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STUDYING RELATION BETWEEN OPERATION OF ACTIVE SOURCES IN INVESTMENT MARKET AND INFLATION (IRAN 2008-2013)

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Abstract: *Financial portion reveals important realities in relation to operation and financial situation in one unit. Albeit there are many factors in these portions, one of which is the rate of inflation in countries economic. Inflation as one of the important economic indicator in world attracted many attentions by researchers. One of the aspects that has given less attention is the effect of this indicator on operation of financial market and its development. That in this study we attempted whether this factor effect and how effect on different financial portions in economical units. For carrying out such study, the data of accepted companies in bounds of TEHRAN during 2008-2013 have been studied.*

Results show that inflation of examined variables has significant relation, so the prices increasing on dependent variables was effective in this research, but among these predications results show that inflation on some variables in different industrials such as circulation portion of available commodity and circulation portion of pecuniary in chemical industrial and also the portion of gains faction to selling in cement industry was in significant relation and this is sign of lack of effects on these portions in mentioned industries.

Thus it can be said that inflation rate has many effects on companies financial operation and countries with high inflation rate can have bad effect on companies financial operation. In other words one of the factors out of company that caused weakness in companies financial operation is the rate of inflation.

Keywords: *pecuniary portions, lever portions, gains portions, active portions, the rate of inflation, panel data.*

1. INTRODUCTION

Investing market companies, shareholders and real and legal investors usually were seeking to recognize effective variables on operation of companies stock exchange in order to could prediction market situation in insurance future through these relations. Because of this matter we used many models for this prediction. That

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sometimes these models can reach incorrect prediction. And it causes investors in these markets go under situation without any assurance. Thus identifying effective factors on companies operation in investing markets and entering them in market decision for investors is more important (constantions et. al) in fact in some models we used correlation variables with inner environment of institution and in some models we used correlation variables with outer environment. Correlated variable with inner environment such as the kind of company management available sources.

The meaning of outer environment variable are factors that are out of company management. Of huge variable we can refer to variables such as politics, economic, social and technology variables. In this paper we studied one of huge economic variables, inflation rate of industry operation of TEHRAN bounds (CHENY 2012).

In this study different financial portions have been used for evaluation. In order to measuring companies ability for carrying out short term in due date, we used pecuniary portions. And in order to measuring companies ability for carrying out long and short term we used lever portions, and in order to measuring how investing in assets can make income, we used operation portions and finally in order to measuring companies ability in making income over than expenses we used gains portions,

2. THEORY BASIS

Establishing investment market with purpose gathering little saving of people and directing them to productive activities, make economic development, Increasing national gross production, making job and increasing share income and finally lead to public welfare.

Since investing needs financial supporting, stock exchange of bounds can be regarded as center for gathering savings and pecuniary in private section for financial supporting of long term process investment. In reality stock exchange of bounds is place that crates relation in one hand between people saving and investment facility in society and in other hand we can use this lever with purpose centralization of investment and directing them to production activities and attracting people contribution in productive investments (KALU AND SOLOMN, 2013).

Since increasing inflation causes decreasing in buying power, investors have many attention to inflation. with increasing inflation, the rate of output investors expediency will increase and finally it causes increasing interest rate. That will effect stock value. That it means increasing interest rate causes decreasing in circulation value of future gains and finally decreasing in stock value.

In other hand in inflation time, nominal output is weak indicator for investors, thus it can regarded as correct basis. Because of this matter, managers and investors need information relating to actual output, because actual output of one investor is function of difference between nominal output of increasing or decreasing investors and also whether investors situation become better or worse (CHAUDURY et. al, 2013).

Inflation causes redistribution of assets and incomes. The price of individuals assets that increased over inflation rate are benefit from inflation and individuals who their price assets are lower than inflation rate will harm. Thus economic actives that able to increase nominal income over the rate of inflation will benefit and in reverse individuals due to legal limitation cant increase their nominal incomes at level of inflation rate, will harm (ERTUGRUL, KARKASOGLU, 2009).

By studying the effects of inflation, increasing in inflation, causes increasing in price of produced commodities in accepted companies in stock exchange, results show that that inflation has more effect of assets of these companies and the effect of inflation in increasing price of stock in these companies will be more. and finally this stock will be more acceptable for individuals, because any shareholder will receive portion equal with its stock paper of company. That with increasing in assets of stock exchange company, increasing price in this share will be expected. Thus shareholders who their nominal output is more than inflation will benefit and individuals who their nominal share is lower than inflation will harm from inflation (ABURACHIS, 2012).

