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Editor's Introduction to Volume 3, Issue 2 of Expert Journal of Economics

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The second issue of the third volume of *Expert Journal of Economics* presents very interesting empirical studies that investigate macroeconomic issues from different geographical frameworks and valuable global applications. This issue encompasses papers on price reversal pattern for ARV drugs, the effect of fiscal and monetary policy on Indonesian stock prices, cointegration analysis based on the relationship between real exchange rate volatility and domestic investment, short-term risk premium in Poland, and an analysis of the investment function and the influencing factors at the European Union level. Further, I present a short description of each article published in *Expert Journal of Economics*, vol. 3, issue 2.

The first published article in this issue is authored by Frank Lorne and Sneh Shah, namely *'Price Reversal Pattern of ARV Drugs: A Transaction-Cost Approach Digression'*. This paper documents a price reversal pattern of ARV drug prices across these countries, suggesting several significant factors for considerations for global health management generally. The authors approach this subject with consideration of the fact that in less developed countries the drug price index was found to be higher than in developed countries. Moreover, this article discusses the transaction cost factors that may result in this price reversal pattern in the WHO data set selected for this study, and it also examiness certain normative angles of transaction costs by focusing on the buyers' relationship with the end users.

In *'Impact of Monetary Policy and Fiscal Policy on Indonesian Stock Market'*, Rossanto Dwi Handoyo, Mansor Jusoh and Mohd. Azlan Shah Zaidi examine the effect of fiscal and monetary policy on Indonesian Stock price and this research enhances knowledge on the impact of these two policies on stock market performance in general, thus proposing certain frameworks that can be extended to other countries or regions. The authors employ a near-SVAR model with a Monte Carlo simulation method to achieve the main purpose of the paper and apply these techniques on two sets of data, namely world oil price and domestic variables. The main conclusion of their study is that there is a positive short term response of the stock market to a monetary policy shock, however, on the medium and long term perspectives, the stock price will exhibit negative responses. The authors also investigate the simultaneous effect of both policies on stock prices and their findings have insights on the best courses of action for an effective macroeconomic perspective.

In Ibrahima Amadou Diallo's paper, namely '*Exchange Rate Volatility and Investment: A Panel Data Cointegration Approach*', the author presents a very interesting approach and findings of a cointegration analysis based on the relationship between real exchange rate volatility and domestic investment. The complex and thorough empirical analysis was conducted using data from 51 developing countries and the results show that real exchange rate volatility has a strong negative impact of investment. The author concludes that the

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effect of exchange rate volatility on investment is higher in low-income countries than in middle-income countries because low-income countries are more vulnerable to shocks.

Krzysztof Drachal examines short-term risk premium in Poland, in the 2005 – 2015 timeframe, in his paper *'The Structural Stability of a One-Day Risk Premium in View of the Recent Financial Crisis'*. Using current data, empirical analysis achieved in R considered the AR(1)-GARCH(1,1) as the most suitable type of model for the present research and the research techniques and results are comprehensively presented and explained in the context of Poland's yield of 10-year treasury bonds and daily data for WIG (Warsaw Stock Exchange all-stocks index). The author concludes that there is clear evidence that investors have different attitude towards the risk in different periods of a business cycle.

The article '*A New Perspective of Investment Modelling at the European Union Level*' represents a seminal work on analysis of the investment function and the influencing factors at the European Union level. Alin Opreana starts with a hypothesis that there is a negative relationship between the European Union investments and tax rates. In order to test this relationship (and other proposed hypotheses), the author employs structural equation modeling, and further expands the study by tracking the development of the investments' model at the European Union level. The outcomes of Alin Opreana's research identify a new model regarding the investment function and three confirmed hypotheses that contribute to macroeconomics knowledge.

A Final Thought

Our Editorial Board would like to extend our appreciation to our the Authors for choosing Expert Journal of Economics as their scientific publishing outlet, to our Reviewers for their involvement and their input on the articles published in this issue, and to all the Readers and Researchers for downloading, citing, and expanding on the theoretical and empirical economics article we publish.