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## An Analytical Study of the Egyptian System of Aid Coordination and Management

Khaled Abou El Nour

### Abstract

The aim of this study is to analyze the nature of financial aid flows. And it provides an empirical analysis of the documentation of the aid program as a framework for understanding Egypt's national sub system of aid coordination and management. The research problem addresses two sets of questions: How does the Egyptian System for the coordination and management of aid look like? and how can this system be made more efficient and effective? The research objectives are to analyze aid Commitments and Disbursements, study the distribution of aid by type of agreement. We also examine the extent of growth rates in the financial patterns of aid (Grants, Loans and Debt swap) and study the distribution of aid by geographic location and millennium development goals. The study also uses qualitative and quantitative approaches such as Mann whitney test, Phi and Carners, Levene, Games howell. In addition, this study uses simple regression analysis in linear and semi-log form. The main findings are that there are significant growth rates in the variables under study. Loans should be kept to its minimum values to limit indebtedness levels and not burden the country with heavy external debts. Better management and coordination of external assistance will increase the positive impact and efficiency of aid system. Raising technical and financial support will improve the performance of projects financed by donors. Also, maximizing the utilization of external financial resources will make positive impacts on the national development capacity of Egypt.

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## Assessing the Feasibility of Common Currency Area among D-8 Group Members: Structural VAR Model Approach

Alireza Kazerooni and Somayeh Razzaghi

### Abstract

According to economic theories, forming a common currency area can help countries to have a sustainable and stable economic growth by keeping their currency values stable. Therefore, adopting a common currency among D-8 group members can help them to ensure their economic growth stability. The main objective of this study is to assess the feasibility of common currency area among members of D-8 group. For this purpose, the study examines the symmetry of structural shocks among mentioned countries by using a three-variable Structural Vector Auto Regression (SVAR) model. According to the empirical results, structural shocks are positively correlated and symmetric in Turkey, Pakistan, Nigeria and Malaysia. In addition, the impulse response functions show that the magnitude and speed of adjustment to shocks are the same in 4 mentioned countries. According to variance decomposition analysis, the contribution of supply shocks and demand shocks to gross domestic production variability and real exchange rate variability are the same in Turkey, Pakistan and Malaysia. So, based on above analysis, it can be concluded that establishing a common currency area among the subgroup of Turkey, Pakistan, Nigeria and Malaysia would be feasible.

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## A CGEM Analysis of the Impact of the Financial Crisis on the Algerian Economy

Touitou Mohammed, Abul Quasem Al-Amin and Gazi Mahabubul Alam

### Abstract

Over the past decade, the global economy has gone through a severe recession triggered by a financial catastrophe and the slowdown of global commercial and industrial activity. This slowdown has weighed heavily on global economic growth. Algeria, which is not fully integrated into the international economy, feels the impact of the economic slowdown but on a level much more timid than that experienced by Europe. Algeria has all the potential human and material resources to be a pivotal country in development the Euro-Mediterranean and Arab-Africa. This requires development based on a coherent economic policy. This study conducts a Computable General Equilibrium Model (CGEM) analysis of the impact of the financial crisis on the Algerian economy with particular focus on hydrocarbon revenue. The analysis seeks to simulate the effects of decline in oil prices by 50%. The results of the model used in this study show that the state budget and investment heavily suffer for the effects of the financial crisis. The study concludes that the structural weaknesses of the Algerian economy remain extroverted and strongly oriented towards the exploitation of unprocessed raw materials.

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## Production Expansion, Competitiveness and Comparative Advantage of Upland Rice Production: Case of Fogera and Libokemekem Plain in Ethiopia

Yalfal Temesgen, Daniel Tilahun and Bayuh Belay

### Abstract

Assessing the comparative advantage in upland rice production is of a major academic interest as well as policy significance because upland rice production competes for key production inputs land, labour and water which could have been used in alternative production activities. The introduction of rice in the Ethiopia were in early 1970s and early 1980s and production of upland rice under shifting cultivation system is an important economic activity in the Fogera and Libokemekem plain of northern western Ethiopia. The demand for rice combined with increasing land pressure in the lowlands, upland rice varieties is expanding very fast and the production competes for key production inputs land, labour and water which could have been used in alternative production activities. The gross income of paddy production was 16153 ETB per hectare and the cost benefit production of paddy per hectare shows that production of paddy was profitable. The Policy Analysis Matrix (PAM) methodology was used to determine the level of economic competitiveness in the production of upland rice crops in the Fogera and Libokemekem plain. The results indicate there is negative divergence between private and social profits indicating an expansion of the production of upland rice was profitable at farm level but not competitive at country level. This was because net effect of policy intervention is to reduce the farm level profitability of upland rice in area. The results show up the need for removing existing policy distortions in the structure of economic incentives to enhance economic efficiency and to attain country level competitiveness in upland rice production.

