative accounting practice is now a burning issue in the competitive business environment and practiced to protect the firm's images in different issues and achieve their desired financial needs subject to the fulfillment of accounting standards. Although it is normally practiced as negative, positive usage of accounts manipulation sometimes may cause of blessing. Creative accounting has been identified as the blessings in balancing forecast with actual, industry best performer, stakeholder's attraction and stabilization in share price. But the perception of accountant and auditor of non-listed companies have been found significantly different. The Z and χ^2 test have been used consequently to meet the research objective. This analysis reveals consistency in opinions as far issue of blessings is in question with a significant perception gap in Bangladesh.*

Key words: Blessing of Creative Accounting, Accounting Standards, Accountant & Auditor's Perception Gap, Non-listed Company, Bangladesh

JEL Classification: M41; M42

The Financial and Environmental Effects of System Loss due to Transmission and Distribution of Electricity in Bangladesh

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Abstract: *System loss for the distribution and transmission system of electricity has a great impact on environment. This paper analyzes the reasons for system loss in the transmission and distribution lines of electricity in Bangladesh. It unveils that due to the system loss a huge amount of fuel is wasted as well as money. Further it has been depicted that huge amount of additional CO₂ is emitted due to the system loss. This study also discusses how to reduce system loss and emission of CO₂. As a whole, this paper deals with financial and environmental effects of system loss due to inefficient transmission and distribution of electricity.*

Key words: System Loss, Environmental Effect, Financial Effect, Transmission and Distribution of Electricity.

JEL Classification: G18; H13; O12

Secondary Stock Market Performance of Initial Public Offers: Evidence from Dhaka Stock Exchange

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Abstract: *Capital market in any country is a very important driving force for her growth. This is because it is the source from where businesses can acquire the necessary funds for investments which ultimately contribute to the Gross Domestic Product (GDP) of the country. A common phenomenon which has been observed in the capital market across the world is underpricing of new issues. Underpricing implies that the offer price set by the issuer is somewhat low, and the issuer has failed to generate a greater amount of fund from the primary market. This paper tries to look into the underpricing behavior of IPOs in Bangladesh from June 2007 to June 2012. Event day methodology has been used to see the underpricing behavior, and the event days considered were the 1st, 7th 15th and the 22nd trading day. Out of 45 IPOs, 43 were underpriced and only 2 were overpriced. Moreover, the mean returns on these event days were found to be statistically significant at 5% level. This paper also finds that oversubscription is the major determinant of IPOs underpricing in Bangladesh capital market.*

Key Words: Capital Market, Initial Public Offering (IPO), Underpricing, Primary Market.

JEL classification: M31; M39; L82

Measuring the Effectiveness of Facebook as a Medium of Brand Communication in Bangladesh

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Abstract: *The use of Facebook as a company's brand communication strategy has increased significantly in the past couple of years. Since brand communication is not free of cost, it is really hard for enterprises, especially Small and Medium Enterprises (SMEs), of Bangladesh to carry out a successful brand communication program through traditional marketing activities, which include banner ads, text ads, e-mail, radio and television advertising. People get attached to brand communication in social networking sites than usual banner and pop up ads. These networking sites bring more interactive communication with advertising. Therefore, it is necessary to study the effectiveness of brand communication strategy followed in social networking sites which are mainly accessed by Bangladeshi users. This study focuses on how to enhance the effectiveness of Facebook as a medium of brand communication in Bangladesh through some recommendations. The findings revealed that the most significant factors to measure the effectiveness of this medium are speed, global reach and user interactivity.*

Keywords: Facebook, Brand, Brand Communication, Effectiveness, Strategy.

JEL Classification: M31; M39; L82

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