

The effect of interim financial reporting practices on the distortion of real activity and market value of cash

Abstract

The interim report is an important part of the financial report. Shareholder For important information on company's use of steam steam to the steam, which is available in print materials or company to help decide, many managers like abusing the real change of management activity. The purpose of the research is to indicate actual activity and cash market value. This research is about a practical goal, it's about a posterior logic of logic, and in combination with the time of review, it is low in data. In this research, all companies listed on the Tehran Stock Exchange during the period from 2010 to 2014 are considered to be an acquisition of an acquisition. A total of 127 companies was sampled. To check the use of Watson - camera test. The result of the research shows that compulsory disclosure is about to move in order to increase the actual activity of change

Keywords: The number of midterm financial reports; change actual activity; The value of cash market.

I. INTRODUCTION

The midterm report is the important part of financial report and shareholder to gain in for the motion of company use of midterm report and this in the format in help them to make a decision (khan 2008). Orderly and lawful published of effect in F-formation the price of shares during the financial period has the benefit of shareholders and can help with a better

understanding of the company's financial status and performance. Though a midterm report in us and Ear open country has a long history, in Iran, this important point that is serious applications in the capital market is not attention. Recently, Tehran stock exchange and community of accountants try to solve this problem. There is strong evidence that managed to achieve benefit their business take action to the management of real benefit and management of discretionary accruals. Management of discretionary accruals is the opportunistic use of available flexibility in generally accepted accounting principles in order to change report, without hanging in com pay each flow. One of the samples in this research is delaying deeper citation of assets. Management of discretionary accruals can be done in the form of fraudulent via available flexibility in generally accepted accounting by managers (More doze 2010) Estimates such as The useful assets, the ability of debt collection, a reduced rate pension obligations, and other accruals are the traditional instruments that use by the manager during the time. Management of discretionary accruals is tools to change the structure of account, and has no effect on the company is operations (A, haei,2011).

II. PROBLEM STATEMENT

Determine of time periods that is less than a year has a problem. Incoming of most bossiness an activity in midterm because of seasonal factored has many swings in. There way expenses related to the activity on a year is located repeatedly during the year, and to prevent the distortion of financial per for mine should be assigned during products manual true (u.2008).

Most of the costs are estimated in midterm because there is no enough opportunity to the provision of information such as it a possible comprehensive review of items, material and commodity and accurate calculation of income tax is not useful. For this reason should be special attention to disclosure of the effect to items on midterm financial in F –ration. (Tomes2002).

Earnings management occurs that manager for financial report use of personal in for motion. To mislead shareholders about the per romance of economy or effect on the result, that in depends on accounting figures. (wood gat 2007). Generally, profit of current period divided in two management ways: in a first way, the manager can change the profit by discretionary accruals. In a second way, manager change profit by actual activity, especially they can change the time and marvel of actual activity such as: produce, sale, investment and change financial activity to reach the goal. This change reoffering to profiting meant based on actual activity. (kiva, soon, 2008). Most of the manager like change the actual activity and use for profit manga minutemen harm the company's future. Cash is important because let the company search opportunity and inverse stock value. Usually, a manager looking for a level of cash that according to advantages and dis elven tags keep cash in the best situation. Cash must be main trained ate level that balance to be established between maintenance of cost cash and maintenance of inadequate cash. In another word, company search level f cash that because of lack can't harm to the company and in another way, by keeping cash company less to chance and this is the liquidity target in companies, of course, according to a different property in companies is different (Nahanni and Loar Khor 2012).

According to the article, the main problem is research about: Number effect of a midterm financial report on the change of actual activity and value of cash marketing.

