

# Theoretical Economics Letters



ISSN: 2162-2078



[www.scirp.org/journal/tel](http://www.scirp.org/journal/tel)

# Journal Editorial Board

ISSN: 2162-2078 (Print) 2162-2086 (Online)

<http://www.scirp.org/journal/tel>

---

## Editor-in-Chief

Prof. Moawia Alghalith

University of the West Indies, Trinidad-and-Tobago

## Associate Editors-in-Chief

Prof. Robert Chambers

University of Maryland, USA

Dr. Fariba Hashemi

Applied Economics Research, Switzerland

Prof. Eliakim Katz

Northern Illinois University, USA

## Editorial Advisory Board

Prof. Michael McAleer

Erasmus University Rotterdam, Netherlands

## Honorary Editorial Board

Prof. Frank J. Fabozzi

EDHEC Business School, France

## Associate Editors

Prof. Raouf Boucekkine

Université Catholique de Louvain, Belgium

Dr. Xu Guo

Beijing Normal University, China

## Editorial Board

Prof. Samir Amine

Université du Québec en Outaouais and CIRANO, Canada

Prof. Min An

University of Birmingham, UK

Dr. Stefan Behringer

Universität Heidelberg, Germany

Prof. Francesca Busetto

Università degli Studi di Udine, Italy

Prof. Chia-Lin Chang

National Chung Hsing University, Chinese Taipei

Prof. Youngsub Chun

Seoul National University, South Korea

Dr. Wei Cui

Peking University, China

Dr. Tian-Shyr Dai

National Chiao Tung University, Chinese Taipei

Prof. Ardeshtir Dalal

Missouri State University, USA

Prof. Martín Egozcue

UCUDAL and Universidad de la República, Uruguay

Prof. Catalina García García

University of Granada, Spain

Prof. Ulf-Göran Gerdtham

Lunds University, Sweden

Prof. Sayantan Ghosal

Glasgow University, UK

Dr. Zhengfeng Guo

Vanderbilt University, USA

Dr. Andreas Kern

Georgetown University, USA

Prof. Birendra Mishra

University of California, USA

Prof. Kazuo Nishimura

Kyoto University, Japan

Prof. Gerald Pech

KIMEP, Kazakhstan

Dr. Gareth W. Peters

University of New South Wales, Australia

Prof. Inguruwatt M. Premachandra

University of Otago, New Zealand

Prof. Indrajit Ray

Cardiff University, UK

Prof. Manuel Sanchis

University of Valencia, Spain

Prof. Marcella Scrimatore

University of Salento, Italy

Prof. Victor J. Tremblay

Oregon State University, USA

Prof. Mich Tvede

Newcastle University Business School, UK

Dr. Dimitrios Vortelinos

University of Lincoln, UK

Prof. Wing-Keung Wong

Asia University, Chinese Taipei

Prof. Makoto Yano

Kyoto University, Japan

# Table of Contents

**Volume 7    Number 2**

**February 2017**

## **On Volatility Transmission from Crude Oil to Agricultural Commodities**

D. Kumar.....87

## **A Review of Corporate Hedging Models and Their Relevance in Corporate Finance**

P. Gupta.....102

## **A Survival Approach to Prediction of Default Drivers for Indian Listed Companies**

V. Gupta.....116

## **Savings-Growth Nexus in Ghana: Cointegration and Causal Relationship Analyses**

R. B. Pickson, K. D. Enning, A. Siaw.....139

## **Trade Facilitation—Measurement Difficulties in the Computable General Equilibrium Model: A Review**

S. Perera, M. Siriwardana, S. Mounter.....154

## **Climate Coalitions and Punishments**

T. Eyland.....164

## **Convergence of the Unmanned Aerial Industry**

J. E. Chamata.....175

## **Implementability by a Canonical Indirect Mechanism of an Optimal Two-Dimensional Direct Mechanism**

N. Kojima.....187

## **Public Expenditures, Private Investment and Economic Growth in Togo**

K. Yovo.....193

## **Limit of the Principal's Information**

K. Hori.....210

## **A Game Model of Optimal Apartment Cleaning by College Students**

A. A. Batabyal.....218

## **UK Current Account Sustainability in the Post-Brexit Era: Insights from an Intertemporal Current Account Framework**

V. Jayakumar.....223

**Statistical Inference for a Novel Health Inequality Index**

C. Z. Niu, S. X. Hong, X. J. Jiang.....251

**Ricardo Revisited: Benefits from Trade and the Role of Non-Convex Technologies**

J.-P. Chavas, T. Hall.....263

# Theoretical Economics Letters (TEL)

## Journal Information

### SUBSCRIPTIONS

The *Theoretical Economics Letters* (TEL) (Online at Scientific Research Publishing, [www.SciRP.org](http://www.SciRP.org)) is published bimonthly by Scientific Research Publishing, Inc., USA.

