MAIN ARTICLES

Brand Name, Country of Origin (COO) and Taste: the Impact on the Consumer Decision Making Process
Fabienne Tahirah Cadet, MBA and Sid Howard Credle, Ph.D

Earnings Management and Auditing: An Empirical Study of Chinese Companies
YingWang, DBA, CPA, Michael Campbell PhD, CPA and XiaominGai, PhD

Accounting Majors Performance Predictors at an Open Admission University
Jacob Angima, PhD, CPA

Stochastic Confidence Estimation for Linear Programming Optimization
Gregory Battle, PhD

DESCRIPTIVE STUDIES

Issues Regarding Flat Tax Plans: Introducing the Evan’s Plan
Glenda Evans, MBA and P. Michael McLain, PhD, CPA

National Summer Transportation Institute Program’s Mentorship Components as an Illustration of Host Institute Relationship Marketing
Sonya Mitchell, PhD and Shontae Taylor, MBA

COMMENTARY

A Marginal Cost of Capital Reality Check: Lender Rate and Restriction Specifications
Robert Stretcher, PhD and James B. Bexley, PhD

Internships: Issues Regarding Wage Payment or Non-Payment
Sid Howard Credle, PhD, Bessie Willis, MBA, and Ruby Beale, PhD
BRAND NAME, COUNTRY-OF-ORIGIN (COO) & TASTE: IMPACT ON CONSUMER DECISION MAKING PROCESS

Fabienne Tahirah Cadet, Hampton University, Hampton, VA 23668
Sid Howard Credle, Hampton University, Hampton, VA 23668

ABSTRACT

Brand name, Taste, and Country-of-Origin (COO) are three possible factors that consumers consider when making the decision to purchase an item. Consumers rely on cues to assist them in the evaluation of products that they wish to purchase. Determining whether emphasis should be placed on brand name, taste, or COO has been debated among institutional marketers. In this paper, an experiment was conducted with the use of different brands (domestic and foreign) of chocolate to determine if COO or brand name has a greater impact on the consumer decision-making process. As a result of a preliminary review, taste was also found to be an influential factor and subsequently included in our analysis. One hundred randomly self-selected participants chose four pieces of chocolate and were then asked to fill out short surveys indicating the reasoning behind their choices. Based on the results of the experiment, COO appeared to be a non-factor in participants’ choice of chocolate with only an average of 9.5 percent of the sample choosing this as the reason for their preference of chocolate. Brand name and taste were both found to have had the most significant impact on participants’ choice of chocolate across all demographic groups with an average of 91 percent of the sample choosing these factors as reasons for their preference of chocolate. However, statistically significant differences were found among the different demographic groups based on the reasons (brand name, COO or taste) chosen for their chocolate preference. It is argued as a result of this experiment that COO is important for larger luxury purchased items such as automobiles.

Top of the page
EARNINGS MANAGEMENT AND AUDITING: AN EMPIRICAL STUDY OF CHINESE COMPANIES

Ying Wang, Montana State University, Billings, Montana 59101
Michael Campbell, Montana State University, Billings, Montana 59101
Xiaomin Gai, Shandong University, Jian, Shandong, China, 250100

ABSTRACT

This study sheds light on how various audit aspects influence/reflect China publicly listed firms’ earnings management using CCER 2008-2012 data. State controlled firms’ audit aspects are not associated with their earnings management behavior. For other firms, higher audit fees indicate lower earnings management. We believe high audit fees lead to extensive audits and thus lower earnings management. Extensive audit compensate for the young legal and accounting system in the private sector of China. For state controlled firms, more than twice as many are switching to Big Four auditors than switching away from Big Four auditors. We can expect the “Big Four” to expand their market share among state controlled firms, if the trend continues.
ACCOUNTING MAJORS’ PERFORMANCE PREDICTORS AT AN OPEN ADMISSION UNIVERSITY

Jacob Angima, Hampton University, Hampton, Virginia, 23668

ABSTRACT

This study examines the performance of graduating accounting majors at a Historical Black University in the United States and seeks to develop a model to predict their performance. Using a multiple regression model, the study evaluates the contribution of various accounting and related courses in explaining the variation in accounting students’ performance as measured by their grade point average. The results indicate that Managerial Communications, Cost Accounting, Intermediate Accounting I, and Managerial Accounting are the most important predictors of performance of the set of courses examined.
ABSTRACT

George Dantzig revolutionized optimization in business manufacturing problems by developing the linear programming model. That model is to either minimize/maximize a cost-based objective function \( Z = c^T x \) subject to the constraints \( Ax \leq b \ (x \geq 0) \) where the \( x \)-vector components are the resources to be consumed and the \( c \)-vector components are the costs per unit consummable. In addition, the \( A \)-matrix can be referred to as a resource allocation array, or simply a consumption matrix. An empirical method is engineered from theoretical manipulations in linear statistical modeling and linear programming to generate randomly capacity-based confidence intervals for optimal feasible solutions \( x \) of the objective function \( Z \). Classic linear programming models assume fixed quantities for constraining capacities. Those models limit themselves when handling the flux of contemporary industrial problems. A crucial assumption is made that the capacity bound vector \( b \) is made up of randomly distributed quantities and only a sample of their values are available as observable inputs.
ISSUES REGARDING FLAT TAX PLANS: INTRODUCING THE EVAN’S PLAN
Glenda M. Evans, Hampton University, Hampton, VA 23668
P. Michael McLain, Hampton University, Hampton, VA 23668

