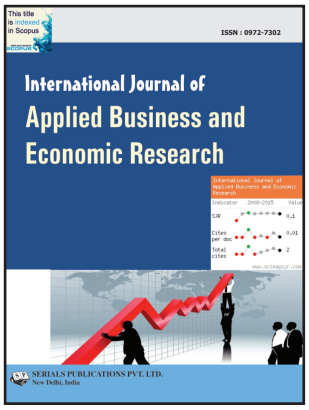

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The Examination of Relation between the Type of Financial Policies on the Quality of Information Disclosure in Automobile Industry and Accessories, Basic Metals, Chemicals, Oil Products and Cement

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ABSTRACT

Taking consideration to the quality of information disclosure in order to determine the optimum combination of financial structure and more efficiency of company's investing and saving and developing and can give important information to associated authorities' awareness of making decisions in different industries. Therefore, in this study, the examination of relation between the type of financial policies and the quality of information disclosure in automobile industries and the accessories, basic metals, oil and cement products, is considered. In this regard, during a three- year-old period (1391-1394), and on the whole 252 observations were examined, and by using multiple linear regression using Data Panel method on Eviews9 Software, theories were tested. Results show that between financial funding and the quality of information disclosure, there is a meaningful relation, yet not a relation between financial funding through capital and the quality of information disclosure.

Keywords: Financial funding policies, financial providing strategies, quality of disclosure.

1. INTRODUCTION

The issue of information disclosure in capital market, appropriately, comprehensively and thoroughly in annual reports of companies intervenes in a large part of people's decision making. Financial reporting reveals capital resources in a company and its profitability. It is quite clear that the disclosure principle as one of accounting principles states all important realities connected with events or activities of commercial units. Disclosure principle necessitates providing and representing of financial statements in a way that according to the objectives of financial reporting are understandable, awaring, and possibly complete. In

recent years many studies has been done about annual reports to examine the relation between quality of financial reporting or levels of disclosure and characteristics of companies. Examination of annual reports of companies show that quality of disclosed information in such reports are different and the difference in companies' disclosure is high probably the result of managers' thought and their philosophy of thinking and also their dicertion about information disclosure for investment purposes. On the other hand companies' managers usually and logically search for gaining financial resources with less costs. One of the factors which can help this, and is in manager's authority is the level of disclosure. Company disclosure is vital to efficient performance of capital market. Rapid growth and transformation of economical relations have resulted in a tense competition in business, industry, and investment. Hence, companies need proper and often ontime investment to survive and develop their activities. Companies' financial reports must provide information which are useful for potential and active investors and creditors and the other users for logical investment and in credit giving and similar decisions. Decisions related to financial funding and determining optimum combination of financial structure from one side, and considering company's risk on the other hand, are issues which are important in management's decision making, in particular the risk related to the ability of paying off debts. One of the most important components of each economical activity is to provide the needed financial resources, which can be supplied from the stock holders' salary or from debt. In this regard, financial managers in companies are to guarantee the best combination of financial funding resources or in other words, the financial structure and decisions made in this regard are to increase the value of the company. Investment is one of the necessary and basic items in the process of growth and economical development of the country (Goortani and Amiri, Mehr1393). One of the important factors of choosing the investment is the manager's consideration to the risk and the output of the investment with a consideration to the period during which he is responsible, and also, the policy he has toward the risk, which itself can be a source of capital supplying with a lesser risk, or with taking a consideration to the cycles of orgizational life with which the investor wants a high risk and high output and rapid growth that in these cases knowing the patterns that the investors take into consideration with the respect of the cycles of orginational life and then according to them they make decisions and supply finance can put some signs and symbols on the manager's way to keep him out of some mistakes and errors in choosing policies to supply the finance. Since one of major and important duties of companies are financial decisions, they are entitled to choose their financial resources either by accepting new partners or by transferring part of the ownership of the commercial unit, or by borrowing to supply finance; and they try to reach the most appropriate combination of financial supplying by making appropriate decisions. Gearing ratios through making debts show financial needs. In fact these ratios show that how much companies have provided their financial needs through other's resources. Today, due to competitive activities of companies in the universe, keeping on their own activities is a hard job and because of this and because regulations in countries are constantly changing, it is necessary to update the information. In a clearer word, by determining the effect of finance supplying on the quality of information disclosure in different industries, it is possible to evaluate the conditions of companies which use financial supplying. Now, since technology is developed and management is complicated and specialized, providing updated information is a necessity and the information of previous decades are no longer related.

