The Effect of Economic Factors and Firm Characteristics on the Capital Structure of Listed Companies in Tehran Stock Exchange (TSE)

R. Hejazi*
Associate Professor of Accounting, Alzahra University, Tehran, Iran
S. Khademi
Master of Accounting, University IU Persian Gulf, Iran

Abstract:
The main objective of this research is to investigate the effect of economic factors and firm characteristics on capital structure of companies listed in TSE. For this purpose, 92 companies in TSE have been selected as a sample for review using sampling screening method in the period 1380-1388. To conduct this study the, relationship between variables is teste using regression models with panel data To estimate the model, at first, Chow and Hausman test is used for choosing the best model among ordinary panel data, (fixed effect and random effect). In this study, three firm characteristics including asset structure, liquidity and firm size, and economic factors including inflation and economic growth is investigated. The survey result shows that there is a negative and meaningful relation between the companies' capital structure with the liquidity and inflation. But, there is a positive and meaningful relation between the companies' capital structure with the asset structure, size and economic growth.

Key Words: Capital Structure, Debt Leverage, Firm Characteristics, Economic Factors

∗ hejazi33@yahoo.com

Studying the Relationship between Disclosure Quality and Accruals Quality in Explaining the Changes in Portfolio's Excess Return.

M. Dastgir*
Professor of Accounting and Finance, Islamic Azad University Mobarakeh Branch, Iran
M. Shahrzadi
Master in Accounting, Islamic Azad University Mobarakeh Branch, Iran

Abstract:
Stock returns have attracted many attentions in finance journals and accounting literature. Focus of current researches in capital markets is on factors that reduce investment risk and their impacts on stock returns. Disclosure quality and accruals quality are among such factors that have influence on explaining stock returns. With regards to what has been argued, we study the relationship between disclosure quality and accruals quality in explaining the changes in portfolio's excess returns. The sample of this research is selected from companies listed in Tehran's stock exchange in a period of 1382 to 1391. We use regression model to provide that there isn't any significant relationship between disclosure quality and accruals quality in explaining the changes in portfolio's excess return. In explaining the changes of portfolio's excess return disclosure quality and accruals quality are complements.

Key words: Information risk, Disclosure quality, Accruals quality, portfolio's excess return.

The Impact of Conditional Conservatism on Reliability and Timeliness of Disclosure

M. Nikbakht
Associate Professor of Accounting, University of Tehran, Iran
F. Haji Azimi*
Master of Accounting, University of Tehran, Iran

Abstract:
In order to access benefits of decreasing information asymmetry, management varys information policy. In the realm of information role of disclosure and conservatism, this study examines the relation between conditional conservatism and disclosure quality in the form of timeliness and reliability of information. To measure the conditional conservatism, CR from Callen and C- score from khan and watts has been used. Also, measuring of disclosure quality has been measured by corporate disclosure scores, published by the Tehran Stock Exchange. To test the hypothesis presented in this study, 142 companies listed in Tehran Stock Exchange during the years 2003 till 2010 have been studied. The first hypothesis indicates that a negative relation between conditional conservative and accounting disclosure quality exists. In the other words, conditional conservatism and disclosure quality are used as two substitutive information policies. Testing the effect of timeliness of accounting information in the second hypothesis, shows that conditional conservatism significantly has a negative relation with the timeliness of disclosure and reduces management's incentives to disclose information in timely manner. In addition, the results of this study suggest that conditional conservatism reduces the reliability of the disclosed information and increases volatility of predictions and difference of actual and predicted information.

Keywords: disclosure quality, timeliness, reliability, conditional conservatism

The Effect of Accruals on the Relationship of External Financing and Future Stock Returns

S. A. Hashemi*
Associate Professor of Accounting, University of Isfahan, Iran
H. Jalali Moghadam
Master of Accounting, University of Isfahan, Iran

Abstract:
Anomalies of market represent failure of pricing models or inefficiency of market. Some kind of anomalies that have been prevailed in the capital markets in recent years are accruals anomalies (effect of accruals on future stock returns) and the external financing anomalies (effect of external finance on future stock returns). Main objective of the present study is to investigate the effect of accruals on relationship of the external financing with size-scaled future stock returns. The sample of the present study includes 80 companies listed in Tehran Stock Exchange in the period of 1384 to 1390. Findings suggest that the relationship of accruals with future stock returns is positive and significant and external financing is not significantly associated with future stock returns. These findings are not consistent with the basic theory. Then after adding accruals to the relationship of external financing with future stock returns the results changed and this relationship appeared negative and significant that reflects the anomalies of external financing. Thus, paying simultaneous attention to accruals and external financing is important.