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## Impact of Smallholder Farmers Agricultural Commercialization on Rural Households' Poverty

Amsalu Mitiku

### Abstract

This study analysis the impact of smallholder farmers' agricultural commercialization on rural poverty in Jimma zone south western Ethiopia. Both primary and secondary data were used to generate the required information. Multi-stage random sampling technique was used to select 280 smallholder farmers. Analytical tools used include descriptive statistics, Crop Output Market Participation (COMP), Foster Greer Thorbecke (FGT) and logit model. The results showed that about 43% of the small holder farmers were poor households. Smallholder farmer commercialization has no effect on poverty level of smallholder farmers. The estimation results of the logit model showed that sex, age and education level of household head, family size in AE, farm income, access to credit previous year and distance from settlement center to nearest market place were significantly affect rural household poverty. The study suggests for policies that will improve smallholder farmer access to education, credits, market information and road in designing poverty reduction in the study areas.

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## An Overview on the Exchange Rate and Liability Dollarization in Turkey

Afsin Sahin and Goktug Sahin

### Abstract

Exchange rate effects manufacturing sector through investment and balance sheet channels. The second channel seems to be dominant for Turkey where an increase in exchange rate increases the costs of firms and may diminish their profits. A possible common explanation for this phenomenon is the high degree of liability dollarization, supply side. That is apparent from the real sector balance sheet items especially when the capital inflows are reversed and domestic currency depreciates. On the other hand, it is not a homogenous effect for importing and exporting sectors. It depends on the production and financial dependency structure of each sector. Taking into account the importance of negativities in micro basis may convert to a macro scale negativity in the long-run. This study provides sectoral liability dollarization ratios during the years 2009-2012 for the Turkish economy. The ratios are calculated for total companies, total manufacturing and 22 sub-sectors in manufacturing and they are compared according to their total, short-run and long-run liability structures. The scales of the companies are taken into account and possible diversifications among the sectors in manufacturing are discussed. Possible effects of the domestic currency depreciation on the liability dollarization of the sectors are evaluated.

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## Month of the Year Anomalies in Stock Markets: Evidence from India

Gagan Deep Sharma, Sanjiv Mittal and Prachi Khurana

### Abstract

Judging the importance of existence of calendar anomalies in the stock market to the investors, the present study attempts to find out monthly anomalies in the market. The presence of seasonal effects in monthly returns in the Indian market has been reported by many researchers in the past. This study attempts to examine whether the month-of-the-year anomaly still exists in the Indian Stock Market. For this purpose, two indices, S and P CNX Nifty and S and P CNX Nifty Junior and top nine companies (according to market capitalisation) from both the indices have been selected. The daily closing prices of the respective indices and stocks have been taken and the logarithm return of these prices has been calculated. Line charts and unit-root test are applied to check the stationary nature of the series. The Dummy Variable Regression Model has been applied on the returns to find out any statistically significant deterrent month in the year. The present study observes that both the indices and some of the selected companies reflect the month-of-the-year anomalies in the Indian Stock Market. Mainly, the monthly anomaly is found at the end of a quarter for the given period.

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Gagan Deep Sharma, Sanjiv Mittal and Prachi Khurana, 2014. Month of the Year Anomalies in Stock Markets: Evidence from India. The International Journal of Applied Economics and Finance 8 (3): 82-97, 2014. (DOI: 10.3923/ijaef.2014.82.97)

## Tax and Spend, Spend and Tax, Fiscal Synchronization or Fiscal Neutrality: Evidence from Bangladesh

S.M. Atiar Rahman and Md. Abdul Wadud

### Abstract

This study analyzes the direction of causal linkage between Government Expenditure (GE) and Government Revenue (GR) in Bangladesh applying Johansen's cointegration and Error Correction Mechanism (ECM) covering the period from 1973-2013. Before proceeding to check cointegration and causality, we apply augmented Dickey-Fuller and Phillips-Perron (PP) unit root test to assess the time series properties of the variables. The results of ADF and Phillips-Perron (PP) unit root test indicate that both time-series data is nonstationary at their levels but stationary at their first differences. Results of the Johansen cointegration test show that a significant long-run equilibrium exists between GE and GR. Results from Granger causality test based on Vector Error Correction Models (VECM) suggest unidirectional causality from revenue to expenditure in the long run supporting Tax-and-spend hypothesis.