2. THEORETICAL FUNDAMENTALS

Financial supplying is the art and knowledge of cash management. In other words, it is a process in which managers of companies try to provide financial supplies through financial supplying for the company. Types

of financial supplying includes short-time or long-time loan, participating in investment, investment to buy the product, selling the stocks of the company or issuing bonds (of course the teo last ones are possible for big companies) (Iran National Market Technique). Kaplan and Zingalz have categorized companies in two groups based on the way they choose how to supply their financial resources: capital group, leverage group. One spectrum is inclined to supply its financial resources based on stock holder's capital which is called capital companies. Another spectrum is companies which tend to supply their financial resources based on making debts which are called leverage companies. (Jahankhani and Kan'ani Amiri, 1385). Resources of supplying finance from loan and debt include prices which owners who has borrowed must repay with interest. Although the entrepreneur can have full ownership of the company he must make a commitment about the created debt in balance sheet. Costs of supplying finance through borrowing is often less than costs of supplying finance through stocks. Such person rapidly faces a wide range of credit options. Many experts suggest financial supplying through capital and stock which for companies or at least for companies with a high potenciality of growth which is risky and patient, capital will be rapid after its efficiency, and it is the best option. In supplying finance through capital, the investor will be the owner of the company, while risk is devided and are revenues. In quality of information disclosure, the espressions "quality" and "transparency" are used synonymously and interchangeably and presenting precise definitions of transparency and quality with a common consensus is a hard job. Hence, in this regard, many structures have been used as a representative of quality of disclosure : appropriateness, comprehensiveness, awareness, and punctuality. Participants of capital market always search for financial information or the quality because such information decreases a symmetry of information between manager of the company and outsider investors (Noorvash and Hosseini, 1388). In confrontation with asymmetry problem and in supplying of investors and creditors' rights through leveling up the transparency, each country's financial reporting standards and also observative institution on the capital market made a commitment to disclose companies' information. Empirical evidence shows that the policy of comprehensive disclosure is a tool to decrease the information asymmetry between managers and the outsider investors (Francis et. al.,). Transparency and information disclosure is a mechanism in support of outsider investors' rights and this causes less information asymmetry and decreases costs of representativeness. Information asymmetry has undesirable consequences such as increased costs of weakness of market's transactions and low cashing and in general, the drop of interest in transactions of the capital market (Chen et. al., 2007). Information asymmetry due to the low quality of information disclosure follows a wrong choice. Bond related to this problem will be cashed less (Amihood & Mendelson, 1986), and cost of the transaction at selling and buying time is more. Participants of the market always search for financial information with a high quality because this causes less information asymmetry between the manager of the company and outsider investors (Kootari, 2000).

3. BACKGROUND OF THE STUDY

In general the first discussion about financial structure was proposed by Modiliani Vemlir(1985). The important subject was whether the proportion of debt and the salary of stock holders in financial structure of the company affect the cost of capital or not, in particular the value of the company. After a lot of discussions during two weeks, now they have come to this conclusion that there is a desirable financial structure in which the optimum degree of financial leverage for the company is specified. Now, this issue is considered internationally. Scott and Martin have examined a sample of American companies and concluded that the type of industry is a determiner and efficient factor on the financial structure. Rimz did

