

## ***The Impact of Managerial Caution on Operating Performance and Accounting Conservatism***

***Seyyed Abbas Hashemi<sup>1</sup>, Hadi Amiri<sup>2</sup>, Milad Ahmadi<sup>3</sup>***

**Abstract:** The aim of this research is investigate impact of the managerial caution on the operational performance and accounting conservatism. To evaluate operational performance, three criteria are used: Return on Assets (ROA), Return on Equity (ROE), and Operating Profit Margin (OPM). Also, in order to measure accounting conservatism, Basu's model (1997) has been used. The data used include a sample consists of 110 listed companies in Tehran Stock Exchange (TSE) during the years 2003 to 2012. For data analysis and hypothesis testing, multivariate regression model and the model of pooled data is used. The results of estimating research models suggest that managerial caution has a positive effect on ROA and OPM, and negative effect on accounting conservatism. The research results also attest that between managerial caution and ROE, there is no statistically significant relationship.

**Keywords:** *Accounting Conservatism, Managerial Caution, Operating Performance, Real Options, Uncertainty.*

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1. Associate Prof. Accounting, University of Isfahan, Iran

2. Assistant Prof, University of Isfahan, Iran

3. MA., University of Isfahan, Iran

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**Corresponding Author: Seyyed Abbas Hashemi**

**Email: a.hashemi2@yahoo.com**

## ***Exploring the Relationship between Disclosure Quality and the Performance of Tehran Stock Exchange Companies Using a Simultaneous Equations System***

***Gholamhossein Mahdavi<sup>1</sup>, Sajjad Behpour<sup>2</sup>, Fatemeh Kazemnezhad<sup>3</sup>***

**Abstract:** The so far studies, reveal a dual relationship between disclosure quality and firm performance. While some studies have examined the effects of disclosure quality on firm performance, other studies have examined the effects of firm performance on disclosure quality. Reviewing the evidence of the validity of both approaches means that there is a bilateral (two-sided) relationship between these two variables. In this regard, the goal of present research is to study the bilateral relationship between disclosure quality and performance of 149 companies listed on Tehran Stock Exchange (TSE) during 2004 to 2010. At first, the bilateral relationship between two variables was confirmed using Granger causality test and then simultaneous equations system was estimated using two-step regression. Based on the results, there is bilateral relationship between disclosure quality and performance of the companies listed on the TSE. In other words, the results of the simultaneous equation system have more reliability and validity compared to single-equation system.

**Keywords:** *Disclosure Quality, Performance, Simultaneous Equations System.*

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1. Associate Prof. Accounting, University of Shiraz, Shiraz, Iran

2. PhD. Candidate in Economic, University of Shiraz, Shiraz, Iran

3. MSc in Management, Estahban Payame Noor University, Estahban, Iran

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*Corresponding Author: Gholamhossein Mahdavi*

*Email: ghmahdavi@rose.shirazu.ac.ir*

## **Control Privatization, Corporate Governance and Firm Performance**

**Keyhan Maham<sup>1</sup>, Farid Tanha<sup>2</sup>**

**Abstract:** The aim of this paper is to determine the impacts of control privatization on financial situation and performance of the firms transferred to private sector in IRAN. Using data pertinent to 140 public firms privatized during 2001 to 2012, it was examined whether control privatization had any positive impacts on the selected measures. To this end, multivariate regression models were used. Research findings showed that: 1. Privatization do not lead to decreased large shareholder expropriation; 2. Privatization do not lead to decreased government debt; 3. Privatization leads to increased productivity of employees; and 4. Privatization leads to improved firms performance. These results can describe how public policy makers improve poor performance of firms by control privatization.

**Keywords:** *Control Privatization, Employee Productivity, Firm Performance, Government Debt, Large Shareholder Expropriation.*

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1. Assistant Prof. Accounting, Islamic Azad University of Qazvin, Iran

2. Master of Accounting, Faculty of Management, University of Science and Research Campus, Qazvin, Iran

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Corresponding Author: Keyhan Maham

Email: Keyhan.maham@yahoo.com

## **Social Responsibility Disclosure and Corporate Governance**

**Mehdi Maranjory<sup>1</sup>, Razieh Alikhani<sup>2</sup>**

**Abstract:** This research investigates the relationship between social and environmental information disclosure level and two corporate governance mechanisms such as institutional ownership and non-executive directors of Iranian firms. To measure SEIDL, content analysis was employed. The statistical population of this research is the firms listed in the Tehran Stock Exchange (TSE). We use a sample of 66 firms in different industry during 2006 to 2011. The regression has been used to test the research hypothesis. The results show that there is a positive significant relation between size and social and environmental information disclosure level, but there is no meaningful relationship between the social and environmental information disclosure level and institutional ownership and non-executive directors.

