

**October – December 2012**  
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### **Are Indian Life Insurance Companies Cost Efficient? Some Recent Empirical Evidence**

**Ram Pratap Sinha**

*The present paper estimates cost efficiency of the life insurance companies operating in India for the period 2005-06 to 2009-10 using Farrell and Tone's measure. In both the approaches it is seen that the mean cost efficiency exhibit significant fluctuations during the period under observation implying significant divergence from the frontier. The study also decomposes the Farrell measure of cost efficiency into input oriented technical efficiency and allocative efficiency. Further the cost efficiency estimates were related (through a censored Tobit model) to product and channel composition of the in-sample insurance players.*

### **Relationship between Preparation and Performance: An Empirical Study across a Traditional and a Contemporary Form of Intercultural Work Assignment**

**Anindita Banerjee**

*As more and more companies explore business opportunities across borders, they tend to seek out staffing options beyond traditional expatriation. This leads to the emergence of multiple forms of Intercultural Work Assignments (ICWA), including virtual teams and Business Process Outsourcing (BPO). These types of ICWA are relatively under explored in the literature. The present study attempts to address this gap. It provides a conceptual framework to classify ICWA on two dimensions that are more aligned to the nature of intercultural interactions in today's world. Our study demonstrates, through empirical research, that the nature of preparation required for these two alternative contexts is different. For the BPO, preparatory practices focused on knowledge have a significant positive impact on performance. Conversely, for expatriation, the study demonstrates that preparatory processes focused on attitudinal aspects have a significant positive impact on performance. The corresponding effects are not seen in the alternative sector, and thus there are systematic differences in the recommended preparatory focus across sectors.*

### **Relationship between Futures and Spot Market for Selected Spices in India**

**Vijayakumar N, Parvadavardini S and Dharani M**

*We examine the relationship between spot and futures prices for selected five agricultural commodities, namely, Chilli, Coriander, Jeera, Pepper and Turmeric.*

*We considered all the contracts of the above commodities over a period of 36 months, from Jan 2008 to Dec 2010. The study examined the existence of unit root in the data series by employing Augmented Dickey-Fuller (ADF) test and we found the existence of long run relationship between selected spot and futures market using Johansen cointegration test and the presence of disequilibrium between markets in short run by employing Vector Error Correction Model (VECM).*

## **A Systematic Review of Reverse Split Literature**

**Roji George**

*Reverse split (consolidation) is a subject which is not given proper attention by researchers worldwide and it is an area virtually unresearched in India. This paper examines this issue and provides a comprehensive review on the nature of research in the field of reverse split by reviewing articles published during a vast period starting from 1970 to 2010. By a systematic approach of searching articles this study confirms that there are only 27 articles published in international journals during the period, of which 26 articles are reviewed in this study. Review found that these studies mainly addressed two issues: primarily to understand the reasons for initiating share split and secondly, to empirically test hypotheses and theories of corporate finance – signaling, liquidity and optimum trading range hypotheses. In the review process, this study also identifies research gaps and researchable issues.*

## **Brief Articles, Notes and Comments**

### **An Implication of Computerization: Public vs. Private Sector Banks**

*Sourabh Sharma*

*This paper is a survey of public and private bank employee's responses towards computerization of banking services. The objective of this analysis is to measure the employees' awareness, perception, and the level of satisfaction with regard to IT Services offered by the Indian public and private sector banks in the Jaipur city. The study is divided into four major segments, i.e. Information Technologies Strategic Advantages, Technological Know-How and Organizational Capacity, Decision Making Process, and Motivations Toward Information Technology.*

## **Book Reviews**

### **Training for Development**

**Rolf P Lynton**  
**Udai Pareek**

Sage Publications, Third Revised Edition, 2011, Mumbai, xxxiv+346 pp, Rs. 495.00

*Reviewed by **Dr V S Kaveri**, Visiting Professor, National Institute of Bank Management, Pune, India.*

## **Towards Financial Inclusion in India**

**K G Karmakar**

**G D Banerjee**

**N P Mohapatra**

Sage Publications, 2011, xx+576 pp, Rs. 995.00

*Reviewed by **Dr Anjali Kulkarni**, Associate Professor, National Institute of Bank Management, Pune, India.*