III. THE IMPORTANCE OF THIS RESEARCH

The profit management is financing and investment by the manager of the business unit in order to in Hueneme in a direction that the company will incur the cost and economy impact. The other kind of profit management is reduced optional fees. Optional fees such as research and advance, the advert is a and main tenancies costs. So the company can by reduce main tenancies, reduce maintenance report and in areas profit. If manager because of business objectives reduce optional fees, have to show expenses in for Molly in low level. Collected of advertising cost and an administrative cost, publican sale is an optional expense. (tames 2002). In order to the desired level of profit, manager can wait up to end of year and use from discretionary for profit main agent, but there is risk in this way, it is possible the profit rate that Chemed be marred them of discretionary accruals, be as authority about accruals was limited by basic principles generally accounting accepted. The manager can reduce this risk by change actual activity during the year. Profit manga meant less subject to limitations. And there advent tag use of actual activity for change profit is Auditors and legs looters don't pay attention to to this issue. However, profit management is not free, because it is possible to cash flow in future periods indirectly affected for save more profit (u.2008).

IV. RESEARCH PURPOSES

Recognition of number effect of a midterm financial report on change actual activity and value of cash marketing.

Recognition of mandatory disclosure of in for motion increase change actual activity.

Recognition of effect of the implementation of the rule in the stock market, in mandatory disclosure of change actual activity.

Stoical population and statistical sample.

statistical population:

In this research, all company that accepted in Tehran stock exchange in period time of 1389/13/3 selected as statistical pupation.

V. STATISTICAL SAMPLE AND SAMPLING

In sampling 127 company selected according to the condition below:

Accepted in Tehran stock exchange until the end of island month 1388 and its financial year lead to the end of esfand.

The company don't change its financial year in during the intended period.

The intended company is activity in daring research period and its shares will be traded and book value of equity don't be negative in any year.

Financial information required for doing research in pride time of 2010-2014 must be provided completely and must be part of investment and profit companies.

According to limited, 127 companies selected that their information complicated by Tehran stock exchange, Tehran stock website and <<rahavard novin>> sewer. The interesting point in panel data is that we can't check fixed and van dome effect for different

level and fitness the model. So we can check fixed and random effect for different time as the determining factor that presented in views software.

Number: Discretion

635: member of statistical peps lastianined of 2014 companies that its financial year don't lead to 29/12

Companies that are the part of investment industry, Banks, and financial intermedaiator filters

companies that are not part of losses companies

companies that accepted in Tehran stock exchange after 2009/01/01 or exited from stock billboard before 2013/29/12 or its information are inaccessible.

TABLE I

TOTAL OF COMPANIES THAT ARE A MEMBER OF SAMPLING

Number	Description	
635	Member of a statistical population in end of 1394.	Total
202	Companies that its financial year do not lead to 12/29.	Filter 1
11	Companies that are the part of the investment industry, Banks, and financial intermedaiator.	Filter 2
124	Companies that are not part of losses companies.	Filter 3
164	Companies that accepted in Tehran stock exchange after 1/1/1388 or exited from its information are inaccessible.	Filter 4
505	A total of companies that are removed from the population.	Total Filter
127	A total of companies that are a member of sampling.	Remind

The method of compilation data

In this research for compilation data and information, first use library method, in the library section, theoretical foundation compilation from books and Latin Person professional magazine and then use this information to rahavard novin software.

$$\begin{aligned} \text{Logit (VOL)} = & \beta_0 + \beta_1 \cdot \text{MVE} + \beta_2 \cdot \text{TOTASSETS} + \beta_3 \cdot \text{ASSETSIP} \\ & + \beta_4 \cdot \text{LEVERAGE} + \beta_5 \cdot \text{HERF} + \beta_6 \cdot \text{OPCYC} \\ & + \beta_7 \cdot \text{LAGROA} + \beta_8 \cdot \text{BTN} + \beta_9 \cdot \text{CLHELD} \\ & + \beta_{10} \cdot \text{ANFOL} + \beta_{11} \cdot \text{EQT MKT} \\ & + \beta_{12} \cdot \text{ENFORCEMENT} + \beta_{13} \cdot \text{ANTISELFDEALING} \\ & + \varepsilon_{it} \end{aligned}$$

$$\text{TOTAL} - \text{RAM} = \text{SALES} - \text{MANIPUL} + \text{APROD} + \text{ADISC}, \quad (3.1)$$

$$\text{AOCF} = \text{SALES} - \text{MANIPUL} + \text{APROD} - \text{ADISC}, \quad (3.2)$$