a study in some different countries and concluded that in Japan and France the financial structure among different industries has a meaningful difference, while in countries like the USA, the Netherlands, and Norway these differences are not seen. Belkaui denied the theory conducted in Canada which talked about differing the meaningful relation of debt between one industry to another. After 500 studies on European companies, Akarval concluded that industry and country are both important factors of financial structures. Ferry and Jones in a study examined the relation between financial structure of companies with the type of industry, its size, financial risk, and operational leverage. They concluded that the type of industry, size of company, financial risk and operational leverage, affected the financial structure of companies. Apart from the aforementioned companies which were focused on American, European and Asian companies, Macko examined the structure of hospitals in California in 1992 and results for the hospital with less than 100 beds account for borrowing. Jaberi, Rahmani, and Vafapoor examined the effects of policies of financial supplying, on costs of accepted representatives of companies in Tehran Stock Exchange through examining 186 samples of companies in the period ending to the year 92. To create linear correlation among available examined parameters, Pearson coefficient correlation is used. Findings of the study account for the absence of a relation between financial leverage and cost of representativeness. Also, the positive and meaningful relation between cash stocks and cost of representativeness was confirmed. Finally, results confirm negative and meaningful relation between debt and cost of representativeness. Valizadeh, Larijani, Mojtahedzadeh, and Hijazi examined the effect of quality of disclosure on the value-relation of items of financial statements accepted in Tehran Stock Exchange during the years 1383 to 1391. In researching method, regression analysis of combined data (effects of time-fixed model and effects of time-random model) and also Valled Test is used. Results of the research account for a meaningful relation between the items of financial statements (except from operational interest and the proportion of debt) and characteristics of reliability and punctuality of financial information with future turnover. Also, results show that the concession of quality of disclosure and notifying has no meaningful effect on relation-value of items with future turnover of stocks. Moosavi, Shiri, Soleimani, and Momeni in a study examined the relation between quality of disclosure of accounting information and fluctuations of stock turnover. To do this, data of 80 companies of Tehran Stock Exchange between 1385 to 1390 were collected and by linear regression analyzed. Findings of the research show that there is a meaningful and negative relation between the quality of information disclosure, and the fluctuation of stock turnover, but with respect to modified coefficient of three models and the Z statistics, it is possible to sat that this negative relation in the portfolios of companies with higher scores than the average is much tenser. Hijazi, Rahmani and Mozafari examined the effect of regulations of information disclosure on the quality of spread information from companies accepted in Tehran Stock Exchange. To do this, 119 accepted companies of Tehran Stock Exchange were chosen and the information of research parameters was collected and by using Kroskal Valis Test it was analyzed. Results show that there is no error fall percentage of interest forcasting, which seems it is due to the unreliability of business environment. Consequently, after regulation passing, quality of disclosure has improved in terms of punctuality.

4. RESEARCH METHOD AND COMPILING INFORMATION

There are three types of researches: practical, research and development, and fundamental. Due to its nature, this study is practical. Practical research is a research which uses the results of fundamental research to improve and perfect behaviors, methods, tools, devices, products, structures and patterns used by human

societies. The objective of practical research is to developer the practical knowledge in a specified field. Here, the level of speak is abstract and general, but in a specified field (Hafeznia, 1382). In grouping in terms of "information compiling," there is also two methods of researches: experimental and half-exprimental. This study is half-exprimental. By the way, half-exprimental method is fallen into four methods: regression, acting-research, post-event or competitive-scientific, and searching. In this study, regression is considered.

5. SOCIETY AND STATISTIC SAMPLE

The society in this study is the all accepted companies in Tehran Stock Exchange during 91 to 93. In this study systematic elimination method is used. In other words, all the members of statistics of companies with the following characteristics are chosen as samples:

1. Automobile industry and accesoories, basic metals, chemicals, oil products and cement.
2. Their ending financial year on Esfand 29.
3. Their stock is transacted in Tehran Stock Exchange at least every other three months.
3. During the research period, they do not have any changes in their financial year.

6. RESEARCH HYPOTHESES

Major Hypothesis

There is a meaningful relation between financial supplying and the quality of information disclosure in automobile industry, basic metals, chemicals, oil products, cement.

Subordinate Hypotheses

Subordinate 1: there is a meaningful relation between financial supplying through debt and quality of information disclosure in automobile industry and accessories, basic metals, chemicals, oil products, and cement.

Subordinate 2: There is a meaningful relation between supplying finance through the capital and quality of information disclosure in automobile industry and accessories, basic metals, chemicals, oil products, and cement.

