

Dear Colleagues

Welcome to the second issue of the *Journal of Capital Markets Studies (JCMS)*. We are pleased to continue with our efforts to provide scholarly research in the field of economics and finance with a specific focus on capital markets.

The launch of the *JCMS* coincided with the 2nd Capital Markets Summit held in Istanbul in November 2017. At the summit, *JCMS* met with great enthusiasm and excitement that far exceeded our initial expectations. With a rejuvenated dose of eagerness and intensity, we are looking to bring to our audience an ever-increasing breadth of high-quality research.

This second issue includes seven papers dealing with capital markets concerns in several markets. The first paper is titled “Due diligence in capital markets”. In that paper, Mervyn King points out the due diligence only on financials will not be sufficient and suggest that the institutions participating in capital market transactions involving company shares or bonds have to exercise great care in their due diligence before investing their ultimate beneficiaries’ money.

The following paper, Prem Sikka’s “Combating corporate tax avoidance by requiring large companies to file their tax return” concerns tax avoidance and transparency, and recommends policy options by appealing to notions of transparency, public accountability and fair competition. Sikka argues that the public availability of corporate tax returns can help to check tax avoidance emphasizing public filing of the tax returns of large companies.

The next paper titled “Towards a well-functioning stock market in context: critically appreciating issues in interpreting efficient markets research and its regulatory implications”, co-authored by Jim Haslam, Jiao Ji and Hanwen Sun, addresses prices, information and regulation with a focus upon the stock market in context. The paper suggests a pragmatic regulatory policy that should be concerned to improve stock market functioning, including with respect to information, as well as the context of which this is part.

The fourth paper is titled as “Comprehensive evaluation of the financial performance for intermediary institutions based on multi-criteria decision making method”. In this paper, Güler Aras, Nuray Tezcan and Özlem Kutlu Furtuna assess the financial performance of the intermediary institutions that have operated in the Turkish capital markets taking the issue of bank origin and non-bank origin institutions into account. The experimental research provides that the average performances of continuously operating intermediary institutions during the concerned period are above the average performance levels of all intermediaries. The authors argue that the average financial performance of the bank origin intermediary institutions is higher than the average score of non-bank origins.

The fifth paper “Which aspects of CSR predict firm market value?” is an empirical attempt to find robust evidence that corporate social responsibility (CSR) predicts firm. Burcin Yurtoglu and Setavan Bajic’s explore which aspect(s) of CSR drives this result by using a country-benchmarked overall CSR index. With that comprehensive data set, they argue that that firms, in responding to investor pressure for better CSR; and investors, in assessing CSR, would do well to focus on the social aspect of CSR practices.



In the following paper, Alper Özgün, Hasan Murat Ertuğrul and Yener Coşkun provides insight house price spillovers exploring the linkage between the USA–UK and London–New York housing markets. They reveal that country-level causality is running from the USA to UK whereas city-level causality is running from London to New York. Additionally, the model outcomes suggest that real estate portfolios involving the US and UK assets require a dynamic risk management perspective.

The seventh and last paper is “Cointegration and causality in capital markets” by Can İnci. He sheds light on energy futures capital markets using intraday data. That paper confirms that oil spot and oil futures markets are tightly linked and shows that most of the reaction is completed within at most half an hour.

We hope you enjoy the second issue of *JCMS*. Should you have any specific suggestions for future releases, please feel free to contact us. We value your input.

Our e-mail addresses are provided below and *JCMS*'s website is available at: www.emeraldgroupublishing.com/services/publishing/jcms/index.htm

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About the Editor-in-Chief

Güler Aras, PhD, CPA, is Professor of Finance and Accounting at Yildiz Technical University, and the Founding Director of Center for Finance, Governance and Sustainability (CFGs) at YTU. Professor Aras is the Founding Chair of the “Integrated Reporting Network Turkey”. She was a Visiting Professor at Georgetown University McDonough School of Business and she is the former Dean of the Faculty of Administrative and Economic Sciences and the former Dean of the Graduate School. Her research focus is on financial economy and financial markets with particular emphasis on the relationship between sustainability, corporate governance, corporate social responsibility and corporate financial performance. She has published more than 25 books and has contributed over 250 articles in academic, business and professional journals. She also edited several book collections and conference proceedings. Her latest books, *Sustainable Markets for Sustainable Business: A Global Perspective for Business and Financial Markets* (2015) and co-authored books *Transforming Governance* (2016) and *Corporate Behaviour and Sustainability: Doing Well by Being Good* (2017) published by Routledge. She is the Editor in Chief of *Journal of Capital Market Studies*, Editor of Routledge Book Series, *Finance, Governance and Sustainability: Challenges to Theory and Practice* and the Editor of Routledge book series *Corporate Social Responsibility*; she has also served as an Editor of *Social Responsibility Journal* and *Emerald Development of Governance and Responsibility* book series. Professor Aras has spoken extensively at professional and academic conferences and has served as a Consultant to number of governmental and commercial organizations such as Minister of Development, Undersecretary of Treasury and Minister of Labour and Social Security Employment in Turkey. Professor Aras is working with business closely and she is acting as an independent board member of several institutions and independent board member of “Turkish Capital Market Association (TCMA)”.