

EDITORIAL

Welcome to this edition of the Journal of Law and Financial Management (JLFM). Now in its 11th year, JLFM continues to provide a forum for the publication of research and analysis focused on the nexus of the general disciplinary areas of law (primarily business and commercial law) and financial management, encompassing all aspects of accounting and financial reporting, finance and financial economics.

In our first article, German researchers Bernhard Hirsch and Yvonne Schneider examine the intangible elements of customer value and their critical role in enabling a company to achieve competitive advantages, and in creating and enhancing its value. They propose a theoretical approach to the identification and mapping of customer value drivers, and using the logic of value driver trees, are able to visualise the inter-relationships between customer contribution and economic value add. This article will prove of particular relevance to readers involved in the management or research of value-based planning.

Next, Owen Hall and Darrol Stanley from Pepperdine University look at the Efficient Market Hypothesis (EMH) and propose a test to assess market inefficiencies using fundamental and technical analysis. They demonstrate that using four classic market inefficiency factors in an analytical trading rule, it may be possible to generate superior returns than the market average; an outcome that defies the EMH assumption. While further research is required to determine if an operational portfolio can be viably constructed around their logic rules, the authors provide some interesting insights into market mechanics and contribute to the critical debate surrounding the EMH.

Finally, Hannes Frey, Tim Herberger and Andreas Oehler from the University of Bamberg look at the practice of valuation of patented technologies by CPA accountants in Germany. Their survey examines considerable diversity in the practice of fair value estimation of these intangible assets. As research continues to develop on the role of intangible assets in creating competitive advantages and in creating company value, there is little doubt that greater emphasis will be placed on the valuation of these important assets. With the evolution and development of accounting standards, accountants will play a greater role in the estimate of fair value. This article will be of particular interest to standard setters and valuation practitioners.

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