ABSTRACT

Tax reform is an issue that has been a subject of debate for many years. One of most prevalent suggestions for tax reform is conversion to a flat-tax system. A flat-tax system is based on consumption tax principles and would tax both businesses and individuals at the same rate. Slovakia and Russia have instituted flat-tax plans in their countries. Flat-tax plans have been proposed by politicians Shelby, Armey and Cain as well as the Hoover Institution Fellows Hall and Rabushka. The authors have reviewed those plans and noticed a similar trait: all of the tax plans have deductions or credits. Those deductions and credits do not apply to both individuals and businesses equally, which changes the so-called “flat-tax plan” back to a regressive tax plan. Unlike The Evans Revenue Plan proposed in this paper, the previous plans show favoritism to either businesses or individuals. The proposed Revenue Plan will offer both individuals and businesses a charitable contribution deduction. The elimination of all other deductions and credits will shift the tax burden from the individuals to the businesses. The burden of social security and other payroll taxes will shift from the business to the individual. Individuals will not receive refunds from a system to which they may not have contributed. The Evans Revenue Plan will make all such adjustments while still providing a lower tax cost to both businesses and individuals. The result of The Evans Revenue Plan is a plan that taxes individuals and corporations fairly and equally.
ABSTRACT

As universities contend within a macroeconomic environment that has caused drastic changes in overall enrollment, creative strategy in the area of student recruitment is critical. No longer is the institution able to rely solely on tried and true methods, it must also establish and form relationships with prospective students as early as possible. Universities that host middle and high school students in various capacities have an opportunity to engage students, exposing them to the many advantages of college attendance. This paper analyzes one such program, the National Summer Transportation Institute (NSTI) Program, hosted on the campus of Hampton University (HU) in Hampton, Virginia. The primary motivation of this study is to assess the post-secondary path and the selection of college by students who have completed the HU NSTI Program. Specifically, it is suggested that the exposure to key personnel at the host institution coupled with mentoring and academic enhancement provided by the program’s facilitators is advantageous for the youth that participate in the HU NSTI Program in terms of college choice. Moreover, the program served as a relationship marketing tool for the host institution. For this study, information is collected from applications of previous NSTI students that participated in the summer program during the period of 2006-2011. In addition to the information obtained from the participant’s applications, data collected to submit to the funding agency regarding past participants is also used. The data retrieved is segmented by year, gender, and type of college selected. The findings suggest that the HU NSTI is a viable recruitment tool for the host institution.
A MARGINAL COST OF CAPITAL REALITY CHECK:
LENDER RATE AND RESTRICTION SPECIFICATIONS
Robert Stretcher III., Sam Houston State University, Huntsville, Texas 77341
James B. Bexley, Sam Houston State University, Huntsville, Texas 77341

ABSTRACT

Traditional treatment of the marginal cost of capital comes under question when lenders are able to negotiate various features of debt contracts. The specified rate of interest is only one among many features determining the borrower's cost of funding. In addition, lenders usually require financial projections for a firm's expansion plans, because they want to assess exacting degrees of risk associated with those expansions. The traditional textbook model of marginal cost of capital makes the grand assumption that the projects under consideration are of average risk for the firm (they would not appreciably change the firm's overall risk complexion), and that increases in the weighted average cost of capital (WACC) are due to scale increases only. Firms are assumed to utilize cheaper sources of component funding first, accepting higher cost alternative financing only after the cheaper sources are exhausted. The real world, however, effectively refutes these assumptions when a firm's projects would change its risk complexion. This paper presents a discussion of the risk assessment process from the lender's point of view. The lender's behavior may directly affect a corporate borrower's determination of their own marginal cost of capital in the case of expansion projects that will change the firm's overall risk complexion.

Top of the page
Internships: Issues Regarding Wage Payment or Non-Payment
Sid Howard Credle, Hampton University, Hampton Virginia 23669
Bessie Willis Hampton University, Hampton Virginia 23669
Ruby Beale Hampton University, Hampton Virginia 23669

ABSTRACT

Hampton University School of Business offers a five-year BS/MBA program. Students complete two internships as a graduation requirement. The United States Department of Labor has new rules regarding internship payment for services to update and clarify rules regarding non-paid internships. Regardless of major (with an exception for Non-Profit assignments) the Hampton’s School of Business recognizes only paid internships for academic credit. Grades are based on a term paper and the supervisor’s evaluation of student performance on 11 success related attributes. These attributes in the aggregate are used as quality control measures overtime. This study explores the need for student internships, with a discussion and advocacy of paid rather than so called non-paid internships that the author’s classify as somewhat exploitive. Paid internships appear to subsequently possess easier employability, and a “serious” approach to job responsibility versus unpaid internships.