

**2024 Academy of Business Economics Conference Program and Proceedings**

**Business Economics Program Sessions**

**Wednesday, April 10, 2024**

**BUSINESS ECONOMICS**

**3:00 – 4:15 p.m. .... Logan Room, 3<sup>rd</sup> Floor**

**Theme: Undergraduate Research Session**

Chair: David Bresnahan, Purdue University Fort Wayne

**Abnormal Returns and Stock Performance Prior and After Federal Holidays**

Nikolas L. Albertson, Georgetown University  
Heather L.R. Tierney, Purdue University Fort Wayne  
Jeffrey W. Cline, Purdue University Fort Wayne  
Daniel Boylan, Purdue University Fort Wayne

**Abstract**

Using the De Bondt and Thaler’s abnormal returns model with data from the New York Stock Exchange from 2014 to 2018 and the Standard and Poor’s 500 Index, this paper finds that statistically significant positive abnormal returns are possible with respect to certain U.S. federal holidays, which are Martin Luther King Day, President’s Day, Christmas Day, and Memorial Day. The top two-thirds of the New York Stock Exchange based on market capitalization also provides an opportunity for earning positive abnormal returns. Further partitioning into the day before and day after a federal holiday yields positive abnormal returns with the best performance being provided by the day before a federal holiday subsample.

**Banking on Community: Does Community Bank Performance Spur Local Economic Growth?**

David Bresnahan, Purdue University Fort Wayne

**Abstract**

Community banks are supposed to play a vital role in the economy by providing financial services to localities, businesses, and people that are often overlooked by regional and national banks, giving these overlooked groups the opportunity for economic growth. This paper aims to further investigate this link by evaluating whether the financial performance of community banks plays a role in the economic expansion of the localities that they service. The format of this research is a longitudinal study of all community banks located within the United States over the course of the five years spanning from 2017 through 2021. The data analysis will be done at the county level, with the percentage change in real county gross regional product (GRP) regressed on the average net income ratio of all community banks located within that county. The analysis will feature a one year lag between the bank performance and economic growth indicators since GRP is a lagging indicator. The goal of this research is to gauge whether community banks are incentivized to have mutually beneficial relationships with the areas that they service.

Thursday, April 11, 2024

9:15 – 10:30 a.m. .... Logan Room, 3<sup>rd</sup> Floor

**Theme: Topics in Health Economics**

Chair: Dan Friesner, University of Akron

**Mixed Competition in the Hospital Industry and Financial Statement Comparability**

Dan Friesner, University of Akron

Andrew Brajcich, Gonzaga University

Matthew McPherson, Gonzaga University

**Abstract**

The hospital industry is unique compared to other industries. One distinguishing feature is that hospitals use a wide array of inputs to produce an equally wide array outputs, often using very different production technologies. Individuals seeking hospital services often receive that care in the form of a bundle of outputs, which vary from one individual to the next. The use of insurance as a third party to intermediate the pricing and payment for services leads to a lack of transparency in the pricing of such services. Each of these factors (among a host of other factors) provides hospitals with a degree of market power, which typically (but not exclusively) leads to an oligopolistic market structure. What makes the hospital industry even more interesting to study is that, within these oligopolistic markets, hospitals often exhibit a variety of missions and operating objectives, as well as various tax and financial reporting obligations arising from these differing objectives. Some hospitals are owned by residual claimants, have a primary objective of maximizing income and/or wealth for these claimants (i.e., they are “for-profit”). Other (“not-for-profit”) hospitals have operating objectives that are primarily designed to meet a need in a community (substituting the traditional residual claimant for a community at large), and they eschew a strictly profit and/or wealth-maximizing objective in favor of meeting these community needs. A rich literature exists in the economics and health services literatures on oligopolistic behaviors in the hospital industry, especially when those hospitals differ in their operating objectives (also known as “mixed competition”). Implicit in these analyses is an assumption that the information drawn from the accounting statements of these firms are actually comparable, and can be aggregated in a manner that allows for comparisons across firms with different objectives. This assumption is particularly problematic since not-for-profit organizations take a variety of forms based on the stakeholders they serve. The more diverse are the objectives, the less comparable are the financial statements, and the less tenable is the assumption of comparability. This study applies the methodology developed by Brajcich and Friesner (2022, 2023) and Friesner and Brajcich (2022) to assess whether the financial accounting statements of hospitals with different categories of operating objectives, and are classified as for-profit or various categories of not-for-profit organizations, are systematically comparable or non-comparable to each other. Their methodology is applied to financial statement information drawn from a sample of California general hospitals in 2022 to generate measures of financial statement comparability. Nonparametric hypothesis tests and quantile regression are applied to the financial statement comparability measures to assess whether hospitals with specific organization types exhibit statistically significantly different degrees of financial statement comparability.

