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MAIN ARTICLES

DESCRIPTIVE STUDIES

ECONOMIC ISSUES-THE 35TH ANNUAL CONFERENCE ON THE BLACK FAMILY

ABSTACT

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OFFICE MANAGEMENT: A MARKOV MODEL APPLICATION

Gregory Battle, Hampton University, Hampton, Virginia 23668
Sandra L. Richardson, Virginia State University, Petersburg, Virginia 23806
David S. Torain II, Hampton University, Hampton, Virginia 23668

ABSTRACT

This paper develops a Markov model to structure the trafficking of tasks in a governmental office consisting of three components. The Markov model is used to justify its implementation in a practicable manner. The Fleet Support Office of the Naval Personnel Research and Development Center is used as a typical case. The probabilities of predicted office states will be represented from the matrix equation $Q(k) = Q(0)P^k$*, where Q(k) represents the* k^{th} *state obtained from the product of an initial state vector Q(0) and k-powers of the transition matrix P for a given period k using an empirically constructed transition matrix P. A long range prediction of various office states will be computed using a mean passage of time matrix M. This matrix will allow for estimation of the cost of running the governmental office per unit time in a weighted cost equation. The Markov model allows government managers to assign tasks to a particular office component that predicts functional office states at acceptable productivity rates with efficient use of manpower resources.*

TOP OF THE PAGE

STRAIGHT-LINE EXECUTIVE COMPENSATION: A CASE STUDY

Jonathan P. Breazeale, Sam Houston State University, Huntsville, TX 77341
Robert H. Stretcher, Sam Houston State University, Huntsville, TX 77341

ABSTRACT

This case focuses on the potential conflict of interest that exists between shareholder value creation in a classical capital budgeting problem and the possibility for a financial manager to line his or her own pockets because of the incentives provided by a typical compensation arrangement. Texas Coastal Drywall (TCD) is about to embark on a massive increase in production capacity. They appeal to an experienced external manager to come in and lead the expansion. The manager is compensated via salary and bonus – determined by the manager's ability to hit earnings targets. The manager also has a three-year long-term target earnings number that could earn him an additional bonus. The experienced manager has an incentive to use straight-line depreciation to make the firm appear more profitable during the period of his incentive arrangement rather than use accelerated depreciation to maximize value with the depreciation tax shield.

TOP OF THE PAGE

THE IMPACT OF QUOTAS, TARIFFS AND INCENTIVES ON THE TEXTILE TRADING AMONG CHINA, SOUTH AFRICA AND LESOTHO

Tyrone Ferdnance, Hampton University, Hampton, Virginia 23668
Vahwere Kavota, Hampton University, Hampton, Virginia 23668
Nicoleta Maghear, Hampton University, Hampton, Virginia 23668

ABSTRACT

This article analyzes the trade in the textile and clothing sector between China and two African countries. It examines how various trade policies such as "tariffs, quotas and incentives" impacted this trade during the Multi-Fiber Arrangement (MFA) and the African Growth and Opportunity Act (AGOA). The article uses data on unemployment, trade volumes and balance, between China, Lesotho and South Africa. Furthermore, the paper examines Chinese investments in infrastructures and its contribution to African economic growth and development. The findings suggest that the nature of the response of African countries to Chinese trade competition determined whether the gains from trade would outweigh the losses. In the case of Lesotho, they were able to increase employment and exports by providing trade and investments incentives and lowering tariffs and duties. On the other hand, South African textile manufacturing exports and employment decreased as they imposed tariffs and quotas. The paper therefore demonstrates that the Lesotho's strategy of working as partners in international trade is a superior strategy to South Africa's adversarial tactics.

TOP OF THE PAGE

BUSINESS OF ENGINEERING: DEVELOPING NON-TECHNICAL SKILLS IN A STEM-BASED SUMMER PROGRAM

Ziette Hayes, Hampton University, Hampton, VA 23668
Otsebele Nare, Hampton University, Hampton, VA 23668
Michael Reynolds, Thomas Nelson Community College, Hampton, VA 23666

ABSTRACT

This paper reports on a unique approach incorporating engineering and business concepts in a pre-college summer program. The purpose of the paper is to discuss methods to incorporate non-technical skills into a technical summer program for high school students. While the program held at Hampton University demonstrated the interdependence of engineering and business in making real world choices, it also placed significant emphasis on developing student teamwork and other professional non-technical skills. This report discusses how the Business of Engineering influenced non-technical skill development of participants. Approaches to the business of engineering program, as well as the outcomes, are shared in the report. Future areas of research are also discussed.

TOP OF THE PAGE

THE AFRICAN AMERICAN ECONOMIC PLAN: A FORMULA FOR TURNING INCOME INTO WEALTH

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Janelle Davenport, Hampton University, 23668
Susanne Toney, Hampton University, 23668

In a recent article by Credle and Harper (Daily Press, May 2005), it was argued that "Blacks may have to stop spending if they are to close the wealth gap." Two recurring questions received from readers have been "what good will it do?" and "how do we get started?" The response to the question of "what good will it do?" can be answered in two ways. First, when framed from the perspective of a capitalistic society to the extent we reduce the so-called wealth gap and are increasingly owners of banks, insurance companies, real estate and the tools of production, the greater the possibility of the enhancement of our hospitals, our universities and our communities. Hence, the shift from consumers to savers, investors and producers will result in less exposure to sudden adversity and *freedom* from the reliance on others to determine the destiny of "the community".

TOP OF THE PAGE

CELL PHONES, WEAVES, BABY CLOTHES AND SHOES: THE ISSUE OF OVERSPENDING AND THE LACK OF WEALTH CREATION IN THE AFRICAN AMERICAN COMMUNITY

Sid Howard Credle, Hampton University, 23668
Jacquelyn Harper, Hampton University, 23668

Current statistics on the economic wealth of American citizens indicate that African-Americans lag behind other American ethnic groups in their ability to retain wealth. Wealth by definition is an abundance of valuable material, possessions, resources, or riches. Whites have an average per-unit net wealth of $88,000, the Hispanic population has an average of $7,900 and African-Americans have approximately $6,000, according to the Hispanic Center Analysis of US Census Bureau data [2003]. To put this into perspective, consider that the aggregate net worth of 36 million African Americans is only four times the net worth of Microsoft's founder and CEO, Bill Gates.

TOP OF THE PAGE

COUNTRY-OF-ORIGIN (COO) VS. BRAND NAME: IMPACT ON CONSUMER DECISION MAKING PROCESS

Fabienne T. Cadet, Hampton University, Hampton, VA 23668
Sid Howard Credle, Hampton University, Hampton,VA 23668

ABSTRACT

Country-of-Origin (COO) and brand name are two factors that consumers consider when making the decision to purchase an item. Consumers rely on both cues to assist them in the evaluation of the utility of products that they wish to purchase. In this paper, an experiment was conducted with the use of different brands of chocolate, both domestic and foreign, to determine if COO or brand name has a greater impact on the consumer decision-making process. Fifty randomly selected participants chose two pieces of chocolate and then were asked to fill out short surveys indicating the reasoning behind their choices. Based on the results of the experiment, it can be concluded that there is in fact a difference in impact between brand name and COO. Brand name was found to have a greater impact on the participants' choices of chocolate.

TOP OF THE PAGE