

Surveying the Relationship between Profit Fluctuation and Financial Affluence in Admitted Companies in Tehran Stock Exchange Based on Altman Model

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ABSTRACT

Today's decision-making in financial matters are always risky and unreliable. One of the ways in helping investors is offering predicated patterns about general perspective of company. The closer predictions to reality will result correct-based decisions. By the way of predicating financial affluence or financial distress, the companies could be acknowledge about its emergence by offering necessary warnings in order to proceed according to these warnings. By this way, investors and trustees distinguish favorable opportunities from unfavorable ones and invest their resources in suitable opportunities. In this research, the attempt was surveying and testing the effective dimensions of profit fluctuations in predicting financial affluence of admitted companies in Tehran stock exchange based on Altman model in order to measure the financial affluent by using predicting pattern of bankruptcy – Altman model and to improve by usage of profit fluctuations. The aim of this research is surveying the relationship between profit fluctuations with financial affluence in admitted companies of Tehran stock exchange as Altman-model. In this research, the variable of profit fluctuation is considered as independent variable and financial affluence of Altman model is considered as dependent variable. For the purpose of controlling the size of company on variables of research, the size of company, asset returns and financial leverage as control variable is applied. The way of research in this investigation is applicable research and it is descriptive correlation research based on classification. The findings and results of current research show that there is a meaningful relationship between profit fluctuation and financial affluence in admitted companies of Tehran stock exchange as Altman model. This shows that the managers considered the profit fluctuations.

Introduction

The duties and responsibilities of companies are changed by increasing companies and commercial institutions and creating complexity in economic-commercial relations. The governments emphasize on economic growth has increasingly helped the development of companies and institutes and made difficult these duties. Furthermore, the growth of technology and broad environment changes have increased economic growth and due to increasing competence of institutions, the availability to limited profit and desire for bankruptcy have been increased.

In recent years the amount of financial distress in the world has increased more than other times. In two decades, the economic figures and numbers showing unprecedented financial distress. The existence of financial distress in one country is the most important index which attracts public attention to itself. Thus, the ability of predicting financial distress and avoiding its emergence is more important and prevents unsuitable allocation of rare economic resources. Offering the exact definition of involved groups in financial distress is difficult. But it can be claimed that managers, investors, creditors, debtors and legal institutions are affected by financial distress more than the others.

Stating the matter of research: today's, from one side, developing joint stock companies and removing the economic exchange boarders and investing and occurrence of severe economic crisis from the other side has caused the owners and investors to make necessary decisions and arrangements by using tools and predicted models against hazards and risks of investments. Hence, the companies' risks of bankruptcy are one of the most subjects in decisions of managers and investors. The bankruptcies of companies will incur excess expenses to large and small economy besides losses to owners and investors.

Detecting performance and financial problems of companies is a subject which comes along with analyzing financial rates. The researchers could offer multi- models for predicting financial affluences by combining these rates which is one of the

successful academic products and decision-making tools. For this purpose, in this research multi-model pattern has been investigated by using Altman bankruptcy model for measuring financial affluence by differentiate between current assets and debts based on profit fluctuations.

In financial decision making about an institution, the real and scientific index is needed for each institution. one of proper indexes for this goal is correct evaluating of financial effluence of companies. So, the investors, asset market activists, creditors, governments and all users of company's information in their own decision makings in determining invest hazards and their own decisions pay special attention to bankruptcy risk of companies. The ability for predicting commercial and financial bankruptcy is obvious sign of incorrect allocation of resources both from private investor point of view and social point of view. Early warning of probable bankruptcy causes managers and investors to do preventive actions and distinct favorable investment opportunities from unfavorable ones. In other words, by increasing profit fluctuations, cash payment and investment risks increases. In this search, it has been tried to test and investigate the effect dimensions of profit fluctuation in predicting financial affluent of admitted companies in Tehran stock exchange based on Altman model. Here this question is asked whether it can be use the index of profit fluctuations as an index for improving predicting financial affluence.