$$\text{SALES} - \text{MANIPUL} = \text{ACFO} - \text{APROD} + \text{ADISC}, \quad (3.3)$$

$$\text{TOTAL} - \text{RAM} = \text{ACFO} + 2 \cdot \text{ADISC}, \quad (3.4)$$

$$\begin{aligned} \text{TOTAL} - \text{RAM}_{it} = & \beta_0 + \beta_1 \text{SEMI} - \text{ANNUAL}_{it} + \beta_2 \text{POST}_{it} \quad (3.5) \\ & + \beta_3 \text{SEMI} - \text{ANNUAL}_{it} * \text{POST}_{it} + \text{Contotols} + \text{bit} \end{aligned}$$

$$\begin{aligned} \text{TOTAL} - \text{RAM}_{it} = & \gamma_0 + \gamma_1 \text{SEMI} - \text{ANNUAL}_{it} + \gamma_2 \text{POST}_{it} + \gamma_3 \text{X}_{it} \\ & + \gamma_4 \text{SEMI} - \text{ANNUAL}_{it} * \text{POST}_{it} + \gamma_5 \text{SEMI} - \text{ANNUAL}_{it} * \text{X}_{it} \\ & + \gamma_6 \text{POST}_{it} * \text{X}_{it} + \text{SEMI} - \text{ANNUAL}_{it} * \text{POST}_{it} * \text{X}_{it} \\ & + \text{Contorls} + \text{C}_{it} \end{aligned}$$

Z-Score Insolvency prediction model adopted for this

Research is as stipulated by [21] thus,

Equation :z-score model for quoted companies

$$Z=x_1 0.71+x_2 0.847+x_3 3.107+x_4 0.420+x_5 0.998$$

Given that :

x_1 =Networking capital/total assets

x_2 =Accumulated retained earnings /total assets

x_3 =EBIT/ Total asseis

x_4 =Market value of equity /Book value of debt

x_5 =Sales / Total assetsmm.

The model of measures variable.

Formula

My hypotheses of research:

- First my hypotheses: mandatory disclosure of information leading to increasing change actual activity.
- Second my hypothesis: at the time of enforcement in stock marketing, mandatory disclosure more effective on change actual activity.

Definition of terms and phrases:

- Midterm financial report: it is reported for a midterm that including complete financial statement and compressed financial statement.
- Compressed financial statement: at least including basic financial statement and selection of explanatory notes in accordance with the requirements of this standard.

- The role of the midterm report:

The first time midterm report accepted by London stock. The reason was the long distance between annual report and it was impossible didn't get financial information to shareholders and another investor. Midterm financial is an as advanced trend, is so important in activity trend, financial and investment has an important role and uses for approving or predict, such as an annual financial report. Midterm report designed for this purpose that user can development in limited time and checked the last set of annual financial report and evaluate the effect of recent events on job performance.

- change actual activity:

The manager always is the world about the price of company's stock. In some cases reward of manager in depending on company's stock. The more use of financial information by in venture and financial analyzer in order to the determination of stock value is causing to the motivation of change profit by the manager in order to effective on the stock price.

In general, the current period profits can be managed in two ways: in a first way, the manager can change their profits by accruals. In a second way: manager change profits by actual activity. Especially the can change time and rate of actual activity such as product sale, investment and supply financial activity to achier the subject. For example profit reported temporary by extra production, delete optional costs or delay and reduce costs at the end of the year in order to transfer neat annual financial to current year. This change refers to profit management based on actual activity.

VI. BACKGROUND OF RESEARCH

Internal background

Moradzadeh and Ali checked the relationship between actual activity and cost of shareholders in a company that accepted by Tehran stock exchange 104 company selected by random sampling in a period of 2004-2008 and checked, use of panel and regression analyze way, minimum squared integration by SPSS software for the stock of the hypothesis of estimation. The result is shown in confidence level 2016, between profit management based on actual activity and cost of shareholder there is a direct relationship. Nahanni and Darkhor (2013) in their research checked the relationship between limited financial, the cash value of the investment, in this research financial information of 86 company checked that accepted by Tehran stock exchange in the time period of 2006-2010. To determine that a company has limited financial or no use of 3 indexes and for the check. The subject of research 3 main hypothesis was raised. In first hypothesis cash in a company which has limited financial. That company which now has limited financial lead to increase the value of company.

