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Business Sustainability and Investment Efficiency: A comparative Analysis in Shareholder and Stakeholder-Oriented Markets

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ABSTRACT

In the past decade, interest in firms committed to environmental, social, and governance (ESG) sustainability has surged. This study analyzes the comparative influence of ESG sustainability performance and economic sustainability performance (ESP) on investment efficiency. Using a sample of 49,924 firm-year observations from 2010 to 2017, we categorize firms into those in shareholder-oriented and stakeholder-oriented countries.

Findings indicate that social and environmental dimensions of sustainability contribute more significantly to improving investment efficiency than the economic dimension. The study highlights the differing roles of shareholder primacy in the U.S. and stakeholder primacy in the E.U. in shaping ESG investment strategies, offering insights for policy, practice, and future research.

Key words: ESG sustainability performance, Economic sustainability performance, investment efficiency, Stakeholder primacy, Shareholder Primacy.

INTRODUCTION

Interest and demand for investments in firms prioritizing environmental, social, and governance (ESG) sustainability have surged over the past decade (Ng and Rezaee 2020). Previous research shows that firms with an ESG focus exhibit

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The Philosophy of Accounting

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ABSTRACT

What is philosophy and what is philosophical approach have been briefly explained at the beginning. Then a bird's eye view about philosophy in other areas of specialisation to highlight the importance of having it for the accounting discipline which has now achieved a stage of maturity. Next a brief history of the discipline is given followed by high quality fundamental research works by a few academic philosophers. Then a count-down starts for "the philosophy of accounting".

Key words: Philosophy, Philosophical approach, Claims to Services, Rediscovering Balance sheet, Financial Reporting, Public Enterprises, CSR, Sustainability Reporting, E, S & G

INTRODUCTION

Very limited studies are available in the field of Philosophy of Accounting¹. The reasons are not far to seek. But the idea is so important that we must have more and more debates and arguments on the issue. The main purpose of this article is to throw a light on it so that we understand it and when the adjective "philosophy" is used before the noun "Accounting" we have little confusion and we understand very clearly the phrase "Philosophy of Accounting". Accordingly, this article is divided into the following sections:

- Meaning of the term "philosophy" and its underlying principles.
- How to make a Philosophical Approach?
- Philosophy in other areas of specialisation.
- History of Accounting in India.
- Accounting-philosophers who could write The Philosophy of Accounting.
- What should be the philosophy of accounting?
- Concluding observations.

What is philosophy?

Philosophy is seeking after wisdom or knowledge especially that which deals

¹See for example, Batuhan Givemly and Duesun Ali Yar, *Philosophical Dimensions of Accounting*, Vocational School of Social Sciences, Istanbul, 2023 pp. 1-15, and Emud M.Elka Hasen and Coslins GN. Nleme, *Accounting and Philosophy, The Construction of Social Reality Framework*, Cairo University, Egypt, 12613. However, the purpose of this paper is somewhat different.

Financial Integration of Asian Capital Markets during Pre- and Post-COVID-19 Crisis

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ABSTRACT

This study examines the financial integration of Asian capital markets, specifically Japan, China, India, and Singapore, by comparing the periods before and after the COVID-19 crisis. The study is based on daily time series data, and in the course of analyzing the spillover effects and interdependencies among selected Asian capital markets during pre- and post-COVID-19 crises, correlation analysis, ADF, PP, and KPSS unit root tests, Johansen cointegration analysis, VAR model for spillover analysis, impulse response function tests, and variance decomposition analysis have been used. Correlation analysis shows that only India and Singapore were highly associated during the pre-COVID-19 crisis, and all selected capital markets were highly associated with each other during the post-COVID-19 crisis. Johansen cointegration test results demonstrate that there is no long-run relationship among selected Asian capital markets during the pre-COVID-19 crisis. Still, there is no long-run relationship among selected Asian capital markets during the pre-and post-COVID-19 crisis. VAR test results for spillover analysis show that bidirectional relationships exist between Japan and China. India and Singapore also have assessable, though weaker, spillovers to other markets. The impulse response function analysis during the pre-COVID-19 crisis shows that Japan's market reacted robustly to its shocks. China displays stronger spillovers to other markets post-COVID-19, reflecting its growing role in regional financial integration. The results of variance decomposition indicate that Japan and China direct variance decomposition post-COVID-19, acting as vital focuses of spillovers in the Asian financial market association.

