

CHAPTER 16

FINANCE AND BUSINESS ECONOMICS

Doctoral Theses

01. B AHL (Jyotika)
Corporate Social Responsibility : Governance and Performance.
Supervisors : Prof. Vijay Kumar Kaul and Prof. A. Venkat Raman
Th 24999

Abstract
(Not Verified)

The insertion of section 135 requires all companies to establish a CSR committee and spent at least 2% of their average profit of preceeding three years as CSR expenditure. In the light of the mandate this study aims to understand the impact of CSR and corporate firm performance after the legislation mandating CSR and the effect of startegies. Two models are estimated to achieve the objectives- fixed effect panel regression to determine the impact of CSR and corporate governance on firm performance and logistic random effect panel regression to determine the effect of strategiesThe result of fixed effect panel regression indicate a negative and significant impact of CSR on firm performnace after legislation in case of non-manufacturing firms and positive and significant impact of CSR on firm performance for manufacturing firms. The results also reveal that corporate governance is imperative for CSR as dropping corporate governance from the model makes the relation between CSR and corporate firm performance insignificant. The logistic model reveals a positive influence of startegies on CSR performance. The major policy implication include- (i) firms should discharge CSR in their core operational ares (ii) firms should engage in training of employees in context of planning, selection and execution of CSR projects (iii) firms should actively advertise their CSR activities and indulge in R&D related to core area of operation (iv) good corporate governance practices are imperative for CSR (v) government should conduct workshops to enhance the understanding of CSR.

Contents

1. Introduction 2. Evolution and historical development of CSR 3. Literature review 4. Data and methodology 5.Data analysis and findings 6. CSR in major firms: Case study and perception analysis 7. Discussion and conclusion. References. Appendices.

02. SAINI (Sakshi)
Monetary Policy and Stock Market Dynamics: International Evidence.
Supervisor : Prof. Sanjay Sehgal
Th 25000

Abstract
(Not Verified)

The study examines the dynamics of monetary policy and stock markets for a set of advanced and emerging economies using country-specific Structural VAR model as well as Panel VAR model. Firstly, the study investigates the interaction of monetary policy and stock prices among a set of advanced and emerging economies and also assesses the response of stock

markets to global monetary conditions. Results demonstrate the theory-confirming negative impact of domestic policy rate on equity prices for most of the economies. Monetary authorities react by tightening the monetary policy to combat an excessive increase in stock prices. Further, results reveal that expansionary global monetary policy is followed by a decrease in the domestic policy rate, long-term government bond yields and equity prices in most economies. The study also assesses the links between monetary policy, risk aversion and uncertainty for advanced and emerging countries. Expansionary monetary policy leads to an initial increase in the risk aversion of investors, which starts declining in the subsequent periods. Besides, monetary policy expansion mitigates uncertainty in the stock markets. The rise in investors' risk aversion and stock market uncertainty evokes central banks to respond by easing the monetary policy. Global monetary policy also alters the risk-bearing capacity of investors and equity market uncertainty. Further, results reveal that risk aversion plays a significant role in explaining the inter-temporal variation in excess returns. Lastly, the study examines the relationship between monetary policy and stock price bubbles. Results suggest that contractionary monetary policy leads to a positive or insignificant impact on the stock price bubble in most economies. Overall, results do not provide compelling evidence of central banks' efficacy to counter excessive stock price developments through restrictive monetary policy without jeopardizing macroeconomic stability. The study has important implications for market participants and policymakers.

Contents

1. Introduction 2. Review of literature 3. Monetary policy and stock price interaction
4. Monetary policy, risk aversion and uncertainty 5. Monetary policy and stock
market bubbles 6. Conclusions. References.