The importance and necessity of research

Today's, financial affluence has turned to a subject which doing it is difficult and needs necessary information and higher capabilities of decision makers. In decision making, useful information are much important and each decision making requires acquiring information, processing and analyzing. Here the significance of acquiring useful information reveals its importance for exact decision making and it is natural that in such a competence and changing atmosphere, financial affluence is relied to information and science and goes away from random and unreasonable aspects. The evidences show the companies which have offered clear picture of future, are acceptable in stock markets. one way of tracing such a picture for share-holders is disclosing profit fluctuations. Publication of this information assures the asset market that the company acts in neutral manner in offering information. In addition investors and creditors and other stakeholders make their decisions for investments or payment of credits not only based on profit fluctuations but they must benefit from tools of analyzing financial statements. As in current situation of economy, competence and speed of changes in different industries and the existence of fluctuation cycles and recession threatens companies from financial effluence point of view, so it seems that investors pay attention to financial affluence for better usage of investment opportunities and preventing loss of better resources. By developing financial markets and subsequent of competitive position, most of companies became bankrupt and exit from competence cycle. This makes worry the owners of investors and other shareholders and because they prevent the burning of their main asset and its profit, they are searching the ways that predicting the financial crisis. One of ways for using proper opportunities for investments and preventing the loss of resources is predicting bankruptcy. That way, by offering necessary warnings could inform the companies in regard to emergence of bankruptcy in order they do needed proceedings by considering these warnings at first place, secondly the investors distinct favorable opportunities for investments from unfavorable ones and cover themselves among massive volume of financial and non-financial information. The key to success in this field is recognition during financial problems. These models reveal the covert problems in financial structures like an alarm and provide the possible reaction of managers, investors and other stakeholders .the patterns of predicting bankruptcy are functions which predict continuing or stopping the activities of commercial units by using financial ratios. In this research, it is attempted to measure the financial effluence by using bankruptcy predicting pattern of Altman model and improve it by the help of profit fluctuations indexes.

Literature and background

Domestic investigations

(Mehrani and Nakhaei ,2015) in their research surveyed the relationship between profit quality and cash risk. The quality of profit has been measured by using three different indexes.

(Eftekhari and Parvaei ,2014) in their research paid to meaning of quality of profit and existed ambiguity. The gained results show this matter that as there is no exact definition of profit, we cannot have exact definition of concept of quality of profit, thus we cannot consider exact measuring scale for that. This matter creates substantial ambiguity in investigating quality of profit. (Farzaneh Hydarpour and et al ,2015) surveyed the effect of life cycle in cash performances of listed companies in Tehran stock exchange. In this survey, 74 admitted company in Tehran stock exchange were selected as statistical society during years 2009-2013 and taken out by using multiplied regression model. At assuring level of %95, the findings show that the effects of life –time of company in cash performances are as positive and meaningful relationship between life cycle and its features with cash performances.

(Heydarpour ,2011) surveyed the effects of divided profit variables and growth opportunities on the relationship of financial reporting and volatility of equities. The gained results show that the growth opportunities had direct effect on the relationship between financial reporting and volatility of equities and increasing this relationship aggregated the quality of financial

reporting on volatility of equities of companies. However, the findings of this study state that the policies of dividing profit s of companies affected the efficiency of quality of financial reporting on volatility of equities meaningfully.

(Rostami and Caroobi ,2014) surveyed the relations of stock market liquidity, commercial cycles and economic growth. For this purpose, they used Amihod "lack of liquidity" scale. The result of study state that there is no meaningful relationship between stock market liquidity, commercial cycles and economic growth.

