



Effect of over time on Unusual fluctuations on stock returns of companies listed in Tehran Stock Exchange

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ABSTRACT

Finance reporting with quality and clear finance statement could eventuate to important economic results such as reduction in vibrancy of anomaly stock output. In other words, how much the finance statement of companies, specially reported profit by firms, be more quality; based on efficient market theory, it is expected this information peers in stock price, so price of stock will have less vibrancy. In this research is evaluated about impact of finance reporting quality and time passage on output of anomaly stock in accepted companies in Tehran Stock Exchange for five years period (between 2009 to 2013). In this study are used from two models of Decho & Dicho and Francis for measurement the finance reporting quality and time passage. Also in this research linear regression is used for data analysis. This study is application type and also in terms of inference is description-analytical (apriority) and in terms of research plan is scientific. Variables of time (T); variable of book value to market value (BM) with significant level of less than 0.05 have significant impact on relative variable. Variables of yearly stock output (RET) with significant level of more than 0.05 have no significant impact on relative variable, so these variables have no significant impact on anomaly vibrancy of stock output.

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INTRODUCTION

Explanation of this relation is that the accounting is pensionable commitment of future cash flows and sensible devotion of past cash flows, so with estimation of faults that has useful role for investors in a unsymmetrical environment are in a relation (Dicho and Dechif, 2010).

High vibrancy of accruals could be demonstrator of high level of applies reviews of management and high level of time lapsing between profit and real cash flows; that could led to more estimation faults. Swing ability of stock output, is one of the controversial finance topics that is lionized by researchers of capital market in newfound markets in recent years. Reason of this tendency come back to relation between price swing ability and stock output of companies and also impact of it to finance performance of firms and also whole economic. In other side, the benefit of study about swing ability of stock output from investors is that they consider the swing ability of stock output as a risk criterion and also policy men of capital market can use from this criterion as a tool for measuring amount of vulnerability in stock market. In most of researches, anomaly output of stock is defined based on difference between predicted output and real output of stock. Anomaly output vibrancy has priority to some cases like portfolio diversification, active management portfolio and relation between risk and

reward; also examination of impact factors on it could be important.

According to the mentioned subjects and investigation about this study; it is specified that have been done no research to examine the relation between finance reporting quality and vibrancy of stock anomaly output inside the country. So this research is done to answer to this question that, finance reporting quality has impact on vibrancy of stock anomaly output in accepted companies in Tehran stock exchange?

Background of the research

Khaleghi et al. (2010) in a research have investigated about the impact of representation of finance statement on relation between output and profit of each share and also output and operational cash flow of each share. So for this purpose finance statement of 219 accepted companies in Tehran stock exchange that these firms represented their finance statement between years of 2005 to 2009, with other related information are examined. Obtained results showed that the correlation between output and profit of each share after representing the finance statement is reduced toward before of it, so there is no significant relation between output and operational cash flows.

AlaviTabari et al. (2010) in a research have investigated about impact of accruals quality and stability of benefit to cost of regular stock invests. For examination the relation between invest cost of regular share and independent variables, is used from multi-variables regression analysis