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EDITORIAL NOTE

Dear readers,

This year, we are pleased to present to you with our 2018 issue; volume 11 of the Asian Journal of Accounting Perspectives (AJAP). In this 2018 issue, we present a total of five articles that cover a wide spectrum of accounting perspectives. These include audit quality, accounting conservatism and foreign direct investment, technical efficiency, IFRS and investment behaviour, and ethical governance. The authors in this issue are from India, Nigeria, Oman, Sri Lanka and Malaysia.

The first paper, by Sulaiman, Yasin and Muhamad (2018), provides an interesting discussion on audit quality from the following perspectives: academic, professional, and the regulator. Audit quality insinuates an issue that is critical in the context of the current business landscape. Much criticism has been hurled at the auditing profession following the occurrences of corporate failures. Against this backdrop, the paper focuses its discussion on a review of the literature that provides insights into audit quality. The authors find that the majority of academic research on audit quality concentrates on the notions of competence and independence as the key concepts to measure audit quality. On the other hand, practitioners employ a broader concept of audit quality that embraces social and organizational contexts. These connotations of audit quality include various relationships and interplay with other actors or parties in the auditing context. The regulator's perspective appears to coincide with that of the practitioners, which perceives audit quality as the outcome of various relationships and the interplay of parties in a broader social and organizational context. The paper concludes by offering some suggestions in relation to the research opportunities in this area.

The second paper, by Manawadu, Azmi and Hassan (2018), provides more evidence in relation to the financial reporting quality measured through conditional accounting conservatism and foreign direct investments (FDI). The authors contend that previous literature shows that the level of conditional accounting conservatism plays a major role in influencing FDI in a country. Based on this premise, the authors conducted a study in the context of South Asia, including India, Pakistan, Bangladesh, and Sri Lanka. The study examines a time period from 2006 to 2015 and covers all non-financial public companies in these countries. The results of the study show that there is a relationship between FDI and conditional accounting conservatism in the context of South Asia, generally, and in the context of individual countries like India, Pakistan, and Bangladesh. However, this relationship is not apparent in Sri Lanka. This suggests that compared to Sri Lanka, India, Pakistan, and Bangladesh exhibit conditional accounting conservatism, which implies high quality accounting information that is able to attract FDIs. The paper concludes by offering a policy recommendation to improve the conditional accounting conservatism in a country if the country wishes to increase its level of FDI.

Retaining the broader concept on "quality", the third paper, by Singh and Malik (2018), discusses the technical efficiencies of the banking sector in India. The study specifically examines the technical efficiencies in the "Indian context" as the author argues that India's banking sector has a significant impact on the country's economic growth. In addition, according to the authors, India's banking sector was not largely impacted by the US sub-prime crisis – warranting the significance to examine the technical efficiencies of the banking sector in this country. The authors use Data Envelopment Analysis (DEA), which is a non-parametric test to examine the technical efficiencies of the Indian banking sector. The sample selection includes twenty banks in the public sector and nineteen banks in the private sector. The results of the study show that profitable banks are more efficient than the non-profitable ones, which implies that the profitable banks are using their assets and resources efficiently. The paper concludes by suggesting directions for future research in this area.

Still based on the notion of "quality", the fourth paper, which is by Danrimi, Abdullah and Alfan (2018), offers a discussion on the impact of IFRS on investors' herding behavior in the European context. The authors provide a discussion on the literature surrounding the accounting quality, capital market, and the behavior of investors. The paper notes that there is limited research that addresses the link between financial regulation and the investors' trading behavior. The authors then propose a conceptual model, which suggests the moderating role of national economic culture in investigating the investors' trading behavior following the adoption of IFRS in Europe.

The fifth paper, by Nasir and Ali (2018), provides an interesting discussion concerning the relationship between corporate governance and financially distressed companies in Malaysia. Taking a sample from Bursa Malaysia for the period 2012 to 2016 of financially distressed companies – classified as PN17 – other than the finance or banking sector, the authors employ the Levene's Test for Equality of Variances Analysis, Pearson/ Spearman's Rho Correlation Analysis, and Binary Logistic Regression Analysis to analyse the data. The results of the study show that a higher number of board meetings are conducted in financially distressed companies in comparison to those that are non-financially distressed. This result is consistent with prior studies that contend that the level of board activities is higher in financially distressed companies. Hence, the implication to the management is that when the board meets more frequently, it is likely that the company is undergoing financial difficulties, which consequently, would lead towards a financially distressed situation.

Last, but not least, we would like to extend our gratitude to the authors, reviewers, the editorial and advisory board, and others who are directly or indirectly involved in the publication of this 2018 issue. A special appreciation is also extended to the editorial board of the faculty's sister journal, the Asian Journal of Business and Accounting (AJBA), to the management of the Faculty of Business & Accountancy, and all the members of the accounting department for their continuous support and encouragement for AJAP. A very big and warm thank you from all of us.

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