(kordestani,2014) in a study under title of surveying cash and economic value-added with error predicted profit has stated that accounting profit is widely used in evaluating equities and assessing management performance and debt contracts. Thus, predicting accounting profit is more important and investors decide based on these information for buying, selling and keeping equities. They rely on information of predicting the profit of each share in pricing stock. The relationship between predicting profit and value of company stock is important when investors believe that the assessment is correct and has needed precision. So that, the error predicting is important for investors because has effect on their decision making .thus, the errors of predicted profit has major role on performance of secondary market. The main goal of this research is surveying the relationship of cash and economic value-added with error predicting of profit against performance profit and cash payments resulting of performances. For this reason, the relation of error predicting profit and changes of related data to cash and economic value added, accounting profit and cash payments of performances for admitted manufacturing companies in Tehran stock exchange has been studied from 2003 to 2008. The results by using multiplied regression models based on cross-sectional and consolidated data show that there is positive and meaningful relationship based on cash and value added combined data with error predicted profit , but performance profit and cash performances have no meaningful relationship with error predicted profit . According to cross sectional data, the economic value added and performance profit s have negative meaningful relationship with error predicted profit but cash value added and cash performances have no meaningful relations with error predicted profit . Also, the contents of relative information of economic value added is more than other variables.

(Dastgir, 2014) in this study, the effect of qualitative features related to information content (as one of assessment scales of profit quality from theoretical concepts point of view of Iran financial reporting) on quality of accounting profit is surveyed. The aim of this article is whether profit structure with mentioned quality based on information quality features (reliable and respective) results to useful decision making or not. for this reason, the information of 107 company during 1997-2010 (5 period of 7 years) and value-based approach is used in order the hypothesis of this research are surveyed by using regression of price on profit and comparing coefficient of profit reaction (ERC) and gained R2 of this regression .In this research, the factor analyze is using for classification of sample statistic companies to qualified and without quality company. The results show that ERC and R2 of price regression and profit increases by increasing quality which leads to useful decision-making, these findings are conforming to mentioned concepts on conceptual-based frame based on quality information which makes useful the related information for decision making. But in regard to comparable preference of investors in relation to reliable and relative features , ERC and R2 resulted from taken out regressions do not spend regulatory process in several surveying period ,for this reason couldn't have correct judgment in regard to comparable preference of investors for reliable and relative dimensions.

(Asadi, 2014) in a research under title of relations of changes of market value added with economic value added and accounting profit has stated that according to scientific texts ,it seems that data and historical information do not have capability of determining the value of asset. But evidences show that investors shape their investment decisions based on financial reports and mentioned data in them. At the same time, Stewart claims that the model of economic value added which is calculated based on historical data, perhaps correctly recognize the created value in market, in this case, the other scales should be omitted such as accounting profit. According to this, it has been tried to survey this claim in Tehran stock exchange. The results show that in Tehran stock exchange, the value added and net profit of accounting are weak and ineffective scales for recognition of created value in market.

(Bani Mahd and Allah-yari, 2014) have surveyed the relationship of abnormality items of receivable accounts and quality of profit during 9 months period from 2003 to 2011 in 117 companies of admitted companies in Tehran stock exchange. The results of research show negative relations among abnormal items of receivable accounts and quality of profit. Also, profitability and the ratio of debt has negative relation with quality of profit. The results of this research emphasizes that in companies that report loss, the quality of profit increases and the size of company has no effect on quality of profit.

(Mashayekhi, 2013) in a research under title of "whether economic value added is proper replacement for profit?" stated : today's, financial reporting has been criticized due to low quality and unrelated information with environment. This caused the revision of traditional scales such as profit and cash performances. Recently, one of the scales that has been noticed by companies, academic settings and accounting policy makers as they represent of traditional scales for profit and cash currents replacements is economic value added.in this research it has been tried to gather evidences that became useful for companies, investors and policy makers who intend to `replace the economy added and remained profit with two scales of profit performance and cash payments resulting from actions. According to achieved results from comparative contents, no evidences acquired showing priority of economy value added and remained profit in relation to profit and cash payments of

performances. But, the results of this test showing that comparative content of information of four variables are equal. Also, the results of accumulated information of this test showing that special parts of remained profit and economy value added provided very few accumulated information of contents in regard to profit of special parts.

