



The Relationship between Stock Price Volatility and Block Trades

Roya Darabi¹

Abstract

The present study has been conducted with the aim of exploring the relationship between stock price volatility and block trades in Tehran Stock Exchange. To this end, the stock of 110 firms from 19 industries which have block trades is examined during the period of 2010 - 2015. The theoretical model of the study has been tested with the use of multi linear regression models. Research findings indicate that stock price growth rate doesn't have a significant relationship with full and temporary price of block trades; whilst this relationship is significant for permanent price of block trades. Also, the results indicate that stock trades volume doesn't have a significant relationship with temporary prices of block trades, however, its relationship with full and permanent price of block trades is significant. The relationship between stock liquidity and stock market returns with each of the three criteria of block trades prices is significant.

Keywords: Block Trades, Stock Price, Market Return, Trades Volume, Liquidity.

JEL: C32, C52, G12, G15

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The Effect of Good Governance on Cost of Capital in Tehran Stock Exchange

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Abstract

The aim of this research is to study the relationship between good governance and Cost of Capital in Tehran Stock Exchange. Six criteria suggested by World Bank as good governance have been used. The sample includes 95 accepted companies in Tehran Stock Exchange for the period of 2005 - 2014. Based on the results of this study, the relationship between government effectiveness, Regulatory quality, control of Corruption, and political stability and Cost of Capital is significant and positive. Also, the findings indicate that the relationship between accountability of governor and rule of law and cost of capital is not meaningful. With regard to the positive effect of the five indicators of good governance on cost of capital, it can be concluded that the trend of good governance in the given period is not favorable

Key Words: cost of capital, good governance, governance.

JEL: O11

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Family Ownership, Audit fees, Auditor Choice: Evidence from Tehran Stock Exchange

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Abstract

The purpose of this study is to investigate the relationship between family ownership and audit fees and auditor choice. The statistical population of this research is listed companies in the Tehran stock exchange. The sample includes 90 firms from different industries during period of 2011 to 2015. Eviews econometrics software and multivariate regression model are used to test assumptions. The results show that there is a negative relationship between family ownership and recruit better quality auditor. There is no significant relationship between family ownership and audit fees.

Key words: Family Ownership, Audit fees, Auditor choice.

JEL: M41, M42

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The Effect of Emotional Intelligence on The Investor Portfolio Performance

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Abstract

Successful investment requires analytical skills, intelligence and emotional control. The purpose of this study is to investigate the effect of emotional intelligence on stock portfolio performance of the investor. The present study uses a questionnaire to survey 160 investors participated in Tehran Stock Exchange in 2016. By removing the non-completed questionnaires, 110 people were selected as the sample by Cochran's formula. The response rate was 0.69%. Cronbach's alpha has been used to assess the reliability of the questionnaire, and the validity of the questions has been evaluated using factor validity. In order to test the research hypotheses, a multivariate regression model was used. The results show that there is a significant positive correlation between emotional intelligence; personnel excite management, personnel emotion control and stock portfolio performance of the investor. The logical emotional intelligence processing has a greater impact on the stock portfolio of the investor than irrational processing. The results of this research will be helpful for increasing the efficiency of stock portfolio performance.

JEL: G12, M42

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Implications of the Cash Component of Earnings for Earnings Persistence and Stock Returns

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Sholeh Bagheri pormehr²
Mansooreh Fahimi³

Abstract

The main objective of this paper is to examine the persistence, pricing and economic significance of the cash component of earnings in Tehran stock exchange listed firms from 2001 to 2016. In so doing, we break down the cash component of earnings into changes in the cash balance and into issuances/distributions to debtholders and equity holders. The naïve investor hypothesis predicts a positive relation between the cash component of earnings and future stock returns. We find that the cash component of earnings is more persistent than the accrual component and that this higher persistence can be attributed primarily to cash distributed to debtholders. The result from our first pricing model doesn't support the naïve investor hypothesis and show that future normal stock returns have not the positive correlation with the most persistent cash subcomponent of earnings. But the results show that future abnormal stock returns have the strongest positive correlation with cash distributed to debtholders and thus the result from our second pricing model supports the naïve investor hypothesis.

Keywords: cash component of earning, accrual component of earning, future stock returns, cash flow, earning

JEL: M4

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Assessment of Audit Quality of Firms Using Probability Tree Model (Case: Companies In Tehran Stock Exchange)

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Abstract

Audit quality is a multidimensional challenge from both theoretical and practical perspectives. In different views, audit quality can be a function of factors such as auditor's abilities including knowledge, experience, adaptability and technical efficiency, and professional standards including independence, objectivity, professional care, conflict of interests, and judgement. Probability tree model is one of the common techniques in data mining to solve classified problems. The model is a basis for investigating the probability of the events, and includes four indicators of input, process, context and consequence. The aim of this paper is to investigate the application of probability tree model for audit quality in companies. The statistical population of this study consists of the companies listed on Tehran Stock Exchange for the period 2010-2015. The results showed that probability tree model is effective in process and consequence of audit quality but the mode is not effective in input and context of audit quality.

Keywords: Tehran Stock Exchange, Data Mining, Probability Tree, Audit Quality

JEL: M42.

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Impact of Ownership Structure on Bank Performance

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Abstract

This research examines the effect of ownership structure on the performance of banks listed in Tehran stock exchange. The statistical sample includes 13 banks listed in Tehran Stock Exchange during a 7-year period from 2009 to 2015. The dependent variables of this research are ROA and ROE. The independent variables are private ownership, state ownership, ownership concentration, corporate governance index, and credit risk. Corporate governance has been calculated through an index composed of 5 groups: board responsibility, board structure, equity interest, transparency, disclosure, and audit committee. Four hypotheses were tested by panel regression models. These hypotheses examine the effect of ownership structure, ownership concentration, credit risk, and corporate governance index on the profitability of listed banks. The findings show that ownership structure does not affect ROA and ROE of listed banks. Ownership concentration and credit risk reversely affect ROA and ROE. Also, corporate governance index positively affect ROA and ROE of listed banks.

Keywords: Ownership structure, performance, state ownership, ownership concentration, corporate governance.

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