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Abstract: This study examines the impact of the recent global financial crisis on the market risk exposure of investments in the South African stock market. Market risk is measured by value-at-risk (VaR). This risk management metric, used widely by financial institutions, calculates the maximum loss expected in a defined trading period at a given confidence level. Due to the widely documented time-varying volatility associated with financial time series, traditional methods of calculating VaR often underestimate the intensity of portfolio losses, especially in periods of high volatility. To improve the volatility forecasts and therefore make the VaR estimates more realistic, we employ a GARCH specification. Calculations of VaR are then performed over several times in the out-of-sample period. Results show that this manner of estimating a portfolio's VaR is better at reflecting the true impact of market risk under various volatility conditions.

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Abstract: A study was conducted in late 2009 in the aftermath of the Global Financial Crisis in order to determine the resources and dynamic capabilities that are considered important for success by leaders of Australia's listed companies. A mail survey was administered to 2000 executives in November, 2009. Respondents felt that financial capital, technological know-how, specific staffing issues (competence, experience and inter-relationships), and reputation were the most crucial resources. The most important dynamic capabilities were leadership, long-term and big picture strategic thinking and organizational culture. These concrete dynamic capabilities enable the building, integration and reconfiguration of an organization's resources in turbulent environments. The dynamic capabilities view of the firm overarches the resource based view because of its capacity for handling environmental exigencies. Critical success measures were considered to be increased Return on Investment (ROI), Return on Equity (ROE), share price, cash flow, profit and growth. A practical playbook for managing in changing times is provided at the end of this article.

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