

## From the Editor

### THE BOUND IDENTITY

An academic is usually regarded as one that works as a lecturer or researcher at a university. At face value, this would appear to be a fairly straightforward description of the role of an academic. However, dig a little deeper and what may emerge may provide reason for some serious self-reflection.

Unlike the business world, where products and services are mechanically churned out daily according to fixed production plans, the "products" of universities are agents of change who should not merely slot into, but also challenge, prevailing political, economic and social systems.

Thousands of young minds, with trepidation and uncertainty, but filled with expectations, enter university annually. These young minds, the raw materials placed in the hands of academics, are more precious than any mineral or other natural resource. Is it henceforth the job of an academic, like in business, to transform these raw materials into some kind of predetermined mould? Is the university in the business of churning out products designed to fulfil certain technical or economic functions?

The tools of academics include fixed curricula, textbooks, set presentation slides and so on. These tools are then used to chip away at the minds of their subjects in the effort to achieve certain outcomes, as articulated in module statements stored in the archives of academic departments. If this is what is done with the most natural and precious resource of all, then it can be safely posited that academics contribute to the crisis of non-thinkers that threaten the meaningful and constructive progress of society.

Regardless of the subject field or the nature of the module – be it Law, Science, Economics, Accountancy or whatever – it is incumbent on academics to go beyond being trainers and "information disseminators" to being facilitators of thought of the kind that contests the known and probes the unknown. Even skills development, which is crucial for sustaining existing systems, can be undertaken in a way that allows for the challenge of convention. To do anything less would merely add to the gene pool of non-thinkers that perpetuates the cycle of orthodoxy and inertia.

It is not the role of the academic to provide certainty to the young minds that enter university or the kind confidence that rests on the belief that the "truth" has already been established. This does not mean doing away with structures and abandoning protocols. Structures and protocols are important for an orderly and disciplined environment in which students may be inspired to reflect on and debate subject matter. However, students should be kept restless, for it is uneasiness that will keep them thinking.

The world is going through a time of major natural, economic and political upheaval. Prevailing theories from the natural to the social sciences are being severely tested. The world is in dire need of new ideas, as is evident in the economic domain where prevailing theories are failing to hold. Universities need to rise to the occasion in terms of both teaching and research in order to yield a new cohort of thinkers, unencumbered by convention, who can find creative solutions in a world of changed dynamics and parameters.

- Prof Sivan Chetty

### CONTENT

From the Editor	1
At the coalFACE	2
Out of the FACE	6
InterFACE	11
The FACE Room	15
Below the surFACE	18
Fancy FACE	23

### EDITORS:



Prof S. Chetty



Ms J. Bence



UNIVERSITY  
OF  
JOHANNESBURG

# At the coalFACE

## DFIM hosts writing retreat

During the spring recess, the Department of Finance and Investment Management hosted a Writing Retreat at the Mangwa Valley Game Lodge in the Dinokeng Reserve near Cullinan. The objective of the three-day retreat was to assist academic staff members to make progress with their research articles, with the ultimate aim of submitting these to an accredited journal for possible publication. The retreat was facilitated by Prof Susan van Zyl of Wits University.

Seven staff members from the Departments of Finance and Investment Management and Economics and Econometrics attended this very successful retreat. The participants were able to concentrate on their writing efforts without interruption in the

beautiful and secluded surroundings of Mangwa. In the cool of the early mornings or late afternoons, some used the opportunity to go for a run or a walk in the reserve and were able to see giraffe, rhino, impala and even a cantankerous ostrich at close range.

The retreat, which was considered a resounding success by all, not only served its purpose of allowing participants time away from the hustle and bustle of everyday life but also allowed members of staff from different departments to interact and share their insight and experience. As one of the participants (Mr Eddie Kodisang) noted, "I really enjoyed being with you and may our team spirit extend to other colleagues".

**Prof Riëtte Eiselen (DFIM) | Retreat Organiser**



Picture taken from <http://www.safarinow.com/go/MangwaValleyGameLodge?source=5085&gclid=CNLv870GmqCFYUtaodbyoKiA>



Writing retreat participants

## NEW DIPLOMAS OF THE DEPARTMENT OF COMMERCIAL ACCOUNTING – PROFESSIONALLY- AND OPERATIONALLY FOCUSED AND ACADEMICALLY RE-ALIGNED

Early in 2009 the Department of Commercial Accounting embarked on a journey to "revamp" the ND Accountancy, the ND Financial Information Systems (here after FIS) and the ND Credit Management. This process included amongst other things to ensure that the new diplomas are academically and professionally re-aligned as well as operationally focused. This also meant that it will no longer be regarded as "national" diplomas but it will be an institutional specific qualification – UJ's very first own diplomas.

Of the more important factors that played a role during this process was to 1) ensure that UJ's new UJ Teaching and learning philosophy of "Learning-to-be" versus "Learning about" will be incorporated in the new diplomas, 2) to incorporate lessons learned from participating in the SANTED project (that focused on newly formed comprehensive universities its capacity building and curricula design), 3) meet the requirement from relevant professional bodies its accreditation (the qualification or modules), 4) to incorporate findings of Nadia Rhode's doctorate wrt to the integration of an accounting package into modules (as oppose to an add on approach) and lastly 5) to ensure that students will be in the words

of the Dean of FEFS, Prof Amanda Dempsey, be "work ready" when they have finished their three year diploma.

Two important lessons learned from the SANTED project was to guard against academic creep and where as degrees should be more "strategically focused" diplomas should be more "operationally focused". This together with other factors that came into play opened up the opportunity to integrate an accounting software package, Pastel Evolution, into the majority of the major modules of the three qualifications, both with regards to the Pastel "core" modules but also for some "add on" modules. On another level many successful discussions were held with professional bodies in the wider accountancy field, including the Association of Accounting Technicians SA (here after AAT(SA)) being the new kid on the block (similar to SAICA but focusing on accounting technicians and not CA's), CIMA, ACCA and the Institute of Credit Management (here after ICM) that resulted in opportunities for diploma students to get their diploma or some modules there of recognized by these bodies and that should open up a way forward for them to obtain a professional qualification.

Staff was trained in Pastel Evolution during the last few months of 2010. For most of the staff the new computer lab environment called for a degree of courage especially at the difficult time of the year and during exam time but they did some "vasbyt" and succeeded. Staff then trained the 70 odd tutors and used that experience to also "test out" their new teaching methods and newly developed study material, tutor class material and alike.

It was with great excitement but also weary of the huge challenge that laid ahead in 2011, specially for the first year lecturers for Financial Accounting 1 and Cost and Financial Management 1, that the first cohort of first year students was welcomed in 2011 in the three new diplomas, being the Diploma in Accountancy or FIS or Credit Management. Now as 2011 is coming to an end not only are we preparing to roll out the second year of the three new state of the art diplomas in 2012 but it can be said, in the words of Mr T (for us that is old enough to know who he was) "I love it when a plan comes together". So now we can proudly say "The Department of Commercial Accounting loves it as our new diplomas is coming together"!

## BACHELORS OF ACCOUNTING - B ACC

The Department of Accountancy currently offers a BCom (Accounting) degree which aims to provide students with the necessary knowledge, competence and skills to practise as professional accountants. The existing programme is currently registered with several professional accounting bodies, including the South African Institute of Chartered Accountants (SAICA).

From 2012, the new B Acc will specifically be based on the educational requirements of SAICA. The introduction of the new programme will mean that Accountancy@UJ will offer two degree programmes from 2012. The BAcc will be aimed at students who want to qualify as chartered accountants, and the BCom (Accounting) which will provide students with a more general education in Accountancy. The BCom (Accounting) will also continue to allow students to register with professional bodies other than SAICA.

