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

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

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

#### **04. Finance**

##### **01.04.01 To Roth or Not: A Review and Analysis of Retirement Plan and Conversion Options**

**Krishnan,Sivarama** *University of Central Oklahoma*

**Cumbe,Julie** *University of Central Oklahoma*

The Roth IRA plan created in 1998 had limited access to individuals with incomes above certain limits. Tax law changes that were enacted in 2005 and later have made the benefits of a Roth retirement plan available to nearly everyone regardless of income levels through possible conversion of deductible IRAs. This paper develops a broader and multi-dimensional decision framework that includes a metric to be compared to expected marginal tax rate at withdrawal of funds as well as the minimum investment horizon needed to break-even in terms of expected after-tax future values of the alternatives. We also incorporate random variability in the expected returns. Roth conversion would benefit investors with long investment horizon who do not expect significant reduction in their marginal tax rates. The biggest uncertainty may be with respect to external tax law changes.

##### **01.04.02 A Time-Series Study of the Exchange Rates of US Dollar to Japanese Yen and Chinese Yuan**

**Zhang,Chenyue** *East Central University*

**Zhang,Hongkai** *East Central University*

Our study is conducted to forecast the monthly exchange rates of US dollar to Japanese Yen and Chinese Yuan over the time horizon of January 2005 to September 2015, respectively. The method of simple linear regression is employed in this study to forecast the exchange rates. Since the exchange rate of US dollar to Japanese Yen exhibits a downward trend over the period of January 2005 to December 2011 (denoted as Period 1) and an upward trend over the period of January 2012 to September 2015 (denoted as Period 2), the linear regression is separately performed over Periods 1 and 2. The coefficient of determination (R-squared) yielded by the linear regression is 0.76 and 0.94, respectively, indicating that the regression line satisfactorily fits the actual monthly exchanges rate over each of the two periods. In contrast, the exchange rate of US dollar to Chinese Yuan exhibits a downward trend over the time horizon of January 2005 and September 2015, and thus we perform the linear regression over this entire period. The resultant coefficient of determination (R-squared) is found to be 0.89, showing that the regression line fits the actual monthly exchange rate well over the 129-month time period.

### **01.04.03 Optimizing Your 401(k) After College**

**Johnson,Stephanie** *Southeastern Oklahoma State University*

Many young adults are not worried about their future until retirement age is upon them. One effective way of accumulating retirement savings is through tax deferred 401(k) plans. The 401(k) plan is a company sponsored plan that allows an employee to make contributions to their retirement savings plan before taxes. Even better, many employers match employees' contribution, partially or entirely. This allows the retirement funds to grow much faster. An employee has to decide how much he/she would like to contribute as well as the contribution distributed among a number of mutual funds. The purpose of this research is to discuss ways to optimize your 401k plan. This includes choosing the right mutual funds to distribute your contributions to and investigating the risks involved. I will also be proposing on the amount of money needed to be contributed in order to obtain the desired amount of retirement funds under different scenarios. This also includes allocating your assets in both aggressive and conservative funds.

### **01.04.04 Determinants of house prices in Enid, Oklahoma**

**Qayyum,Arif** *Cameron University*

**Aryal,Aastha** *Cameron University*

The purpose of this paper is to analyze the sales price of houses in Enid, Oklahoma and examine that how this sales price depends on different characteristics of the houses. Based on previous literature we choose the attributes, such as number of bedrooms, bathrooms, garage, fireplace, pool, house size, lot size, and the age of the house. The research also intends to highlight what attribute has the strongest bearing on the sold price of the house.

### **01.04.05 Analysis of house prices in Tulsa, Oklahoma**

**Qayyum,Arif** *Cameron University*

**Bisht,Rahul** *Cameron University*

The purpose of this paper is to analyze the prices of houses in Tulsa, Oklahoma and observe the relation between house price and house characteristics. In order to carry out our analysis, we considered factors such as number of bed rooms, number of bathrooms, parking spaces, lot size, fire place, pool, and the age of the house. This paper also analyzes the highly influential characteristics in setting house prices.

#### **01.04.06 Analysis of house prices in Stillwater, Oklahoma**

**Qayyum,Arif** *Cameron University*

**Rehman,Omer** *Cameron University*

**Bhusal,Raju** *Cameron University*

The purpose of this paper is to analyze the prices of houses in Stillwater, Oklahoma and examine the relation between house prices and housing characteristics. We analyze different factors such as number of bed rooms, number of bathrooms, parking spaces, lot size, fire place, pool, and the age of the house.

#### **01.04.07 Handling the Financial Crisis: Evidence from Home Improvement Stores**

**Qayyum,Arif** *Cameron University*

**Glenn,Weston** *Cameron University*

**Secret,Nicole** *Cameron University*

**Velarde,Tera** *Cameron University*

In this paper, we analyze the home improvement stores during the financial crisis of 2008-2009 and after that. We analyze three largest and three smallest companies in the industry and see how they have performed during the period from 2007 to 2013. Home improvement stores are considered to be cyclical so we expect them to move with the market index but our results indicate that it is not the case.