#### Subscription rates:

Print: \$79 per issue.

To subscribe, please contact Journals Subscriptions Department, E-mail: [sub@scirp.org](mailto:sub@scirp.org)

### SERVICES

#### Advertisements

Advertisement Sales Department, E-mail: [service@scirp.org](mailto:service@scirp.org)

#### Reprints (minimum quantity 100 copies)

Reprints Co-ordinator, Scientific Research Publishing, Inc., USA.

E-mail: [sub@scirp.org](mailto:sub@scirp.org)

### COPYRIGHT

#### Copyright and reuse rights for the front matter of the journal:

Copyright © 2017 by Scientific Research Publishing Inc.

This work is licensed under the Creative Commons Attribution International License (CC BY).

<http://creativecommons.org/licenses/by/4.0/>

#### Copyright for individual papers of the journal:

Copyright © 2017 by author(s) and Scientific Research Publishing Inc.

#### Reuse rights for individual papers:

Note: At SCIRP authors can choose between CC BY and CC BY-NC. Please consult each paper for its reuse rights.

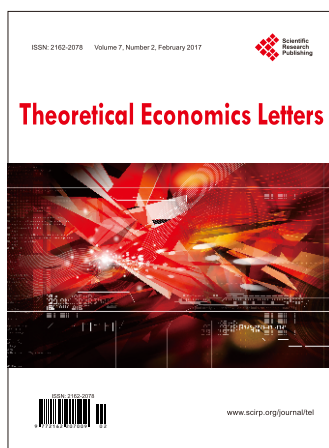
#### Disclaimer of liability

Statements and opinions expressed in the articles and communications are those of the individual contributors and not the statements and opinion of Scientific Research Publishing, Inc. We assume no responsibility or liability for any damage or injury to persons or property arising out of the use of any materials, instructions, methods or ideas contained herein. We expressly disclaim any implied warranties of merchantability or fitness for a particular purpose. If expert assistance is required, the services of a competent professional person should be sought.

### PRODUCTION INFORMATION

For manuscripts that have been accepted for publication, please contact:

E-mail: [tel@scirp.org](mailto:tel@scirp.org)



# Theoretical Economics Letters (TEL)

ISSN 2162-2078 (Print) ISSN 2162-2086 (Online)  
<http://www.scirp.org/journal/tel>

*Theoretical Economics Letters (TEL)* seeks high quality short papers in all topics in economic theory and mathematical economics. It also considers papers that empirically or experimentally test existing theories or assumptions. In addition, there is a section for work-in-progress, limited to one page.

## Editor-in-Chief

**Prof. Moawia Alghalith**

University of the West Indies, Trinidad-and-Tobago

## Subject Coverage

All manuscripts must be prepared in English, and are subject to a rigorous and fair peer-review process. Accepted papers will immediately appear online followed by printed hard copy. The journal publishes original papers including but not limited to the following fields:

- Econometric Theory
- Experimental and Behavioral Economics
- Macroeconomic Theory
- Mathematical Economics
- Mathematical Finance
- Microeconomic Theory

We are also interested in: 1) Short Reports—2-5 page papers where an author can either present an idea with theoretical background but has not yet completed the research needed for a complete paper or preliminary data; 2) Book Reviews—Comments and critiques.

## Notes for Intending Authors

Submitted papers should not have been previously published nor be currently under consideration for publication elsewhere. Paper submission will be handled electronically through the website. All papers are refereed through a peer review process. For more details about the submissions, please access the website.

## Website and E-Mail

<http://www.scirp.org/journal/tel> E-mail: [tel@scirp.org](mailto:tel@scirp.org)