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## 03. Economics

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## **Abstracts from the 2016 Oklahoma Research Day**

### **Held at Northeastern State University**

#### **01. Business Administration**

#### **03. Economics**

##### **01.03.01 Till the Finish Line Do Us Part**

**Mecoy, William** *University of Central Oklahoma*

Teamwork is a pivotal factor for any firm looking to improve output and efficiency (Manzoor 2011). Understanding how teamwork between genders works is vital for firms making business decisions. The goal of our study is to find if one gender is more concerned with personal goals over teamwork. Several studies argued that males and females may approach teamwork differently. Specifically, that males are usually more concerned about competition, while females are not as concerned about personal performance (Ivanova-Stenzel and Kübler 2009, Healy and Pate 2011) We use marathon data to identify the couples that started the race by running together yet did not finish together. We assume that the member of the couple who leaves the other behind is less committed to teamwork. The results of our study can be used by firm's managers to make informed decisions about teamwork composition. We identify couples as runners having the same last name, being from the same city, and being within 15 years of age with each other. Our study estimates percentage of males and percentage of females that advanced at the end of the race, while leaving their partner behind. We further use statistical analysis to determine whether the differences in these proportions are statistically significant. Also, we use simple regression analysis to estimate which of the genders is more likely to advance and leave the other partner behind based on the age, residence, race length, their average pace, etc.

### **01.03.03 Foreign Mergers & Acquisition in the U.S. Oil & Gas Market**

**Hsu,Kuang-Chung Hsu** *University of Central Oklahoma*

**Zhu,Zhen** *University of Central Oklahoma*

**Zhang,Xixi** *University of Central Oklahoma*

**Petty,Brittney** *University of Central Oklahoma*

Previous research such as Hsu et al. (2014) indicates that the number of multinational oil & gas companies that entered the U.S. market through mergers and acquisitions (M&A) was growing rapidly in the last decade. In the literature, however, the discussion of foreign direct investment (FDI) in the form of cross-border M&A in oil& gas industry is very limited. This project tends to investigate the facts and determinants of this certain type of FDI in US oil and gas market. Our research questions are: 1. what are the major motives and determinants of multinationals who invested in the form of M&A in U.S. oil& gas industries? 2. is FDI in the form of cross-border M&A in oil & gas industry different from the FDI in other industries? This project will be an empirical study. Data of M&A in U.S. oil& gas industry will be collected and analyzed. Our focus is the transactions involving foreign parties. The results of the project are expected to contribute the foreign investment and oil & gas literature.

### **01.03.04 Theory Meets Practice: Enhancing Business Statistics Learning with data from Cafeteria**

**Jog,Chintamani** *University of Central Oklahoma*

**Tilford,Dana** *University of Central Oklahoma*

**Alger,Opal** *University of Central Oklahoma*

**Webb,Ariel** *University of Central Oklahoma*

**Bhargava,Kanika** *University of Central Oklahoma*

Undergraduate statistics courses pose a challenge for instructors and students alike because it is often difficult to generate interest in the subject matter. This project envisions learning in an introductory business statistics course complemented by working with data from a student-run cafeteria at the University of Central Oklahoma. The two main goals of the project are: 1) Impact student perceptions towards statistics/data analysis 2) Develop long term partnership and collaborations across departments.

### **01.03.05 The Impact of New Emerging Trading Blocs on OPEC in the Global Oil Industry**

**Hansen, Kennedy** *University of Central Oklahoma*

**Pybas, Shelby** *University of Central Oklahoma*

**Zhu, Dr. Zhen** *University of Central Oklahoma*

**Mhlanga, Keith** *University of Central Oklahoma*

The main goal of our research is to explore how the emergence of new trading patterns will have an impact on OPEC's activities in the global oil industry. In North America, trading in the energy industry has increased between the USA, Canada, and Mexico. Likewise, in the East, energy trade activity has increased in the energy industry between Russia, China, and India. Our hypothesis is that the strengthening of these energy trading blocs will threaten OPEC's traditional influence in the global oil market in the distant future. In our study, we will examine the geopolitical and economic factors that lead to the formation of these various energy trading blocs around the world. Furthermore, we will discuss OPEC's possible reaction in the global market in response to the emergence of these blocs. Our data is mainly based on information from the International Energy Agency and U.S. Energy Information Administration.

### **01.03.06 Seasonality, Seasonal Spread and Intertemporal Arbitrage: The Case of U.S. Natural Gas Price**

**Zhu, Zhen** *University of Central Oklahoma*

Many commodity forward and futures prices exhibit seasonable patterns, not just in the term structure, but also in the evolution of the prices. Existing theories on commodity prices assumes deterministic seasonality in the forward curve. Our proposal intends to provide stylized facts on commodity price seasonality and explain the seasonality based on economic theory, with an application to an energy commodity – natural gas. Furthermore, we intend to explain the sources of the stochastic seasonality. This, in a sense, provides the explanations as to why seasonality is not deterministic but rather stochastic. We consider market fundamental variables that would be expected to drive the seasonality. We also intend to document the changing seasonal spreads as another dimension of the seasonal characteristics of the natural gas prices. We also will use various economic variables to find evidence on sources of the changing spread. Our main focus is on the understanding of the causes of seasonal variations based on economic theory of storable commodities. A better understanding of the seasonality in commodity prices contributes to the successful modeling of both the spot and futures prices, as well as the prices of commodity options. It also has significant impact on trading strategies and risk management practices for market participants in the commodity markets.