Key Words: Size-Adjusted Future Stock Return, Accruals Anomaly, External Financing Anomaly.

* a.hashemi2@yahoo.com

Assessment of the Influence of Critical Accounting Disclosure Policy on the Criteria of Evaluation of the Performance and Quality of Financial Reporting

F. Rahnamay Roodposhti
Full professor of Accounting, Science and research branch, Azad Islamic University Tehran, Iran
A. Yaghob Nejad
Associate professor Accounting, Central Tehran branch, Azad Islamic University, Iran
Y. Noori Fard
Assistant professor accounting, South Tehran branch, Azad Islamic University, Iran
A. Goudarzi*
PhD Accounting, Science and research branch, Azad Islamic University Tehran, Iran

Abstract:
This paper surveys Assessment of the influence of critical accounting disclosure policy on the criteria of evaluation of the performance and quality of financial reporting. Critical accounting procedures emphasize on critical disclosure of accounting estimates in the notes along with financial statements In this study inventory, revenue recognition, bad debt provision and depreciation are chosen as critical accounting items, and we choose companies listed in Tehran stock exchange as research population. For hypotheses test we use Willcoxen test because of using qualitative data. Results show performance evaluation criteria increased in years that critical disclosure of mentioned items is implemented. However, the quality of reporting has not changed significantly.

Key Words: Disclosure, Critical Accounting Policy, Performance Assessment Criteria, Quality of Financial Reporting

---

* Ahmad_good2003@yahoo.com

The Role of Auditor Characteristics in Earnings Quality

S. Mehrani
Associate Professor of Accounting, University of Tehran, Iran
M. Moradi*
Assistant Professor of Accounting, University of Tehran, Iran
M. Nakhaei
Ph.D. Student of Accounting, University of Tehran, Iran
M. Motmaen
Ph.D. Student of Accounting, University of Tehran, Iran

Abstract:
The recent financial scandals have raised concerns about the quality of the financial reporting. While the responsibility of preparing these reports lies with the managers of the companies, the auditors have also received accusations as a result of the scandals. Therefore, the objective of the present study is to investigate the possible effects of the auditor characteristics on the quality of financial reporting (earnings quality). Specifically, the study is focused on two features: the tenure and the size. In addition, in order to examine the earnings quality, three dimensions including the predictive and verifiability value, neutrality, and the conservatism are selected and examined based on the Conceptual Framework for Financial Reporting in Iran. The results of a multiple regression analysis indicated no significant relationship between the characteristics of the auditors and the three dimensions of the earnings quality. In other words, auditor tenure has no meaningful effect on earnings quality. Specifically, the results indicated that the period of time the employer and the auditor working together has no meaningful effect on the employer's earnings quality. In addition, no meaningful relationship was found between the size of the audit firm and the earnings quality indicating that there is no significant difference between the earnings quality of the companies audited by the Audit Organization and those audited by the Iranian Association of Certified Public Accountants (IACPA) and also between the performance of these firms and the Audit Organization.

Key words: Auditor Tenure, Auditor Size, Earnings Quality

* moradimt@ut.ac.ir

Evolving Relationship between Share Prices and Accounting Variables During Firm Life- Cycle Stages by Hierarchical Bayesian Analysis

F. Rezaei
Assistant Professor of Accounting, Qazvin Branch, Islamic Azad University.
H. Shafii Dezaji*
Master of Accounting, Tabriz Branch, Islamic Azad University

Abstract:
The general purpose of this paper is to review the relevance of accounting variables to describe the evolving of a company's share price in life-cycle stages (Growth, Mature and stagnant stages). Specifically, this paper analyses the influence of cash flow from operations (CFO) and book value of equity (BVE) during 2002-2008 on the evolving of the share price, taking into account certain control variables which have traditionally been regarded as an explanation for this effect. A hierarchical Bayesian model applied to analyze the relevance of the accounting figures considered by the markets. The algorithm is designed in Open BUGS software. The obtained Results showed that book value of equity is more relevant than cash flow from operations to evolving varies of share prices. The obtained empirical results showed that the return and the speed of asset turnover are a company's most relevant features. Although, in capital market of Iran, book value of equity is more relevant than cash flow from operations in mature stages, Growth and stagnant stages are as relevant as among those variables.

Keywords: Share price; Book value; Cash flow from operations; Bayesian inference.

* Shafiihadi@gmail.com