

## ***Changes in the Value Relevance of Accounting Information and Identifying the Factors Affecting the Value Relevance***

***Ahmad Ahmadpour<sup>1</sup>, Seyyed Amin Hadiyan<sup>2</sup>***

**Abstract:** Accounting information for decision making purposes is essential for financial accounting users and can be useful by accompanying with value relevance. The aim is investigation the changes of accounting information's value relevance and related factors. We investigated the accounting information's value relevance of 2,970 observations by four models and OLS method during 18 years (1996-2013) and also, 100 samples of companies listed in Tehran Stock Exchange during eight years (2006-2013) for identifying the factors. We found that after using the first accounting standards the value relevance of balance sheet relation is increasing. In addition we found that there is meaningful and negative relationship between changes in the value relevance of accounting information and company's size, meaningful and positive relationship between changes in the value relevance of accounting information and company's growth and also meaningful and negative relationship between changes in the value relevance of accounting information and company's debt.

**Keywords:** *Accounting information, Accounting standards, Value relevance.*

1. Prof. Faculty of Economical & Administrative Science, Mazandaran University, Babolsar, Iran

2. Instructor, Sarooyeh, Non-profit, Non-governmental Organization, Sari, Iran

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*Corresponding Author: Seyyed Amin Hadiyan*

*Email: acc.hadiyan84@yahoo.com*

## ***Investigating the Effect of Firms' Bankruptcy Risk and Stock Returns' Systematic and Idiosyncratic Volatilities on Cash Holding***

***Abbas Aflatooni***<sup>1</sup>

**Abstract:** The managers have different incentives to keep cash in firms. One of their incentives for cash holding is precautionary motives. Based on precautionary motives, and to deal with unexpected financial crisis and the subsequent uncertainties, firms always keep a part of their assets in cash type. This research investigates the relationship between two measures of firm's future uncertainties includes: (1) stock return's total volatilities and its systematic (normal) and idiosyncratic (abnormal) components, and (2) bankruptcy risk, with cash holding in 193 firms listed in Tehran Stock Exchange from 2002 to 2013. The results show that the increase in stock return volatilities (especially idiosyncratic volatilities) and also increase in bankruptcy risk, lead to increase in firms' cash holding. The research findings are consistent with the concepts of the static trade-off theory.

**Keywords:** *Bankruptcy risk, Cash holding, Idiosyncratic volatility, Systematic volatility, Uncertainty.*

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1. Assistant Prof., Faculty of Economic and Social Sciences, Bu-Ali Sina University, Hamadan, Iran

*Submitted: 16 / September / 2014*

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*Email: Abbasafatooni@gmail.com*

## ***A Survey of the Influence of Earning Sustainability on Value Relevance of Accounting Information***

***Morteza Bayat<sup>1</sup>, Hasan Zalaghi<sup>2</sup>, Iraj Mirhosseini<sup>3</sup>***

**Abstract:** This research examines the relationship between earning sustainability and value relevance of accounting information. In this study, data has been collected from 76 firms listed in the Tehran Stock Exchange during 2005-2013. The research hypothesis was tested by utilizing the regression coefficient analysis. The results showed a significant and positive relation between earning sustainability and value relevance of accounting information. In other words, the reproducibility of the earning increases value relevance of accounting information. In general unsustainable earning will decrease the value relevance because shareholders cannot rely on earning. From the other side, increase earning sustainability can be increase the predictive power of shareholders. Thus it can increase value relevance of accounting information. The results also show that the significant and positive relation between Changes EPS and return of stock.

**Keywords:** *Earning changes, Earning sustainability, Return of stock, Value relevance.*

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1. Master of Accounting, Faculty of Management & Accounting, Shahid Beheshti University, Tehran, Iran
  2. Assistant Prof., Faculty of Economic and Social Sciences, Bozalisina University, Hamedan, Iran
  3. Master of Accounting, South Branch, Islamic Azad University, Tehran, Iran

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*Corresponding Author: Iraj Mirhosseini*

*Email: mirhosseiniiraj@yahoo.com*

## ***A Meta-Analysis of Corporate Governance and Earnings Management***

***Mohammad Reza Abbaszadeh<sup>1</sup>, Reza Hesarzadeh<sup>2</sup>,  
Mahdi Jabbari Nogabi<sup>3</sup>, Solmaz Arefiasl<sup>4</sup>***

**Abstract:** In this study, in order to summed up the findings and analyzes on the reasons of the differences between them, meta-analysis method (following Garcia-Meca & Sánchez-Ballesta, 2009) is implemented on the statistical sample of 49 studies during 2000 to 2014, including 30 foreign studies and 19 studies from Iran. In this article, corporate governance mechanisms are determined as independent variables in two categories –board of directors including board independence, board size, and CEO duality and ownership structure including insider ownership, concentration, and institutional ownership. The earnings management is determined as a dependent variable. The effect size was calculated in order to determine the relationship between the main variables and also, to detect moderating variables. The findings show, at first, “the type and the sign of accruals” are as moderating variables for relationships between board size, concentration and institutional ownership and earnings management. Second, “the model of accruals” and also “the type of corporate governance system” moderate the relation between board independence and board size and earnings management.