The introduction of a separate BAcc degree is necessitated by the following:

### 1.2.1 SAICA's introduction of a new Competency Framework

SAICA introduced a new Competency Framework in 2009. The Competency Framework provides the base upon which the education, training, and assessment programmes of SAICA are developed and delivered. The purpose of the Competency Framework is to identify and describe the professional competencies (knowledge, skills and attributes) which the professional accountant should demonstrate at the entry point to the profession.

All SAICA accredited universities (of which UJ is one) are therefore required to ensure that accredited programmes are designed in such a way that students can develop all the required competencies.

The Competency Framework-approach requires a fundamental change from SAICA's previous detailed syllabus approach, as the focus now is on competencies. The requirement for 'supportive courses (modules)' has also been removed, offering universities the opportunity to construct the accredited programme in any way of their choosing, provided that the competencies identified in the Competency Framework are addressed. It should be noted that the professional examinations of SAICA remain in place and will, as before, continue to play an important role in influencing the standard and content of accredited programmes.

### 1.2.2 On-going reflection by the Department to ensure quality in teaching and learning

In the course of on-going reflection on its programmes, the Department has not only focused on the introduction of a new teaching and learning model, but also on the curriculum [modules making up the programme]. A number of curriculum changes have been made in recent years, but the Department has been severely constrained by a restrictive SAICA requirement for inclusion of specific 'supportive courses (modules)' in the curriculum [e.g. economics, commercial and company law, business management]. This restriction was recently removed by SAICA through the introduction of its

Competency Framework (as discussed above).

The introduction of the Competency Framework and the removal of the requirement for specific supportive courses (modules) have provided the Department with an opportunity to reconsider the curriculum. In doing so the Department has sought to improve the quality of the programme through a closer co-ordination of the modules making up the programme and through a reconsideration of the objectives of each of the non-core accounting modules included in the programme.

### 1.2.3 Differentiation from other accredited programmes

The introduction of the new programme will enable the Department to offer a programme which will equip students with certain skills which are unique to the UJ programme.

The programme has been designed in such a way that specific focus will be placed on the following attributes:

- Leadership;
- Ethics and Citizenship; and
- Other pervasive skills.

From 2012, the new BAcc will therefore be aimed at students who specifically want to qualify as chartered accountants, whilst the BCom (Accounting) will then provide students with a more general education in Accountancy.

## JOURNAL OF ECONOMIC AND FINANCIAL SCIENCES (JEF) ACCREDITATION

One of the many positive results from the creation of the University of Johannesburg in 2005 was the birth of the Faculty of Economic and Financial Sciences (FEFS). As the "new kid on the block", the Faculty had to find a way in which it could leave its mark on the academic landscape. Coupled with this was the focus of the new university to increase its research output.

The first Executive Dean of FEFS, Prof Henk Kriek, therefore decided to start an academic journal in the Faculty. With the help of excellent academics from many national and international universities, the Journal of Economic and Financial Sciences was born. Under the guidance of the current Executive Dean of the Faculty, Prof Amanda Dempsey, the Journal was then submitted for accreditation to the Department of Higher Education and Training (DHET).

After initial problems that were experienced in having the publication accredited, the Faculty received the good news from the DHET in January 2011: the Journal is now accredited, which means that all articles published in it from 2011 onwards will qualify for subsidy payment from the DHET.

A huge thank you goes to all reviewers and editorial board members of JEF as well as to the Executive Dean of the Faculty, Prof Dempsey. An even bigger thank you goes to Ms Elsie Nuss, the Secretary in the JEF office, who is always ready to assist with a smile and a word of advice.

**Prof Gideon Els | Managing Editor**



**Prof Gideon Els and Mev Elsie Nuss**

## NEW THINKING IN ECONOMICS: GETTING OUT OF THE FINANCIAL CRISIS

In 1929 we had the Great Depression which inculcated a whole generation with common sense and prudence. This was followed by an era of stability until the Great Inflation of the 1970s following the various oil shocks. Once inflation was brought to heel, we had the Great Moderation where many economies experienced low inflation and high economic growth.

So economists thought they had it all figured out. A well-known monetary economist, Frederic Mishkin wrote in 2007 that managing the economy has become as mundane as the work of a dentist. Then in 2007 we experienced the Great Financial Crisis.

Suddenly economists realised that conventional monetary policy cannot stabilise everything. Low inflation led to low interest rates, but this created incentives for banks and investors to take more risk by borrowing as much as possible. More risk-taking led to prices of financial assets rising to unsustainable levels. Monetary policy

turned out to create the very financial instability it sought to avoid.

When the bubble finally burst, conventional monetary policy turned out to be virtually useless. Banks did not want to lend. Interest rates worldwide fell to almost zero, and could not fall much further. Increasing money supply (so-called quantitative easing) had little impact as this additional money was simply hoarded in the form of gold and cash holdings. Governments stepped in with increased government spending financed by increased borrowing, and many ended up (or are heading for) a debt crisis.

Did they really expect to get out of the crisis so easily? These solutions may have worked for the Great Depression, but conditions are quite different now. One does not solve a financial crisis, caused by debt, by creating more money and extending even more credit. This merely sets us up for an even bigger crisis in the future, as George Soros is already predicting.

What is needed is old-fashioned common sense. Build up reserves in good times and draw them down during the bad times. This is what the recent Basel III and macroprudential policy is about – improving the capital adequacy and liquidity of banks and introducing counter-cyclical measures to make the whole financial system more resilient. Obviously many commentators and banks don't like this as they say it will constrain economic growth – but that is the whole point.

There are no more "get out of jail free" cards. Keynes gave us one with his idea of public works programmes after 1929, and Milton Friedman gave us another one with his idea of money supply rules in the 1970s. But what is left now is to take the pain of an extended recession, pay our debts and live within our means. Hardly something you need an economist to tell you, but certainly new thinking to anyone who cannot remember the Great Depression.

*Mr Arnold Wentzel*

## DEPARTMENT OF FINANCE AND INVESTMENT MANAGEMENT TO INTRODUCE A FOURTH HONOURS DEGREE

From 2012 the Department of Finance and Investment Management will offer a B.Com Honours degree in Property Valuation and Management. The Department currently offers three other Honours degrees in:

- Financial Management;
- Financial Planning; and
- Investment Management.

The Department is extremely proud and privileged to be able to offer an Honours degree in Property Valuation and Management. The introduction of the Honours degree in 2012 follows the inclusion of Property Valuation and Management 2A and 2B in the B.Com Finance degree in 2010 and Property Valuation and Management 3A and 3B in 2011.

The Honours in Property Valuation and Management will attract students that are interested in specialising in property valuation and management and the Honours curriculum will include the following modules:

- Advanced Property Valuation and Management A;
- Advanced Property Valuation and Management B;
- Advanced Property Finance and Investment;
- Applied Property Law A;
- Applied Property Law B;
- Property Portfolio Management;
- Research Methodology; and
- Case study.

The property industry in South Africa desperately needs a qualification such as the Honours in Property Valuation and Management to meet the demands of employers, property practitioners and property valuers. Up until now there have been limited opportunities for further study beyond a national diploma in real estate. The B.Com Finance and Honours in Property Valuation and Management will certainly go a long way to addressing the needs of the property industry in South Africa and Gauteng in particular.