BENDERLY and BURTON in their research in AMERIKA economic during 1954-1981 fund that the rate of inflation has negative effect on nominal actual output, in addition this matter GRAHAM in relation to united states during 1953-1990 reveals that the relation between stock output and the rate of inflation in all the times was positive relation. In testifying past studies in 1996 MORAD OGHLU and METIN also during 1986-1993 in TURKEY economic reach to reverse effect of the exchange rate, inflation rate in long term on price indicator of stock exchange in ISTANBOUL.

CHOPIN and ZHONG by using VECM for some developed and developing countries showed that the long term relation between actual output and the rate of inflation was negative during past two world war.

MADSEN (2002) for countries member economic cooperation council during 1962-1995 has reached this result that the rate of inflation has negative effect on actual output of share. AYGOREN and SARTIAS also during 2004 showed that during 1992-2002 in TURKEY, there is reverse relation between actual output of share and inflation.

3. DATA ANALYING

This research in terms of purpose is applicable research and of comparative and in terms of research method is kind of correlational and in terms of gathering data is library research. Since we used data relation to documents and financial aspects of stock exchange companies and TARANAMEH. Also this research in terms of method is analyzing content and method used in this research is tableau data method that this method is composition of due date and sectional method.

Independent variable in this research is the circulation rate of inflation in country, that obtained by calculated sources by government. Dependent variables that are evaluation indicators of companies financial operation classified in four groups:

A" gains portions including 1- assets output 2- output of fees shareholders owners 3- the portion of pure gain to selling 4- the portion of operation gains to selling

B" the portion of activities including" 1- portion of circulation assets. 2- portion of circulation available goods.

C" the portion of pecuniary including: 1- circulation portion 2- future portions 3- the portion of circulation pecuniary.

D: the lever portions including: 1- the portion of debt to assets 2- portion of long term debt to fees of shareholders.

The following table has shown the calculation of all data also used abbreviated signs in statistical table."

Table 1
How to calculate the independent and dependent variables in the study

The way of calculation	*Variable name*	*Abbreviate sign*	*The kind of variable*
Pure gains/total assets	Assets output	ROA	dependent
Pure gains/shareholders fee	Output of shareholders fee	ROE	dependent
Pure gains/selling	Portion of pure gains to selling	R/S	dependent
Operating Profit/selling	Portion of operative gains to selling	OR/S	dependent
Net sales/Total assets	Portion of asset circulation	ATOR	dependent

Cost of goods sold/Goods Stock	Portion of circulation goods	ITOR	dependent
Current assets/Current liabilities	Current portion	CR	dependent
Current assets-Current Stock/Current liabilities	Future portion	QR	dependent
Cash flow from operations/ Current liabilities	Portion of current pecuniary	OCF	dependent
Total liabilities/Total assets	Portion of debt to asset	L/A	dependent
Long-term debt/ shareholders equity	Portion of long term debt to shareholders fee	LTL/EQ	dependent
Annual inflation calculated by central bank	Inflation rate	INF	independent

So in this research we will examine four following theory.

1. There is significant relation between inflation rate and activities portion in active industry in stock exchange of THEHRAN bounds.
2. There is significant relation between inflation rate and pecuniary portion in active industry in stock exchange of TEHRAN bounds.
3. There is significant relation between inflation rate and gains portion in active industry in stock exchange of TEHRAN bounds.
4. There is significant relation between inflation rate and lever portions.

The research method is as following"

$Y_1=\beta_0+\beta_1 INF + \varepsilon_t$ 1

$Y_2=\beta_0+\beta_1 INF + \varepsilon_t$ 2

$Y_3=\beta_0+\beta_1 INF + \varepsilon_t$ 3

$Y_4=\beta_0+\beta_1 INF + \varepsilon_t$ 4

That in which Y1 is activity portion and Y2 is pecuniary portion and Y3 is gains portion and Y4 is lever portion and INF is inflation rate ND e4 is error expression.

4- MODEL ESTIMATE" in order to examine theories, at first data should be given from information sources. And later in MATRIX data, according to variables relating to that theory will be putted and finally carrying out F LYMER exams in relation to fit putting of data and H HASMEN. If statistical exam for explaining the kind of data was composition method we use GLS in tableau data.

