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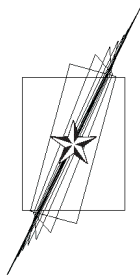
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From the Editor

The twelve articles in this volume of the *DLSU Business and Economic Review* (DLSUBER) can be framed into two general themes—one is on the market system, in general, and the other is on the financial market, in particular. These two pivotal themes are aligned with the thrust of DLSUBER to be a leading journal in economics and commercial sciences in the Asia-Pacific region. The topics on market system cover impulse buying, payment system for environmental services, consumption values, household behavior, mobile payments, and herd effect. Meanwhile, the subject matter on the financial market includes dividend policy, risk management, mutual funds, stock prices and exchange rates, government bonds, portfolio optimization, and the link between the financial and real sectors of the economy.

In the area of the market system, the growing complexities of business operations brought about by rapid globalization and innovations in information and communication technology, on the one hand, and the protection of consumers, the environment, and other stakeholders, on the other hand, have altered not only the payment system and the behavior of consumers but more so the interactions of buyers and sellers in the market.

In the article “*Towards Establishment of a Payment for Ecosystem Services (PES) in Protected Areas: The Case of Mounts Banahaw and San Cristobal in Quezon Province, Philippines*” by Julie Carl P. Ureta, Luisito C. Abueg, and Arlene B. Inocencio, the authors explored the development of a payment system for services in forested areas. This is an interesting article since it presents a template for generating income drawn from the vast wealth of the forest while maintaining its protection towards a sustainable ecosystem. The authors argued that aside from factors affecting demand, including willingness to pay, the incentives for sellers to participate in providing services should likewise be considered in crafting the payment system. In addition, there is also a need to design a mediating party to settle conflicting interests of buyers and sellers. The authors point to best practices in other forested areas where the payment system has been implemented with acceptance and success.

Related to the issue of payment, the introduction of online payment schemes brought about by rapid developments in information technology has varied acceptability based on demographic variables. The authors Reynaldo Bautista, Jr., Sheena Valencia, and Luz Suplico Jeong of the article “*Know Your Customers: How Generations X and Y Perceive Mobile Payment*” have empirically demonstrated that attitude is the most important significant predictor of adopting these online payment arrangements among generational cohorts. However, this attitude differs across two sets of generational groups with Generation X motivated by convenience while consistency is the key factor that moves Generation Y to adopt online payment systems. This interesting finding has implications on targeting markets and in segmenting markets on the use of mobile payments.

Beyond payment schemes but still on the theme of market system, consumer behavior is the focus of discourse in the article ***“Investigating the Influence of Consumption Values on Healthy Eating Choices: The Moderating Role of Healthy Food Awareness”*** by Aleem Raza, Mubasher Akram, and Muhammad Asif. The authors explored the role of consumption values on healthy eating habits. The article highlighted the significant roles of positive emotions from eating healthy food, accessibility to nutritious food options, and the knowledge of food alternatives on the formation of consumption values. Moreover, the key contribution of the article is the verification of the moderating role of healthy food awareness on eating choices within the context of Pakistan. The study provides a series of implications concerning the consumption of healthy foods. From a marketing perspective, the article provides empirical basis on how to promote healthy food options to our citizens based on positive emotions, accessibility, and awareness.

Related to the formation of consumer behavior specifically on impulse buying, the article by Melvin A. Jabar and Ma. Luisa C. Delayco on ***“Impulse Buying and Financial Literacy Among Public Elementary and High School Teachers in the Philippines”*** is instructive. The authors initially hypothesized that lack of financial literacy may be the reason for impulse buyers. Although the paper has established there is a probable negative association between impulse buying and financial literacy, the “possession of financial instruments did not have a significant association with impulse buying.” Further studies and a more detailed analysis on the formation of impulse buying should be undertaken with the incorporation of socioeconomic and demographic factors that may strengthen the tentative link bared in the study.

Related to the formation of consumer behavior, the article on ***“Bitcoin, Intrinsic Value, and Herd Effect”*** by Angel Enrique Chico Frias explored the role of herd effect on the fluctuations of the prices of Bitcoin. Animals form a herd or group to “develop better group defense and signaling strategies.” Using ANOVA and the Tukey test, the author showed the relationship of Momentum averages with “the number of herd members of the animal kingdom.” The author concluded that indeed “there is a particular type of relationship between the Momentum indicators and the formation of specific herds.”

Shifting to the financial market, the importance of financial development in developing countries in the Asia-Pacific region is crucial. The development needs of these countries are enormous given the growing population and changing tastes. However, tax revenues collected by governments as well as internal funds earned by corporations are not sufficient to finance these development projects. Thus, the issuance of various financial instruments by corporations and the public sector in various financial markets serves as an opportunity for resource mobilization. However, this option for raising funds entails risks for both the buyers and sellers of financial instruments. The remaining articles of this volume will tackle these issues.