(kordestani and Majdi,2013) in this research surveyed the relationship between five quality features of profit including stability, predictability, relation of profit to value of stock, conservativeness of profit with expense of regular stock. The finding of this research showing some of features of profit to expense of stock asset. In this research ,by controlling the variables of company size, office value ratio to value of market stock and the coefficient of profit changes (performance risks),the results confirm negative relationship between quality features of profit including stability, predictability, being related to stock value, being on time and the expense of regular stock ,which is meaningful from statistic point of view but there hasn't seen any meaningful relationship between conservativeness of profit and expense of asset.

(Kordestani and Taeifeh,2013) examined the effect of six qualitative features for profit which have been divided into two categories based on accounting information (including stability of profit, predictability) and features related to market (including coefficient reaction of profit, coefficient reaction of modified profit, relationship of profit to value of stock and on time information profit) to expenses of regular stock asset by using financial information of 56 admitted companies in Tehran stock exchange during 2000 to 2009. The findings confirm the existence of reversal relationship between features of profit stability, predictability, coefficient reaction of profit, coefficient reaction of modified profit and expenses of regular stock, but the relationship between on time information of profit and related profit to value of stock and expenses of regular asset stock are not important from statistical point of view.

(Noroush and Majidi,2012) in this research in response to the question of whether the quality of profit with the expenses of asset of admitted companies in Tehran stock exchange has meaningful relationship or not, firstly used the test of statistical assumption "F" for confirming the existence of liner relationship between profit and asset expenses, then they used the regression of one variable model for determining the kind of relationship of profit quality and asset expense.

In this research, the taken out surveys from central statistical dimensions show that the data during time of research in regard to normal graph have less protraction, the hypothesis of research has been confirmed by using "F"test during 2003,2002,2000,1998 and a five years period, it is rejected only on 1999. In final test, the achieved results of solved regression equations have been specified for 1999 to 2003 and a five year period in which the quality profit and asset exchange have reversed relationship.

(Dastgir and etal,2012) have surveyed the profit quality in financially demoralized companies. In this research, by surveying the situation of profit management in financially demoralized company and their conservative situation, profit quality of mentioned companies have been examined and analyzed and compared with the same aspects of profit quality of financially demoralized companies. The results show that the financially demoralized companies managed their profits in three years before bankruptcy in form of incremental. And it has been specified that financially demoralized companies proceed to manage the profit more than safe companies.

(Hagighat and Bashiri, 2012) in their own research concluded: the more companies reach from birth to maturity stages and grow, their debts decrease and their inflexibility increases. The results show attempts of companies in keeping empty capacity of their debts and cautiously usage of them for supplying financial process.

(Dasrgir and Rastgar, 2011) surveyed the relationship between stability of profit and efficiency of stock with quality committed items. They find that they have direct relationship with each other. Meanwhile, by decreasing quality of committed items and increasing the amount of committed items, the efficiency of market increases.

Hagighat, 2011) surveyed the relationship between volatility and capability of predicting profit. The findings show negative relationship between volatility and capability of predicting in long-term and short-term horizons. Also, the results show positive relationship between volatility of seasonal profit and predictability of profit in which this relationship is stronger than volatility of annual profit and capability of predicting profit.

(Saghafi, 2000) in a study investigated the relationship between reliable accounting information and quality profit with balance sheet. The results showed that by decreasing reliability of committed profit, the quality and profit decreases and measurement error exceeds.

(Eizadina and Rasaeian,2009) surveyed the relationship between quality profit and proposed price difference of stock selling and buying during 2002 – 2006 and concluded that 27% of changes of proposed price of selling and buying stock is explained by change in profit quality.

(Mashyekhi and Esmaeili,2006) have investigated the relationship between profit quality and some of aspects of guidelines of companies and find that the number of irresponsible managers and the percentage of owner of board director members which are considered as guidelines of company, have major role in raising profit quality .

