Foreword

The aim of the *Journal of CENTRUM Cathedra (JCC): The Business and Economics Research Journal* is to become an evergreen, favorable journal through disseminating high quality scholarly research articles to the pool of knowledge seekers in the field of business and economics; as well as play a vital role as a medium of exchange for transmitting and simulating the frontiers of thought and enhancing business and economics research between Latin American and non-Latin American countries with its well-balanced research framework.

This issue of the *Journal of CENTRUM Cathedra (JCC): The Business and Economics Research Journal* includes five research articles written by authors from Argentina, Canada, Mexico, Peru, Poland, and Spain. The articles cover a spectrum of research areas such as competitiveness, valuation and arbitrage, foreign direct investment and international trade, labor unions, auditing and non-auditing activities, and the minimum wage and labor mobility. This issue of the journal, like earlier issues, maintains the aim to present a global perspective.

One of the most common yet important matters that multinational companies face is deciding which currency (domestic currency or US dollars) to value an investment or an acquisition in when working in a foreign or emerging market because of how it affects the inputs. In “Currency Choices in Valuation: An Approach for Emerging Markets,” Guillermo L. Dumrauf describes the equivalence of a discounted cash flow value using different currencies, followed by a discussion of the method used to forecast the exchange rate using a yield spread in market bonds. The adopted approach provides a framework to assess the consistency of the macro-economic variables of the financial projections. This in turn allows the model to be extended to explore the effect on the business value of a company as currencies depreciate or appreciate.

In “Minimum Wage and Job Mobility in Peru,” Nikita Céspedes Reynaga and Alan Sánchez revisit the effect of the minimum wage on the Peruvian labor market. As the authors themselves highlight within the paper, the study of the dynamic effects of the minimum wage in the context of the Peruvian economy is of great interest since this country has experienced a remarkable transformation over the last two decades, including a period of persistent economic growth and of economic labor growth. In consequence, authors study the effects of the minimum wage on employment and income in Peru by considering a monthly database that captures seven minimum wage changes registered between 2002 and 2011. The analysis includes an exploration of the modifications in the minimum wage observed throughout the last decade; the effect of the minimum wage on a range of outcomes, including employment status, job mobility, informality, and workers’ income; and the short- and long-run effects of the minimum wage.

In “Internationalization of Firms’ Activities and Company Union Wage Strategies,” Domenico Buccella discusses and illustrates the consequences and implications of the process of international market integration. The author explores how trade costs or undertaking direct investment in a foreign country is affected in firms that are fully unionized. This is identified as a gap in the existing literature as few authors have to date researched how this process affects the unions’ strategic behavior and how the unions’ behavior may in turn affect the firms’ strategic choices in terms of international activities. Buccella develops a non-cooperative three-stage game of international duopoly in the presence of unionized workforces at the company level. The paper concludes with a set of managerial implications and the author makes some final remarks and suggestions for future research in the area.

One of the main concerns that has emerged after a number of financial scandals over the past few decades is about the execution of multiple and various services by auditors. In the article “Positions on Regulations Affecting Auditing and Non-auditing Activities,” Rosario López, José Ángel Pérez, and José Enrique Romero investigate the positions taken by academics and auditors on the legal aspects that regulate the execution of auditing services. Hence, the purpose of this study is to assess whether changes made in the auditing legislation are likely to contribute to a reduction of the existing controversy surrounding the execution of various services by auditors. The study’s target population comprised of auditors belonging to the Registry of Spanish Auditors and academics belonging to the Spanish Accounting Professors Association.

Competitiveness has been a subject of study for decades and even today it continues being a constant concern for countries, regions, companies, and organizations worldwide. In their paper titled “Competitiveness Among Higher Education Institutions: A Two-Stage Cobb-Douglas Model for Efficiency Measurement of Schools of Business,” Sonia Valeria Avilés-Sacoto, Wake D. Cook, and David Güemes-Castorena focus on a study of competitiveness, benchmarking, and efficiency in the context of higher education. The authors pinpoint
data envelopment analysis (DEA) as an important tool for identifying best practice in both competitive and noncompetitive settings. In order to meet the goal of their paper, Avilés-Sacoto, Cook, and Güemes-Castrorena develop a two-stage DEA methodology based on the Cobb-Douglas function. The authors also apply the developed model to a data set of undergraduate business programs and conclude the paper with their final insights.

The efforts of many academics and researchers who contributed articles and the knowledge of the experts within the field who reviewed the articles have made this issue of the journal possible. We thank you. We further extend our gratitude to the administrative and editorial staff of CENTRUM Católica Graduate Business School, CENGAGE Learning, and Language Online Editing (www.languageonline.us). Special recognition goes to Professor Fernando D’Alessio, the Director General of CENTRUM Católica Graduate Business School; and Professor Percy Marquina, the Deputy Director General of CENTRUM Católica Graduate Business School for their support.

We believe that the articles published in this issue of the JCC should be of considerable interest to our readers. Thus, we wish you, our readers, informative reading.

Vincent Charles