## THE SOUTH AFRICAN ACCOUNTING HISTORY CENTRE (SAAHC)

The SAAHC was officially launched on 10 February in Johannesburg. The first of its kind in South Africa and on the African continent, it was established at the University of Johannesburg. At the launch, Professor Wiseman Nkuhlu, the first black chartered accountant to qualify in South Africa, said that the proud tradition of the profession must be recognised for the role it has played in the development of the modern economy and society in the country. In 2010, the Department of Accountancy pioneered the establishment of a centre dedicated to the study of Accounting History in South Africa. The aim is to broaden the scope of accounting education in South Africa by facilitating study into the development of the discipline, the profession and the techniques of accountancy in the Department. The Director of the SAAHC is an economic and business historian, Professor Grietjie Verhoef, who is also

the Vice-President of the International Economic History Association. The study of accounting history is a growing international field of scholarly inquiry. The research addresses questions on the development and professionalisation of the accounting profession, the development of accounting practice and the sustainability thereof in changing environments. The World Economic Forum's recognition of the leading position of South African auditing standards, as well as stock exchange compliance with international standards, highlights the outstanding role of the accounting profession in South Africa, as well as globally. The SAAHC succeeded in securing the tender for the publication of a book for the South African Institute of Chartered Accountants (SAICA) on the development of the accounting profession in South Africa. This million Rand project will investigate the emergence of the various accounting

organisations in the four former British colonies and the consolidation of power between the profession and the state. The growing literature on the accounting profession in the British Commonwealth calls for the systematic presentation of the unique South African contribution to the development of an accounting arena in the British Commonwealth and the impact that it had on local professional autonomy. "The leading role of SAICA in international accounting standard setting, especially with regard to sustainability reporting, is testimony to the global leadership of the South African accounting profession," says Prof Alex van der Watt, the Head of the Department of Accountancy. "The SAAHC will explain this global leadership by reflecting on the emergence of the profession through dynamically changing times in South Africa."



**From left to right: Prof Wiseman Nkuhlu, Prof Dave Lubbe, Prof Grietjie Verhoef, Mr Graham Terry, Prof Lucas van Vuuren and Prof Alex van de Watt (HOD Department of Accountancy)**



**Prof G Verhoef, Me K Heathcote, Prof Lucas van Vuuren and Me K van Lelyveld**



# Out of the FACE

## QE RESULTS CONFIRMS UJ AS ONE OF THE TOP CHARTERED ACCOUNTANCY EDUCATION INSTITUTIONS IN SOUTH AFRICA

The results of the annual Qualifying Examination of the South African Institute of Chartered Accountants (SAICA) were released on Friday 27 May 2011. UJ contributed 11,7% of the total successful candidates that equates to 232 candidates. This is also the second biggest contribution of all accredited residential universities.

UJ also achieved an 89% pass rate for first-time candidates that compares very well with the national first time pass rate of 80%. "We are absolutely delighted with our results" says Prof Alex van der Watt, Head of the Department of Accountancy at UJ. "The good results confirm UJ's position as one of the top chartered accountancy education institutions in South Africa; especially when the results are analysed in the context of transformation and growth."

UJ is currently the second biggest residential provider of African Black chartered accountants in South Africa. 411 African Black candidates passed the 2011 qualifying examination, of which UJ contributed 80

candidates to this number. UJ has thus provided 20% of all the successful African black candidates.

One of UJ's students, Matt Rodgers, was placed in 6th position overall nationally in the examination. Matt is also one of only seven candidates who passed the examination with distinction.

"I am still overwhelmed by the massive achievement of placing in the top 10 and of passing with honours. This achievement would not have been possible were it not for the exceptional lecturing staff at UJ and all the support I received from the university throughout my studies. I am proud to be associated with an institution that continues to achieve such impressive results in the Qualifying Exam each year"

Prof Van der Watt added that the excellent 2011 results are "testimony to the dedication and hard work of passionate lecturers in the Department."



**Mr Matt Rodgers**



**Prof Ben Marx**



**Accounting Research Award**

## ACCA MEMBER WINS RESEARCH AWARD

Prof Ben Marx was awarded the Outstanding Contribution to Accounting Research Award at the recent 2011 Southern African Accounting Association (SAAA) Conference held in George.

The SAAA, in collaboration with the International Association of Accounting Education and Research, presented an International Biennial Conference with the theme *Accounting Education's Role in Enhancing Sustainable Business Driven by Professional and Ethical Business Leaders*.

The conference was held at Fancourt in George from 26 to 29 June 2011.

"The Association of Certified Chartered Accountants (ACCA) was absolutely delighted that ACCA member Professor Ben Marx from the University of Johannesburg was awarded the Outstanding Contribution to Accounting Research Award at the recent Southern African Accounting Association (SAAA) international conference in Fancourt. Professor Marx is a very worthy recipient of the award," says Head of ACCA South Africa, Nadine Kater.

Kater describes the conference as a "very important event, which brings some of the best minds in the accounting discipline together in one room". According to Kater, "Research plays a critical role in the accounting profession. Research informs curriculum content and it also ensures that accounting professionals continue to play a leading role in the sound functioning of business and economies worldwide."

The conference had four broad objectives: initiating research into accounting and related subjects and publishing the research findings; informing educators of trends in accounting and related disciplines; informing educators of developments in the various professional accounting qualifications, which form the focus of academic programmes on offer at higher education institutions; and sharing research findings and providing critical guidance to take the research forward.

ACCA sponsored the doctoral workshop and the research workshop and ACCA SA sponsored the Outstanding Contribution to Accounting Research Award. Some 446 delegates from professional bodies and major universities in Africa attended the conference.

### 2011 CIMA GLOBAL BUSINESS CHALLENGE

Johannesburg, 12 May 2011: The 2011 CIMA Global Business Challenge saw four dynamic young teams of four members each pitting their skills against one another for the top spot in South Africa – and a trip to the Global Final in Chengdu, China in July this year. The South African final of this competition was held on 12 May at Absa Capital, Sandton.

The four finalists – The Business People, University of Johannesburg; Emthunzini Consultants, University of KwaZulu-Natal; Sylen Business Consultants, University of Johannesburg; and Tunajibu Consulting, North-West University – did their universities proud as they presented their solutions to the four judges: Charles Russon, COO of Absa Capital; Malcolm Furber, FCMA and owner of MZ Consulting; Sure Kamhunga, Financial Services Editor of Business Day; and Kunyalala Maphisa, President of The Business Women’s Association.

“All the entries were of an extremely high standard this year,” says Samantha Louis, Regional Director of CIMA Sub-Saharan Africa. “This gave judges a difficult time in choosing the winning team from the final four. CIMA believes all entrants were winners, particularly those who made it to the finals.”

This year saw 30 teams submitting their reports for the 2011 CIMA Global Business Challenge. 17 teams were from the University of Johannesburg; six teams from North-West University; two teams came from the University of KwaZulu-Natal; two teams from the University of Cape Town; and one team each came from the University of the Free State, Nelson Mandela Metropolitan University and the Central University of Technology.

“This is the highest number of entries we’ve had in South Africa,” says Louis, “and an indication that this event is going to grow annually. Our sponsors, CharterQuest, Fasset, IBTC and LexisNexis, are also delighted with the response this year.

“Presentations from all four teams were strong, well thought out solutions to a case study and scenario given to them at the start of the competition,” says Louis, adding that the students showed maturity and confidence in their business acumen.

The winning team – The Business People from the University of Johannesburg – was an all-women quartet that engaged the judges with their review and solutions to the issues presented to them. Poonam Bhana, Pragna Patel, Londiwe Gumbi and Natalie Usmar offered both practical answers to some of the difficult questions posed to contestants.

“The judges had specific criteria on which each team was judged, and the all-women team came out tops,” says Louis. “We are proud to have them represent South Africa in China in July.”

Second place was taken by Tunajibu’s Ben Volkwyn, Carina van Zyl, Ohna Briers and Nicus Davel of North-West University, with a carefully crafted presentation and good communication skills. Third place went to UJ’s Ryan Bates, Richard Daniel, Deane Hitge and Jodie Trueman of Sylen Business Consultants, while Nathan Mpofu, Linda Zondi, Christopher Tutani and Farai Mazimbe from the University of KwaZulu-Natal charmed the judges and the audience with their command of the project and public speaking and came in fourth.

In kicking off the event, Absa Capital’s COO, Charles Russon, said that the company was proud to be a supporter of a competition that is “all about business talent.” He says, “This initiative is about identifying and developing young talent into future leaders who will work toward sustainable, innovative business solutions in South Africa. As far as I’m concerned, all four teams are winners.”