### **01.03.07 The Decline of Pemex: An Economic Perspective**

**Ngo,Brandon** *University of Central Oklahoma*

**Traxler,Tylor** *University of Central Oklahoma*

The objective of the research is to analyze and comprehend the diminishing production levels of the Mexican national oil firm Pemex, the results of its recent overhaul, and the impact on the oil industry as a whole. The primary focus of the research is the contribution of Pemex's monopolistic role in its decline in production over the last decade. We will also explore the possibility of a lag in oil exploration technologies resulting from the production monopoly that Pemex held for 76 years. Alongside this possible influence, more factors that may have compelled the recent decade's witness of declining production numbers, lack of investment, and the need for redistribution of reserve access will be examined. Along the primary research focus of Pemex's past production figures, we will briefly consider the company's future. It is highly likely that Pemex will retain its significantly large market share in Mexico for future years. However, the large number of reserve shares that have opened up for bidding may serve as a strong foundation for the development of the private oil market. Due to the high interest in developing these newly opened reserves, there is a strong possibility that joint ventures throughout Mexico and technological partnerships would ensue. Such an occurrence would benefit Pemex as well as private firms from countries such as the United States, Britain, and Russia, and would subsequently improve the overall oil market through competit

### **01.03.08 A Path to Student Retention in Higher Education**

**Rassouli-Currier,Susanne** *University of Central Oklahoma*

**Embry,Kati** *University of Central Oklahoma*

**Clinton,M. Suzanne** *University of Central Oklahoma*

The low retention rate of students has been one of the most talked about issues in post-secondary educational institutions. Among existing studies, the majorities have investigated the factors affecting the retention rate by major and course rather than student retention at the aggregate college/university level. The present study aims to attain more information on student retention. The goal is that results will help administrators and faculty to better understand factors related to student retention and how to further engage students in activities and projects beyond the classroom in an attempt to affect retention rates. This study includes an extensive review of current literature on student retention (and receiving IRB approval). This review of research has helped us determine what factors significantly impact student retention rates and thus had an important role in the design of the questionnaire being used for our specific interests. These factors include: personal factors, demographic factors, ACT scores, academic performance, and financial stability impact among others. Further research and analysis determine the approximate level of significance for each of these factors and how they impact student retention. The findings are used to rank the factors accordingly.

### **01.03.09 Examining the Economic Costs of the Principal Agent Problem in Healthcare**

**Ghosh,Sanchari** *Northeastern State University*

**Aula,Mercy** *Northeastern State University*

Asymmetric information problems between healthcare providers and patients have contributed to escalating costs of healthcare across the country. The persistence of this imperfect information often leads to patients bearing large expenses, illustrating what is known in economics parlance, as the principal agent problem, where the principal (the patient) is exploited by the agent (healthcare provider) who has more knowledge about the nature of illness of the patient. This research focuses on the above principal agent problem in perpetuating healthcare costs, by examining data from the Health Expenditure Survey and the Current Population Survey on out of pocket expenses for US residents, who had some form of insurance coverage during 2009-2015. In addition, it attempts to determine empirically the impact of the Affordable Care Act in reducing out of pocket expenses, after controlling for socioeconomic and demographic characteristics and the type of insurance coverage held. The idea is to assess whether a system of mandatory coverage has the potential to decrease the prices charged for services through higher competition. Though debates on full implementation of the Act is still underway, this research can generate policy implications on the role of the current system in encouraging better flow of information between service providers and patients, so as to mitigate some of the high costs of healthcare affecting the economy.

### **01.03.10 Do Publicly Traded Companies Who Support Environmental Causes Outperform Those Who Don't?**

**Pepper,Cody** *University of Central Oklahoma*

Corporate executives are beholden to shareholders and expected to make decisions which maximize profits. In a strong economy for-profit companies make significant contributions to not-for-profit organizations in their community, often basing their giving on shared mission. When the economy slows these companies pull back their philanthropic gifts in order to focus all resources in areas that will increase profits in the short term, serving as an example that they view philanthropy as a financial burden rather than a sound financial investment. This research will look at the question, "Do publically traded companies who significantly support environmental causes outperform other companies in the stock market?" What if the act of philanthropic giving actually does increase shareholder value? Would these companies be obligated to continue giving in an economic downturn? This paper will examine potential correlation between companies who give, specifically to environmental causes, and increased stock prices when compared to the performance trends of other companies. To investigate these questions researchers will randomly select 100 companies from the S&P 500. They will be categorized as companies who significantly contribute to environmental causes or not and stock prices between 2000 and 2015 will be compared. This paper will look to see if companies who support environmental causes outperformed the companies who do not significantly support environmental caus