## **Comparing Input-Based and Entropy-Based Financial Statement Comparability Measures in California Acute Care Hospitals**

Dan Friesner, University of Akron

Andrew Brajcich, Gonzaga University

Matthew McPherson, Gonzaga University

### **Abstract**

Financial statement comparability is commonly defined as the degree of similarity with which firms make and report their accounting Choices (Do, 2021). Without comparability, it is impossible to benchmark a firm's financial performance against one's peers, and by extension to comprehensively assess a firm's performance in the marketplace. The most widely used methodology to characterize financial statement comparability is known as an "output-based measure" of comparability (De Franco, Kothari, and Verdi 2011). This methodology assumes that a firm has residual claimants and a profit and/or wealth maximizing objective. The firm's stock price can be regressed on the firm's earnings in the same period. If a given firm's expected/predicted earnings are similar in magnitude to those of other firms' expected/predicted earnings, then those firms are said to exhibit a high degree of financial statement comparability. In most health care industries, the plurality (if not the majority) of firms are classified as "not-for-profit" organizations, do not have well-defined residual claimants, and thus do not meet the assumptions necessary to construct output-based financial comparability metrics. As a result, financial statement comparability has not been studied widely within the context of health care.

A second (and infrequently used) methodology that can be applied to assess financial statement comparability is known as an "input-based measure" of comparability (Hoitash, Hoitash, Kurt, and Verdi, 2018). Under this approach, analysts or other experts within an industry are asked to provide subjective evaluations of which firms in that industry are "peers" of other firms. If a consensus exists across analysis that a group of firms are "peers", they are considered to be comparable in their financial statements. While this methodology may be used to assess financial statement comparability in industries where firms are not strictly profit maximizing, it is limited by the fact that comparability is defined using subjective assessments, rather than the actual data contained within firms' financial statements.

Recently, Brajcich and Friesner (2022, 2023) and Friesner and Brajcich (2022) (hereafter, BF) developed a third methodology that uses information entropy theory to assess financial statement comparability. Their methodology uses information drawn directly from financial statements, and can be applied to firms with any tax status or operating objectives. Their methodology does, however, require that all financial statements are constructed using consistent (for example, FASB) accounting standards.

One as yet unexplored issue in the financial statement comparability literature is whether input-based measured methodologies, when applied to the same group of firms, produce similar measures of financial statement comparability as entropy-based measures. This manuscript explores this issue within the context of a natural experiment. General, acute care hospitals in the state of California are a mix of for-profit and not-for-profit organizations. Additionally, all general, acute care hospitals in the state are required to report utilization and financial statement data to the California Office of Health Care Access and Information (HCAI) on an annual basis using FASB guidelines. This manuscript utilizes data drawn from the 2022 calendar year. The HCAI makes a determination about which hospitals are considered to be "comparable" to others in the state, versus those that are "non-comparable". Such a determination is effectively an input-based measure of financial comparability. The BF methodology is applied to these data, and used to assess financial statement comparability. Nonparametric hypothesis tests and quantile regression are subsequently applied (using the BF-based financial statement comparability metric as a dependent variable) to determine whether those hospitals designated by the HCAI as "non-comparable" to other hospitals in the state exhibit statistically significantly higher or lower financial comparability scores (as measured by the BF methodology) compared to other hospitals that are designated as

“comparable”. Quantile regression results indicate that the input-based measure is significantly correlated with the BF measure of financial statement comparability. However, many other covariates in the regression are also statistically significant determinants of the BF comparability measure. This implies that, while the input-based based and BF measures have some (limited) validity in assessing financial statement comparability, the BF methodology provides a more robust and comprehensive measure of financial statement comparability.