“Both CIMA and its partners in this event, Barclays and ABSA Capital, wish the winning team everything of the best for the stiff competition they face in China. We know they will do us proud as they represent us against the other 16 participating countries and we look forward to watching their progress in the competition and thereafter,” says Louis.

**The Chartered Institute of Management Accountants**, founded in 1919, is the world’s leading and largest professional body of management accountants, with 183 000 members and students operating in 168 countries, working at the heart of business. CIMA members and students work in industry, commerce and non-profit organisations. CIMA works closely with employers and it sponsors leading-edge research, constantly updating its qualification, professional experience requirements and continuing professional development to ensure it remains the employers’ choice when recruiting financially trained business leaders.

CIMA is committed to upholding the highest ethical and professional standards of members and students and to maintaining public confidence in management accountancy. CIMA is proud to be the first professional accounting body to offer a truly global product in the fast-moving area of Islamic Finance.



**CIMA Global Business Challenge**



**Natalie Usmar, Londiwe Gumbi, Pragna Patel and Poonam Bhana before round 2 of the 2011 GBC final in Chengdu, China**

## EMERGING RESEARCHER OF THE YEAR

Recipient of the University's award **Most Promising Emerging Researcher of the Year** in 2010 was Professor Alain Kabundi. To be eligible for the award, candidates must be full-time, permanent or fixed-term contract members of staff who have obtained their doctoral degrees within the preceding five years. They must have been employed by the University or its predecessors for at least three years, and be in the early stage of their academic careers. Criteria against which their applications are assessed include volume and quality of research published in accredited publications; patents; artefacts; research grants received; and the significance of their work as judged by its impact on the academic peer community, industry, scholarship, society and/or policy development.

Professor Kabundi's research interests are in the fields of international macroeconomics, factor analysis, artificial neural networks, applied econometrics, and financial econometrics. Among the many topics on which he has written are the impacts in the United States of defence spending; the effect of monetary policy on real house-price growth; forecasting macroeconomic variables; and financial markets integration.

Professor Kabundi obtained his PhD (Economics) in 2007 from UJ, having received in 2003 the medal for the best Master's dissertation in South Africa from the Economic Society in South Africa. In 2007, he was awarded the prize for the best paper presented at the African Econometric Society conference. Between 2007 and 2011, he published 18 journal articles; another 6 are forthcoming. Three of Professor Kabundi's research papers have been published in the highly-respected Journal of Forecasting and International Journal of Forecasting.

Professor Kabundi's collaboration with scholars at the International Monetary Fund has produced three Country Reports and four IMF Working Papers. He reviews regularly for local and international journals, and is a Deputy Chair of the Economic Society of South Africa and a member of the Steering Committee of Economic Research Southern Africa, a research programme funded by the South African National Treasury.



*Prof Adam Habbib and Prof Alain Kabundi*



*Prof Ihron Rensburg and Prof Alain Kabundi*

## NRF RATING FOR FEFS RESEARCHER

Professor Alain Kabundi's work has been recognised this year by the National Research Fund (NRF) With a C2 rating. His research interests are in the fields of international macroeconomics, factor analysis, artificial neural networks, applied econometrics, and financial econometrics. Among the many topics on which he has written are the impacts in the United States of defence spending; the effect of monetary policy on real house-price growth, forecasting macroeconomic variables, synchronisation of business cycles, economic integration, and financial markets integration.

Professor Kabundi obtained his PhD (Economics) in 2007 from UJ, having received in 2003 the medal for the best Master's dissertation in South Africa from the Economic Society in South Africa. In 2007, he was awarded the prize for the best paper presented at the African Econometric Society conference. Between 2007 and 2011,

he published 21 journal articles; another 3 are forthcoming. Some of Professor Kabundi's research papers have been published in the highly-respected Journal of Forecasting and International Journal of Forecasting.

Professor Kabundi's collaboration with scholars at the International Monetary Fund has produced three Country Reports and four IMF Working Papers. He reviews regularly for local and international journals, and is a Deputy Chair of the Economic Society of South Africa and a member of the Steering Committee of Economic Research Southern Africa, a research programme funded by the South African National Treasury. Professor Kabundi was the recipient of the Vice-Chancellor's award as the Most Promising Emerging Researcher of the Year last year.

## VC'S 2010 DISTINGUISHED AWARD FOR TEACHING EXCELLENCE

**ARNOLD WENTZEL**

Department of Economics | Faculty of Economic and Financial Sciences



**Prof Amanda Dempsey, Mr Arnold Wentzel,  
Prof Alain Kabundi and Prof Lumengo Bonga-Bonga**

Arnold Wentzel joined academia after a short stint in government and then in the private sector. After resisting the call of a teaching career for a few years, he eventually succumbed when he joined, what was then called Midrand University, in 1998. At Midrand University he deliberately sought variety and taught close to 25 different subjects in the fields of economics, management, accounting, mathematics and ethics, at different levels from first-year to MBA. By the time he became a lecturer at UJ (then RAU) in late 2001, he had already been exposed to a wide range of audiences, approaches and styles of teaching.

From his teaching portfolio it is clear that he has a unique way of thinking about teaching. His teaching philosophy is inspired by Joseph Campbell's *Hero with a Thousand Faces* – with the student as the archetypal hero. He sees himself as teacher switching between the other archetypes: the mentor (who shows students how to make sense of their experience), the shapeshifter (who unsettles them so that they cannot stop learning) and of course the villain (who presents them with difficult challenges). The challenges are usually difficult, but he notes that: "Most of my students will live up to the challenge with me as their ally."

What particularly impressed the panel of judges about Arnold was his "...constant ability to reflect on and to review [his] practice..." This was evident from the fact that he was able to not only teach very large Economics 1 classes effectively, but also switch to teaching research and writing skills to small groups of Master's students. One colleague, Bulelwa Maphela, confirmed this when she wrote in a peer review that: "Every encounter with Arnold seems new when it comes to teaching as his way of teaching is constantly renewed." Another colleague, Mdu Biyase, noted that: "Whenever we conduct workshops with him I observe that he thinks outside the box, outside the classroom, and outside the norm." Throughout his time at UJ, Arnold has indeed engaged creatively with teaching. He pioneered a number of new methods of teaching and assessment, and was one of the first to adopt and take full advantage of technology-assisted learning at UJ.

He mentions in his portfolio that while teaching is his greatest joy, it is also sometimes the cause of frustration and sadness too. He does not believe that he is always able to inspire and interest his students, but it is exactly these failures that have driven him to the constant reflection, adaptation and research that so impressed the judges.

His reputation as teacher has spread over the years. As a result, he was asked in 2009 to develop and present lessons in Economics for television. Many educators stayed up until

midnight to watch these lessons. Prof Wilma Mayhew, who works closely with schools stated that: "Many schools over the past 5 months have invited me to come and speak to their staff... During my visit[s], the first thing they ask me is whether I know where they can obtain the Economics [lessons] which [were] broadcasted... The educators told me that the lessons which were broadcasted were brilliant and if only they could obtain a copy of it..."

In 2010, he was one of only eight South Africans to receive an unsolicited invitation to be part of a study tour of economic education in the USA. What made this invitation impressive, is that it was extended by the Council for Economic Education in the USA – the leading organisation worldwide in the field of economic education. Through his contact with the Council for Economic Education, Arnold is now leading a team of educators who is promoting economic education and literacy in schools across Gauteng. In a very short time, they have been able to reach almost a quarter of the economic educators in Gauteng through one or more workshops.

His success in developing research and writing skills has also attracted attention. One of his postgraduate students won an award last year for Best Postgraduate Paper in International Economics at the leading national Economics conference in South Africa. His postgraduate students have been among the top ten nationally in the National Budget Speech Essay Competition for three years running. He is asked by departments across the university to present research workshop to their staff, and over the last few years he has also presented research workshops to the staff of COSATU, the South African Reserve Bank, National Treasury, Department of Trade and Industry and African Energy Policy Research Network.