After explaining results in final stage we will use R2, F, T statistical and significant level F, T.

Results of first theory exam in research" in order to studying first theory of research in stock exchange of bounds, following methods are being used"

$ATOR = \beta_0 + \beta_1 INF + \varepsilon_t$

$ITOR = \beta_0 + \beta_1 INF + \varepsilon_t$

That in which ATOR is equal to circulation portion of assets, ITOR is circulation available commodity, INF is the inflation rate and E+ is error expression.

Results of F LYMER is for variables portion of circulation assets and portion of available circulation commodity. 17/483, 14/961, that in the level of assurance is sign of confirmation of tableau data. And in order to deciding in relation to using fix effect or accidental effects we used HASMAN exam.

The HASMEN exam number for variables of assets circulation portion and circulation portion of available goods is 0/22, 11/405 and with probability of 95 percent, zero theory for variable portion circulation of assets has not refused. And it shows confirmation of accidental effects method. But for variables of circulation portion of available goods the zero theory has been refused with probability of 95 percent and thus the fix effects method is used for data predication.

Coefficient of determination these variables reveals that the variable is used in these models has explain power at 89, 74 percent respectively.

The F statistical in this research for two models was lower than 5 percent and reveals that studied methods are significant in assurance level of 95 percent.

Table 2
Results of statistical First hypothesis testing to companies in Tehran Stock Exchange

Dependent variable: Portion of circulation goods (ITOR)			*Dependent variable: Portion of asset circulation (ATOR)*			*Variable*
Significant coefficient	*statistict*	*coefficient*	*Significant coefficient*	*statistict*	*coefficient*	*Independent variable*
0.0481	1.860174	0.399984	0.0203	2.326522-	0.230195-	inflation INF
		0.748020			0. 890085	R^2
		0.697523			0. 730028	R^2 amended
		14.813130.000000			5.4217530.020220	statisticF
		1.648514			1.545816	D.W
		14.9611940.0000			17.4834150.0000	statisticFlymer
		11.4053360.0007			0. 2200120. 6925	statisticHhasman

Source: Research findings

THE PORTION OF CIRCULATION OF ASSETS" as it can be seen in table 2, there is significant level between inflation rate and the portion of circulation of assets, that its rate is 0/02 and since this significant level is lower than the level error 5 percent, the zero theory has been refused with 95 percent assurance, and it can be said that in engine industry companies and accepted pieces in stock exchange of TEHRAN bounds, there is significant relation between inflation rate and the portion of circulation of assets.

Examined variable coefficient was -0/23 and regarding being negative T statistic, this result can be reached that there is negative relation between inflation rate and the portion of circulation of assets in this industry.

In other words if the inflation is high, this portion reduces due to price increasing. It means that with price increasing, demanding for buying engine reduces and people depending their decision to the future, that by this the selling of industry products will decreased.

The portion of circulation of available goods" on the base of table 2 the significant level between inflation rate and the portion of circulation of available goods is 0/04 and since this significant level is lower than the error level of 5 percent, thus the zero theory has been refused with 95 percent assurance. And it can be said that the coefficient of these variables between inflation and this portion in industry companies reveals that the fitting of model was good.

And it shows that used variables in these models have explain power 41, 32 percent respectively. Statistical F in this fitting for three models was lower than 5 percent and shows that studied models are significant in assurance level of 95 percent.

Table 3
Results of the second hypothesis test for companies of Tehran Stock Exchange

Dependent variable: portion of pecuniary circulation OCF			*Dependent variable: future portion* QR			*Dependent variable: circulation portion* CR			*Variable*
P value	*T statistic*	*coefficient*	*P value*	*T statistic*	*coefficient*	*P value*	*T statistic*	*coefficient*	*Independent variable*
0.0175	-2.011242	-0.135558	0.0129	-2.494724	-1.326134	0.0026	3.026717	1.645016	inflation
		0.321101			0.410315			0.415101	R^2
		0.290569			0.308660			0.313454	R^2amended
		2.6591820.017172			6.2326460.012810			9.1689550.002568	F statistic
		1.604899			1.556794			1.647468	D.W
		6.2870530.0000			4.9066500.0000			5.4130150.0000	F lymer statistic
		0.0300000.8625			0.1364140.7119			0.4821280.4875	H hausmanstatistic

Source: Research findings

Circulation portion" on the base of table the significant level between inflation rate and circulation portion is 0/0026, since this significant level is lower than 5 percent error level, we can claim that the zero theory refused with 95 percent assurance and there is significant relation between inflation rate and circulation portion in engine industry companies and accepted pieces in stock exchange of TEHRAN bounds.