(Pourheidari and Aflatooni,2006) studied the incentives of smoothing profit in admitted companies in Tehran stock exchange . The result is showing that accepting profit in admitted companies in Tehran stock exchange is the main incentives of smoothing profit in Iranian companies.

Foreign investigations

(Ching Lean and et.al, 2014) surveyed the relationship between the level of disclosing and liquidity of market and quality of profit. In this research, they studied whether the quality of profit can play an effective role in disclosing and liquidity. The result shows that the higher liquidity of market for companies is much better. In addition, it shows that the lower liquidity of market for companies with higher quality profit is less.

(Bahatacharya and et.al, 2013) surveyed the relationship between profit and asymmetry of information. They concluded that low quality profit leads to increase of asymmetry of information in financial markets.

(Semirjan and et al, 2013) surveyed the relationship between management efficiency and profit quality. They find out that there are positive relationship between management efficiency and profit quality. They concluded: the more efficiency management increases, the profit quality increases.

(Shen Hey Chao, 2013) in his thesis (for receiving PHD degree) surveyed the relationship between the reservation of cash payment, asset structure and financial affluence. The required data for this survey were analyzed from data of base stock exchange companies for 1970 -2008. The results showed that the financial flexibility is one of the important factors in determined structure of asset.in regard to domestic affluence; the evidence showed that there are significant effects between reservation of cash payment and capacity of debt and companies must have decrease in cash payments when the capacity of debt increases.

(Betacharian and etal,2012) studied the relationship of profit quality and asymmetry of information in stock exchange companies of New- York and concluded that low profit quality causes increase of asymmetry of information in companies with weak information settings. Also they conclude that both optional and obligatory parts of low profit quality causing increase of asymmetry of information. They proposed that in case of formulating standards which helps the promotion of profit quality, the information setting of companies will improve and cash payment of asset market will increase.

(Prooti and Vigen Hafer 2011) surveyed the relationship between quality features and surplus yield. They argued that the qualitative profit feature is affecting on reliable yield by effecting on expense of asset and evaluated the effect of stability, predictability, mooted profit and quality of committed items ,abnormal committed items, reaction coefficient, reaction coefficient of modified profit and related profit to value of stock on stock yield. They selected many samples of non-mediation companies of America and did their studies between 1988 till 2007.And they concluded that the features related to market information compared to most features of accounting information such as quality of committed items and abnormal committed items have high reliable yield.

(Lafond and others , 2010) in this research surveyed the relationship between asset and seven profit quality feature including commitment, stability, predictability, smooting, relatedness, conservativeness of profit. Four first features are classified as accounting information because they completely measured by using accounting information and the three final features are considered as market feature because they are related to market data and accounting data. Based on theoretical models, this relationship was tested .And finally, they conclude that companies that benefit the least amount of qualitative feature, experience higher asset. The expense of more asset is affected by qualitative feature resulting from accounting information especially the feature of commitment. These results are gained by controlling variables like; the size of company, cash flow payments and the changes of selling and increasing asset.

(Dichoo and Tong, 2009) surveyed the relationship between volatility and predicting profit in long-time and short – time. They considered this relationship as yield of economic and accounting factors by surveying volatility and predicting profit .the results show negative relationship in volatility of profit with predicting.

(Peroovich , Manson and Coakly,2009 surveyed the relationship between volatility and its future profit. The results showed negative relationship between them. According to these three researchers, justification of this negative relation by investing less than the limit, it is possible to create the inventive for management and progressive tax.

(Graham,Kample and Rajkopal, 2005) have surveyed the opinion of 401 financial manager in regard to smoothing profit.97% of them agreed with smoothing of profit. Smoothing profit is the tool of managers for intentional manipulation of profit fluctuations in their reporting. Hence, the reason of financial managers for smoothing is afraid of profit fluctuation because 80% of them believed that volatility of profit decreases the capability of predicting profit.

