



Selecting the appropriate model to study the relationship between timeliness and reliability scores of financial reporting quality

Bahman Kalari Daroon Kola

Department of Accounting, Qazvin Branch, Islamic Azad University, Qazvin, Iran

Article history:

Received date: 28 November, 2019

Review date: 7 February 2020

Accepted date: 25 May 2020

Keywords:

financial reporting, disclosure quality, Tehran Stock Exchange

Abstract

The present study aims to select the appropriate model to study the relationship between timeliness and reliability scores of financial reporting quality. The sample of the population was selected for the period of 8 years, according to the financial statements of the stock companies during 2005 to 2012. After taking the sample and collecting the data, variables were calculated and the statistical analysis was performed through statistical software. Finally, the results showed that disclosure quality (reliability and timeliness) of financial reporting has relatively weak and direct impact on the quality of financial reporting by the companies listed in Tehran Stock Exchange. This means that the increase in reliability and timeliness of financial reporting will increase the quality of corporate financial reporting.

Please cite this article as: Kalari Daroon Kola B. 2020. Selecting the appropriate model to study the relationship between timeliness and reliability scores of financial reporting quality, SRPH Journal of Applied management and Agile Organisation Volume 2, Number 2: (10-19)

Introduction:

Access to the relevant and appropriate information is such important that transparency and access to information are considered as the rights of investors in democratic societies. World Bank also considers the disclosure of information as one of the key indicators in the assessment of the business environment in a country. Demand for financial reporting and disclosure raised by information asymmetry and conflicts of interest among managers and external investors. Disclosure plays an important role in reducing these problems (Kothari et al., 2008). Governments oversee stock markets for variety of purposes. An accurate, efficient and fair information flow improves the good performance of the capital market, meets the needs of all users and increases economic growth and stability in the country. Also, increased timeliness of reporting, due to the timely use of information to make economic decisions by investors, can lead to more transparent financial information of the companies and therefore more transparency in capital market, which in turn could have a major impact on the attraction of financial and capital markets. One of main mechanisms that can improve the quality of financial reporting is to present the requirements in capital market for the disclosure of more financial and nonfinancial of the companies. In the meantime, given that the circular on immediate disclosure of information in 2001 and regulations of information disclosure of listed companies on the Stock Exchange in 2003 were approved by the Council of the Stock Exchange and on the other hand, the stock companies in Tehran Stock Exchange have been classified in terms of disclosure quality and timeliness notification since 2003 in order to implement the directives, thus the present study sought to examine the effect of timeliness of financial reporting on the quality of financial reporting.

Financial markets in recent years have drawn the attention of many people, so the stock market plays an important role in the efficient allocation of economic resources of society. High quality Financial Reporting facilitates better decisions of investors and helps these capitals to the optimal resource allocation process. Therefore, in providing financial information to the capital market, financial information not only must be of high quality, they should also be Timely (high-speed of financial reporting) to be useful for economic decisions (Adel and Momeni, 2004). The aforementioned issue was another motivation for this study.



This open-access journal is published under the terms of the Creative Commons Attribution-Noncommercial 4.0 International License.

Also, since the concepts of Financial Reporting quality, timeliness and reliability of financial reporting, alone can have significant impact on the efficiency of the capital market and the behavior of investors, creditors, analyzers and, in general, the users of financial statements (Ahmadi, 2007). On the other hand, according to the literature review in State and Azad Universities and also scientific websites, it has been found that although some researches have been carried out on the studied variables inside and outside the country, no articles or papers have been found that directly investigate the relationship between research variables; thus it can be a new and innovative subject. It seems that the relationship between the variables can be a useful step towards completion of the literature related to the economic environment of the capital market in Iran.

Approaches to Quality Assessment:

There are different approaches to assess the quality of financial reporting that can be classified into two groups. The first groups is based on the users' needs focusing on the issues related to the evaluation and usefulness of financial information for the users. The theoretical framework of Financial Accounting Standards Board is the prototype of this model on which the quality of financial reporting is defined regarding the general objectives of financial reporting, namely providing useful information for consumers to make better investment decisions and so. The second group is an approach to protect investors and shareholders, which is focused on issues related to the corporate governance and stewardship. In this group, the quality of financial reporting is mainly defined in terms of full and fair disclosure to shareholders and financial reporting quality is defined as full and transparent financial information to prevent confusion or obfuscation of users (Jones and Blench, 2000).