The examined variable coefficient was 1/64 and regarding being positive T statistical it can be said there is positive and significant relation between inflation and circulation portion in these companies.

In other words it can be said that with increasing inflation of engine industry companies and accepted pieces, more circulation portion will be kept because by increasing inflation, the value of circulation assets will be increased as engine industry increased in country during studied years, finally these companies will keep more circulation assets.

The future portion" on the base of table 3, the significant level between inflation and future portion is 0/012, since this significant level is lower than 5 percent error level, it can be claimed that zero theory refused with 95 percent of assurance, and there is significant relation between inflation rate and future portion in engine industry companies and accepted pieces in stock exchange of THRAN bounds.

The studied variable coefficient was -1/326. And according being negative T statistic it can be said that there is significant and negative relation between inflation rate and future portion in this industry. So as inflation increases future portion will reduce due to price increasing.

In other words it can be said that with increasing in inflation, engine industry company and pieces will keep less pecuniary, because by increasing inflation the value of money reduced and finally these companies will keep less pecuniary.

According to these theories we can say that in engine industry, whereas inflation increased and the value of money reduced, but in this industry the price of engine increased with inflation.

The portion of pecuniary circulation" on the base of table 3 the significant level between inflation rate and the portion of pecuniary circulation is 0/017, and since this significant level is lower than 5 percent error level, it can be said that zero theory refused with 95 percent of assurance, And there is significant relation between the rate of inflation and portion of pecuniary circulation in engine industry and accepted pieces in stock exchange of TEHRAN bounds.

The studied variable coefficient was -0/135 and according being negative T statistic it can be said that that there is negative and significant relation between inflation rate and this portion, in other words this result can be reached that if inflation increases, the money obtained from operation is lower in engine industry.

Because increasing in pecuniary circulation and not using it again, harms companies due to reducing the value of money and its sign is disability of companies management group of this industry.

Results of examining third theory in this research: in order to studying third theory in research in stock exchange companies of bounds the following models are used:

ROA=B0+B1 INF+Et

ROE=B0+B1 INF+Et

R/S=B0+B1 INF+Et

OR/S=B0+B1 INF+Et

That in which ROA is equal assets output ROE is output of shareholders fees.

R/S is the portion of pure gains to selling. OR/S is portion of operative gains to selling. INF is the rate of inflation and Et is error expression.

Results of LYMER exam for variables of assets, the output of shareholders fee, the portion of pure gain to selling and the portion of operative gains to selling is 9/969, -1/842, 7/258, -6/348 respectively. That in 95 percent of assurance level reveals that tableau data method was good method.

The number of H HASMEN exam for assets output, shareholders fee output, and the portion of pure gain to selling and the portion of operative gain to selling variables are 0/313, -0/345, -0/336, -5/426 respectively. That the zero theory not refused for all variables by probability of 95 percent, and it is sign of confirmation accidental effects method.

Coefficient of determination these variables show that the fitting model was good and the used variable in these methods has explain power 23, 32, 48, 53 percent respectively.

F statistic in this research for four models was less than 5 percent and it shows that examined models are in significant level of 95 percent of assurance.

Table 4
The third hypothesis test results for companies of Tehran Stock Exchange

Dependent variable: output of shareholders fee ROE			*Dependent variable: assets output ROA*			*Variable*
coefficientss	*statistict*		*coefficient*	*statistict*	*coefficient*	*Independent variable*
0.0639	-1.548227	-0.309687	0.0017	3.153355	0.122280	inflation
		0.322089			0.236375	R^2
		0.280420			0.214730	R^2amended
		0.280420			0.214730	R^2amended
		3.2518020.003658			9.9550710.001685	statisticF
		1.692589			2.009900	D.W
		6.8428770.0000			9.9697740.0000	statisticFlymer
		0.3453150.5568			0.3137900.5754	statisticHhasman

