Voluntary Disclosure Behavior During Exogenous Crisis Events ....................9
John Shon, Renee Weiss

We examine the actions that insurance firms take immediately after the 9/11 terrorist attacks. We find that firms with larger 9/11-related losses make more voluntary disclosures, suggesting that such 9/11-related losses created increases in information asymmetries and that managers used disclosures in an attempt to mitigate these asymmetries. This relation between 9/11-related losses and voluntary disclosures also systematically varies with firm leverage, suggesting that the need for additional external capital may also play a role in disclosure behavior. However, these disclosures do not seem to impact the bid-ask spreads of the disclosing firms.

The Tight Money Effect of Devaluation:...........................................................17
An Alternative Interpretation of Contractionary Devaluation
Yeung-Nan Shieh

This paper explicitly incorporates the tight money effect of devaluation into the standard Mundell-Fleming model and evaluates the effects of currency devaluation on domestic output and the trade balance. It shows that a currency devaluation will depress domestic output in the presence of the tight money effect. This revised Mundell-Fleming model can be viewed as a theoretical framework in explaining the empirical findings of contractionary devaluation.

The Complexities of the Financial Turmoil of 2007 and 2008.........................24
Gregory A. Krohn, William R. Gruver

Sparked by rising defaults on subprime mortgages, the financial turmoil of 2007 and 2008 threatened the stability of the worldwide financial system and led to unprecedented interventions in financial markets by central banks and other governmental institutions. This essay describes and explains the complexities of the financial turmoil of 2007 and 2008 for students of the financial system so that they might understand better how problems in the mortgage market led to the possibility of collapse of the financial system and the controversial actions taken by the Federal Reserve and other governmental entities. We draw several lessons about the behavior of financial markets and financial regulation from this historic episode.
Broad-Based Stock Options Program: Adopters vs. Non-adopters ...............50
Yu Peng Lin

The literature generally supports a positive association between broad-based stock options program and firm performance. However, what differentiates adopters from non-adopters remains unanswered. The key objective of this work is to compare the features of firms with broad-based stock options program to those that have no broad-based program. The empirical results suggest that adopters are relatively large (by total employment) as compared to the firms in the associated industry and exhibit higher research and development and training expenses prior to the adoption. We further interpret these empirical results as the evidence that stock options grant to lower-level employees is driven by the need of promoting mutual monitoring and enhancing employee retention in R&D and training intensive firms. However, a positive impact of broad-based program is inconclusive in our data. Stock option grants could be interpreted as a mechanism helping to sustain a firm’s success in light of these empirical findings.

Men and Women Entrepreneurs .......................................................................67
in Northeastern Ontario: A Comparative Study
K.V. Nagarajan, Huguette Blanco, Rolland LeBrasseur

This paper studies how successful women and men entrepreneurs compare in their approach to starting their businesses and in their motivations for entering business in northeastern Ontario, Canada. We use the Deliberate/Evolutionary approach to business start-ups and push/pull motivational factors as analytical frameworks. A case study method with an open-ended questionnaire was used to collect data. In their approach to starting businesses, the gap between men and women in our study group is much less than postulated. While men are more likely to be pulled towards business, the motivations of women were found to be a complex mix of both pull and push factors. These results must be viewed with caution in view of the smallness of the study group. This study is valuable in being the first study of its kind in northeastern Ontario. It contributes to an understanding of entrepreneurs operating in a peripheral region away from large metropolitan urban centers.

Global Innovators: How Some Companies Are................................................85
Working To Improve Social Conditions Around The World
Robert Girling

Around the world innovative enterprises are emerging daily to combine the energies of social concern with the logic of the marketplace to meet the needs of millions worldwide. These companies are social enterprises driven by a mission to produce goods or services for a social purpose.

Cost Allocation in a Service Industry ..............................................................94
Prakash Deo

This article evaluates a firm’s service cost structure and the associated cost allocation methodology and its impact on pricing strategy, which manifests in revenues or market share, profitability, and customer satisfaction. We discuss a cost allocation methodology which will be useful in conjunction with other marketing tools in development of a pricing structure for a firm’s services against the backdrop of dynamic market conditions and with the goal of maximizing shareholder value.