While he teaches others to write, Arnold himself writes extensively. He has written chapters in four Economics textbooks, authored three journal articles and ten conference papers on educational practice and has written over fifty articles published in the popular press.

In conclusion, after almost 13 years of teaching, Arnold's experience led him to state in his teaching portfolio that: "I don't believe I will ever be so foolish as to think I have mastered teaching. There will always be more to learn, so that teaching itself is a journey of transformation."

### NEDBANK AND OLD MUTUAL BUDGET SPEECH COMPETITION

The National Budget Speech Essay competition is an annual initiative through which Nedbank and Old Mutual seek to nurture and invest in the next generation of economists, decision-makers and thinkers. Two Economics Master's students, Ian Mrozek and Fulu Mudau, came in the top ten in the postgraduate category of the 2010 Competition. At the prizegiving ceremony, held after the 2011 Budget Speech, it was announced that Fulu Mudau achieved third place nationally with her essay titled "Should exchange rates and asset prices play a larger role in monetary policy rules?". She was awarded a scholarship of R25000. This is now the third consecutive year that UJ Economics students obtained national top ten places in this competition.



*Mr Arnold Wentzel and Ms Fulu Mudau*

### COMMERCIAL ACCOUNTING'S ANNUAL MERIT FUNCTION

The Department's annual merit function for ND students and merit and graduation ceremony for Programme Commercial Accounting was held on 28 February 2011.

Students were recognized for outstanding achievements by receiving prizes sponsored by LexisNexis, TestKraft, Pastel, Discount Textbooks and ICM.



# InterFACE

## DIPLOMA IN ACCOUNTANCY WITH PASTEL INTEGRATION

In preparation of the role out of the integration of Pastel Accounting into the major modules in the Diploma Accountancy in 2011 it was important to have the staff and tutors trained. The new computer lab environment for most of the staff in the department called for a large degree of courage and stamina especially at the difficult time of the year and examinations. The tutors needed to be trained to provide support for the staff in 2011. The tutors followed the same program as the staff. The staff facilitated the training, marked assessment and assisted in the submission of the portfolio of evidence files of the

tutors. The training of the tutors completed the first cycle of staff training. In 2011 the staff and tutors that were found to be competent in the core module of pastel evolution were invited to a Graduation Ceremony in March this year,

The following new staff members completed Pastel training recently: Everett Magagula, Sisca Kaasjager, Ingrid Baigrie, Dion Mhlaba, George Thurling, Msasi Mutshekwanane and also the Department's Faculty Officer Jackie Smit



*Pastel Tutor graduation*



*Pastel Graduation 2011*

### UJ TO HELP JSE ACT AS WATCHDOG

#### *Accountancy project is one of a kind*

Clerks from the University of Johannesburg's Department of Accountancy are involved in a one-of-a-kind project in collaboration with the Johannesburg Stock Exchange (JSE).

According to Cobus Grové, a senior lecturer in the Department, the JSE approached the University because of the esteem that the Department of Accountancy holds in the market.

"The involvement of staff members in the accounting practice, which also adds a practical aspect to the project, also played a role. This is the first project of its kind with the JSE."

Grové says that the project involves the clerks monitoring financial statements on an annual basis of about 80 companies that are listed on the JSE.

"There are currently 406 companies listed on the JSE. Each company's statements will therefore be monitored at least once every five years. The purpose of this is to improve the standards of financial reporting of the companies listed on the JSE in a proactive manner and to ensure that all companies are at the required level of accounting."

According to Russell Loubser, CEO of the JSE, the proactive monitoring of those companies listed on the JSE will give more peace of mind.

"We welcome this collaboration with UJ – it is important for South African students to be exposed to the practical side of the industry.

"South Africa can be proud of its high level of accounting practice. This high level is really a testament to our universities, including UJ."

Prof Angina Parekh, Deputy Vice-Chancellor: Academic at UJ, stated that UJ is proud of its collaboration with the JSE.

"Our involvement in the auditing process is possible owing to the high level of specialist activities of the academics in the Department of Accountancy."

The clerks involved in the project are busy with their first year of articles at the University.

Before students can qualify as chartered accountants, they must complete articles for a period of three years – usually at a bank or auditing firm.

"The University negotiated with the South African Institute of Chartered Accountants and created an opportunity for first-year articles to be done at the University. The

following two years are then completed at an auditing firm," explains Bastiaan Koster, a clerk at UJ who specialises in financial management.

Landi Janse van Vuuren, a clerk specialising in auditing, says that the JSE project is very interesting.

"We are exposed to financial statements that will help us next year when we start working at an auditing firm. We examine and analyse the financial statements of certain listed companies and then answer a list of questions: the answers of which are then examined by a senior analyst.

"After this, a report is drawn up, which is sent to the JSE."

Koster says that he has learned a lot from the project so far. "It is very informative working on such a project with accounting experts."

Grové emphasises that the project is to the benefit of the University, as well as to the Department of Accountancy.

"It gives staff members the opportunity to work directly with the Stock Exchange and to gain practical experience of the accounting process, which can then be carried over to students."

**Karla Janse van Vuuren**

# Faculty of Economic and Financial Sciences

## Value 2012 – Value in Sustainable Business Practices



Building on the success of past conferences, the Faculty of Economic and Financial Sciences at the University of Johannesburg is proud to be hosting the 4th Biennial International Conference, with the theme: **Value 2012: Value in Sustainable Business Practices.**

The understanding of the term 'value' varies from person to person and from discipline to discipline. For profit-oriented organisations the main focus might be on adding financial value to ensure organisational viability. Adding and recognising value may be useful for a growing business with innovative ideas on learning critical lessons for managing the 21st century marketplace. In an academic environment the term 'value' might have a completely revolutionary meaning. There is however still much to be learnt about what drives the concept of value in society today and how sustainable business practices could influence and enhance value.

Worldwide corporate governance reform requiring the adoption and disclosure of sustainable business reports; together with stakeholders becoming more educated and aware of how organisations generate profits and base investment decisions on more than just the financial bottom line, have led to the corporate environment placing a greater focus on sustainable business practices. These developments occur alongside the ongoing debate on the nature and extent of value in sustainable business practices.

Academics investigate the concepts of value and sustainability and industry leaders attempt to model new business strategies to capture the essence of value through sustainable business practices.

In today's environment it is proving more and more important that entities implement sustainable business practices. Value 2012 will explore, deliberate, analyze, question and scrutinize the Value in such Sustainable Business Practices.

The conference will take place from 27 – 30 May 2012 at the magnificent Champagne Sports Resort, situated in the Champagne Valley of the Central Drakensberg region of KwaZulu-Natal, South Africa.

**RETHINK EDUCATION.**  
**REINVENT YOURSELF.**



UNIVERSITY  
OF  
JOHANNESBURG

## Speakers include:



Dawie  
Roodt



Nonkululeko  
Gobodo



Prof Ben  
Marx



Ms Corli  
le Roux



Mr Graham  
Terry



Mr Jeremy  
Grist



Neil  
Morris

### Keynote Speakers:

- Dawie Roodt: Chief Economist and Director: Efficient Group
- Nonkululeko Gobodo: CEO - Gobodo Chartered Accountants

A panel discussion centered on Sustainable Business Practices will take place on Tuesday, 29 May 2012 and will include the following leading experts:

### Panel Experts:

- Prof Ben Marx - Vice-Chairperson Subject head: Auditing; University of Johannesburg
- Ms Corli le Roux- Legal Counsel and Head of SRI Index – Johannesburg Stock Exchange
- Mr Graham Terry - Senior Executive: Strategy and Thought Leadership - The South African Institute of Chartered Accountants (SAICA)
- Mr Jeremy Grist - Director: Climate Change & Sustainability Services - Ernst & Young Mr Neil Morris - Director, Climate Change and Sustainability Services - KPMG
- Prox Alex van der Watt – HOD, Department of Accounting, University of Johannesburg (panel discussion coordinator)

For further information regarding submission of a paper or attendance of the conference please refer to the conference website [www.ujvalue.com](http://www.ujvalue.com) for further information.