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## Measuring Spatial Price Transmission of Coffee between Bench Maji Zone and Central Market in Ethiopia

Dessalegn Gachena and Amsalu Mitiku

### Abstract

This study tries to analyze the spatial price transmission of coffee between Bench Maji Zone and Addis Ababa markets. Monthly prices data (September 2006 to August 2011) for producer and central market prices were collected from Central Statistical Agency of Ethiopia. The Engle and Granger procedure was employed to test for co-integration between prices. The ADF test for unit root was applied for individual price series. The results of stationarity tests indicate that, after the first difference, the null hypothesis was rejected at 1 percent level of significance implying that the price series are integrated of order I(1). The results of Engle and Grange Co-integration show that there exists a long run relationship between local market (Bench Maji-Zone) and the central market (Addis Ababa) price. A one unit change in Addis Ababa price series brings about 56% changes in Bench Maji-Zone coffee price series. Moreover, Error Correction model revealed the existence of a weak short-run price transmission effect to local market. About 31% of the current change in the local market price is due to the current change in the central market price. However, the hypothesis of full market integration was rejected at 5% significance level. It takes two months' time to complete full adjustment indicating that market equilibrium in the short-run was inefficient.

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## Effects of Central Banks' Interference on Speculative Build-up in the Foreign Exchange Markets

A.V. Vygodina

### Abstract

This study investigates the effects of the central banks' interventions on the probability of occurrence of extreme fluctuations in the exchange rates. It looks at the interventions by central banks of Germany, Japan, Switzerland and US in DM/USD, CHF/USD and JPY/USD foreign exchange markets. Cox proportional hazard test methodology is applied to determine the probability of experiencing extreme fluctuations in the exchange rates. The central question of the study is whether central banks' interventions increase the probability of a crash or act as a stabilizing force at the foreign exchange markets. The results of the study indicate that German and Swiss central banks interventions act as stabilizing force at the FX markets. Japanese and US central bank interventions, on the other hand, increase the probability of occurrence of extreme events at the JPY/USD and USD/DM markets.

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## Role of Credit and Saving Share Company in Poverty Reduction in Rural Communities of Gumay District, Jimma Zone, South West Ethiopia

J.M. Sabit and A. Mohammed

### Abstract

The study has evaluated the role of Oromiya Credit and Saving Share Company (OCSSCo) in reducing poverty in rural communities of Gumay district, Jimma Zone, South West Ethiopia. Purposive sampling techniques were employed to collect data for selecting sample respondents from the staff, farmers, women and youth association representatives. Accordingly, from currently existing 10 active credits and saving associations found in the rural areas of the district; 10 respondents from each member group which amounts a total of 100 sample participants were included. The results were subjected to ANOVA and all statistical computations were made by using SPSS version 20 computer software. According to the analysis conducted, most of the respondents were found to register significant increasing trends in their income, increase in quantity and quality of the daily dish served for consumption and housing improvements. The outcome of current research also indicated that there was the diversification of business activities, for the loans were disbursed for agricultural and other business activities but the size of the loan that the institution allows is very limited. Therefore, strengthening financial capacity to OCSSCo to increase the amount of loan it disburses for each client might reverse the direction. As most of the clients suggested that the loan was not sufficient to run their projects, OCSSCo ought to make an effort to increase the size of loan for its clients in relation to the business size and type of activities.

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## Capital Structure and Firm Performance of Listed Non-Financial Companies in Bangladesh

Md. Abdur Rouf

### Abstract

This study investigates the firm performance on capital structure for the listed non-financial companies in Dhaka Stock Exchange (DSE) for the period of 2008-2011 under judgment sampling method. Specific objective of this research is to examine the relationship between the attribute of capital structure and the performance as measured by Return On Assets (ROA) and Return On Sales (ROS). Multiple regression models were used to estimate the influence of capital structure on firm performance and capital structure was measured by the debt ratio, debt to equity ratio, current debt ratio, proprietary of equity ratio and current assets proprietors' funds Ratio. The results obtained from regression models show that Debt Ratio, Debt Equity Ratio and Proprietary of Equity Ratio are negatively and significant relationship with Return On Asset (ROA) and Return On Sales (ROS). Beside the control variable total asset is positively and significant relationship with Return On Asset (ROA) and Return On Sales (ROS).

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