Model and Parameters of the Research

Intended model for the main hypothesis:

$$DQ_{i,t} = \alpha_0 + \alpha_1 NF_{i,t} + \alpha_2 SIZE_{i,t} + \alpha_3 SL_{i,t} + \alpha_4 CD_{i,t} + \alpha_5 GTA_{i,t} + \varepsilon_{i,t} \quad (1)$$

Intended model for the subordinate hypothesis test 1:

$$DQ_{i,t} = \alpha_0 + \alpha_1 ND_{i,t} + \alpha_2 SIZE_{i,t} + \alpha_3 SL_{i,t} + \alpha_4 CD + \alpha_5 GTA_{i,t} + \varepsilon_{i,t} \quad (2)$$

Intended model for the subordinate hypothesis test 2:

$$DQ_{i,t} = \alpha_0 + \alpha_1 ND_{i,t} + \alpha_2 SIZE_{i,t} + \alpha_3 SL_{i,t} + \alpha_4 CD + \alpha_5 GTA_{i,t} + \varepsilon_{i,t} \quad (3)$$

Dependent Parameter

$TS_{i,t}$: Characteristics of information punctuality whose score is calculated annualy by Securities and Exchange Organization and is published for the public via Securities and Exchange Organization. The score of information punctuality is based on the time of information submission (forecasting of each stock's revenue, mid-term non-audited financial statements, statement of portfolios, audit's views on forecasting the revenue in each primitive financial statement and each six-month ones and on mid-term six-month financial statements, audited and non-audited final financial statements and the schedule to pay the stock holder's interest) is determined by the company in time periods and in the instructions of executive disclosure of information registered in the origination (1387) by considering and calculating the delay in information submission (dependent parameter).

$RS_{i,t}$: Characteristics of information reliability whose score is calculated annualy by Securities and Exchange Organization and is published for the public via Securities and Exchange Organization. The criterion to score is the reliability of information, fluctuations and changes of forecasting each stock's revenue and also the differences between forecasted prices and the real audited of its performance. (dependent parameter). As mentioned before, the sum of the two scores is called DQ.

Dependent Parameters

The model extracted from Khani et. al., is as following:

$$NF_{i,t} = (\text{net debt}_{i,t} + \text{net equity}_{i,t}/\text{asset}_{t-1})$$

$NF_{i,t}$: net cash from financial supplying activities

$\text{Net equity}_{i,t}$: net cash from selling stocks.

$\text{Net debt}_{i,t}$: net cash from borrowing.

$ND_{i,t}$: Financial supplying through debt is calculated by the following relation:

$$ND_{i,t} = (\text{net debt}_{i,t}/\text{asset}_{t-1})$$

$NE_{i,t}$: Financial supplying through stocks is evaluated by the following relation:

$$NE_{i,t} = (\text{net equity}_{i,t}/\text{asset}_{t-1})$$

Control Parameters

S(SIZE): company size: logarithm of value of the market of possessions.

SL(SALES): The proportion of sale to possession as a control parameter.

CD(COST OF DEBT): A control parameter which is produced by division of cost of interest on the average of whole debt.

G(GROEWTH): Control parameter of growth: The growth of possessions which equals to the difference of whole possessions of the year t and $t-1$.

Findings of the Search

Descriptive statistics of parameters: In descriptive statistics part, it is done by using of central indexes like average, mean, index of dispersion, standard deviation, skewness, and kurtosis. In this regard, the main index is central and it shows the average of data. Table 29.1 shows this.

Table 29.1
Descriptive statistics of the research parameters

Parameters	*Numbers of observations*	*Average*	*Mean*	*Range of changes*	*Standard deviation*	*Skewness coefficient*	*Kurtosis coefficient*
DQ	252	0.70	0.75	0.96	0.22	-0.54	2.21
NF	252	0.02	–0.00	2.57	0.23	2. 87	22.61
ND	252	0.01	–0.01	2.57	0.22	2.10	23.37
NE	252	0.01	0.00	1.63	0.10	14.93	231.3.
SIZE	252	14.57	14.26	7.3	1.53	0.69	2.95
SL	252	1.02	087	5.12	0.66	2.21	11.55
CD	252	0.07	0.06	0.23	0.05	0.92	3.48
GTA	252	0. 81	0.13	35. 81	3.26	6. 84	59.94

7. RESEARCH HYPOTHESIS TEST

The Main Hypothesis Test

To do the main hypothesis test, the following formula is used:

$$DQ_{i,t} = \alpha_0 + \alpha_1 NF_{i,t} + \alpha_2 SIZE_{i,t} + \alpha_3 SL_{i,t} + \alpha_4 CD_{i,t} + \alpha_5 GTA_{i,t} + \varepsilon_{i,t}$$

According to economical literature of data panel, before estimation of the model it is necessary to use F-Limer statistical test to test homogeneity of the data and consequently test the estimation of data by using panel method. As it was mentioned in previous chapter, to choose the right estimation method between fixed-effect method and random-effect method, we must use Hosman Statistical Test. Results for F-Limer Test for the first model are presented in Table 29.2.