Dependent variable: portion of operative gains to selling OR/S			*Dependent variable" portion of pure gains to selling R/S*			*Variable*
Significant coefficient	*statistict*	*coefficient*	*Significant coefficient*	*statistict*	*coefficient*	*Independent variable*
0.0297	2.039442	0.186795	0.0597	-1.739837	-0.076994	inflation
		0.530915			0.480915	R^2
		0.490755			0.420755	R^2amended
		3.5479670.019440			4.5479670.009440	statisticF
		2.334014			2.266677	D.W
		6.3489110.0000			7.2588300.0000	statisticFlymer
		0.4268660.4717			0.3367690.5617	statisticHhasman

Source: research findings

Assets output: on the base of table 4 the significant level between inflation and assets output is 0/0017, since this significant level is lower than 5 percent error level, it can be claimed that zero theory refused with 95 percent assurance and there is significant relation between inflation and assets output in engine industry and accepted pieces in stock exchange on TEHRAN bounds.

The studied variable coefficient is 0/22 and according to being positive T statistic it can be said that there is significant and positive relation between inflation and assets output, so by increasing inflation assets output in engine industry will

increase due to price increasing, in other words it can be said that by increasing inflation the price of production in engine industry will increase and also the gains of these companies will increase more than assets,

Regarding that the relation between inflation and assets circulation was negative and relation between inflation and assets output was positive it can be said that the engine companies reduced production expenses or increasing price of engine and pieces were more than increasing expenses of company.

Output of shareholders fees: on the base of table 4 the significant level between inflation and output of shareholders fee was0/0639, and since this significant level is lower than 10 percent error level it can be claimed that zero theory refused with 90 percent assurance and there is significant relation between inflation and output of shareholders fee in company of engine industry and accepted pieces in stock exchange of TEHRAN bounds.

Examined variable coefficient was -0/3096 and according to being positive T statistic it can be said that there is negative and significant relation between inflation and this portion, in other words this result can be reached that as inflation increased the price of engine industry production increased and finally gains and loos of these companies increases less than shareholders fee and output of shareholders fee will reduced.

According to relation between inflation and assets output was positive and relation between inflation and output of shareholders fee was negative, it can be said that in these companies financial supporting expenses through other individuals was more than financial supporting expenses through shareholders. It means that in these companies, companies owners have less gain company creditor.

The portion of pure gains to selling: according to table 4 significant level between inflation and the portion of pure gains to selling is 0/0597, and since this significant level is lower than 10 percent error level it can be claimed that zero theory refused with 90 percent assurance and there is significant relation between inflation and the portion of pure gains to selling in engine companies in stock exchange in TEHRAN bounds.

Studied variable coefficient was -0/0769 and according to being negative T statistic it can be said that there is negative and significant relation between ininflation and the portion of pure gains to selling, so that by increasing inflation this portion in this company will reduce due to price increasing, in other words this result can be reached that as inflation increases, the price of engine production will increase and companies gains and loose will be lower than selling growth and finally the portion of pure gains to selling will increase.

The portion of operative gains to selling:

According to table 4 significant level between inflation and the portion of operative gains to selling is 0/0279 and since this significant level is lower than 5 percent error level, it can be claimed that zero theory refused with 95 percent assurance and there is significant relation between inflation and the portion of operative gains to selling in engine company in stock exchange of TEHRAN bounds.

Studied variable coefficient was 0/186 and according being positive T statistic it can be said there is positive and significant relation between inflation and the portion of operative gains to selling and so that by increasing inflation, this portion also increases in company of engine industry due to price increasing, in other words it can be said if inflation growths the price of engine industry production will increase and finally this portion will be increased.

According to that the relation between inflation and the portion of operative gains to selling was positive and relation between inflation with the portion of pure gains to selling was negative, it can be said that in engine companies, operative expenses were less than non-operative expense and these companies non-operative expenses are high.

Results of fourth theory exam in research:

In order to study fourth theory in this research, the stock exchange of bounds has used these models:

L/A=B0+B1INF+et

LTL/EQ=B0+B1 INF+et

That in which L/A is the portion of debt to assets. LTL is the portion of long term debt to shareholders fee, INF is inflation rate and Et is the error expression.

In variable of the portion of debt to assets the LYMR F statistic showed 22/046 and with probability of zero that it confirms tableau data method and thus according to this statistic, this method seems be acceptable.

HASMEN examination number for variable portion of debt to assets is 0/017 and with probability of 0/896, that it is confirmation of accidental effects method. Also in variable of portion of long term debt to shareholders fee, the LYMER F statistic was 0/907 with probability 70 percent for confirmation of composition dada method. And according to this statistic and composition data method, this method is acceptable.