(Minton,Sherand and walter , 2002) in a research named "the role of volatility in predicting" surveyed the relationship between volatility in cash flows with profits and future cash flows by considering the least amount of investment. They concluded that the volatility of cash performances have negative relationship with cash flows and future profits.

(Barenz,2001) surveyed the relationship of volatility of seasonal profit and market value of company. The achieved result showed negative relationship between volatility of profit and value of company market.

(Breeker and et al,1995) stated that the financial analyzers interest for analyzing company with volatility and smoothing profit have negative and positive relationship, respectively.

(Bedrinach,Gay,Keel,1989) knew the volatility as one of smoothing incentives. They stated that the institutional investors normally avoid the companies having high volatility and tend to invest in companies which have smooth trend of profit.

The aims of research

Surveying the relationship between profit fluctuation and financial effluence in admitted companies of Tehran stock exchange based on Altman model.

The hypothesis of research

Between the profit fluctuation and financial effluence in admitted companies of Tehran stock exchange based on Altman model, there is meaningful relationship.

The way of research

Statistical society of research

The statistical society of research consist all admitted companies in Tehran stock exchange. The reason for this selection of companies as statistical society is availability to audited financial statements of mentioned companies and access to stock yield of them on different times.

Table (1) The selective approach of statistical sample of research

Description	Number of companies
The number of companies in Tehran stock exchange on 2000 - 2015	441 companies
The companies that their ending fiscal year did not terminated on 12/29 and the companies that didn't have any change in their fiscal year	172 companies
Holding companies, financial intermediately, insurance, banks. . .	34 companies
The companies that their financial information are incomplete.	145 companies
The number of companies which their data are collected (final sample)	90 companies

The way of sampling

The way of sampling is systematic omission or screening .Thus, applying terms and above mentioned limitations have selected as systematic omission of 90 companies as statistic society.

In this research the companies have selected as sample companies that have the following conditions:

- 1- They have been accepted as member of Tehran stock exchange before 2010.
- 2- The fiscal period of companies would be ended on 29 /12 of each year.
- 3- The regarded companies didn't have incomplete information.

As a result, applying the above mentioned limitations in form of systematic omission of 441 companies as statistical society and 90 companies as sample companies have selected and time period of research is 6 consecutive companies.

This research by considering its aim is an applied research. These are researches that use the opinions, regulations,principles and techniques for solving executive and real problems which are formulated in base research.

The ways of gathering information:

In this research the way of gathering information in related to research literature is library method including books, different essays, domestic and foreign publications . And the way of gathering required information in this research for testing hypothesis is also library method.

Tools of gathering information:

Tools of gathering information are searching documents and data banks. And needed data include performance profits, salary and wage expenses, and expenses of depreciation, visible assets, sum of assets, and the rights of stock-holders, income and price of stock for statistical sample of financial information in audited statements. This information is extracted from existing records in Rah Avard Novin software and in some cases from electronic achieves by using internet.

Table (2) the way of measuring research variables

Type of variable	Performance definition of variables	Symbol	The way of research variables
Independent	Profit fluctuation	NE	NE =
Dependent	Financial affluent based on Altman model	Z	$Z = 1.2x + 1.4x + 3.3x + 0.6x + 0.99x$
Controlling	Size of company	Size	Log(ASSETS)
	Asset yields	ROA	Profit (ROA) = net income after tax to total asset
	Financial leverage	LEV	LEV= liability to asset

Findings

Descriptive statistic

When a mass of little information is gathering for research, firstly organizing and summarizing them is necessary in a way that they will be understood and related. The descriptive statistics are used for this reason. Mostly; the first and useful step in organizing data is sorting them based on a reasonable norm then extracting central indexes and diffusing them. In particular, it can be mentioned the exact features of one group of information by proper usage of descriptive statistic. The descriptive statistics always are used for determining and explaining features of research information.

At first place the descriptive statistic of data under study are calculated. The table (2) shows descriptive statistic of variables which includes information about average, medium, standard deviation, skew coefficient and elongation coefficient.