Table 29.2
Results of meaningful test of fixed effects on the main model

Effects test	*Statistic test*	*Freedom grade*	*The value of possibility (pv)*
Cross-F Section	2.117380	–83163	000/0
Cross-section Chi-square	184.335515	83	000/0

Als, results of Hosman Statistical Test to choose the right estimation method show that using fixed-effect method is more suitable than random-effect method. Results of this test are presented in Table 29.3.

Table 29.3
Table of Hosman to choose a method with fixed-effect and random effect for the main model

Effects test	*Statistical test*	*Freedom grade*	*The value of possibility (pv)*
Cross-section random	085359/10	5	0006/0

As viewed, results of Hosman Statistical Test prove that the most suitable method to estimate the main model is in Panel Data with fixed effects. Results of estimation with main model research of fixed effects method are presented in Table 29.4.

Table 29.4
Results of estimation of the main model

Dependent parameter: natural logarithm of quality of disclosure					*Method: with fixed effects*		
Explanatory parameters	*Estimation coefficients*	*Level of t statistics*	*Level of meaningfulness*	*Long-sighted statistics*	*F statistics*	*Level of meaningfulness*	R^2_{adj}
NF	0.19876	9.73887	0.0000	2.460937	68.12621	0.0000	0.973531
SIZE	0.17042	4.02519	0.0001				
SL	0.29381	12.07239	0.0000				
CD	–0.56369	–1.7752	0.0777				
GTA	–0.02280	–14.7027	0.0000				
C	–3.16733	–5.17442	0.0000				

The first subordinate hypothesis test:

The following model is used for the first subordinate hypothesis test:

$$DQ_{i,t} = \alpha_0 + \alpha_1 ND_{i,t} + \alpha_2 SIZE_{i,t} + \alpha_3 SL_{i,t} + \alpha_4 CD + \alpha_5 GTA_{i,t} + \varepsilon_{i,t}$$

Results of F-Limer Test for the first subordinate model are presented in Table5. Results of F Statiscal Test for this function implies the meaningful use of Data Panel method instead of least aggregated squars method.

Table 29.5
Results of meaningful fixed effects for the first subordinate model

Effects test	*Statistics test*	*Freedom grade*	*The value of possibility (pv)*
Cross-F Section	304320/2	–163/83	000/0
Cross-section Chi-square	45/1286	83	000/0

Source: Findings of the research based on Eviews Software's output

Also, results of Hosman Statistical Test to choose the right estimation method show that for the First Subordinate Estimation model, using Fixed Effects Method is more appropriate than Random Effects Method. Results of this test are shown in Table 29.6.

Table 29.6
Hosman Result Test to choose the right method with fixed and random effects for the First Subordinate Model

Eefects test	*Statistics test*	*Freedom grade*	*The value of possibility (pv)*
Cross-section random	2684/11	5	7003/0

Source: Findings of research based on Eviews Software's output

Finding of Hosman Statistical Test imply that the most appropriate method to estimate the First Subordinate Model in Data Panel is the Fixed Effects. Results of the First Subordinate Model with the Fixed Effects are shown in Table 29.7.