The second hypothesis shows the direct relationship of cash with rate of investment.

In third hypothesis checked that change to cash in company which has limited financial than a company which now has, makes more of the surplus that finally this hypothesis accepted.

Aghaei and Parker (2012) in the research checked replacement relationship of change actual activity and change accruals. 117 company wick accepted in Tehran stock exchange in a period of 2001-2009 wore selected and use of has man test for concurrency test and for

analyzed data use of regression model. The result was shown, there is replacement relationship between profit actual management and optimal accruals management. So that manager for-profit management selects actual profit management before optimal accruals management.

Mashayekhi and Safari (2006) checked cash caused by activity and profit management in a company that accepted by Tehran stock exchange. The result was shown, when cash is caused by weak operation activity, companies tend to use of increase profit strategy, also shown that many of company with high operation activity tend to reduce profit policy.

Sasan Mehrani and Behroz Bagheri(2009) with the use of information of 90 Sam paying companies in a period time of 1999-2008 checked the effect of free current cash and institutional shareholders on profit management. The result showed that there is a meaning full relationship between profit management and free current cash in company with low growth, but there is no any direct meaning full relationship between profit management and institutional shareholders in the company with free current cash more and less.

Moradzadehfard and other (2010) checked rate of relationship of free current cash with value of stock marketing in stock exchange, and they reached to this conclusion that in total level of companies between free current cash and cost of stock at the level of error 5% there is no meaning full relationship and this result is true on different industry level, just there is meaning full relationship in non-metallic mineral.

External background

Tamas Jang (2002) checked change actual activity by extra production, according to its

result, manager product more than required for sale and normal level, so this point leading to reduce the cost of products and increase profits.

The Graham and partner's result (2005) shown that manager change actual activity prefer in order to change accounting report, even harm next performance of the company.

Rico Zori (2006) shown in a result that achieves to forecast profit accompanied by high return, companies for change profit in order to achieve forecasts, traying a lot.

Jensen (1986) stated that in companies with high for current cash and low growth, most of the manager persuaded that use of cash in an activity that will result of maximizing shareholder value.

Jagi and Gol (2000) in their research found the direct relationship between profit management and free current cash in companies with low growth. They believed that in this companies instead of manager distributes free current cash between shareholder takes action cash investment in projects with negative net present value, with this point reduce the value of the market in the company. So the manager of this company trying to balance the status by using the increase accruals.

Joens and Sharma (2001) checked the relationship between profit management and free cash current in Australia and in company with low growth there is a direct meaning full relationship between accruals and free cash current but there is no relationship in companies with high growth.

Jang and Partner (2005) by observing information of 22576 American companies in the age of thirteen, reached to this conclusion that manager of companies with high free current

cash and low growth use multiplier optimal accruals to eliminate its low profit and losses from investment in projects with negative net present value.

Udianti (2008) in research by use of 150 sampling companies checked the effect of profit management on free current cash and value of shareholder. The result showed that with 95% confidence,

There is a meaningful relationship between Change of free Current Cash With Change of shareholder's interest. Also he showed that there is a direct meaningful relationship between positive free Current Cash and value of Shareholders, but there is no direct meaningful relationship between Negative Current Cash and Value of shareholders. He reached Conclusion in the second hypothesis that with 99% Confidence profit management in the total level of sampling and in the level of positive Current Cash case too weak the relationship of Current Cash with wealth created for shareholders.

Rina and others (2009) in research called: extra free current cash, profit management, and Auditing checked the relevance of extra free current cash to profit management.

In this research, it is assumed that managers of companies with high free current cash have a good reaction in profit management.

Kal (2007) checked the relationship between the amount of cost coverage of current cash with change current cash and understood that companies with low cost current cash tend to have high free current cash and it by reducing cost.

