Editorial

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Welcome to the second issue of the *International Journal of Management and Economics* (volume 55)!

In this issue, we offer three papers in finance, two in economics, and one in management. Four of them are based on the original empirical research, and there are two conceptual characters. Taking into account a geographical approach, we have one paper dedicated to the analysis of Turkish stock market, one about South Asian economies, and one paper analyzing the business models with global range. There are also three papers using data from Poland but with international context or possible universal extension of conclusions.

The issue starts with the paper by Sleiman Karime, entitled “Political News and Stock Market Reactions: Evidence from Turkey over the Period 2008–2017.” The primary aim of the study is to examine the impact of political news on the returns and volatility of Borsa Istanbul 100 Index (BIST-100). The author employs univariate time series analysis and various nonlinear volatility models and delivers several interesting findings. First, there seems to be a significant impact of political news on the returns and volatility of BIST-100 Index. Second, negative shocks derived from bad news tend to have a significant impact on the returns and volatility, whereas positive shocks derived from good news do not tend to have any significant impact on the returns but on decreased volatility. The analysis also reveal the presence of so-called leverage effect, which means that the impact of the positive shocks to the volatility is smaller than that of the negative shocks of the same magnitude. Finally, political news, both good and bad, can affect stock return and stock return volatility in different directions, and this direction is time varying.

The second paper, entitled “Testing Trade-Off Theory and Pecking Order Theory under Managerial Overconfidence” is by Elżbieta Bukalska. This study represents a relatively young trend of research named *behavioral corporate finance* in which psychological factors of managers are taken into account in order to explain various corporate decisions. The paper challenges the neoclassical theories of corporate capital structure and search the pattern of financing decisions of overconfident managers. The study is based on a sample of 145 private Polish companies. Their managers were tested for overconfidence based on interviews, and financial data from the period 2010–2015 were used to calculate the standard set of financial ratios. The analysis reveals that overconfident managers display reverse pecking order preference: their firms use more equity to finance the deficit, and they have a higher equity ratio in static terms. This finding is counterintuitive and inconsistent with a number of earlier studies. The author attributes the different results to different proxies for overconfidence and different sampling (public or private companies). There is also another interesting point resulting from this research—companies managed by overconfident managers show bigger demand for capital due to higher total assets that indicate possible impact of overconfidence not only on financial but also on investment corporate decisions.

In the third paper, “The Relations Between the Quality of Financial Statements and Corporate Governance,” Iwona Franczak underlines the importance of the relation between the quality of financial statements and the application of corporate governance principles. The study refers to Polish and the EU regulations on financial reporting and corporate governance.

The next paper, “Business Models Innovation Based on Crowds. A Comparative Study,” by Katarzyna Kubiak and Anna Wziątek-Kubiak, presents how information technology impacts business models and makes interaction between consumers and companies more common. The aim of the paper is to analyze and compare crowdsourcing business models of three substantially different product and content companies

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functioning globally online: Threadless, iStockphoto, and Quirky. The authors point out differences and similarities between those firms. They also offer more general observations and insights that could be valuable for any other entities already involved or potentially interested in crowdsourcing.

The fifth article is placed in pubic economic law literature, namely in the area of regulations of national markets for gas fuels and electricity in the lieu of EU legislation. Marcin Marszałek in his paper enititled "Legal and Institutional Aspects of Public Forms of Electricity or Gas Fuel Trading in Poland versus the Conditions in the Common Energy Market" presents a "legally, technically and economically empowered suggestion for a clear definition of a competitive market of gas fuels and electricity of a Member State in order to be utilized within transborder trade of these utilities, as required by the EU legislation." He strongly argues for public forms of trading, the energy exchange market and the regulated market, and, only to a limited extent, for public procurement.

The final paper of this issue, "Investigating the Effect of Governance on Unemployment. A Case of South Asian Countries," is by Aiza Shabbir. With the use of a panel vector error correction model (VECM) and a set of data for the period 1994–2016, this study aims to investigate the short run and long run relation between economic variables and the unemployment rate in South Asian countries. The initial outcome of the analysis shows a negative and significant relation among governance, internet users, mobile cellular subscriptions, fixed broadband subscriptions, and human capital with an unemployment rate of South Asian economies. In contrast, financial activity and population growth have a positive and significant relation with the unemployment rate. Finally, Granger causality test indicated bidirectional causality between governance and unemployment rate, while internet users and fixed broadband subscriptions showed unidirectional causality with the unemployment rate. Population growth, financial activity, mobile cellular subscriptions, and human capital showed no causality in the short run. This paper offers a set of interesting observations that may shed new light on factors driving unemployment in South Asian countries.

We hope that the variety of approaches and subjects considered in the current issue will interest many readers and will become a good source of inspiration and further research. Enjoy reading!