

Good example of trends in the articles essay

[Business](#), [Company](#)



Introduction

The Journal of Banking and Finance (JBF) essentially undertakes the mandate of publishing both the empirical and theoretical research, it doesn't publish any other research but rather those within the span of finance and banking.

Its main objective as stated within the scope of their mission is

fundamentally to ascertain a flow and availability of research that pertains to capital, money, and operations of the financial institutions. Ensuing the fact that this journal accomplishes the mandate of assuring a continued flow of research materials about banking and finance, recent articles from this journal will be analyzed to deduce trends and essentially establish what the journal offers the readers in this context those students studying economic and finance. Six recent articles from this journal will be analyzed and criticized profoundly in a bid to meet the objectives of this paper.

Arguably, Journal of Banking & Finance most of the articles that will be analyzed herein are in some way related subsequently to the notion that such articles are reviewed by a common Editorial Board, the available past research and studies are alluded in the current research, and that all the articles are aligned and related to banking and finance.

Article 1

The Journal of Banking and Finance volume 42, of 2014 talks about limited share of purchases and takeover risks. The editors of this issue include Clifford, P. S, Lin, C. J and Wu Yulin. The article aims at demonstrating how announcing OMRs in an attempt to counter undervaluation, leads to reveal weaknesses to bidders. It also aims at showing that increased takeover risk

in the post- OMRs, lead to more attention to firms that attract bidders. The journal targets those firms which use OMRs, and show them how it might positively or negatively affect them. The main lines of inquiry in the issue include, take over the risk, long -run performance and limited attention. The articles invoke readers to take more caution in their choice to use OMRs, so as to improve performance and reduce the risk of underperformance by bidders.

The journal hypothesizes on Open Market share repurchases (OMRs), which, makes purchasing firms become potential targets for takeovers; in attempting to counter the negative valuation of shocks reveals underperforming for bidders and repurchasing firms lost opportunities. This leads investors to face higher risk takeovers, which is associated with economic fundamentals to drive takeover waves. Evidently, it can be seen that takeover firms face higher takeover probability within the first few years of OMRs announcements. This explains the reason why the large take-over risk leads to abnormal returns following such post- announcements. The increase in takeover risks can be seen in firms which attract more attention to customers, in smaller firms and firms with pre- announcement for stock performance. The conclusions show that OMRs used by many firms in an attempt to counter undervaluation, can raise the cost of equity capital, as a result of increased sensitivity to takeover waves.

Article 2

In the article “ A theory of mandatory convertibles,” by Chemmanur, Nandy, Yan, and Jiao, tries to develop and expand a theoretical analysis of the mandatory convertible. These mandatory convertibles are considered as

securities that are automatically converted to a common stock especially on a pre-specified date. These authors examine a firm that is facing a financial market mainly characterized by the asymmetric data and information as well as those significant costs when faced by a financial challenge or distress. The mission of this article is to enlighten those people in the financial markets that they can raise capital through the issuance of the mandatory convertibles. The journal targets those firms that experience a financial distress with the intention of enabling them to redeem their financial position. The article is available both in the print as well as online, which makes its available to everyone with the aim of grasping the idea. The authors use recurring term such as mandatory convertibles in order to stress to financial institutions and other companies on favorable method of enabling it to achieve financial stability.

The article makes it available to those companies that encounter financial challenges or crisis an effective method of resuming back into their financial stability. Most companies use other methods that mainly turn out to be ineffective and thus emphasize on the benefits of relying on mandatory convertibles. Additionally, the article provides major features of the mandatory convertibles as well as their equilibrium of design.

Article 3

In the article “ Corporate social responsibility and stock price crash risk,” by Kim, Li, and Li, it is evident that corporate social responsibility usually affects the stock price crash risk, which may be a great disaster to the company. The article also reveals that the Firms’ CSR performance is primarily associated with the future cash risk facing many organizations or corporate.

The article may be found both in the print as well as the online. The study received massive boost from various reliable sources. Additionally, the study incorporated various suggestions and comments from sources such as Marthur, Li, workshop participants held at Santa Clara University, and American Accounting Association Annual Meeting. However, it is clear that a part of the paper was completed in the absence of Kim as she was visiting Hong Kong Polytechnic University. The article is divided into various articles which points out about separate concerns. The author employs a specialized language, which only to suits the target audience. The target audience is those firms that engage in CSR in order to induce effective governance. The authors' main advice to these firms is to encourage them to incorporate the use of CSR in order to ensure financial supervision is effective.

Article 4

In the article “ Should, I stay or should I go? Bank productivity and internationalization decision,” by Buch, Koch and Koetter, aims at explaining the differences in the firm-level productivity effect as a result of the international activities engaged by the non-financial firms. The authors initially wrote the paper while they were visiting a research centre located in Deutsche Bundesbank. This implies that the authors received an amicable hospitality level, which enabled them access financial accounts as well as the database in order to produce a convincing paper. Moreover, the article seems to have incorporated all positive comments from Bangor Business School seminar series, which enabled them to argue comprehensively. The mission of this article is to generally inform the target audience about three main arguments, which include the fact that more productive banks are

likely to engage into the foreign markets with a motive of increasing their complex models. Another key issues are that more productive banks have the capacity to hold larger volumes of the foreign assets. The third issue being discussed is the element that there is a higher risk aversion, which renders an entry to occur, even though it increases this volume of the foreign activities mainly conditional upon entry. The research was facilitated as well as affiliated by several institutions, which included the Deutsche Bundesbank, Bangor Business School seminary series, the University of Bonn, University of Amsterdam, and CEPR-GIST. In addition, several referees such as Yener Altunbas, Jorg Breitung, Stefan Boes, Heinz Herrmann, Thilo Liebig, Monika Merz, and Phil Molyneux among others also facilitated the study. The authors received funding or financial from several organization such as National Science Foundation from Netherlands, EFIGE project, and Foundation Stiftung Geld und Wahrung. It is very clear that the authors incorporate other information from several sources to support their ideas. The publication can be found in both print and online; hence its availability is made easier.