The article ***“Delta-Normal Value at Risk Using Exponential Duration With Convexity for Measuring Government Bond Risk”*** by Di Asih I Maruddani and Abdurakhman Abdurakhman measured the interest risk that affects variations in bond prices. The authors subjected various bonds issued by the Indonesian government to an estimation procedure that predicts Delta-Normal Value at Risk based on interest rate changes. The results show that risks of some bonds fall invariant to changes in interest rate. However, the extent of risk reduction due to decline in interest rate differs from the increase in interest rate. This procedure is useful for financial managers in evaluating risks of government bonds issued by the Indonesian government.

The implication of managing risks is the topic of discourse in the article ***“The Effect of Risk Management Committee on Audit Fees: Malaysian Evidence”*** by Masturah Malik and Rohami Shafie. The authors explored the impact of establishing risk management committees as well as the inclusion of independent members, experts, and female members on the board of directors on the audit fees charged to the companies. They concluded that the presence of independent members of a risk management committee can enhance

audit fees while the other components of risk management have insignificant effects on audit fees charged by accounting firms.

One of the indicators that fund managers use to assess the risks of corporations issuing financial instruments is the change in firm's value. The article "***The Mediating Role of Dividend Policy on the Impact of Capital Structure and Corporate Governance Mechanisms on Firm Value Among Publicly Listed Companies in the Philippines***" by Franklin S. Ramirez and Rodiel Ferrer identified the key factors that may affect the value of the firm. The authors concluded that capital structure, board size, and CEO duality have negative effects on firm value while executive compensation has a positive effect. Moreover, it was shown that dividend policy has a positive significant effect on firm value. However, dividend policy does not mediate on the impact of capital structure and corporate governance mechanisms on the value of the firm.

To assist fund managers in evaluating the value of mutual funds as an alternative investment channel, the article "***Assessing Equity Based Mutual Funds and Stock Market Indices in India Using the Engle-Granger Cointegration Technique***" by Neha Gupta is helpful. This study subjected the returns of six leading equity mutual funds in India with returns on stock market indices using the Engle-Granger test of cointegration and Johansen's cointegration test. The empirical testing conducted by the author revealed that equity mutual funds and stock market indices in India have a high long-term equilibrium relationship.

Still on stock prices but now on its relationship with a macroeconomic variable is the focus of discussion in the article "***Investigating the Effect of Price of Rubber Fluctuations on Stock Prices and Exchange Rates in Malaysia***" by Seuk Wai Phoong and Seuk Yen Phoong. The study explored the relationship of stock prices with the nominal exchange rate in Malaysia using the price of rubber as a correction mechanism. Using Johansen's cointegration test, the authors concluded that stock prices, the nominal exchange rate, and the price of rubber have long-term relationships. In particular, the nominal exchange rate has a negative relationship with the stock prices. This article is notable for its feature in linking the financial sector with the real sector of the economy.

The article "***A Review on Shariah Stock Portfolio Optimization***" by Noor Saif Muhammad Mussafi and Zuhaimy Ismail is a comprehensive review of theories, approaches, and applications of stock portfolio choices developed by economists, mathematicians, and finance practitioners with the inclusion of contemporary issues on stock portfolio management from the ethical perspective based on the Shariah law.

Unexpectedly, the last article, "***Investigating the Role of Financial Sanctions in Utility Function and Their Impact on Household Behavior***" by Hamid Reza Izadi, touches on the two themes of this volume of DLSUBER. Using the dynamic stochastic general equilibrium model, the author traced the impact of disruptions in sourcing finance externally on domestic macroeconomic variables particularly on household consumption. The financial disruptions result in the reduction in private consumption with a reduced wage bill of the labor force and inflationary pressures. Aside from containing the two themes of this volume, this article is significant in linking the financial sector with the real sector of the economy.

In behalf of the Editorial Board of the DLSUBER, I thank all the contributors to this volume for their significant articles. Majority of the contributors are coming from countries outside the Philippines including Ecuador, the United States, India, Pakistan, Indonesia, Iran, and Malaysia. Covering several continents, their contributions reinforce the global reach of DLSUBER and making it truly an international journal of note.

Aside from the use of sophisticated and state-of-the-art empirical techniques in finance, marketing, and economics, the articles in this volume present country experiences that serve as resource materials for

students, young researchers, professors, and intellectuals in the region on contemporary issues in economics and commercial sciences in the Asia-Pacific region. In this way, the DLSUBER is contributing, albeit small, in closing the knowledge gap in business and economics between developed and developing countries.

Again, accept my deep appreciation for helping DLSBER attain its place in the Asia-Pacific region as one of the leading journals in business, economics, accounting, and marketing based on the metrics developed for Scopus indexed journals. We will continue to be a venue for intellectual discourse in business and economics in the Asia-Pacific region particularly for young intellectuals.

Tereso S. Tullao, Jr.

Editor-in-Chief

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