**On the Returns from Hiring a Bankruptcy Attorney for Chapter 7 Asset Case Filings**

Dan Friesner, University of Akron

Donald Hackney, Gonzaga University

**Abstract**

Filing for protection under the U.S. Bankruptcy Code is a critical component of the social safety net for U.S. households. This is especially true for households who meet eligibility requirements and who file for protection under Chapter 7 of the U.S. Bankruptcy code. Chapter 7 filings operate under the premise that a filer is unable to repay one’s outstanding debts on a cash flow basis. Thus, repayment occurs based on information contained in the filer’s household balance sheet. The filer reports all assets and outstanding liabilities, and assets (net of exemptions) are liquidated and used to repay creditors, in order of priority. Court costs and attorneys are awarded first priority in repayment, followed by creditors with secured claims (i.e., mortgages), unsecured priority creditor claims (outstanding tax, child support, or alimony claims, etc.) and general unsecured creditor claims (i.e., credit cards). Chapter 7 filings also shield certain assets from the liquidation process, especially those assets that allow a filer to sustain one’s livelihood. The most common exemptions are for homes/homesteads and automobiles. However, the U.S. Bankruptcy Code allows for an array of asset exemptions – from retirement accounts and Social Security benefits to jewelry to the appliances in one’s home. Households can file for Chapter 7 bankruptcy protection without the use of an attorney. However, a skilled and creative attorney can assist the filer in claiming exemptions and maximizing the number and/or dollar value of exemptions. In return, and as noted above, attorneys receive top priority in the repayment process.

This relationship raises two interesting empirical questions, which have not yet been addressed in the literature. First, is there a non-zero expected rate of return – as measured by the relative amounts exempted assets and repayments (i.e., liquidated assets) – that occurs from hiring an attorney (as measured by the decision to hire an attorney and, if hired, attorney payments) in a Chapter 7 asset case filing? Second, are there specific situations (as measured by filer characteristics) that moderate this non-zero expected return, if it exists? The first question is assessed using a null hypothesis that the rate of return is zero. To assess the second question, this study adopts a null hypothesis of no relationship between a given specific filer characteristics and the rate of return. These null hypotheses are examined using data drawn from the Public Access to Court Electronic Records (PACER) system on closed Chapter 7 asset case filings in the Eastern District of Washington State. A census of closed Chapter 7 asset case filings was collected over the years 2016-2021. This data not only contain information on total assets (and their distribution across a wide array of categories), liabilities, and asset exemptions, but also filer demographic information, filer repayments (including attorney compensation), and institutional factors surrounding the filing. Tobit regressions are used to evaluate both null hypotheses. The results indicate that hiring an attorney provides a positive ROI to those using the Chapter 7 bankruptcy process to shield assets from liquidation. However, hiring an attorney (or paying them more) does not provide a positive ROI if the goal is to avoid paying any more or less to your creditors than one otherwise would. Once the Court, the attorneys, and the bankruptcy filer (through the return of exempted assets) are remunerated, there is little extra money left from those assets that were liquidated to repay creditors.

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**BUSINESS ECONOMICS**

**10:45 a.m. – 12:00 p.m. .... Logan Room, 3<sup>rd</sup> Floor**

**Theme: Educational Economics I**

Chair: Daniel J. Parisian, The University of North Carolina at Pembroke

**An Economic Model of College Enrollment with Implications for Mitigating the Impact of a Declining Student Population**

Jeffrey W. Cline Purdue University Fort Wayne

**Abstract**

Higher education institutions in many regions of the United States face an impending decline in the college student population, leading to what has been popularly referred to as an “enrollment cliff.” This paper presents an economic model of enrollment at the institution level. It then analyzes the various mechanisms by which an institution can mitigate declines in enrollment. Results indicate that increasing retention rates can be an effective strategy for maintaining enrollment due to the compounding effects they have on enrollment in subsequent years. These findings have important policy implications for administrators in higher education who must decide how to allocate limited resources among various enrollment initiatives.

