

BICM Research Seminar 43

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Paper details	
Title	Regulatory Fragmentation and Product Quality Failures
Authors	Md Imran Hossain Department of Finance University of Dhaka
	Suman Neupane UQ Business School The University of Queensland, Australia
	Dewan Rahman UQ Business School The University of Queensland, Australia
Presentation details	
Presenter researcher	Md Imran Hossain
Date	9 April 2025 (Wednesday)
Time	10:30 – 11:30 AM
Venue	BICM Multipurpose Hall
Expected Participants	Faculty Members of BICM & Invited Guests
Discussants	Hussain Ahmed Enamul Huda Department of Finance University of Dhaka
	Md Nazmul Hasan Bhuyan, PhD, CFA Department of Finance North Carolina Agricultural and Technical State University

About the Presenter

Md. Imran Hossain is an Associate Professor in the Department of Finance at University of Dhaka. He completed both MBA and BBA degrees from the same department. He also earned a Master of Applied Finance degree from Monash University, Australia with the prestigious Endeavour Postgraduate Scholarship funded by the Australian Government. He is currently pursuing a PhD in Finance at the University of Queensland, Australia, with fully funded scholarships.

Mr. Hossain's research has been published in several national and international peer-reviewed journals. Notably, his co-authored paper "Collateral Shocks and M&A Decisions", which is based on his Master's dissertation, was published in the Journal of Corporate Finance, a top-ranked international finance journal (ABDC ranking: A*, ABS: 4, Scimago: Q1, Impact Factor: 7.2). His primary research interests encompass corporate finance, regulations, M&As, and capital markets. His current area of research interest is regulatory fragmentation.

The paper abstract is given below. If you have any questions regarding the seminar or you wish to present a paper or invite a guest researcher, please do not hesitate to contact S. M. Kalbin Salema, Assistant Professor, BICM at kalbin@bicm.ac.bd.

Regulatory Fragmentation and Product Quality Failures

Md Imran Hossain¹, Suman Neupane² & Dewan Rahman²

Abstract

This paper investigates whether and how regulatory fragmentation leads to product quality failures, proxied by product recalls. Exploiting a hand-collected comprehensive product recall dataset of the US public firms from 1996 to 2023 and a firm-specific measure of regulatory fragmentation, we provide novel empirical evidence that firms facing fragmented regulations are more likely to experience product quality failures. Our results remain robust after addressing endogeneity concerns, conducting robustness checks, and ruling out alternative explanations. Additionally, the impact of regulatory fragmentation is more pronounced for firms with larger scopes, weaker corporate quality culture, greater competitive product markets and higher policy uncertainty. We find that fragmented regulation affects product quality failures through increased operating costs and employment, and reduced input quality and investment.

JEL Classifications: E22, G18, G28, G31, G38, L15

Keywords: Regulation, Fragmentation, Product Quality, Quality Failure, Recall

¹ Department of Finance, University of Dhaka

² UQ Business School, The University of Queensland, Australia