Keywords: *Capital markets, Asia, financial integration, COVID-19 crisis, VAR model spillover analysis.*

1. INTRODUCTION

The Asian capital markets have been essential for financial integration research because of their economic diversity, rapid growth, and the unique roles of countries (Chinn & Ito, 2008; Kawai & Takagi, 2008). This study seeks to comprehend how the COVID-19 pandemic influences financial market integration. Asian markets demonstrated a stable drift of integration through

The Return-Volatility Dynamics in Select Emerging Stock Markets: An Assessment Before and After the Covid-19 Crisis

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ABSTRACT

This study assesses the return-volatility and leverage effects in the emerging stock markets before and after the crisis led by the covid-19 pandemic. The study covers two distinct periods: pre-crisis (July 2009–December 2019) and crisis (January 2020–May 2023). It adopted the GARCH-M (1,1) and EGARCH-M (1,1) models on daily return series of six indices—India, Russia, China, Brazil, Indonesia, and South Africa. The GARCH-M and EGARCH-M model identified a consistent and positive risk-return relationship in Indonesian markets across pre- & post-crisis and for Indian and Chinese markets inpost-crisis. This study sheds light on the growing dynamics of returns and volatility in promising stock markets, principally in the perspective of the COVID-19 pandemic.

Keywords: Emerging stock markets, Covid-19 crisis, return-volatility, leverage effect, GARCH family models.

JEL Classification: C22, C58, G12, G15.

1. INTRODUCTION

Volatility contributes towards the risk premium. Therefore, to obtain a high risk-return trade-off, investors are often motivated to allocate capital in riskier assets, and only a higher rate of market return can persuade them to do so (Backus & Gregory, 1993; Bekaert & Wu, 2000; Fama, 1970). Notably, the unique country-specific risk and return dynamics make the emerging markets ideal for providing higher returns by capitalising on market volatility. Therefore, despite the inherent risks, investors seeking a higher return on investment are frequently drawn to highly volatile emerging markets for both substantial long-run capital appreciation and the short-run abnormal profit through arbitrage and hedge positions. This combination of high volatility and the prospect of outsized gains continues to position emerging markets as an appealing investment avenue for those willing to embrace risk (Amanda et al., 2016; Beirne et al., 2010; Bhunia & Ganguly, 2020; Grima & Caruana, 2017; Harjoto et al., 2021; Salman, 2002). Therefore, the risk-return relationship has served as a central focus behind several theoretical and empirical studies (Salvador, 2012).

During financial crises, sharp stock price declines coincide with volatility spikes, leading to volatility asymmetry, where negative news raises uncertainty

Mapping the Knowledge Structure and Thematic Trend of Entrepreneurial Scalability in the Light of Sustainable Business Practice: A Bibliometric Analysis

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ABSTRACT

The present study takes its motivation to sketch a thematic review on entrepreneurial scalability through sustainable business practice with an application of bibliometric analysis. It extracted 202 studies with PRISMA model criterion from Scopus and Web of Science (2004 to 2024). It explored some significant clusters of knowledge foundation like 'Social Wellness', 'Social Impact of Enterprises', etc. through co-occurrence and detected 4 correlated items through co-citation. The study addressed the future research avenues about Decent Work, Leadership style, Workforce Well-being, etc., and established its novelty in executing mapping on entrepreneurial scalability through sustainable business practice, which proves its policy implication also.

Keywords: Entrepreneurship, scalability, sustainable business practice, co-citation, bibliometric analysis.

