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## Article

## Letter from the editor

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## LETTER FROM THE EDITOR

With the present issue I've assumed the role of Editor-in-Chief of *The Journal of Entrepreneurial Finance and Business Ventures*, with my colleagues at the School of Management, Syracuse University, David Wilemon and Chunchi Wu carrying on as Editors. In addition, Yochanan Shachmurove, who was instrumental in helping us put together our two previous issues, joins our Board of Editorial Advisors, as do William J. Baumol, and Lawrence R. Klein.

Reflecting the diversity of the field itself, the present issue of the *Journal* is characterized by many different concerns and approaches to the area of entrepreneurship. Accordingly, in the first article, **Bathala, Bowlin** and **Dukes** look at corporate governance, illiquidity, and valuation issues as they are reflected in privately held firms. They find that family owned firms predominate in the ownership structure of privately held companies. Also, insiders of such enterprises own a much larger proportion of the equity than insiders of publically held firms and have CEOs who are their largest shareholder to a far greater extent. In the next article **Vos** and **Smith** look at the relationship between risk, return and the degree of ownership involvement in privately held firms. They note that for financial theory to be valid market information must be easily visible and obtainable. This is rarely the case for privately held firms. The authors use data for 100 small firms and find that there is no significant relationship between financial returns and risk. However, the authors do find a relationship between the level of control exercised by small firm owners and the financial returns of the firm. Next, **Blažić, Nikolić** and **Pečarić** study the consumption-based tax that has recently been instituted at the business level in Croatia. Croatia is the first country in the world to seek to apply a consumption-based tax at the individual as well as at the business level. The authors analyze the efficiency of this tax with regard to its neutrality as well as its cost effectiveness. Then, **Aktaş, Karan** and **Aydoğan** look at the question of forecasting short run performance of initial public offerings on the Istanbul Stock Exchange. After considering various models, they find that only the logit models beat the outcome of naïve strategies. In the following article, **Ciner** explores the connection between trading volume and price movements using evidence from the trading of the stocks of small firms. Using data from both the U.S. and France he finds that trading volume does indeed forecast the returns of small capitalization stock indices. In the next offering, **Dubil** examines the liquidity risk of a private equity firm that decides to dispose of a large holding of its portfolio. Finally, **Ho, Chan** and **Tompkins** note that hospitals have had to become increasingly entrepreneurial in today's difficult health care environment in order to survive. They note that hospitals have found that long term asset investment decisions are critical and that there has been an increasing use of the payback criteria among hospitals.

The focus of *The Journal of Entrepreneurial Finance and Business Ventures* continues to be upon the eclectic and interdisciplinary nature of the field as we seek to publish quality articles, regardless of their focus, that bear upon the diverse and pervasive nature of entrepreneurship. In this quest we solicit your best research.

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