In this article, the authors aim at unveiling that the differences in the firm-level efficiency play a major role in explaining about the international activities in an effective manner. The study relies on establishing about other activities most banks are engaging themselves into, such as foreign markets and foreign assets among others.

Article 5

The journal of banking and financing volume 42, of May 2014, talks about investor sentiments and return predictability of disagreement. It is edited by

<https://assignbuster.com/good-example-of-trends-in-the-articles-essay/>

Kim, J. S., Ryu, D., and Seo, W. S.. The mission of the journal is to show how time- varies with stock return predictability time- varies with investor predicament. The issue also aims to profitable trading strategies depending on disagreements and the sentiments of investors. The journal aims at addressing investors, on their sentimental impacts of investors on returns. The main recurring concepts include disagreements, return predictability and investor sentiment. When reading the article, one may infer that readers are not aware that investor sentiment have an impact on the predictability of market demands.

The journal is based on studies which examine the influences of investor sentiments on the relationship between future stock demands and the relationship between investors. In the research, findings show that the degree market returns vary with time varies depending on investor demands. When there is higher disagreement among investors, findings show that, during high –sentimental periods, investors' opinions significantly affect future market demands. On the other hand, it is seen that low-sentiment periods have no effects on future stock market returns. Findings imply that an investor sentiment is closely related to short- sale impediments as shown in the previous literature. The findings also show that investor sentiment also influences stock predictability of disagreement. The issue demonstrates how investor sentiment has significant influence on stock predictability of disagreement throughout- of sample analysis and in- sample analysis. Additionally, the issue addresses the need to incorporate investor sentiment to the relationship between stock markets and future investor

disagreements. This is seen to be helpful in exploiting investor sentiments so as to manipulate profitability as a trading strategy.

Article 6

The journal of banking and finance volume 42, May 2014, discusses foreign exchange risk and the predictability to carry trade returns. The issue is written by Canedese, G., Sarno, L. and Tsiakas, L. the paper aims at evaluating the risks in foreign exchange and show to what extent the returns can be predicted. The journal is seen to address traders involved in foreign exchange trade. The main recurring terms in this issue are market variance, the average correlation, quantile regression, the average variance, carry trade and exchange rates. The writers are invoked in the article to have low predicting ability in regards to market variance in foreign exchange. The paper provides insight to time-series predictive ability of foreign exchange risk measures. This is because of the need to return in order to continue with the trade, hence investing in borrowing at low interest currencies and lending in high -interest currencies. Findings show that higher market variance leads to large future carry trade losses, when quantile regressions are used. This is consistent with times of volatility, where there is consistent unwinding of the carry trade. The issue also addresses the fact that market decomposition into average variance and average correlation shows a predictive power of the variation in the market. Primarily, this is seen as so because of the average variance, since average correlation is not significantly related to carry trade returns. Therefore, a new version of the carry trade conditions, show that market variance generates nets of transaction cost because of market variance.

Apparently the six articles provided by the Journal of Banking and Finance tend to predict future market trends, and try to advise different investors of what should be done. Essentially the main objectives of this journal apparent from the articles in which they incorporate is to encourage financial institutions to engage in activities like corporate social responsibility that will help them improve on their performances, use research evidence to offer advice on how to face financial challenges and crisis in efforts to reinstate their initial position, provide frameworks and platforms under which banks and other financial institutions can use to expand and engage in other markets particularly the foreign market, provide the most effective financial advice to both the bankers and individuals aspiring to engage in financial activities by manipulating profitability as a trading strategy, and finally establish the current situation and predict the future situation of finance as a means of alerting financial institutions and banks prior to what will happen. Considering that most of the articles analyzed herein were scrutinized by a common editorial board, it is ostensible that the content contained in most articles are related in one way or the other. Ensuing the financial challenges faced by many financial institutions and customers as well, the articles incorporated by Journal of Banking and Finance has much of its focus towards the subjects related to these issues. Considering that the majority of the banks and financial institutions in the contemporary times are facing common problems subsequent to the economic situation and the fact that they operate in the same money market, majority of the research done and published by the Journal of Banking and Finance is applicable and related to many of the financial institutions and banks in the contemporary times. In a

nutshell, it is important to acknowledge the fact that this journal specifically work to publish research studies that work to resolve issues faced by financial institutions and banks in the present and future perceived.

Works Cited

Buch, Claudia M., Cathérine T. Koch, and Michael Koetter. " Should I stay or should I go? Bank

Productivity and internationalization decisions." *Journal of Banking & Finance* 42 (2014): 266-282.

Cenedese, Gino, Lucio Sarno, and Ilias Tsiakas. " Foreign exchange risk and the predictability of

Carry trade returns." *Journal of Banking & Finance* 42 (2014): 302-313.

Chemmanur, Thomas, Debarshi Nandy, and An Yan. " A Theory of Mandatory Convertibles."

Kim, Jun Sik, Doojin Ryu, and Sung Won Seo. " Investor sentiment and return predictability of

Disagreement." *Journal of Banking & Finance* 42 (2014): 166-178.

Kim, Yongtae, Haidan Li, and Siqi Li. " Corporate social responsibility and stock price crash

Risk." *Journal of Banking & Finance* (2014).

Lin, Ji-Chai, Clifford P. Stephens, and YiLin Wu. " Limited attention, share repurchases, and

Takeover risk" *Journal of Banking & Finance* 42 (2014): 283-301.