EDITORIAL INTRODUCTION

ALİ ÇOŞKUN*
Boğaziçi University

NESLİHAN YILMAZ**
Boğaziçi University

The idea of establishing a stock exchange in Turkey emerged in the mid-nineteenth century, and Galata Bankers took the lead in this regard by founding an association in 1864. Although the birth of a stock exchange in Istanbul can be attributed to the establishment of Dersaadet Bonds Market in 1873 (renamed as Stocks and Bonds Exchange in 1906) or the restructuring of the Stocks and Bonds Exchange into the Istanbul Securities and Foreign Currency Exchange in the republican era, it was not until 1985 that the Istanbul Stock Exchange (ISE) was founded in its present form.

In 2010, in appreciation of the 25th anniversary of the establishment of the Istanbul Stock Exchange, the ISE and the Department of Management at Boğaziçi University organized an international competition. All research papers on stocks exchanges were encouraged to enter the competition. The topics included the stock exchange industry and recent trends, financing methods, and financial markets in general. In this issue, select papers from the competition that span different countries and topics are being published.

In his paper, Kee looks at the effect of corporate governance and abnormal accruals on firm performance. He argues that quality accounting information has an important effect on firm performance and serves as an input to better governance structures. In the paper, he uses the magnitude of abnormal accruals as a measure of accounting information quality and finds that good governance in the absence of quality accounting information does not have a significant effect on performance. Moreover, he finds that the uncertainty associated with the abnormal accruals signal is resolved with information about the firm's governance structure and contains unique information about the future prospects of the firm.

Tahaoğlu and Güner analyze Turkish data from the Istanbul Stock Exchange. They look at the return performance of insiders from their open market transactions in order to check whether uninformed investors can earn abnormal returns by following insider transactions announced to the public. They find that there are in fact abnormal returns to insiders lasting over longer holding periods from their sale transactions than their purchase transactions and outsiders can also earn abnormal returns by mimicking sales of insiders. These results imply that the ISE is neither a semi strong nor a strong form efficient market.

Kumar and Pandey examine price discovery in the Indian Commodity Futures Market. They look at the return and volatility spillovers between spot and futures markets for seven non-agricultural (gold, silver, aluminum, copper, zinc, crude oil and natural gas) and four agricultural commodities (soybean,

* Ali Çoşkun is an Assitant Professor in the Department of Management at Boğaziçi University, 34342, Bebek, Istanbul, Turkey. E-mail: alicoskun@gmail.com

** Neslihan Yılmaz is an Assitant Professor in the Department of Management at Boğaziçi University, 34342, Bebek, Istanbul, Turkey. E-mail: neslihan.yilmaz@boun.edu.tr

corn, castor seed and guar seed). They find that in most of the cases, the futures market leads the price discovery process for non-agricultural commodities, except for aluminum and copper. For agricultural commodities, spot market and futures prices are co-integrated and both markets play a dominant role in the price discovery process.

Gümüş et al. study the impact of domestic and foreign, namely US, macroeconomic news on the ISE's volatility between 2002 an 2010. They find that domestic announcements have a significant effect on volatility, whereas foreign announcements do not have a significant effect.

Tella et al. investigate the relationship between the global economic crisis and stock markets' efficiency focusing mainly on African stock markets. They find that there was a contagion effect of the global crises on African stock markets; however, there is no sustaining evidence of improved market efficiency arising from the crisis. They also show that the major driver of the African stock markets is the Johannesburg stock market and the significant effect of the crisis on the Africa stock markets was driven by the impact of the crisis on this stock market.

Ergincan proposes a mobile corporate governance model for corporate governance and investor relations. Mobile corporate governance stands for the process of communication and information sharing between companies and shareholders through electronic means. He explains that it starts with a corporation's real-time transmission of any announcement through electronic communication and mobile applications to its shareholders. The process is concluded by providing governance of the corporation on electronic platforms, including electronic general assembly meetings that utilize tools such as electronic voting. Ergincan argues that his proposed model can be a model for other central securities depositories with direct holding systems which have up-to-date shareholder information and it may enhance the progress of the OECD's main principles of corporate governance in Turkey.

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