Findings of Udianti (2008) it is significant that companies with strong motivation for profit management, change actual activity also result of research shown that change actual activity

can harm the financial value of company long time.

Kohen and Zarvin (2008) after checking both kinds of management understand in stock supply season, managers have more motivation to increase current profits artificially.

Test variables:

For example according to Table (1-4) medium of compulsory disclosure of information of sampling companies equal to 25/26. Average for this variable equal to 19/97. The maximum and Minimum rate of the variable in total study period equal to 113/11 and 0/127. The standard deviation that is a standard to determine the amount of dispersion equal to 25/25. according to slenderness ratio(5/97), carries move prominent than normal distribution and according to skew coefficient . in the table below all of the variables move a normal distribution.

Table II

NAMING RESEARCH VARIABLES WITH HISTOGRAM CHARTS

The name of variable	Code
Compulsory disclosure of information	MDI
Chang actual activity	MRA

Table III

DESCRIPTIVE ANALYSIS OF VARIABLES MODEL.

Descriptive statistics variable	Compulsory disclosure chang actual Of information activity	
Average	25.62	34.33
Middle	19.97	25.41
Maximum	113.11	274.23
Minimum	0.127	-88.71
Standard deviation	22.25	33.17
Skewed	1.68	1.96
Elongation	05.97	10.74
Chark – bra – statistics	535.54	1995.68
Probability level	0.000	0.000
Number of observation	635	635

Reference: Calculation research.

Compulsory disclosure of information.

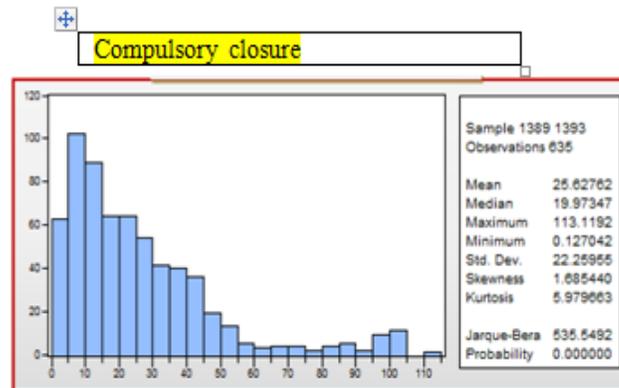


Figure 1

Fig(1): Histogram of the variable of compulsory disclosure of information.

In order to the normality of waste after estimation model use of Histogram chart, according to Fig (1-) result is statics of (Jorge-Bera) test 535/54 q. with possibility value 0/000.

So reject the hypothesis based on the normality of waste.

Change actual activity

Figure 2

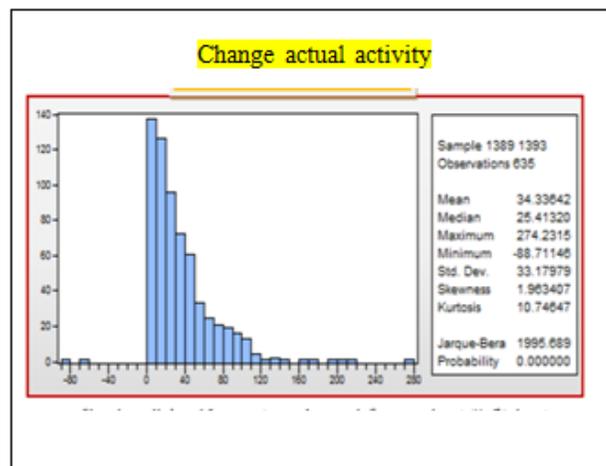


Fig (2): histogram chart of variable change actual activity.

According to the normality of waste after estimation Model use of histogram chart,

according to Fig(2) result is statics of (Jorge-Bera) test 1995/68 with possibility value 0/000. So reject zero hypothesis based on the normality of waste.

