On The Relation between Information Asymmetry and Real Earnings Management in Listed Companies on Tehran Stock Exchange

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Abstract
When information asymmetry is high, stakeholders do not have sufficient resource, incentives, or access to relevant information to monitor manager's actions, which gives rise to the practice of earnings management. This paper develops and tests hypotheses of how the presence of information asymmetry affects management incentives to manage earnings via real transaction structuring activities (Real Earnings Management). The sample data used for the research consisted of financial reporting by companies listed of the Tehran Stock Exchange (TSE). We examined the data of 110 companies from 1385-1390. Using a pooled cross-sectional least squares regression of the proxies for REM with information asymmetry and other risk factors. The results showed that there is a significant relationship between information asymmetry and abnormal cash flow and abnormal production. But there is not a significant relationship between information asymmetry and abnormal discretionary expenditure.

Keywords: Information Asymmetry, Real earnings management, abnormal cashflow, abnormal production, abnormal discretionary expenditure.

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The Study of Investors Overreaction Error Role in Occurrence of Value Premium in Iran Capital Market

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Abstract
The value premium or value stocks return surplus to growth stocks is one of capital market anomalies. However this anomaly has verified in many capital markets in the world, there is some controversy about its reasons. This study investigates whether after control for growth and value stocks risk, there is any evidence of investors' overreaction to past financial performance of growth and value stocks or not. Performance measures in this study include sales growth, earning growth and past stocks return. In order to conduct this study, a sample including 121 firms during the period of 1380 to 1389 in the form of two 5-year-period, is selected. For testing the research hypothesises, both portfolio test method and regression method with panel data has been used. The results of this study shows that investors behavioral errors is not the reason for value premium in Iran capital market, but there is a direct relationship between risk and return of growth and value stocks which confirms the rational justification of value premium occurrence.

Keywords: Value Stocks, Growth Stocks, Value Premium, Behavioral Finance, Overreaction.

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Determinant Factors of Capital Adequacy Ratio in Banks of Iran (2006-2010)

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Abstract
Capital adequacy ratio is considered as one of the most important stimuli in the profitability of financial institutions. The main objective of the present study is to investigate the determinant factors of capital adequacy ratio in Iranian banks. For this purpose, fourteen private and the state Iranian banks during the period 2006 to 2010 are selected for study. Statistical data and other requirements were extracted from audited annual financial reports of selected banks. To examine the determinant factors, the size of the bank's capital adequacy ratio is considered as dependent variable and variables such as size of the bank, share of deposits, loss reserve facilities granted, facilities granted amount, liquidity, debt leverage, return on assets and return on share holder's equity are considered as independent variables. A multiple regression model using panel data is employed to test the relationship between dependent and independent variables. The results show that the variables such as liquidity and rate of return on assets have a positive and significant effect on required capital adequacy ratio, while the bank size, the facilities granted shares, return on shareholder's equity, loss reserve on facilities granted and debt leverage have a negative and significant on the capital adequacy ratio. While no significant relationship between the share of deposits and capital adequacy ratio is confirmed.

Keywords: Capital adequacy ratio, panel analysis, financial variables, banks of Iran.

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Ranking Stock Selection Criteria From the Perspective of Institutional Investors (Network Analysis Approach)

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Abstract
Institutional investors in capital markets have the greatest amount of capital and expertise. Both of these features have led them to look into the companies' stocks differently from other investors. According to Iran's capital market regulations, institutional investors are including several groups such as mutual funds, capital providing companies and investment firms. This article considers stock selection criteria of such institutional investors. The literature of stock selection criteria provides 18 different criteria. According to interviews, 9 criteria as "special criteria of institutional investors' are added to the list. Then, using statistical and analytic network process (ANP) we begin the validating and ranking the stock selection criteria. The results indicate that institutional investors do not use all stock selection criteria, and only eight stock selection criteria are approved. Institutions investors consider firm's specific, institutional investors specific, specific industry and macroeconomic criteria as most important stock selection criteria.

Keywords: institutional investors, stock selection criteria, network analysis.

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Market Reaction to Quarterly Earning Anouncment in Tehran Stock Exchange

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Abstract
This paper uses the traditional event study method to examine the information content of quartrerly earnings announcements in the Tehran stock exchange as a small and thin trading stock market from year 1384 until end of 1390. The contribution of this paper is the use of three method (uniform, lump and Trade to trade) for missing data. The paper finds that earnings announcements contain relevant information for the stock market. When actual earning was exceed from expected earning (good news), the paper finds significant positive abnormal returns accompanying the announcements. The abnormal return persists several days after the announcement, suggesting that the information environment of this small stock market works to decrease the speed of adjustment. In addition when actual earning was less than the expected earning (bad news), there is no abnormal return around the announcement. Perhaps Tehran stock exchange can discover bad news rather than good news.the paper finds a positive correlation between the information content and predisclosure information. This result is similar with larg stock market.

Keywords: Earnings announcmet, event study, predisclosure information, thin trading.

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"The Best Method of Presenting Cash flow Statement from Companies Financial Managers, Financial Managers of Mutual Funds and Creditors Point of View"

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Abstract
According to American Financial Accounting Standards and International Accounting Standards, The cash flow statement is partitioned into three segments. But in Iran, according to accounting standards committee opinion, the cash flow statement is partitioned into five segments instead of three segments. Meanwhile, another model of the cash flow statement is partitioned into four segments. The purpose of this study is to identify the best approach in presenting of cash flow statement from viewpoint of the financial manager of listed companies on Tehran stock exchange, financial management of mutual funds and creditors. By reviewing the relevant literature and theories, the research hypotheses are set. Using 214 five-point Likert scale questionnaires and Wilcoxon signed rank nonparametric statistic, Friedman rank test, Kruskal-Wallis test and Mann-Whitney U-test research hypotheses are tested. The result of Wilcoxon test indicates that in the general level the four-segment cash flow statement model, is superior to the three and five segment models. The result of Friedman rank test indicates a same result. Checking the ranking difference between the three models of presenting cash flow statements and uniformity of the responses from Friedman rank test, Kruskal-Wallis test and Mann-Whitney U-test indicate that the ranking of models are statistically significant and there is uniformity in the responses.

Keywords: Statement of cash flow, three –Segment model of cash flow, four –Segment model Statement of cash flow, five –Segment model Statement of cashflow.

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Stock Market Reaction to Abnormal Audit Fees

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Abstract
Awareness of the procedure of determining audit fees is of significance both for the client and the auditor. The amount of audit fees paid to the auditors can affect audit process in two ways: the more audit fees is allocated for the auditor, the more effort is put on the audit process by she/he, hence it increases the audit process and the audit process quality. However, the auditors will be dependent on their clients financially and lose their independence. Therefore, the problem stated in this research deals with the investors' preception of abnormal audit fees and their reaction to them. Main objective of this paper is to survey the reaction of stock market to abnormal audit fees. for fulfilling the objectives of this study the post event research method is applied and for testing the hypothesis the data panel method has been employed. The research sample consists of 71 listed firms in Tehran Stock Market between the years 1385 to1389. Results of this research indicate that stock market react positively to abnormal audit fees. In other words, the investors tend to assume that abnormal audit fees incorporate more information into stock prices and this will enhance audit quality.

Keywords: actual audit fees, abnormal audit fees, normal audit fees, audit independence, stock price synchronicity.

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