Table (3) descriptive statistical of model variables

Type of variable	Variables	symbol	Central indexes		Disperse indexes	Distributive indexes	
			Average	Medium	Standard deviation	Skew coefficient (2017)	Elongation coefficient
Dependent	Financial affluent based on Altman model	Z	0.084319	0.019395	0.220755	5.504153	38.60564
Independent	Profit fluctuation	NE	0.926367	0.544849	1.911552	4.988542	34.049930
Controlling	Size of company	SIZE	6.046931	5.959478	0.776412	0.590931	3.466800
	Financial leverage	LEV	0.698564	0.652805	0.473151	4.802722	44.23342
	Asset yields	ROA	0.0499699	0.021295	0.180289	- 0.583643	9.729966

The main central index is "average" which shows the balance point and center of distribution gravity and is the best index for showing the central data. For example , the amount of average for financial affluent variable based on Altman model is equal to 0.084319 which shows that most of data are focused in this point. Also, disperse parameters are scales for determining the amount of disperse or the amount of it in relation to average. The main parameter is standard deviation .among the variables of research, the size of company have the least disperse and profit fluctuation has the most amount of disperse.

Stability test of variables

In this part, it has paid to survey of stability or stability of research variables. For surveying stability, the test of (Eim,sons and Shin 1997) has been used. The results of this test in table (3) have been showed.

Table (4) the results of Eim , sons,Shin tests (IPS)

Variable	W-Statistic	P-value
Z	- 26.3436	0.0000
NE	- 35.6432	0.0011
SIZE	- 23.0529	0.0000
LEV	- 47.3059	0.0000
ROA	- 24.9528	0.0000

By noting to the results of IPS test, as P-value for all variables are less than 0.05, so the variables of research within this period were stable. As a result IPS test show that the average and variance of variables during this time and co-variance of variables in different years were stable. So that, using these variabs in the model causes no false regression.

Chav Test (F leimer) and Hasmen test

Table (5) Chav test (f leimer) and Hasmen Test

Hypothesize	F Leimer statistic	probability	p-value	result	Hasmen statistic	probability	p-value	Result
hypothesis	1.081889	0.3017	p>0.05	Aggregated data	-	-	-	-

In all hypothesize ,as the achieved p- value from r- Limer test is higher than 0.05, given zero is confirmed (p-value> 0.05) and aggregated data are accepted. Also by considering the amount of achieved p- value from f-Limer, there is no need to do Hasmen test.

Test for normality of research variables

In doing this research for calculating model parameters, it is used from ordinary least squares approach. This approach is based on this assumption that research variables have normal and ordinary distribution and its abnormal distribution leads to violation from assumption of this approach for calculating parameters. Thus, it is necessary to test the normality of research variables. In this study this matter is surveyed by Jark – Bara statistic. If its statistic significant were more than 0.05 (Prob>0.05), the hypotheses H^o for normality of variable distribution is accepted.

Table (5) normality test of (Jark- Bara)

Parameter description	Variables				
	Z	NE	Size	LEV	ROA
Number	539	539	539	539	539
Test criteria	31193.38	23886.70	36.26350	40255.66	1047.794
Meaningful level	0.000000	0.000000	0.000000	0.000000	0.000000

According to table (5), the probability of Jark-Bara statistic all research variables are less than 0.05. The results show that the variables do not have normal explaining, of course in statistical analyses which there are not many observations, the normality of research do not cause any problem in continuing analyses. For making normal variables, it is used exchanges like LOG and LN . The results are mentioned in a table.