Test of the unit root of data panel:

This test doesn't have enough credit in a pattern that uses from combined data. For this reason for checked monotony of data panel must use from below test:

1-lurinlin and Joe test

2-Britong test

3-Im, sons, and shin.test

4-fisher with use of generalized likely folder test

5-fisher with use of Philips –Pro test

6-Hardy test

A focus number 1-3-4-5 are the most important tests of unit root of data panel, That study in this section. the result of test show in two-way: a) The model has a width from the origin or b) The model has a width from the origin and Trend.

Table IV

THE RESULT OF TEST OF UNIT ROOT OF COMBINED DATA, A MODEL OF WIDTH FROM THE ORIGIN.
MONOTONY TEST –WITH WIDTH FROM ORIGIN

Out – Of _ The – way monsters								
Prob	pp-Fisher	Prob	ADF-Fisher	prob	IPS	prob	LLC	Test variable
0.000	257.038	0.000	233.235	0.000	-13.201	0.000	-20.636	Compulsory disclosure of information
At level		At level		At level		At level		Rate of monotony
0.000	44.174	0.000	41.272	0.000	9.025	0.000	-10.831	Change actual activity

Variable of research

Reference: Research Calculation.

Based on result of monotony test in table (3) at confidence level 95%, research variable in model with width from origin has been indelible in lounging and chew, Philips –porn Fisher and I'm, sons and shin and generalized tests.

interduce variable and stipulate model: the way of study model is based on combined data . in this research use of Evince software all variable depending on an interruption in right side of a model and as an explanatory variable in order to solve problem, is one of classic regression hypothesis . also for estimates of model in order to solve variance problem use of EGLS way .

research hypothesis:

Hypothesis 1: compulsory disclosure of information leading to increase of change actual activity.

Hypothesis 2: at the time of implementing the result in stock marketing, compulsory disclosure move effective on change actual activity.

$$MRA = \alpha \pm MDI_{it}X_1$$

Compulsory disclosure of information	Mandatory disclosure of information(MDI)
Change actual activity	Manipulate real activities (MRA)
Constant number	A
Coefficient of variable	x

Table V

THE RESULT OF A FARMER AND HAS MAN TESTS

Has man test	Filmer test	Kind of test	Model
37/654	1/874	Ready amount	First Model MRA
0/000	0/000	p-value	
Final effectively	panel	Kind of model	
$MRA \mu = a \pm MDI_i + X_i$			

Reference: reference calculation.

Based on former test in table (4) in two models of research hypothesis, according to amount of p-value at confidence level 95% near to (0/000) in another word $p\text{-value} < 0.05$ so reject zero hypothesis based on polling and can use of panel way to estimate.

Table VI

THE RESULT OF FIXED EFFECT MODEL

p-value	Statistics of t	Standard deviation	coefficients	Model of Fixed of reactivity	status
0.000	31.5	0.006	0.189	MDI	First model (MRA)
0.000	0.003	1.226	0.875	C	
0.896				R ²	
0.895				\bar{R}^2	
2.006				D.W	
36.569(prob=0.0000)				F Fisher	
$MRA_{it} = a \pm MDI_{it}X_1$ $MRA_{it} = 0.875 + 0.189X_1$					

Final regression research model:

According to result that show in table (6) in companies studied , in first model and case of variable that is depend on MRA , according to amount of statistics of t (31/5) and it ' s probability level (0/000), compulsory disclosure of information leading to change actual activity so the meaning full relationship between two variables accepted . R2 in two model shown that explanatory model can description %892 of change variable.

According to adjusted coefficient of determination 0/895 characterized that this determination is so high and it is mean is the ability to properly describe the model.

collective test (Kao) (Engle – Granger based) this use for first time in 1995 by peony . and in zero hypothesis CHO) in analyze collective test existence of relationship in long – time economic test the main idea is although most of set time of economic isn't lasting it's possible in long time line combined of this variable be lasting . this test because of use of paneled data, use to this study.

Table VII

THE RESULT OF KAVA COLLECTIVE TEST

Fast of coexistent cleave		Long – term relationship of variables
P – value Statistic test		
0.000	2.895	First model (depends variable) MRA

Reference: Research calculations

Based on result of kava collective test in table (6) existence longtime relationship in research model middle of depended variable of confidence level 95% accepted. according to rate of statistics test in case above zero hypothesis based on lack of collective rejected and other hypothesis accepted.