**Keywords:** *Board of directors, Corporate governance, Earnings management, Meta-Analysis, Ownership Structure.*

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1. Assistant Prof. of Economic & Administrative Sciences, Ferdowsi University of Mashhad, Iran

2. Assistant Prof. of Economic & Administrative Sciences, Ferdowsi University of Mashhad, Iran

3. Assistant Prof. of Mathematical Sciences, Ferdowsi University of Mashhad, Iran

4. MSc. Student in Accounting, Ferdowsi University of Mashhad, Mashhad, Iran

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*Corresponding Author: Mohammad Reza Abbaszadeh*

*Email: abbas33@um.ac.ir*

## ***The Effect of Managerial Overconfidence on Tax Avoidance***

***Mahdi Arabsalehi<sup>1</sup>, Majid Hashemi<sup>2</sup>***

**Abstract:** Tax has as one of the most important income sources for governments has been received from a long time ago. The other hand, companies are always trying to pay less tax. Tax avoidance is one of the tools that managers use to pay less corporate tax. Different factors such as managers' overconfidence affect companies' tax avoidance. The purpose of this study is investigation into the effect of managerial overconfidence on tax avoidance. We study 76 companies listed in Tehran Stock Exchange in the period of 2007 to 2013 to test the hypothesis. For data analysis and hypothesis testing, multivariate regression model and the model of compound data is used. Results show that the effect of managerial overconfidence on tax avoidance is positive and significant. In order words, existence of overconfidence in top managers results in increasing of financial reporting tax avoidance.

**Keywords:** *Book-tax differences, Cash ETR, Managerial overconfidence, Tax avoidance.*

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1. Assistant Prof., Accounting Group, Isfahan University, Isfahan, Iran

2. MSc. Student in Accounting, Isfahan University, Isfahan, Iran

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*Corresponding Author: Majid Hashemi*

*Email: majidhashemi1990@gmail.com*

## ***Presenting a Model for Inflation Accounting in Iran***

***Gholamreza Karami<sup>1</sup>, Kamran Tajik<sup>2</sup>***

**Abstract:** This research is about presenting a suitable model for reporting inflation accounting in Iran. The main method of the research is interviews with experts. In order to find the model, thematic analysis has been used. The acceptability of the model has been tested using a questionnaire. The reliability and validity of the questionnaire both have been vindicated. The results of the questionnaire are confirming of all the main aspects of the presented model. In the model, valuation basis and capital maintenance basis are both inflation adjusted based on a general price level index. The researcher's two proposals concerning gain on borrowing and reporting the current value of land and buildings. Both of them have been confirmed too.

**Keywords:** *Capital maintenance, Inflation accounting, Valuation.*

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1. Associate Prof., Dep. of Accounting, University of Tehran, Tehran, Iran

2. Ph.D. Candidate of Accounting, University of Tehran, Tehran, Iran

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*Corresponding Author: Kamran Tajik*

*Email: kamranT2007@gmail.com*

## ***The Investigation the Effect of Corporate Governance on Firm Value with Emphasis on Investment Efficiency in Listed Firms at Tehran Stock Exchange (TSE)***

***Heydar Mohammadzadeh Salteh<sup>1</sup>, Younes Badavar Nahandi<sup>2</sup>,  
Majid Esmaelnejad<sup>3</sup>***

**Abstract:** The aim of this research is to investigate impact of corporate governance mechanisms including percentage of institutional ownership, managerial ownership percentage, percentage of free float share, and board independence on the value of the company's with emphasis on investment efficiency of companies listed at Tehran Stock Exchange (TSE). Tobin's Q is used as a measure of firm value. For measuring the investment efficiency, we used Verdi model (2006) and controlled the effects of three variables such as firm size, leverage and liquidity ratio that expected have effect on the relationship between the dependent and independent variables. The study population included 132 active companies in the Tehran Stock Exchange (TSE). The scope of the study includes a six-year period since 2007-2012 based on the financial statements. Panel data regression analysis has been used to test hypotheses of the study. The results suggest that corporate governance mechanisms have no effect on firm value and investment efficiency. Also, corporate governance mechanisms have no effect on the relationship between investment efficiency and firm value

**Keywords:** *Corporate governance, Firm value, Investment efficiency.*

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1. Assistant Prof., Dep. of Accounting, Islamic Azad University, Marand, Iran

2. Assistant Prof., Dep. of Accounting, Islamic Azad University, Tabriz, Iran

3. MSc. Student, Dep. of Accounting, Islamic Azad University, Marand, Iran

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**Corresponding Author:**

**Email:** [h\\_salteh@marandiau.ac.ir](mailto:h_salteh@marandiau.ac.ir)