

## Foreword

While the economic and public sector reform attempts in both developed and developing countries aim at creating value added of the government expenditures and hence improving the economic growth, the practical experiences of developing countries have approved that such government expenditures did not get translated in to a greater level of infrastructural development and improvement in living standards of the people. This is due to the fact that government expenditure in most developing countries are mostly directed toward general services and running of the state administration and less focus was for capital generation and resources development.

Accordingly, in the first article of this issue Samir Ul Hassan and Biswambhara Mishra have attempted to analyze how far the government expenditure and its different components are prominent to encourage the growth of economy in the state over the years and how far the current allocation pattern is growth oriented in line with future economic growth. They also examine the casual nexus between public expenditure and economic growth in order to understand the productivity of government expenditure in the state of Jammu and Kashmir. The findings of this article suggest that the government expenditure in the state of Jammu and Kashmir is less significant and inefficient to promote economic growth in the state of Jammu and Kashmir despite the huge growth in government expenditure over the years.

The second article deals with the balanced budget constitutional stipulation and its role in reducing unbridled financial leakages by serving as a constant caution of societal desire for fiscal discipline. In this article Nicholas Amponsah and Samuel Pimpong attempt to provide some reasons for the menace and some mechanisms for resolution.

The third article focuses on the high Costs of capital appreciation bonds and intertwined bond usage. In this article, Brandy Hadley and Jim Estes explore Puerto Rico's debt issues and the compounding and perpetuity effect on those debt issues by the use of Capital Appreciation Bonds.

The fourth contribution addresses the reconfiguration of revenue recognition principle to fit the context of public sector entities. In this contribution, Hassan Ouda has attempted to examine the accounting treatment of revenues recognition in the public sector from different international and national standard setting bodies' point of view and to develop the practice-relevant approach for the recognition of revenues (including exchange and non-exchange transactions) in the public sector context.

In the last contribution, Michael Parry and other members of Ad Hoc Committee on International Accounting Standards, ICGFM summarize comments on Exposure Drafts and other discussion documents issued by the International Public Sector Accounting Standards (IPSAS) Board.

We hope the articles in this issue will stimulate discussion on contemporary problems of public organizations. If you would like to participate in such discussions, please contribute to the next issue of this Journal and/or attend future ICGFM events. We would also be pleased to receive reviews and suggestions for future issues. Send them to [icgfm@icgfm.org](mailto:icgfm@icgfm.org).

We look forward to hearing from you!

Prof. Dr. Hassan Ouda  
*Editor*

Kevin Johnson  
*Vice President of  
Communications*

Jack Maykoski  
*President*