Table (6) normality test of (Jark-Bara)

Parameter description	Variables				
	Z	NE	Size	LEV	ROA
Number	539	539	539	539	539
Test criteria	0.8380737	0.864608	092344.0	0.764362	0.9537753
Meaningful level	0.0718236	0.068289	0.0642486	0.073591	0.0638852

Based on table (6) ,the probability of Jark –Bara statistic about all research variables are more than 0.05. The results show that the variables have normal explanations

Surveying the inequality of variance

Table (7) the results of inequality of variance

Hypothesizes	Description	The amount of statistic	Probability	p-value	Result
hypothesis	F-statistic Obs*R-squared	7.60984 36.12596	0.0000 0.0000	P<0.05	Inequality of variance

As the statistics of this this tests are meaningful at 5 percent, so the equality of variance is rejected and in inequality of variance, the disrupted sentences are accepted.

Analyzing hypotheses

There is a meaningful relationship between profit and financial affluence in admitted companies in Tehran stock exchange based on Altmen model.

Table (8) the results of data analyzing for testing first hypotheses

$$NE = -1.16497467363 * -0.645843603552 * ROA + (CX = F)$$

Dependent variable				
Method: Panel EGLS(cross section weights)				
Date: 05/07/17 Time: 01:00				
Sample: 2010- 2015				
Periods included : 6				
Cross –sections included: 90				
Total panel (unbalanced) observations: 539				
Linear estimation after one-step weighting matrix				
White cross-section standard errors & covariance (no d.f.correction)				
Variable	Coefficient	Standard deviation	Statistic t	p-value
C	0.102598	0.115976	0.884649	0.3768
NE	-1.164975	0.333463	-3.493570	0.0005
SIZE	-0.035308	0.048858	-0.722671	0.4703
LEV	0.022398	0.040190	0.557302	0.5776
ROA	-0.645844	0.0944698	-6.820002	0.0000
WATSON camera statistic		2.425730	F-statistic	1.658203
Adjusted R-square		0.182155	Prob(F-statistic)	0.000421
Estimation command: LX(CX=F,WGT=CXDIAG,COV=CXWHITE,NODF)NE C Z SIZE LEV ROA Estimation Equation: $NE = C(1) + C(2) * C(3) * SIZE + C(4) * LEV + C(5) * ROA + (CX = F)$				

According to the results achieved from regression model based on table (8), it is observed that the amount of P-value related to F-statistic (Prob(F-statistic)) which shows the meaningful of total regression, is equal to 0,000421 and states that this model in meaningful level is 95%.the modified determined coefficient R2 is equal to 0,182155 and shows that 18% of changes of dependent variables are explainable with independent variables. Also, Watson camera statistic is 2,425730 which this amount is between 1,5 to 2,5 and shows lack of solidarity among variables.

As observed in table (8), the coefficient of profit fluctuation variable (NE) is equal to -1,164975 and its meaningful figure (Prob) is 0.0005. Based on statistic t and p-value, the results show meaningful coefficient of this in 5% error. These findings state that there is meaningful relationship between profit fluctuation and financial affluence based on Altman model.

Conclusions

Accounting profit and related parts are information that is considered during decision making of individual. As calculating profit of commercial units are as accounting evaluating approaches and preparing financial statements are duties of commercial units managers, perhaps management precede for smoothing profit for different reasons. Absolutely, the motivation for profit management is increasing in order to cover the weak perform of company during the years that the financial situation of companies is undesirable and the signs of moving toward financial crisis for manager is emerging. For this reason, the information content of profit is decreasing and desirable usage of this element in decision making patterns will be fallen in danger. The findings usefulness of current research has different aspects. This research is one of the first taken out researches which simultaneously surveys the profit fluctuation and financial affluent in companies and it has applicable value for standardizers and legislators, auditors and researchers. These results make them able to develop the company regulations for strict encountering with opportunistic behavior of management in companies which suffer financial problems. Also auditors will understand the way of managers' usage in covering their weakness of performances based on authorities in accounting standards. As the achieved result show there is meaningful relationship between profit fluctuations and financial affluence based on Altman model and this shows that managers consider the profit fluctuation, so it is proposed that necessary arrangements are considered for description of important role of profit fluctuation and familiarity of managers with this role and special attention of investors to it.

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