**Predicting MBA Student Success from Undergraduate GPA and Standardized Test Scores**

Daniel J. Parisian, The University of North Carolina at Pembroke  
Christine L. Bell, The University of North Carolina at Pembroke  
Jeff Bolles, The University of North Carolina at Pembroke  
John A. O’Dell, The University of North Carolina at Pembroke

**Abstract**

The Graduate Management Admission Test (GMAT) is commonly used in determining a student’s likelihood for success in graduate business programs. This project is a case-control study with the two traditional admission criteria (3.0 UGPA with no test score [UGPA] and 2.50 to 2.99 GPA with a satisfactory test score [UGPA+]) serving as independent control groups. The new criterion of no test score required for applicants with UGPA greater than or equal to 2.50 (UGPA-) represents the case or treatment group. The project will compare the successes of those three groups of students in the University of North Carolina at Pembroke (UNCP) MBA program. Success has been identified as students having a minimum of a 3.0 graduate grade point average (GGPA) and two or fewer course withdrawals. Research has led to mixed reviews regarding the value of the GMAT for predicting success in MBA programs. This study aims to determine the degree of impact the GMAT, undergraduate grade point average (UGPA), and various demographic data have on success in the UNCP MBA program.

**Thursday, April 11, 2024**

**BUSINESS ECONOMICS**

**1:30 – 2:45 p.m. .... Logan Room, 3<sup>rd</sup> Floor**

**2024 Academy of Business Economics Conference Program and Proceedings**

**Theme: International Economics**

Chair: Pit Tat Ooi, Global Leadership Academy

**From Delta to Global Markets: Deciphering Elements Fueling Mekong's Seafood Export**

Pit Tat Ooi, Global Leadership Academy

Nguyen Duc Bao Long, Charisma University, School of Business, Turks and Caicos Islands and

Nguyen Tat Thanh University

Le Thanh Thiet, Economic Consultant

**Abstract**

Enter an abstract of your manuscript into the textbox below. The abstract may be cut and pasted from a word processing program; however, the formatting will be lost. This study delved into the factors that contributed to the seafood export industry in the Mekong Delta region. A comprehensive analysis was conducted on vital factors, encompassing geographical advantage, government policies and support, natural resources and aquatic ecosystems, quality assurance and food safety standards, and technological advancements and innovation. Qualitative research methods, including surveys and document reviews, were employed to accomplish the research objectives. In the qualitative phase, in-depth interviews were carried out with 12 industry experts to gain insights into the driving forces of the seafood export industry. To quantify the influence of these factors, Structural Equation Modeling (SEM) and Partial Least Squares (PLS) were utilized, with participation from 275 industry stakeholders. The findings demonstrated strong and significant connections between these factors and the success of the seafood export industry, underscoring their crucial role in driving growth and sustainability. The implications of these findings for practitioners and policymakers were discussed, emphasizing the need to harness these factors to enhance the industry's competitiveness and encourage sustainable practices. The study also acknowledged its limitations and proposed directions for future research. In conclusion, this research contributes to an enhanced understanding of the seafood export industry in the Mekong Delta region, providing invaluable insights for industry stakeholders to make well-informed decisions and foster its growth.

**Thursday, April 11, 2024**

**BUSINESS ECONOMICS**

**3:00 – 4:15 p.m. .... Logan Room, 3<sup>rd</sup> Floor**

**Theme: Topics in Educational Economics II**

Chair: Nguyen Duc Bao Long, Charisma University, School of Business, Turks and Caicos Islands and Nguyen Tat Thanh University

**Utilizing Edutainment to Boost Enthusiasm and Excitement among University Students in Ho Chi Minh City: Exploring the Influence of Edutainment as a Mediating Factor**

Hao Anh Tran, FPT University, Ho Chi Minh City Campus

Nguyen Duc Bao Long, Charisma University, School of Business, Turks and Caicos Islands and

