

## FROM THE EDITOR'S DESK

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Articles for this issue were selected from the Western Decision Sciences Institute's 25th Annual Conference held in Seattle on April 2-6, 1996.

The theory of stock market efficiency posits that investors compete in using public information and in so doing, eliminate its value for earning additional returns. **VINCENT P. APILADO** and **GARRY M. RICHARDSON** investigate empirically the link between mean reversion in stock returns and market efficiency. Using three different methodologies (regression, variance ratios and Markov chain) on eight variables the authors find that their results are sensitive to the method used. Also, mean reversion is not unique to stock returns and may result from rational responses of investors to changing market conditions.

The interest rate risk of bond investments is divided into the price risk and the holding period return risk. **SANG-HOON KIM** derives a measurement for the holding period return risk in a bond investment based on the elasticity of the compound (terminal) value. The results reveal a trade off between the two types of risks: reducing or eliminating one risk can be achieved at the expense of increasing the other risk.

As the European Union (EU) gains momentum, it becomes important for investors to understand EU/US differences in approaches to regulation of insider trading. Since the most influential member of the EU is Germany, **MARIA K. BOSS**, **CHERYL A. CRUZ** and **CORNELIA ALSHEIMER-BARTHEL** compare and contrast the different approaches taken by Germany and the United States to regulate insider trading, with particular attention paid to the tax consequences.

An approach to assess the economic viability of infrastructure resources is presented by **LARA PREISER-HOUY** to contribute to our understanding of the impacts of such investments on organizational performance. The three-

phase approach is aimed at helping Information Systems and general managers make more informed infrastructure investment decisions.

Advances in information technology have profoundly changed the preparation of income tax returns. Many tax softwares have appeared in the marketplace. **DOROTHY M. FISHER, STEVEN A. FISHER and D. BRUCE SUN** use Data Envelopment Analysis to analyze and compare the performance of 18 professional tax preparation software packages. The results should help professional accountants reduce time and cost and improve their selection process.

The past decade witnessed rapid internationalization of business. Since markets in many industries are ever more integrated worldwide, methodological issues surrounding cross-national research are gaining attention. Can a research instrument prepared in one country be valid in another? **UGUR YAVAS and ZEYNEP BILGIN** examine the dimensionality, reliability and validity of a research measure developed in the United States (SERVQUAL) in the Turkish setting. They find that while the widely used service quality measure has acceptable reliability and validity, caution should be exercised when using the instrument.

**KAREN L. FOWLER and DONNA M. SCOTT** present an application of experiential learning theory to the capstone strategic management course. Traditional methods of instruction in the capstone course are compared and contrasted with the experiential approach. The article concludes with suggestions for future research which include the comparison of traditional feedback approach with the use of modeling.

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