The coefficient determination of this variable is sign of good fitting of this model and it shows that the used variable in these models has explain power 74, 51 percent respectively.

Table 5
The fourth hypothesis test results for companies of Tehran Stock Exchange

Dependent variable: portion of long term debt to shareholders fee LTL/EQ			*Dependent variable: portion of debt to assets L/A*			*Variable*
Significant coefficient	*statistict*	*coefficient*	*Significant coefficient*	*statistict*	*coefficient*	*Independent variable*
0.0041	2.668504-	-2.875254	0.0495	1.819405	0.416470	inflation
		0.510747			0.740171	R^2
		0.460924			0.671501	R^2amended
	3.446898	0.004070		3.102188	0.049332	statisticF
		2.473299			1.880462	D.W
	0.907300	0.7201		22.046347	0.0000	statisticFlymer
		-			0.017022	0.8962 statisticHhasmen

Source: research findings

THE PORTION OF DEBT TO ASSETS

According to table 5 significant level between inflation and the portion of debt to assets is 08/0495 and since this significant level is lower than 5 percent error level, it can be claimed that zero theory refused by 95 percent assurance and there is significant relation between inflation and the portion of debt to assets in engine industry and accepted pieces in stock exchange of TEHRAN bounds.

The examined variable coefficient is 0/416 and according to being positive statistic it can be said that there is positive and significant relation between the rate of inflation and the portion of debt to assets, in other words this result can be reached that as inflation growths the price of engine industry production increases and companies debt is more than assets and finally the portion of debt to assets will increase.

According to that the relation between inflation and this portion is positive, it can be said that these companies for supporting their financial activity restore to debts and use debts more than financial supporting through companies owners.

THE PORTION OF LONG TERM DEBT TO SHAREHOLDERS FEE

According to table 5 significant level between inflation and the portion of long term debt to shareholders fee is 0/0041 and since this significant level is lower than 5 percent error level it can be said that zero theory refused by 95 percent assurance and there is significant relation between inflation and this portion in engine industry and accepted pieces in stock exchange of TEHRAN bounds.

The examined variable coefficient is -2/875 and according to being negative T statistic it can be said that there is significant and negative relation between inflation and the portion of long term debt to shareholders fee, so as inflation increases this portion will reduce, in other words it can be said that in this industry of companies, if prices are high long term debt reduced and through short term debts such as on credit buying the financial supporting taken place.

4. RESULTS AND RECOMMENDATION

Results of first theory in this research reveal that there is negative and significant relation between inflation and the portion of assets circulation so that as inflation growths the number of companies selling will reduce and finally selling will reduce. Thus it is suggested to companies manager that when increasing prices, according to whether the reached more output than the rate of inflation, they must adopt a policy which by decreasing price in fit level, increase their amount of selling. Albeit with this condition that after analyzing market situation and studying total effective factors and also when after doing these measures, the gains of company will be more than what before it was.

These results also show that there is significant and negative relation between inflation rate and the portion of circulation available commodities, so that as inflation growths the production expense and the amount of availability will increase, so it is suggested to stock exchange companies managers to increase their available assets by clear program and as possible by production future event and by creating long term contracts reduce future production expenses. But it is necessary that control its expenses also.

Results of second theory in this research show that there is significant and positive relation between inflation and circulation portion so as prices growths amount of pecuniary and assets with high pecuniary will reduce, so it is suggested to stock exchange companies manager to keep less pecuniary as possible and assets with high pecuniary that have less output, and it is suggested to tenures of accounting to have more attention in these studied companies when inflation is high.

Results of third theory show that there is positive and significant relation between inflation and assets output but in other hand there is negative and significant relation between inflation and shareholders fee, thus it is suggested to stock exchange companies manager that reduce the expense of financial supporting through other individuals or use financial sources with low expense such as accumulated gains and releasing stocks in order to increase gains of companies owners.

These results also show that there is significant and positive relation between inflation and the portion of operative gains to selling, in other hand but there is negative and significant relation between inflation and the portion of pure gains to selling, so it is suggested to stock exchange companies managers to identify sources of non- operation expenses and later control these expenses and reduce them.

Results of fourth theory also show that there is positive and significant relation between inflation and the portion of gains debt to assets in selling, but there is negative and significant relation between inflation and the portion of long term debt to shareholders fee, thus it is suggested to shareholders to buy the stocks of these companies when they are in good and expectant situation with high output.

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