1. INTRODUCTION

The most significant factor that sets entrepreneurial sustainability apart from other enterprises is its sustainable practice to foster long-term socio-environmental abundance that depends on many exogenous and endogenous factors (Carter, 2021; Neri et al., 2023). As per Carter (2021), the global situation displays that only 30% of enterprises that were supposed to be ethically responsible were able to survive for more than ten years, whereas the majority had to close their doors at the very beginning. Therefore, it appears that entrepreneurial sustainable business practices are an enterprise's ongoing dedication to act morally in a way that satisfies all stakeholders and also advances economic development. Consequently, socio-environmental issues, economic advances, and sectoral transformation toward sustainability can all be dealt with through sustainable entrepreneurship (Gutterman, 2024). All of these provide the prospect of benefiting from entrepreneurial scalability conditional on societal value creation, low or

Principles vs. Rules: A Contrast between IFRS for SMEs and Indian GAAP

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ABSTRACT

The International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and Indian Generally Accepted Accounting Principles (Indian GAAP) provide unique frameworks for financial reporting, each designed for certain regulatory contexts and user requirements. Significant distinctions in recognition, measurement, disclosure, and presentation indicate differing complexities and stakeholder demands. IFRS for SMEs provides streamlined reporting tailored for smaller, non-public enterprises, with diminished disclosures and less rigorous standards for fair value assessments than full IFRS and Indian GAAP. In contrast, Indian GAAP are better aligned with conventional Indian accounting procedures and stipulates certain standards for inventory value, property measurement, consolidation, and depreciation methodologies, often resulting in discrepancies in reported financial results. This abstract underscores the significant distinctions, highlighting their effect on the comparability of financial statements and the pertinence of each standard to the particular requirements of SMEs in India.

Keywords: IFRS for SMEs, Indian GAAP

INTRODUCTION

The International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and Indian Generally Accepted Accounting Principles (Indian GAAP) represent two distinct frameworks for guiding financial reporting. IFRS for SMEs were developed by the International Accounting Standards Board (IASB). It is a streamlined version of the full IFRS designed to address the specific needs of small and medium-sized entities by reducing complexity and simplifying reporting requirements. Its primary goal is to enhance transparency and comparability in financial reporting while maintaining alignment with global standards.

International Corporate Income Tax in Digital Economy: Challenges and Initiatives

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ABSTRACT

The International tax laws existing at present were designed on two fundamental elements namely 'nexus' (physical presence) and 'profit allocation' (arm's length principle) in other words Residence and Source principles. No doubt these laws served their purpose well by stimulating global trade, eliminating double taxation and providing tax certainty. But, these century old tax rules developed in 'Brick and Mortar' economic environment could not address tech based digital business models based on intangible and value driven products and services challenging both nexus and profit allocation rules. The Multinational Enterprises (MNEs) through their aggressive tax planning strategies started taking the advantage of tax avoidance through 'Base Erosion and Profit Shifting' (BEPS) to low tax or no tax jurisdictions causes 'tax revenue loss to specially developing economies. Therefore, a need was felt to develop a new tax ecosystem to address the challenges and contribute for global economic growth and welfare. Accordingly, OECD/G20 took the initiative to revamp International tax laws since 2013 by attempting to move towards transparent, standardised and stabilized International tax laws. So far the OECD has released two pillar solution outlining rates, scope, threshold and implementation.

Key words: Digital Economy, Permanent Establishment, Virtual presence, BEPS, DST, Intangibles, OECD

PART-I

INTRODUCTION AND BACKGROUND

The International Corporate income tax laws existing at present were designed on two fundamental elements namely 'nexus' (physical presence or permanent establishment). The basic idea captured here is the existence of some requisite political connections between the tax payer and the State justifying the claim, and the other being 'profit allocation' (arm's length principle) in other words Residence principle and Source principle. As far as the source principle is concerned there is no political connection between the State and tax payer as being seen in residence principle, yet, the source country being a Sovereign State reserves the right to tax. Globally there are two systems of taxation viz., World Wide Tax System (WWTS) in which Income tax paid in source country will get tax deduction in tax payer's residence country. This system is widely seen in emerging economies like Brazil, India, China, S.Africa, Ireland etc.. The other one is Territorial Tax System (TTS) under which Income tax paid in source

INDIAN ACCOUNTING REVIEW

Statement of Policy, Requirements & Guidelines

Policy

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- (ii) **Journal:** Rivera, J.M. (1991). Prediction performance of earnings forecasts: the case of U.S. multinationals. Journal of International Business, 22, 265-288.

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