

Annotated bibliography assignment

1. Koptuyug, N., Persson, L., & Tåg, J. (2020). "Should we worry about the decline of the public corporation? A brief survey of the economics and external effects of the stock market". *The North American Journal of Economics and Finance*, Volume 51, 101061.

Koptuyug et al. (2020) investigate the economic effects of the stock market on declining public corporations. The survey examines the role of the stock market and possible positive and negative external effects linked to a well-functioning financial market. A positive impact of increased investments on research and development, labor, and consumer surplus is highlighted. In addition, the researchers concluded that agency costs, mispricing of stocks, and a shortage of liquidity negatively impact corporate governance. Finally, it was shown that local stock markets and investors can stimulate innovation and foreign direct investment (FDI), as well as reduce the risk of unnecessary cross-border acquisitions. A strength of this study lies in its comprehensive analysis of financial structure literature regarding the decline of public organizations. A study such as this one provides insight into the relative importance of both positive and negative external factors in relation to the challenges of an active stock market.

2. Aisyah, A. R., Noor Ain, M. N., Ruzita, A. R. (2022). "DOES ASYMMETRIC INFORMATION INFLUENCE FOREIGN DIRECT INVESTMENT?" *Journal of Sustainability Science and Management*, Volume 17 Number 8, 118-137.

Using the daily stock prices of ASEAN+3 listed companies, Aisyah et al. (2022) examine the association between asymmetric information through micro-structures and foreign direct investment (FDI). The study uses illiquidity measures of *Amihud* and liquidity measures of *Amivest* to evaluate information asymmetry in the stock market. Overall, the results of the study demonstrate that *Amihud* has a negative relationship with FDI in contrast to *Amivest*, which has a positive relationship. A strength of the study is that it provides empirical evidence in the context of ASEAN+3 using more comprehensive asymmetric information measures, such as *Amihud* and *Amivest* (ratios). Moreover, the study is valuable for future research because it provides insight into the FDI performance of the finance industry. A further benefit of the study is that it promotes market transparency and stern disclosure to attract foreign investment into the economy, which is beneficial for investors and domestic firms.

3. Sarfaraz, A. H., Yazdi, A. K., Hanne, T., Gizem, Ö., Khalili-Damghani, K., & Husseinagha, S. M. (2022). "Analyzing the investment behavior in the Iranian Stock Exchange during the COVID-19 pandemic using hybrid DEA and data mining techniques". *Mathematical Problems in Engineering*, p1-16, 1667618.

In their study, Sarfaraz et al. (2022) assess the efficiency of various industries of Iran's largest stock exchange, Tehran, in the wake of COVID-19. This study employs a hybrid model of data envelopment analysis (DEA) and data mining techniques to analyze investment behavior in the Tehran stock market. According to the study, only nine out of 23 industries listed on the Iranian stock market in 2019 were efficient regarding various aspects of the economy, including banking, investment, transportation, and more. Furthermore, by 2020, the number of those industries will have decreased to six. Results indicate that industries whose performance was strongly influenced by COVID-19 had the worst performance and witnessed a decline. One strength of the study is its proposal of solutions for the enhancing performance and efficiency of companies in different industries during the pandemic. The study is valuable because it provides consistent evidence from supporting studies that compare the economic situation with a normal economy. Moreover, the study provides evidence for the strong effect the virus has had on an industry, which could lead to future research.