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## ***The Effect of Financial Crisis on Earnings Quality***

***Seyed Kazem Ebrahimi<sup>1</sup>, Ali Bahraminasab<sup>2</sup>, Reza Mamashli<sup>3</sup>***

**Abstract:** The main purpose of current research is to determine the effect of financial crisis on earnings quality. In this study, earnings quality was measured by using three earnings persistence, earnings predictability and accruals quality. The measure of financial crisis in a company is to have at least one of three criteria: three consecutive years of losses (operating loss, net loss or retained), reduction in distributed dividends of each year relative to the previous year by more than 40 percent, and article 141 of the commercial code be applicable to studied companies study. In current study, we use a sample of 97 firms listed in the Tehran Stock Exchange during the period 2002 to 2015. The results of multiple regression model and panel data with fixed effects, showed that in 95 percent of confidence level, financial crisis has a significant negative effect on the earnings persistence and a significant positive effect on the earnings predictability. Also, there was not found a significant relationship between financial crisis and discretionary.

**Keywords:** *Accruals quality, Earnings persistence, Earnings predictability, Financial crisis.*

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## **Conservatism and the Informational Content of Earnings**

**Abdolreza Talaneh<sup>1</sup>, Marzieh Kazemi<sup>2</sup>**

**Abstract:** This paper examines the relationship between accounting conservatism and informational content of earnings using data of 167 firms listed on the Tehran Stock Exchange during 2004-2013. Accounting conservatism is measured based on Khan and Watts' (2009) model and Feltham and Ohlsson (1995) price model and Easton and Hariss (1991) return models were used to evaluate the informational content of earnings across different partitions of conservatism. The results of price and return models estimations on two and three partitions (levels) of conservatism show an inverse relation between conservatism and informational content of earnings. That is, the explanatory powers of price and return models are lower for the partition of high conservatism than the partition of low conservatism. Also, an inverse relation between stock returns and conservatism is observed. Our results are robust to sensitivity analyses.

**Keywords:** *Conservatism, Informational content of earnings, Khan and Watts' (2009) model.*

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## ***Investigating the Relationship between Accounting Ratios and Skewness of Stock Return to Explain the Growth and Value Stocks Anomaly***

***Shokrollah Khajavi<sup>1</sup>, Ali Faal Ghaumi<sup>2</sup>***

**Abstract:** This research aims to explain the growth and value stocks anomaly by the relationship between accounting ratios and skewness of stock return distribution. Then, the data of 89 companies listed in the Tehran Stock Exchange are collected and analyzed for 2009 to 2013. Furthermore, the fixed effect panel data method is used to examine the hypothesis. The results show that there is a negative and significant relationship between skewness and book to market ratio. This reveals the information content of financial statement ratios in Tehran Stock Exchange. Moreover, the skewness affects on difference between growth and value stock return. However, due to lack of growth and value stocks anomaly in the research sample, results isn't (is not) supported empirical model.

**Keywords:** *Book to market ratio, Growth and value stocks anomaly, Skewness, Stock return.*

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## **Tracing Iran Budgeting System Challenges in Order to Develop Regional Justice Approach with Fuzzy Technique**

**MirYaghoub Seyyed Rezaei<sup>1</sup>, Ali Asghar Pourezzat<sup>2</sup>, Ali Asghar Sadabad<sup>3</sup>**

**Abstract:** Social systems are driven by values that sometimes shape the basis and foundation of systems; values like justice that deemed as the first virtue of social institutions, the cornerstone of state and government legitimacy, and the essence of governmental policy making purposes. One of the most important and wise government instruments to achieve this goal is public budget of the country; an instrument that represents all activities and actions of government, and all dominant values on government policies. Therefore, in this study with emphasize on the important and effective role of budgeting in justice achievement process, the validity of findings from other studies, under title "challenges of Iran budgeting system toward achieve regional justice through public budget" examined. In this study, to confirm the research findings (obtained from grounded theory), Fuzzy Delphi method has been used and attempted to refer to the experts, rankings the indicators of good budgeting is done. According the finding, all factors presented in tables have) enough credit, and in the process of increasing the regional justice are effective.

**Keywords:** *Budgeting for development, Developing countries, Justice and equity, Public budgeting system, Regional development.*

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## ***The Nature of Monetary Ethics and Accounting Students' Ethical Perception: The Role of Individual Characteristics***

***Marjan Atefi<sup>1</sup>, Elaheh Barzegar<sup>2</sup>***

**Abstract:** Integrity is the foundational basis of the accounting profession. Recently, corporate scandals exposed the accounting profession to great pressure of regulators and public. Understanding the ethical values of accounting students is very crucial for improving the integrity of accounting profession. The aim of this study is to investigate the relationship between ethical perception and monetary ethics of accounting students. In order to answer the research question, three hypotheses were examined. Information required to measure ethical perception and monetary ethics was gathered through Forsyth's Ethical Position Questionnaire (1980) and Tang's Money Ethic Scale (1992) respectively. The sample was consisted of 375 students majoring in Accounting that were examined in 2015. The findings showed that the students' ethical perception was independent of their monetary ethics. Furthermore, age and educational level of students were not associated with their monetary ethics and ethical perception. Additionally, the results revealed that the students' gender was related to their monetary ethics, while no relation with their ethical perceptions was found.

**Keywords:** *Age, Educational Level, Ethical Perception, Gender, Monetary Ethics.*

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## ***Investigation of the Outcomes Resulting from Managers' Myopia Based on Agency Theory and Free Cash Flow Hypothesis***

***Javad Moradi<sup>1</sup>, Fatemeh Keshavarz<sup>2</sup>***

**Abstract:** The purpose of this study is to investigate the relationship between free cash flows and stock return considering managers' myopia. Two hypotheses have been designed and tested, selecting 96 firms from accepted companies in the Tehran Stock Exchange for six-year period from 2005 to 2010 and using stock return for three years ahead (to 2012). The results show that free cash flows are negatively related to short-term and long-term stock returns. The sensitivity of stock return to Free Cash Flows in myopic firms is more than the other firms and, with an increase in free cash flows, more decrease in return is occurred in such firms. Therefore managers' myopia and free cash flows, increase opportunistic behavior of managers in order to increase their personal interests and have negative influence on firm performance.

**Keywords:** *Free cash flow, Managers' myopia, Marketing & research & development expenditures, Stock return.*

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## ***Analysis of Public Sector Accounting Researches in Iran and Future Researches Directions***

***Mohammad Moradi<sup>1</sup>, Reza Safikhani<sup>2</sup>***

**Abstract:** The main purpose of this study is to identify the share of public sector accounting in Accounting papers as well as its research areas. In addition, this study seeks to present more clear directions about the research opportunities of public sector accounting based on Iran's situation. In this study, research based journals are reviewed from 1992 to 2014. They are analyzed and categorized based on archival research method and thematic analysis. The study shows that only 3% of 21 investigated journals' articles involve papers of public sector accounting. Meanwhile, Audit Knowledge and Health Accounting are the leading journals. The domain of most researches includes government, universities and municipalities. More than 60% of studies have used survey method. Additionally, this study analyzed the subjects by applying thematic analysis and typology approach. Topics such as accrual accounting and budgeting have been focused. At last, the results of interview with public sector accounting experts identified that financial accounting, financial reporting, management accounting, budgeting, financial and performance auditing, accountability, and financial management are of the most important issues for the future researches.

**Keywords:** *Future Researches Directions, Public Sector Accounting, Research Areas.*

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