Introduction :

According to expressions in pterions section in this section, the materials are collected and the conclusions expressed . in follow expressed the offer and finally expressed the limitation of research.

VII. CONCLUSION

The result of first hypothesis:

Hypothesis 1: compulsory disclosure of information leading to increasing change actual activity . the main reason to emphasize on voluntary disclosure and transparency this main base for saving stockholders resources . in other word do not transparency leading to bad behavior and reduce value of company. transparency is one of effective element to attract

investor for companies.

the result of second hypothesis:

Hypothesis 2: at the time of implementing the rules in stock marketing, compulsory disclosure has more effective on change actual activity.

In spite of all reasoning about transparency companies don't tend to optimal disclosure and its reason is cost of analyzing and disclosure of information . collection and classification and disclosure information need to trying, time and funds. because accurate measurement and observing there is problem for cost so companies disclosure fewer.

Total conclusion research:

Compulsory disclosure of information leading to increasing change actual activity.

Investment organization need to on time information, Reasonable and complete up to responsibility of representation management and investment mission, dug itself.

Another side, save and creature disclosure financial is not cheap because companies have a variety of financial and none – financial items that disclosure is not easy . there for based on market structure, in each country there is collection of rules on accounting that company has to do it. inform of executive proposal, the companies with accepted by stock exchange have to preparation compare hen save form and unit for annual reporter, including all financial information, on – financial next forecast and other information for marketing leading to rising transparency of information and quality level of research and will be disclosure information . concepts like.

Earned research, counter costs earned, accrual accounting can finding based on rules

because there are no concepts in real world. Of course does not mean that all accounting concepts don't have interpretative importance according to result of research can understand remaining profit method in determining the fair value of the business unit help to investor and analyzer. according to 3 way of profitable market way, current value of assets company, remaining profit way in the evaluation was not considered. so recommended use of remaining profit in evaluation and determine the unit price in time of inter to stock exchange.

At the time of implementing the rules in stock market, compulsory disclosure has more effective on change actual activity.

Voluntary disclosure reduces lack of balance of information between investors and manager of companies also lack balance of information between different group of investment by creating balance between rate of awareness.

According to importance of financing in companies, financing from long – term debt leading to reduce change actual activity and increase wealth of shareholders, so managers must try to finance from long – term debt. Provided that rate of long – term debt doesn't go further limit specified in investment structure of company. because there is direct relationship between stock price and change profit company for forecast price of stocks company can consider elements.

That is more effective on company and force cast profit of companies. based on finding of research suggested information about domestic transactions at annual financial report in companies accepted by Tehran stock exchange to be disclosed and consider to user of

financial report in order to correct judgment than to company's performance variable free current cash is decomposed. Consider to investors in stock exchange that investment in companies that have profit with quality.

Investor according to that profit with quality are effective on investment price. profit with quality with low quality with high investment price have relationship.

Suggestions for next research:

1. If in next year's disclosure of companies' s information accepted by stock calculate the breakdown of each industry and then compare disclosure of difference industry information, gaining better result.

2. suggested changing actual activity in between different industry to be evaluated.

3. sampling that studied in this research, was disclosure of annual information, but for next research suggested adjustment of disclosure information that don by manager of companies selected as research sampling.

4. one of the more effective elements on variable such as disclosure information is volume of companies. in this research effective of rate volume of companies on variable research don't check, so for next research suggested effective of this variable on used variable in this research to be related.

Also for this research, suggested axes below:

-check relationship between change of stock price and change of free cash given the moderator role change actual activity.

- check relationship between free cash current with information content and effect on

value of cash market.

- check relationship between free cash current and investment in financial report.
- check nonlinear relationship in this research.
- suggested in next research be considered on another variable like company risk and swelling as variable.

Limitation of research:

1. data are not adjusted for inflation, so cautions results should be generalized.
2. finding this research according to access data about company don. so on the generalization of finding be .

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