Table 29.7
Results of the First Subordinate Model

Dependent parameter: natural logarithm of quality of disclosure					*Method: with fixed effects*		
Descriptive parameters	*Estimation coefficients*	*Level of t statistics*	*Level of meaningfulness*	*Watson long-sighted statistics*	*F Statistics*	*Level of meaningfulness*	R^2_{adj}
ND	0.2001	5.3072	0.0000	2.424488	36.87799	0.0000	0.952175
SIZE	0.2400	5.4350	0.0000				
SL	0.2751	7.6942	0.0000				
CD	–0.3473	–0.9472	0.3449				
GTA	–0.0123	–5.0866	0.0000				
C	–4.1827	–6.5284	0.0000				

Source: Findings of Eviews Software's output

The Second Subordinate Hypothesis Test: The following model is used for the Second Subordinate Hypothesis Test

$$DQ_{i,t} = \alpha_0 + \alpha_1 NE_{i,t} + \alpha_2 SIZE_{i,t} + \alpha_3 SL_{i,t} + \alpha_4 CD + \alpha_5 GTA_{i,t} + \varepsilon_{i,t}$$

Results of F-Limer Test for the Second Subordinate Test are shown in Table 29.8. Results of F-Limer Testr for this function imply meaningful use of Data Panel Method instead of the Least Aggregated Squars Method.

Table 29.8
Results of test for meaningful fixed effects for the Second Subordinate Model

Effects test	*Statistics test*	*Freedom grade*	*The value of possibility (pv)*
Cross-F Section	405002/2	–163/83	000/0
Cross-section Chi-square	418711/189	83	000/0

Source: Findings of research based on Evies Software's output

Also, results of Hosman Statistics Test to choose the right estimation method show that for the Second Subordinate Model, using the Fixed Effects Method is more appropriate than Random Effects Method. Results of this test are shown in Table 29.9.

Table 29.9
Results of Hosman Test to choose a method with fixed and random effects for the First Subordinate Model

Effects test	*Statistics test*	*Freedom grade*	*The value of possibility (pv)*
Cross-section random	596068/11	5	0408/0

Source: Based on Eviews Software's output

Findings of results of Hosman Statistics Test imply that the most appropriate method for the Second Subordinate Method in Data Panel is Fixed Effects Method. Results of estimation for the Second Subordinate Method with Fixed Effects are shown in Table 29.10.

Table 29.10
Results of estimation for the Second Subordinate Method

Dependent parameter: natural logarithm of quality of disclosure					*Method: with fixed effects*		
Descriptive parameters	*Estimation coefficients*	*Level of statistics*	*Level of meaningfulness*	*Watson long-sighted statistics*	*F statistics*	*Level of meaningfulness*	R^2_{adj}
NE	-0.0489	-0.5511	0.5823	2.429598	24.05815	0.0000	0.928512
SIZE	0.2317	4.4957	0.0000				
SL	0.2499	5.9183	0.0000				
CD	-0. 8455	-2.1408	0.0338				
GTA	-0.0136	-3.5627	0.0005				
C	-4.0008	-5.3190	0.0000				

Findings of the research based on the output of Eviews Software

Estimation of model in division of different industries

Estimation of the main hypothesis of research

Table 29.11
Results of estimation model in division of industries for the main hypothesis

Dependent parameter of natural logarithm of disclosure quality = LOGDQ						
Different industries Independent and control parameter		*Automobile accessories*	*Metals*	*Oil*	*Chemicals*	*Cement*
		Coefficient				
		Possibility				
NF	Net cash of financial supplying activities	1429/0	0241/0	366373/0	385831/0	–035454/0
		0181/0	8045/0	7710/0	0388/0	8943/0
SIZE	Size of company	3692/0	–0030/0	02753/0	066275/0	042339/0
		0367/0	8334/0	9267/0	0347/0	2892/0
SL	The proportion of sale to possession	3316/0	–1235/0	560878/0	–023433/0	267031/0
		000/0	0031/0	0328/0	8351/0	0107/0
CD	Cost of interest	7577/0	6344/0	2935/3	375186/2	–145687/0
		5261/0	2148/0	3737/0	0002/0	8694/0
GTA	Growth	–0303/0	–0213/0	0116/0	–027959/0	–003531/0
		0225/0	0005/0	9362/0	0088/0	–7617/0

Table 29.12
Results of Hosman and F test in automobile industry and accessories

Effects test	*Statistics test*	*Freedom grade*	*The value of possibility (pv)*
Cross-F Section	208459/5	26,49	0000/0
Cross-section Random	023163/37	5	0000/0

Estimation of the first subordinate hypothesis research

Table 29.13
Results of estimation model is division of industry for the main hypothesis