## Proudly sponsored by:



AND



### For further information please contact:

Laura McKeown Dos Santos | [laura@blissem.co.za](mailto:laura@blissem.co.za) | 082 888 4227

Alternatively you can visit the conference website: [www.ujvalue.com](http://www.ujvalue.com)

## UJ IS PROUD OF ITS ASSOCIATION WITH THE JSE



South African market securities regulation, already judged the best in the world, is to improve further this year owing to the JSE's decision to monitor proactively the financial statements of all listed companies, in a bid to pick up any non-compliance with globally recognised International Financial Reporting Standards (IFRS). This means that all company results could be proactively reviewed and possibly investigated at any time.

Under the new proactive review and monitoring process, the financial statements of every listed company will be reviewed at least once every five years, in addition to any other queries arising from public or other complaints. Previously reviews were conducted on the JSE's own initiative or upon the JSE receiving a query or complaint.

This additional monitoring will give shareholders the benefits of a better regulated market. There are currently 406 companies listed on the JSE and this will mean that approximately 80 companies will be reviewed each year. The JSE will drive the process with the Financial Reporting Investigation Panel (FRIP) and the initial assistance of the University of Johannesburg. In due course the review process may be expanded with the assistance of other universities. The FRIP, previously known as the GAAP Monitoring Panel (GMP) is an advisory panel of 16 accounting experts first formed in 2002 as a joint initiative of the JSE and SAICA. The role of the FRIP is to investigate and to advise the JSE on alleged cases of non-compliance with financial reporting standards in annual and interim reports and any other company publications.

The proactive monitoring of compliance with IFRS, the financial reporting standards set by the International Accounting Standards Board, is not new to the international landscape. "The steps the JSE is taking are due to the exchange's focus on protecting the interests of investors," comments Russell Loubser, CEO of the JSE.

The JSE has initially partnered with the Department of Accountancy at the University of Johannesburg (UJ) whose academic staff will assist with the initial review process. The new process involves the JSE identifying the companies to be reviewed during a particular calendar year and providing the names of these companies and the appropriate financial information to the UJ Team. The JSE and UJ have jointly developed a framework under which each review will then be conducted. The reviewed reports will then be considered by the staff of the JSE who, depending on the results, will engage with the listed company. In certain more complex matters, the JSE will, as in the past, refer the matters to the FRIP for their advice.

"Additional monitoring will give shareholders the benefits of a better regulated market and underline the accolade recently received for the best exchange in the world through regulation in the World Economic Forum (WEF)'s *Global Competitiveness Report 2010-2011*. This is a tremendous place to have ended 2010, but the JSE will continue to strive for more," adds Loubser.

In the historic GMP process, based on the advice of the GMP, where IFRS had been breached, the JSE also referred the matters to SAICA and The Independent Regulatory Board for Auditors who considered whether or not to institute disciplinary procedures against the chartered accountants and auditors involved. The JSE will continue to refer appropriate matters to the professional and statutory bodies for possible disciplinary action.

"Since its launch in 2002, the GMP has fulfilled a valuable role in the monitoring and compliance of IFRS standards. The FRIP will continue to play an important role as an advisory body to the JSE. The additional process in partnership with UJ enhances our ability to provide a fair and structured regulatory service to the market and Issuers will find it's a good way to ensure that they are complying with the reporting requirements" adds Loubser.

Ewald Müller, Senior Executive: Standards at SAICA, commented: "We are delighted that the JSE has taken this proactive step because it will improve the standards of financial reporting in South Africa. It is vital that all investors understand that South Africa's adherence to international accounting standards means they can be confident a company's financial statements give a true and fair account of their financial position. This latest innovation explains why South Africa is also

ranked number one in the world by the WEF for the strength of its Accounting and Auditing standards."

"UJ is proud of its association with the JSE. Our involvement in the review process is possible because of the high level of scholarly activity performed by academics in the Department of Accountancy" says Prof Angina Parekh, Deputy Vice Chancellor (Academic) at UJ.

Prof Harvey Wainer, the chairman of the FRIP, says: "The move to proactive IFRS monitoring puts South Africa in step with the major international markets. The involvement of universities to assist in the initial review process is a practical response to resource constraints and avoids the expensive infrastructure and significant running costs of similar bodies elsewhere in the world."



**Johannesburg Stock Exchange**

# The FACERoom

## EXPANSION WITHOUT THE GROWING PAINS

Taken from: <http://www.timeslive.co.za/sundaytimes/article935111.ece>

### Take a long, hard look before changing a one-man show into a small firm, writes Hendri Pelser

Feb 27, 2011 12:11 AM | By Hendri Pelser

**Good business ideas grow – it's in their DNA. But growing is not always easy, as an enterprise is made up of numerous smaller elements that need to be developed too.**

"You should also pay yourself the bare minimum initially and reinvest in the business."



Good advice: **Adele Oosthuizen, a senior lecturer at the University of Johannesburg's Department of Finance and Investment Management**, says that a realistic assessment of the risks and rewards will pay off when a micro business decides to expand and take on staff.

This is particularly important in a micro enterprise where the business graduates from having only one employee – the entrepreneur – to having fulfilling several different roles.

Adele Oosthuizen, a senior lecturer at the University of Johannesburg's Department of Finance and Investment Management, says that many a promising micro business has failed as it tried to graduate to the small phase.

The downfall of the business was not necessarily because the product or service was bad, but rather because the entrepreneur was unable to keep control of the nuts and bolts that keep a business running.

#### Grow or die

Oosthuizen, a chartered accountant and business mentor, says that a business must grow over time; there is simply no other choice if it is to stay alive.

But simply increasing capacity or expanding service offerings is a waste of time if it does not generate the revenue to justify the expense and effort.

In addition, Oosthuizen believes that growth should create the basis for continued expansion. As the business generates more money, these funds should be used to grow it even more.

"You need to separate yourself from the business, especially when it comes to the finances. You need to see the business as a separate

person. You should also pay yourself the bare minimum initially and constantly reinvest in the business.

"The first element to consider is the cost-benefit scenario. One needs to decide if the growth opportunity will fund further growth.

"Growth might require moving from a sole proprietor setup to a closed corporation or company. This takes time and money initially and there are downstream costs such as being audited, for example."

Oosthuizen says micro-business owners need to take their time and evaluate all the elements that impact the business and identify the costs and the benefits involved.

#### Bite the bullet

She uses one of the firms she mentors as an example. In this micro business, the owner sold her time as a human resources consultant. The business was growing and she needed to decide if she would expand.

This meant hiring a secretary and a junior consultant. In addition, she would have to find office space as she worked from home.

"In the end, she decided not to pursue growth because of the risks involved. This included the overheads that she could not afford and the chance that her personal income could diminish," Oosthuizen said.

Risk is inherent in any business and the owner needs to decide if growth justifies the risk. This is because growth brings new overheads that need to be covered each month.

The moment you sign a lease or employ someone, you need to make more money simply to break even.

Nevertheless, it is the dream of most entrepreneurs to grow their enterprise and Oosthuizen says you should not let vision cloud your judgment: "You need to speak to people outside of your daily business reality, especially if you are on your own.

"A mentor allows you to see your ideas and projects from a different perspective as entrepreneurs often ignore the negatives."

#### Systems

Most micro entrepreneurs tend to start a business in a field they have significant expertise in. But, Oosthuizen says, this also means that they tend to ignore the elements they do not like or understand – such as financial management, human resources or marketing.

Once a business starts growing, it is crucial that these elements be managed: "The larger a business becomes, the more administrative your role becomes and the less operational."

She explains that simply ignoring tax elements because you do not understand them could see a growing, otherwise successful, business liquidated to pay taxes and associated fines.

Oosthuizen says entrepreneurs should take small steps and pay the relevant experts to help them put the right systems and processes in place.

