

**A Test of Efficient Market Hypothesis for the Muscat Securities Market***- Sitikantha Pattanaik*

The stock markets in the Gulf region have witnessed notable cycles of “overshooting and subsequent corrections” – if not “bubble and subsequent crash” in the recent years, and there has been a growing investors’ concern about informational efficiency of these markets. Believers in Efficient Market Hypothesis (EMH) argue that market price of a stock always reflects all available relevant information that should go into valuation, and hence, the current price of a stock is its fair value, and information embodied in past data on stock prices cannot be a source of excess return. Non-believers of EMH, in turn, view that stock prices are often driven by “fads and fashions” and “mob psychology”, quite unrelated to fundamental value-determining factors, and hence, there could be opportunities to beat the market. This paper studies this debate on EMH in the specific context of stocks listed in the Muscat Securities Market (MSM) over the period 1997-2006. While random walk test equations indicate presence of serial correlation in daily return data for the MSM-30 index, Auto Regressive Conditional Heteroscedasticity (ARCH) and Generalized Auto Regressive Conditional Heteroscedasticity (GARCH) coefficients exhibit presence of conditional variance, which at times could be predictable, if not the return itself. Both these tests indicate rejection of the EMH for the MSM-30 index, even though there could be other rational reasons as discussed in the paper yielding such results, which could in fact be found even in a more advanced and efficient market.

**Corporate Social Accounting : An empirical study on Social Information Disclosure in Indian corporates***- Prakash Singh*

The role of business in the society has witnessed a dramatic change in the recent times. Much of the change is being explained by the rapid industrialization and commercialization of the society which has resulted in the development of very close and direct relationships between corporates and the society in which it operates. Simultaneously, an increasing awareness in our society in recent times has led to a phenomenon whereby the corporate managers are becoming increasingly aware and responsive for the consequential social and environmental impact of their respective business activities. It has necessitated investment of substantial amounts in social activities by the corporate sector with the sole aim of nullifying the evil consequences of industrialization. Responsible and socially inclined business managers have taken the lead by committing significant amount of their corporate resources towards the attention of various social problems.

However, at the same time, finance managers in such organizations are facing criticism from few stakeholders in terms of the financial implication of such investments. Increased social obligations and rising expectations from Indian companies by the shareholders and other segments of the society has given rise to the concept of Social Responsibility of businesses and it has become one of the critical dimension in the corporate reporting system now. The present study aiming to evaluate the divergent social responsibility disclosure practice in Indian corporates indicates a significant increase in the level of social disclosure information of both public and private sectors.

**Measuring Financial Sector Development : India’s Performance Relative to Fast Growing Economies***- Salil Kr. Mukherjee, Malay K Roy*

Based on the precept that financial sector development stimulates growth of the economy, present study attempts to construct a single valued aggregate index consisting four indicators for a simple and comparative analysis to capture the state of Indian financial system in the post-reform period. Empirical evidences suggest that development of Indian financial sector may be described as moderate, if not bad. Its aggregate score across all the measures of financial development are much lower than those of the fast growing East-Asian countries in general and Malaysia in particular that tops the list. Financial development of Malaysia is relatively more attractive among

all the rapidly growing economies, whereas comparative value of all the variables of Latin American countries, namely, Argentina and Chile are lowest. India stands in between these two extremes.

### **Consumers and Retailers perception for Organized and Traditional Retail Stores**

- *Umakant Dash, Mridula S Mishra*

Organized retail is believed to be so detrimental to the existing retail environment that many communities have fought their entry through zoning and other regulations. However, organized retail started to spread its roots in the Indian market since 1996. This paper tries to explore the way organized retail has dramatically changed not only the Indian traditional retail structure but also the consumption behaviour. To understand the impact of organized retail, two questionnaires were used – one for consumers and the other for traditional retailers. The results show that, for consumers, the shopping mall or a variant of organized retail format is the preferred type of retail store, due to convenience (it is more practical) and variety. The perception of traditional retailers is that the organized retail has affected them negatively. The comparative analysis suggests that, although consumers do not have a negative opinion about traditional retail, they do not share the optimistic vision that traditional retailers have about themselves.

### **Prime Minister Rozgar Yojana among Weaker Sections**

- *S D Mishra*

The paper examines loan portfolio of 120 borrowers under Prime Minister Rozgar Yojana (PMRY) of 23 branches of 11 public sector banks in the district of lucknow. The paper observes that banks take long time to sanction and disburse the loans. District Industries Centre does not forward applications at regular intervals; forwards inadequate number of applications of SC/ST and backward classes; and does not scrutinize the applications properly. About 35 per cent borrowers have misutilized the loan. Over all repayment rate is 44 per cent. Borrowers with higher rise of income have repaid better.

### **Book Reviews**

### **Telegraphic Reviews**

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