Dependent parameter of natural logarithm of disclosure quality = LOGDQ						
Different industries Independent		*Automobile and accessories*	*metals*	*Oil*	*chemicals*	*Cement*
		Coefficient				
		Possibility				
ND	Financial supplying through debt	136600/0 0187/0	025038/0 7972/0	521143/0 2594/0	286839/0 0130/0	–025251/0 9249/0
SIZE	Size of the company	384957/0 0307/0	–003089/0 8328/0	017778/0 8711/0	066317/0 0293/0	042424/0 2885/0
SL	The proportion of sale to possession	326570/0 0000/0	–123484/0 0030/0	–401584/0 0705/0	–020316/ 8556/0	266402/0 0108/0
CD	Cost of interest	604515/0 6093/0	636114/0 2136/0	707742/3 0898/0	–303663/2 0001/0	–133429/0 8802/0
GTA	Growth	–032073/0 0149/0	–021374/0 0005/0	–0116/0 9994/0	–005087/0 4418/0	–003383/0 7715/0

Table 29.14
Results of Hosman and F test in auto industry and accessories

Effects test	*Statistics test*	*Freedom grade*	*The value of possibility (pv)*
Cross-F Section	181999/5	26, 49	0000/0
Cross-section Random	874159/37	5	0000/0

Estimation of the subordinate hypothesis of the second research.

In the following table the second subordinate hypothesis of the research in division of industry is tested and interpreted.

Table 29.15
Results of estimation model in division of industries for the main hypothesis

Natural logarithm of dependent parameter for qualities of disclosure = LOGDQ						
Different industries Independent and control parameters		*Automobile and accessories*	*Metals*	*Oil*	*Chemicals*	*Cement*
		Coefficient				
		Possibility				
NE	Financial supplying through stock	404155/1 3428/0	–743013/4 5544/0	–544367/1 7343/0	–776105/0 0419/0	–025251/0 9249/0
SIZE	Size of the company	410069/0 2101/0	001985/0 8785/0	013608/0 9642/0	058729/0 0561/0	04424/0 2885/0
SL	The proportion of sale to possession	0394282/0 0000/0	–114392/0 0096/0	–583049/0 0274/0	–039053/0 7284/0	266402/0 0108/0
CD	Cost of interest	546418/0 6275/0	–607122/0 2039/0	028837/2 4317/0	297986/2 0001/0	–133429/0 8802/0
GTA	Growth	–025787/0 0874/0	–020250/0 0001/0	047879/0 5166/0	022773/0 4418/0	–003383/0 1855/0

Table 29.16
Results of Hosman and F test in car industry and accessories

Effects Test	*Statistics Test*	*Freedom grade*	*The value of possibility (pv)*
Cross-F Section	291531/5	26, 49	0000/0
Cross-section Random	525965/43	5	0000/0

8. DISCUSSION AND CONCLUSION

Results from the main hypothesis account for financial supplying for companies as a dependent parameter considering the meaningfulness less than 5% has a meaningful and direct relation with the quality of information disclosure in automobile industry and accessories, basic metals, oil, chemicals, and cement with a reliability of 95%. This result is in consistence with the results of researches by Scott Martin (1967), Akarvad Kim (1984), naydo (1984) and Merton (1991), and with Mashayekh and Metmanat Abadi in inconsistence. Results from the first subordinate hypotheses account for finance supplying through debt in car industries and accessories, basic metals, oil, chemicals, and cement, considering the meaningfulness of less than 5% and the positive value of Peta coefficients which have a direct and meaningful relations with the quality of information disclosure of companies with a reliability of 95%. This result is in consistence with the results of researches by Modiliani Vemiler(1958), Ferry and Jones (1984), Valizadeh Larijani, Mojtahedzadeh and Hejazi (1329), and in inconsistence with results from Naydo (1984), Berdeli Jarl and Kim (1984), Ghanizadeh and Barani (1394). Results from the second subordinate hypothesis say that financial supplying through stock as an independent parameter and considering the level of meaningfulness of more than 5%, has no meaningful relation with the quality of companies' disclosure of 95% of reliability. This result is in consistence with the results from George Town (1998) and in inconsistence with researches of Moosavi Shiri and Hamid Soleimani (1392).

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