She adds that it is up to the entrepreneur to ensure that this is done: after all, the buck stops with them. In addition, it is usually easier to implement and test ideas in a business with just a few employees.

"You need to decide if you want a business. If this is the case, then you need to manage an entire business, which includes the elements you do not like or understand," Oosthuizen says.

## GET TO KNOW PROF BONGA BONGA



*Prof Lumengo Bonga-Bonga*

**1. As a child what did you want to become?**

As a child, I wanted to become an engineer given the passion I had for Mathematics and physics. In fact, I enrolled in the faculty of Engineering in my first year at varsity.

**2. Why did you choose academics and not the corporate world?**

Academics career was the last option in my mind. It is in fact at the University of Pretoria that I develop a taste for the career. I had been given an opportunity to lecturer as a master's student and since then I realize that this should be a profession to undertake. Since then I enjoyed it tremendously in that I keep on declining all opportunities to join the corporate world.

**3. What is your favourite food?**

I am quite traditional for cuisine; my favourite food is called mfumbwa, a traditional cuisine from the Congo.

**4. Favourite holiday destination?**

I like to spend time with my family at the north coast, especially around Richards Bay and Saint Lucia. Paris is also a place I always like to visit.

**5. Do you have any hobbies?**

I was a soccer player at the varsity; the love of the soccer has developed in that I juggle my weekend to be shared between my family and watching soccer. It is not always easy for the family when one has to spend longer hours watching local and international soccer games.

**6. What have been the most memorable highlights during the past years as the HOD of Economics?**

I always believe that individuals who develop a culture of research increase their pool of knowledge and thus can plough back this knowledge to students in a form of relevant, appropriate and updated teachings. Harvard University is the best academic institution in the world because they can combine appropriately the two activities, research and thus, teaching. I should be remembered as the HOD who instilled and encouraged research activities in the Department of Economics and Econometrics. In addition, the memorable highlight during the past years as the HOD of Economics and Econometrics is to see developing within the department the culture of research activities in a way that we more than triple our research activities in the past three years. Nonetheless, we can do more.

**7. Describe the valuable lessons as HOD.**

To be a HOD is a tremendous responsibility as one becomes the guardian of the destiny of the department. The success and failure of a department depends largely to the vision of the HOD. My advice to those who inspire to become HOD is to have a clear vision as to why to become HOD. As a HOD, one is a servant of the department mostly at the expense of your own achievements as a researcher and academics. As HOD, I learn that one needs wisdom to manage staff and succeed to sell his vision for the harmony in the Department. The difficult task is that HOD manages people, I mean human being. This is the most difficult task of all, especially in a Department of more than 35 staff members with different backgrounds. The most valuable lesson, I learn to spend more time with God, asking for wisdom and sound mind to lead the Department of Economics and Econometrics.

**8. How do you see the future of the Economics department?**

The future of the Department of Economics and Econometrics is bright and that depends on some prerequisites; we need to reduce the gap that exists between our university/ Department with well-established international universities. Economics as a field of knowledge is quite dynamic and we need to keep abreast with all the development at international level. Sincerely, for the sake of the future of this country our students we need to strike a right balance between equity and international employment. By international employment, I mean scholars with the latest skill in economics who will bring the much-needed synergy in the Department of Economics and Econometrics. I thank the management of the University of Johannesburg for sharing our vision in this regards and I promise to have a successful department as long as this 'academic freedom' is maintained.

**9. Where would you like to retire?**

I wish to retire at the University of Johannesburg. I am proud of UJ. I pray to God that my wish is realised.

**10. What is your motto in life?**

Christ in me, Hope of Glory! There is nothing I do without God's direction. Nonetheless, I am still human.

## PROF BONGA-BONGA SHARPENS THE DEPARTMENT OF ECONOMICS AND ECONOMETRICS STAFF'S RESEARCH ACTIVITIES

Since his appointment as Head of Economics Department in 2009, Professor Lumengo Bonga-Bonga has focused on sharpening the quality of research interests and outputs of his 33 academic staff members.

Almost every academic staff member is currently involved in some research activity. Already there have been outstanding achievements. Last year Associate Professor Alain Kabundi scooped the Vice-Chancellor's award for the best young researcher. The department also added to its winnings the Vice-Chancellor's prize for the best teacher in 2010 which was awarded to Mr Arnold Wentzel.

"It's unprecedented to have one department winning the two prizes" says Bonga-Bonga. He sees the University of Johannesburg's research output ranking climbing to the top three within the next ten years, from sixth place currently.

In its recent strategic meeting, the Department of Economics and Econometrics came up with a new vision: "to become the leading economics department in South Africa." Bonga-Bonga says the vision is "quite ambitious but realistic." He says it's his responsibility to gear the department toward that direction. "Research output is one of the elements to realize our vision. Through embracing the growing research culture in the department, I see the research output of the department growing from the current 22 article papers authored or co-authored by staff in 2010 to more than 40 in 2013."

One of the activities introduced by Bonga-Bonga is the compulsory seminars which staff members attend every Thursdays. During these seminars, departmental staff present research articles they are working on, covering a broad range of topics from development economics to financial economics. The seminars also attract

presenters from other local institutions such as Wits, UCT, University of Pretoria as well as international institutions such as the International Monetary Fund and various universities in the United States and Europe. Another initiative that is paying off involves research workshops tailored to meet the needs of academic staff. These workshops are run by staff members who are competent in their respective fields, including research methodology and econometrics.

"Some of our staff is publishing in high-ranked journals in economics. We doubted our research from 2008 to 2009. We expect to see a remarkable increase in research output by 2013" says Bonga-Bonga. So far this year, 13 articles have already been accepted for publication by accredited journals, which is much higher than the number of publications during the same time last year.

## THE WORLD INVESTMENT REPORT LAUNCH

On July 26th, the 2011 *World Investment Report* was launched at 50 locations worldwide, including 9 in Africa. The World Investment Report (WIR) is published every year by the UN Conference on Trade & Development (UNCTAD), and is regarded as the authoritative source of information about foreign direct investment (FDI) in the world during the previous year.

In Johannesburg, the resource person for the launch was Professor Stephen Gelb, from the Department of Economics & Econometrics. Each year since 2006, Prof Gelb has assisted UNCTAD to put together the WIR and has launched it on their behalf in Johannesburg. This is connected with his active research interest in FDI in South Africa and between South Africa and other emerging markets.

This year's WIR reported that FDI inflows globally rose to \$1.24 trillion in 2010, 5 per cent more than the 2009 figure. FDI occurs when a company sets up (or buys) another company in a foreign country, in which it owns more than 10 per cent of the equity. To put the figure in perspective, South Africa's Gross Domestic Product in 2010 was around \$390 billion, or one-third of global FDI flows. Though FDI flows are very large, the 2010 figure was still 15 per cent below the average for the years 2005-2007, before the global financial crisis hit in 2008. For the first time in 2010, developing countries (which includes China, India, Brazil etc) received more than half of global inflows.

The WIR received unusually large attention in South Africa this year. The release

happened in the middle of a major policy debate about Wal-Mart's controversial (possible) entry into South Africa by buying a share of Massmart, which has focused public attention on FDI and its effects in our economy. This debate was heightened by the WIR figures, which showed that South Africa's inflows of FDI had dropped 70 per cent from \$ in 2009 to \$ in 2010. Outflows from SA also dropped, from \$ in 2009 to \$ in 2010 (percent). This was not good news for South Africa, but UJ certainly got a lot of media exposure, through about a dozen newspaper articles, and almost the same number of radio and TV interviews. Prof Gelb also participated in a half hour debate with Minister of Trade & Industry Rob Davies about Walmart on Classic FM radio.



**Prof Stephen Gelb**



**World Investment Report 2011**

## Below the surFACE

### “LEKKER... LEKKER... POTJIEKOS”

The cultural committee of Accountancy@UJ organised a special Potjiekos challenge on Friday 11 March 2011. The event was held at the Grasdak lapa and was a fun-filled day of teamwork to the highest degree.

