

Editorial

In this latest issue of *Decision* we present four research articles, one case study and two book reviews. The first article by Md. Rabiul attempts to investigate the impact of the development of banks and stock markets on economic growth in a sample of developing countries for the period of 1973 to 2002 using the Generalized Method of Moments. His empirical results demonstrate that banks and stock markets have separate as well as aggregate effects on economic growth. The second article by Sumit K. Majumdar and Kunal Sen, studies the effects of debt structure on a firm's strategic behaviour, such as diversification, advertising and out-sourcing, in the Indian context. Sen finds that firms which rely on arm's-length debt have better performance and are more likely to engage in advertising and diversification than firms which rely on borrowing from institutional lenders such as term-lending institutions. He argues that the public ownership of many institutional lenders may explain why they have not been able to monitor firms as effectively as arm's-length debt holders who are mostly in the private sector. The third article by Kalpataru Bandopadhyay and Souvik Kumar Bandyopadhyay investigates how group characteristics and bank-wise individual factors influence the risk of a bank and how they vary with time. His findings suggest that a temporal effect on group-wise characteristics and individual bank characteristics is minimal in determining their influence on the exposed risk of a bank. The author thus indirectly demonstrates why Indian banks are almost unperturbed even in the backdrop of collapse of big banks in the US and Europe. Finally, the fourth article by Aman Srivastava, investigates the impact of change in macroeconomic factors on the Indian stock market. His findings suggest that emerging economies, like India, in the long run are more affected by domestic macroeconomic factors than global factors.

From four finance and economics related papers that are strongly empirical in nature we present a very detailed case study by Nimruji Jammuladamaka of Hastina Limited, a social marketing project involving contraceptives. The issue ends with two book reviews. Anindya Sen reviews *The Dynamics of Competition: Understanding India's Manufacturing Sector* by K. Pushpangadan and N. Shanta, and Nabanipa Bhattacharjee reviews *The Intelligent Person's Guide to Good Governance*, by S. Munshi, B.P. Abraham, and S. Chaudhuri.

Finally, I would like to acknowledge my Senior Editorial Assistant, Ujjal Banerjee, for his dedication and competence in the running of this journal. I am sure my predecessors would agree that without his efficiency, the timely production of this journal would not be possible. Also, I would like to thank our copy editor and my assistant Avantika Tomar for the timely completion of her allocated work.

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