**Keywords:** *Corporate Governance, Institutional Ownership, Non-executive Directors, Social and Environmental Disclosure.*

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1. Instructor of Accounting, Islamic Azad University, Chalous Branch, Iran

2. Assistant Prof., Accounting IAU, University of Chalous Branch, Chalous, Iran

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**Corresponding Author:** Mehdi Maranjory

**Email:** Mr.maranjory@gmail.com

## **Audit Opinion and Earnings Management: Uncertainty in Going-concern**

**Mohammad Moradi<sup>1</sup>, Mohammad Osoolian<sup>2</sup>, Mohammad Norouzi<sup>3</sup>**

**Abstract:** This study investigates the relationship between earnings management and audit opinions. Qualified audit opinions are divided in two categories: 1. qualified because of uncertainty in going-concern, and 2. qualified because of other reasons. Earnings management is measured by discretionary accruals with Jones model, adjusted Jones model and Kothari *et al.* model. Logistic regression model is used. Sample includes firms listed in Tehran Stock Exchange (TSE) during 2007 to 2013. Findings show that there is positive relation between qualified opinions because of uncertainty in going-concern and earnings management. But, there is no relation between earnings management and qualified opinions because of other reasons. It means that uncertainty in going-concern increases audit risk and probability of issuing of qualified opinion for reporting of earnings management.

**Keywords:** *Audit Opinion, Discretionary Accruals, Earnings Management, Going-Concern.*

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1. Assistant Prof., Faculty of Management, University of Tehran, Tehran, Iran

2. Assistant Prof., Faculty of Management & Accounting, University of Shahid Beheshti, Tehran, Iran

3. M.S Student of Accounting, Faculty of Management, University of Tehran, Tehran, Iran

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**Corresponding Author: Mohammad Moradi**

**Email: Moradimt@ut.ac.ir**

## ***Identification the Efficient and Opportunistic Earnings Management Approaches in the Earnings Quality Levels***

***Gholamreza Kordestani<sup>1</sup>, Rashid Tatli<sup>2</sup>***

**Abstract:** Earnings management is both good and bad. Of course, a little of earnings management can be improved information content of accounting. Opportunistic behavior of management with earnings manipulation decrease information credibility and wreck earnings quality. This research is trying to identify efficient or opportunistic type of earnings management in portfolio of high and low levels of earnings quality. For this purpose, data of 841 firm- year during 2001-2011 to estimate earnings quality and earnings management measurement models and 490 firm-years to test the hypothesis were analyzed. Results show that earnings management in firms has a low quality of earnings opportunity. Thus, highly earnings management reduces the quality of earnings and artificial data.

**Keywords:** *Discretionary Accruals, Earnings Quality Levels, Efficient Earnings Management, Opportunistic Earnings Management.*

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1. Associate Prof., Accounting, Faculty of Social Sciences, Imam Khomeini International University, Qazvin, Iran

2. MSc. Accounting, Faculty of Accounting and Management, Islamic Azad University of Qazvin, Iran

---

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**Accepted:** 31 / August / 2014

**Corresponding Author:** Rashid Tatli

**Email:** r\_tatli313@yahoo.com

## ***Evaluating the Implementation of Financial Module of Enterprise Resource Planning Systems: Assessing the Subsystems of Financial Module***

***Babak Sohrabi<sup>1</sup>, Iman Rayisi Vanani<sup>2</sup>, Mandana Farzaneh<sup>3</sup>***

**Abstract:** Utilizing enterprise resource planning (ERP) systems has been grown substantially in public and private organizations in Iran. Examining the best practices of implementing, the financial module of ERP helps to reduce the failure rate of implementing this system. The proper deployment and efficient management of the financial module, increase the chance of success in implementing ERP system. Current research, conduct a deep exploration of the relevant literature in order to find the general and specific indicators of evaluating the successful implementation of financial module of the system. Then, the identified indicators were prioritized through using questionnaires and interviews with some project managers and domain experts in one of the largest public organizations in Iran. The best practices are specified separately for each of the key financial modules of the ERP system. The results of this study provide appropriate guidelines for implementation financial module of ERP in other similar organizations.

**Keywords:** *Enterprise Resource Planning System, Financial Module, Best Practice.*

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1. Prof. in IT., Faculty of Management, University of Tehran, Iran

2. PhD in IT., Faculty of Management, University of Tehran, Iran

3. PhD Candidate, Graduate School of Management and Economics, Sharif University of Technology, Tehran, Iran

---

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**Corresponding Author: Babak Sohrabi**

**Email: bsohrabi@ut.ac.ir**

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