Nguyen Tat Thanh University

Pit Tatt Ooi, Global Leadership Academy

Ian Mackechnie, Charisma University

**Abstract**

The purpose of this study was to investigate the role of edutainment in enhancing enthusiasm and excitement among university students in Ho Chi Minh City, Vietnam. The study recognized the potential of edutainment, which combines educational content with entertaining elements, to create a positive and engaging learning environment. The research was guided by a comprehensive review of the literature on edutainment, student motivation, and educational psychology. The research framework had been developed based on a deep understanding of the educational sector and the specific context of Ho Chi Minh City. A mixed-methods approach was employed to gather both quantitative and qualitative data. The research methods included questionnaire surveys, semi-structured interviews, and document reviews. These methods allowed for a comprehensive exploration of the current level of excitement and enthusiasm among university students, as well as their attitudes and perceptions towards edutainment as an instructional approach. The findings from the study contributed to the existing body of knowledge on the application of edutainment in higher education. Specifically, the research aimed to identify effective edutainment strategies and techniques that can increase excitement and enthusiasm among university students. It also explored the perspectives of educators on the implementation of edutainment and its effectiveness in enhancing student learning. The study further evaluated the support and resources provided by universities in Ho Chi Minh City for the integration of edutainment into the educational environment. The outcomes of this research will have practical implications for educational institutions in Ho Chi Minh City and beyond. The recommendations derived from the study will help universities and educational stakeholders successfully implement edutainment as a pedagogical approach, fostering excitement and enthusiasm among university students. Additionally, the research aimed to inspire further exploration and research on innovative instructional methods that promote student engagement and enthusiasm in the learning process. In conclusion, this research study endeavored to shed light on the influence of edutainment as a mediating factor in boosting excitement and enthusiasm among university students. By examining various aspects related to edutainment, learner perspectives, educator perspectives, edutainment administration, university support, and the impact on excitement and enthusiasm, this study seeks to contribute valuable insights to the field of education and provide practical guidance for enhancing the educational experience of university students.

**Friday, April 12, 2024**

**BUSINESS ECONOMICS**

**9:30 – 10:45 a.m. .... Logan Room, 3<sup>rd</sup> Floor**

**Theme: Topics in Microeconomics**

Chair: Nodir Adilov, Purdue University Fort Wayne

**The Impact of Retro Imagery on Risk and Wanderlust**

Aaron J. Schibik, University of Evansville

Peggy O. Shields, University of Southern Indiana

Timothy J. Schibik, University of Southern Indiana

**Abstract**

The term retro is often used to describe “brand new, old-fashioned offerings” (Brown et al., 2003b: pg. 20). In other words, when something is designed to look old even when it features



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contemporary features or elements, then it can be considered “retro.” In marketing, retro as a product or promotional tactic is becoming more pervasive. This is especially true for marketers promoting travel destinations featuring well-known cultural heritage or history. Recently, research in marketing has looked at the effects of using retro imagery to promote travel and tourism destinations (Schibik et al., 2023). This research found that using retro imagery can increase a consumer’s desire for nostalgic offerings and increase their desire to travel to those destinations. However, this research failed to account for the consumer’s innate desire to explore the world and travel (i.e., their wanderlust; Shields, 2011) and their perceptions of travel risk.

This paper builds on the foundation of past work and examines the effects of retro imagery on risk and wanderlust. Specifically, this paper proposes that retro imagery lowers a consumer’s perception of risk associated with a travel destination, increasing their desire to travel. Additionally, this research proposes that consumers with higher levels of wanderlust are more likely to experience this effect than consumers with low levels of wanderlust. Retro imagery stimulates high wanderlust consumers’ desire to travel, lowering their perception of risk.

**The Economics of Optimal Satellite Protection from Space Debris**

Nodir Adilov, Purdue University Fort Wayne  
David Bresnahan, Purdue University Fort Wayne

**Abstract**

The paper presents an economic model of investment in satellite shielding technologies. It analyzes how economic and orbital environmental conditions affect the optimal level of investment in debris shielding by satellite operators. It also compares the debris shielding expenditure level of a competitive firm to the choice by a regulator, which takes into account the effects of negative externalities related to orbital debris generation and light pollution from space. The findings have important policy implications for the mitigation of negative externalities caused by satellites.

**11:00 – 12:15 p.m. .... Logan Room, 3rd Floor**

**Theme: The Macroeconomy**

Chair: Kyle Pulvermacher, University of Wisconsin-Stevens Point

**The Pandemic Shock and the Macroeconomy: A Different Pattern and a New Story**

Scott Wallace, University of Wisconsin-Stevens Point  
Kyle Pulvermacher, University of Wisconsin-Stevens Point

**Abstract**

While each recession and subsequent recovery is unique in terms of length and magnitude, the impact of the pandemic on the business cycle has been both quantitatively and qualitatively different than any other economic shock in over a century. In this presentation, we will be adopting empirical methods established by Leamer (2010) in drawing on key economic indicators to depict the effects of the pandemic on the macroeconomy. In doing so, we will contrast its impact on the business cycle with other shocks during the post-World War II era. In characterizing this pattern of macroeconomic activity, we will be evaluating the impact of the pandemic on different industry sectors and geographic regions. Such an approach may be useful in conveying the exceptional nature of this episode for principles of macroeconomics classes.