#### **01.04.08 Automobile Industry: Large vs Small**

**Qayyum,Arif** *Cameron University*

**Joshi,Ayush** *Cameron University*

**Dykes,Michael** *Cameron University*

We analyze the automobile industry in United States of America from the period after the financial crisis. We examine three largest and three smallest companies in the industry and see how they have performed during the period from 2010 to 2014. We examine their performance individually and also in a portfolio during this period of five years.

#### **01.04.09 The Effect of Stock Market Movements on Human Behavior using Google Trends**

**Gerlitz,Immanuel-Carl** *Southeastern Oklahoma State University*

Objective The study examines the correlation between stock price movements and search engine search volume indicators. Search volume gives insight into behavioral aspects of finance, and how people make decisions. Hypothesis We expect the stock price to give indication for people's search behavior. A relationship between stock market movements and search behavior is measurable. The behavior can be fear-driven in a down market, and excitement-driven when stocks rise. Methodology We use data analysis to compare the percentage from Google Trends and historical returns data. Stocks & Indexes included in this study are Dow Jones Industrial Average (DJIA), Amazon, Inc. (AMZN), and Facebook (FB), and the search term "stock market." The time period for this study is between January 2015 and December 2015 using monthly data. Conclusion We observe that Google Trends' data lacks major events in the stock market by about a week. The stock market has an effect on the overall behavior of the people in the marketplace whether it is fear or excitement.

#### **01.04.10 Cameron University Stock Portfolio**

**Qayyum,Arif** *Cameron University*

**Sharkey,Krishtian** *Cameron University*

**Joshi,Ayush** *Cameron University*

**Dykes,Michael** *Cameron University*

**Short,Jacob** *Cameron University*

The purpose of this research is to analyze the risk and return of student managed Cameron University Stock Portfolio. We evaluate three years of investment data for Cameron's Portfolio and compare it to S&P 500 stock index. Our results present the importance of diversification and its influence on risk and return of a portfolio.

#### **01.04.11 Student Managed Bond Portfolio Vs Bond indices**

**Qayyum,Arif** *Cameron University*

**Glenn,Weston** *Cameron University*

**Secrest,Nicole** *Cameron University*

**Oligher,William** *Cameron University*

**Chaudhary,Jayant** *Cameron University*

The purpose of this research is to compare the risk and return of student managed Cameron University BancFirst bond Portfolio with national bonds indices. We examine three years of investment data from Cameron's Portfolio and compare it to data over the same period of national bond indices. Our results indicate the importance of diversification and its influence on risk and return of a portfolio.

#### **01.04.12 Stock buybacks revolution**

**Nziazi Lutumba,Tom Jones** *Southeastern Oklahoma State University*

**Bourobou,Wendrill** *Southeastern Oklahoma State University*

**Abstract** In the recent years, many US companies have been stepping up over stock buybacks, also known as stock repurchases. Stock buyback is the re-acquisition by a firm of its own stock from the market place. It is well documented that stock repurchases have direct impacts on the company's stock price. Indeed, during periods of falling interest rates and favorable market, companies can choose to invest in own shares to use available cash, and raise the price of their securities. Stock buyback also influences company's performance measures such as earning per share (EPS), which are sought by many investors. Stock repurchases allows the company to control its flow of capital, and to make it less vulnerable to potential takeover attempts. In addition, they increase the price of the company's shares and subsequently reward shareholders. The purpose of this research is to examine why some companies are stepping up over stock buybacks in recent years. We also investigate companies that used that strategy such as Apple and Microsoft on a case by case basis.

#### **01.04.13 Optimal Debt Resource Allocation for Paying off Student Debt and School Selection for Maximizing Earning Potential**

**Galewaler, Jeffrey** *Southeastern Oklahoma State University*

Abstract Students begin their college careers with a plethora of options for financing their continuing education. Pell Grants, Scholarships, FAFSA, subsidized or unsubsidized loan options, are all part of the equation in determining which debt type is the most cost effective to further one's education. The discussion begins with school type, public or private, and the various ranges in tuition that are charged per credit hour and the eventual payoff of earnings after graduation. The purpose of this research is to provide students with information that will be helpful in minimizing future debts and maximizing savings throughout their journey in higher education. Our hypothesis is that attendance of a state University or combination of a two-year school and a four-year school will help provide the largest cost savings and future income as opposed to similar private universities. We will discuss several variables including school size, tuition costs, graduation rates and the ultimate goal of every student maximum salary in the current job market. The fields our research will focus on are the fields of Science, Technology, Math, Engineering and Business. Our research seeks to prove the most cost effective measures to allocate future income to pay-off student loans while maximizing student's dollar to credit hour ratio, as well as, minimizing total costs associated with attending differing universities and the maximization of future earnings.