Each team received a recipe in a whole lot of languages and needed some special communication skills to figure out the final

ingredients. While some teams prepared seafood potjies, others had to make chicken or beef potjies. All the ingredients were supplied, but some felt it necessary to add some other special formulas to give them the edge over their competitors.

Staff members helped with the preparation of the potjies, others worked on keeping the fires at the right temperatures, while others were a bit more involved in “stirring” up a

buzz with their comments and mind games. At one stage some teams actually looked like they were preparing soup, but in the end all teams ended up with a delicious final product for everyone to enjoy.

Team 6 turned out overall winners with their proudly South-African Protea-Potjie. Must have been their “Fauna and Flora” presentation skills that had a huge influence on the final decision of the judges...



**WHO SAID ACCOUNTANTS ARE BORING**



*Mr Thabiso Madiba*



*Article clerks doing WALK THE TALK*



*WALK THE TALK*



*Mr Jonathan Streng scuba diving*

**ACCOUNTANTS SPA DAY**



## COMMUNITY ENGAGEMENT

The Department Commercial Accounting, Bunting Road Campus' first Community Project for 2011 was "Tandanani SAVF Creche" in Newlands.

The Creche consists of 72 toddlers, between the age of 2 and 6. Most of these toddlers come from very poor families, where receiving a small meal from the crèche means a lot for them.

Colleagues generously contributed towards 2nd hand clothing and I was in the fortunate position to also issue each little one with a hand-made "lucky packet" consisting of coloring pencils, a cartoon picture to colour in, fizzer, lolly pop, chippies and a Departmental neck pen, all wrapped up individually.



## COMMUNITY PROJECTS

Colleagues contributed towards the Department's winter Community Project in June 2011, by donating hand gloves and cup-a-soup to 73 toddlers at the SAVF Thandanani Crèche in Newlands.



## FABULOUS FEMALES DAY

Prof Marita Pietersen treated the ladies in the Department to a lovely lunch at the "Fabulous Females Day" hosted by STH on 11 August 2011.



## MANDELA DAY

The Department participated in the UJ Mandela Day by donating soap and face cloths to the Helen Joseph Hospital patients and by spending time at the hospital with the patients.



## TRADITIONAL WEDDING

Staff member Peggy Nono Otami got married to Joseph according to the Traditional style. The couple's Christian wedding will take place in October 2011. The Department wishes them well on their future path together.



### WHEELCHAIR COMMUNITY PROJECT (END OF 2010)

Colleagues donated money towards a better wheelchair for a first year Accounting student Gomolemo Moagi, after seeing how she struggled with her old, heavy chair with NO brakes from the hostel to the classes. The suggestion was forwarded to Prof Marita and she gave the go-ahead to assist the student.

Mrs Rhodes contacted Mr Ian Goldsmith (external moderator) who is also involved at the Rotary Club. He promised her a much better wheelchair and Ronel and husband Antonie drove to Rotary's storeroom in Selby to choose the perfect wheelchair. All the money received was donated to the Rotary Club.



### IOAH CAMPAIGN

The Department participated in the UJ I.O.A.H. "I am caring campaign" by donating canned food and 2nd hand clothing towards the HIV and Aids project.



# Fancy FACE

## DUBAI... AND WHAT TO BUY?!

For one very short week, I lived, ate and breathed Dubai. I recently had the privilege of experiencing the world of Dubai and I found myself in a world unlike my own: so many buildings, so much money, so much construction and a very strong drive to be the first and biggest and best at everything. Everybody who's anybody wants to be there; all major companies and banks have operations there.



Dubai also has been called the "shopping capital of the Middle East". It is known for its souk districts. Souk is the Arabic word for market or place where any kind of goods are brought or exchanged. Traditionally, dhows from the Far East, China, Sri Lanka and India would discharge their cargo and the goods would be bargained over in the souks adjacent to the docks. Dubai's most atmospheric shopping is to be found in the souks, located on either side of the creek, where bargaining is part of the buzz.



Nothing happens on a small scale in Dubai. Whatever you decide to buy, Dubai shops have it all. With giant Dubai malls serving as complete entertainment centres with miles of air-conditioned corridors and tempting window displays, you can easily spend a few hours or an entire day hopping from store to store until closing time, which can be as late as midnight on the weekends.

If power-walking your way through the numerous big brand malls doesn't really do it for you, then opt for a more authentic Arabian experience and head to one of the local souks or markets



that can be found around town. From the narrow alleyways of the gold, perfume, spice, electronics and textile souks in Deira and Bur Dubai, to the more modern recreations at the other end of town, you can test your bargaining skills while netting yourself a memorable memento of your trip to Arabia.



From the **Dubai shops** and dining delights of The Dubai Mall to the popular **Mall of Emirates**, home to the world's largest indoor ski slope, on to **Ibn Battuta Mall** (named after the famed Arabic explorer) with its six themed shopping halls, there's more to the retail experience in Dubai than just branded storefronts.

The Dubai Mall, at the base of Burj Khalifah, which opened in November 2008, houses over 1 200 stores, including favourites such as Ted Baker, Guess Jeans, Gap, Manolo Blahnik and Aldo. Punctuate your visit with stops at the Dubai Aquarium and Discovery Centre and the Dubai Ice Rink, also housed in the mall.

Mall of Emirates, meanwhile, features 350 shops, a 400-room Kempinski hotel and a 400-metre-long ski slope. This indoor ski centre even features real snow – a somewhat difficult idea to grasp in the middle of a desert – a unique way to spend an afternoon after the morning's meanderings.

The expansive Ibn Battuta Mall, which lies on the outer reaches of the city along Sheikh Zayed Road, houses six international shopping zones. If designer fashions are your thing then you have to go to the upmarket **BurJuman mall**, a one-stop shopping

destination for every label imaginable from Dior to Louis Vuitton. The mall is also home to the ultra-fashionable Saks Fifth Avenue store – the hangout of the well-heeled and affluent visitor.

And if you just can't get enough of all that luxury, then the equally stylish Boulevard at Jumeirah Emirates Towers is home to yet more desirable brands from the must-have trinkets of Tiffany & Co. and Bvlgari to the inimitable chic of Armani and Jimmy Choo.

Another unique destination is Wafi – a great place to shop with the family or hang out with friends. Built in the shape of a pyramid, this distinctive Emirates mall is not only home to an eclectic mix of unique stores and familiar brand names, but also offers an exciting menu of quality dining venues and entertainment options from Planet Hollywood to the acclaimed Ashas

Indian restaurant (owned by famous musician, Asha Bhosle). It also houses Khan Murjan, an indoor souk based on a legendary 14th Century Arabian market, with artisans and traders selling a variety of goods.

Other malls in Dubai, not necessarily known for their choice or size but for their charm and design, are The Village in Jumeirah, with a selection of funky boutiques selling limited collections; the ever-busy Mercato mall, designed in a Venetian theme; and Jumeirah Mall, with its cafes, bookstore and quirky gift outlets.

Dubai Duty Free at Dubai International Airport offers merchandise catering to the multinational passengers using Dubai International Airport. While boutiques, some electronics shops, department stores and supermarkets may operate on a fixed-price basis, most other outlets

consider friendly negotiation as a way of life. Dubai's numerous shopping centres cater for every consumer's need. Cars, clothing, jewellery, electronics, furnishing, sporting equipment and any other goods are all likely to be under the same roof.

From what I have read, Dubai must be like Vegas or even bigger. However, from my personal experience, while comparing prices with South African costs, there was not much of a difference in price or even unbelievable bargains. Cars and petrol are very cheap for the local citizens; while earning their salary in Dirhams, their living expenses are less than ours in South Africa. When I considered buying some electric goods, the prices were very much the same. In that case, I would rather buy an iPad 2 in my own country, with a warranty close to home.

**Ms Jackie Bence**