Table 1) approaches to financial reporting quality assessment:

Focus	The proposed approach
Users' needs	<ol style="list-style-type: none"> 1. FASB theoretical framework 2. Jenkins Committee suggestion 3. The model of profit continuation
Supporting Investor Shareholder	<ol style="list-style-type: none"> 1. Proposal No. 8 of Blue Ribbon Committee 2. SAS No. 61 (revised) 3. Kirk Committee suggestions 4. SEC models to assess the quality of international standards

Earnings quality, a part of Financial Reporting quality:

Earnings quality and what this term means has drawn the attention and interest of managers, accountants, financial analysts, authorities of financial standards and other users of financial statements. Management is of interest because we need to know the reasons for the changes in income and earnings affecting the earnings quality in our management analyses. Another reason for the importance of management is that earnings quality of a firm is considered by the market and is an effective factor to determine the stock price. (Mohammadi, 2009)

Considering the earnings quality issues are widely discussed in both professions of accounting and investment management. In this context, the subject is directly or indirectly mentioned in the texts of accounting, financial management, investment management, guidelines and regulations of the stock exchange, stock brokerage reports. The concentration of accounting profession is on the basis of this assumption that the reported net income fairly reflects the operating performance of the business unit, but reported net income in the other sciences is used to achieve other specific goals (Qaemi et al., 2008). Francis et al. (2003) assumed that earnings quality is used by investors as a fundamental variable to evaluate information about the benefit models. Therefore, earnings quality is under the attention of current and future investors.

But the word “earnings quality” alone has no important concept and is used with different interpretations. It also has a rather vague meaning and there are different definitions of earnings quality. Some of the definitions are related to the Persistence of Earnings (time series properties of earnings), and persistence means that a business unit can maintain its profit in a long term. In other words, the earnings of the current period is a good signal for the earnings of future periods. Other definitions imply to honest expression of economic transactions and events. However, some researchers have studied the relationship between accruals and cash flows. Schipper and Vincent (2003) have investigated earnings quality with regard to the earnings quality by Hicks, and also defined earnings quality as the ability of earnings for honest expression. The word “honest expression” is "matching a size or describing a phenomenon which seems to be the indicator of it." Michael et al (2002) said that earnings quality is a degree by which the past income of the entity relates to its future liquidity. According to the researches of Kirschenheiter and Melumad (2004), high quality earnings are the earnings involving more and clearer information for long-term value of the business unit. In a similar thought current, Hodig (2003) has defined earnings quality as the degree that describe the difference between the reported net income with the real earnings. Chan et al. (2004) considered earnings quality as the degree to which the reported earnings reflect the underlying performance of the business units. Rossini and others (1999) reported that earnings have high quality when it is sustainable. It is claimed in European countries that using conservative methods increases earnings quality.

Iranian auditing standards:

It should be noted in this section that, although the majority of auditing standards in some way affect the quality of financial reporting, the standards that have direct effect on the earnings quality are discussed here.

Standard No. 220: This standard controls the auditing quality. It implies that the audit institution should design and establish quality control policies and procedures in a way that ensure the conduct of all audits in accordance with auditing standards. Since the audit quality control investigates items such as professional requirements, skills, professional competence, division of labor, supervision, counseling, acceptance, client retention, and monitoring, promotion and quality control of each of above items increases the quality of audit, and then makes the audited profit closer to the real profit. It makes the records and necessary adjustments, earnings and loss categories, costs and so to be more confidently done (National Audit Office, 2011).

Standard No. 250: It seeks to evaluate the rules and regulations of financial statements audit. The purpose of this section is to provide guidances on the auditor's responsibility to assess the entity's compliance with laws and regulations. It will reduce the managers’ manipulation, which is affecting the earnings quality.

Standard No. 315: This standard is relevant to risk assessment and internal control system. In this section we have stated that the quality of an organization's documents and reports is directly related to the internal control system of the organization. Meaning that, the documents and reports prepared in an organization with strong internal controls have higher quality compared with the documents in an organization with a weak internal control system. Since this section investigates internal control system and its strengths and weaknesses, it affects the accuracy and validity of earnings as well as its quality. (Ibid, 157)

Standard No. 540: The standard audits the accounting estimates; which aims to provide guidance and standards on auditing accounting estimates in the financial statements. Since reduced estimate and its high accuracy increases the level of earnings quality, attention of this standard to the accuracy and full disclosure of the estimates adds on earnings quality.

Standard No. 570: The subject of this standard is the assumption of the continuation of activity. The auditor should evaluate the risk of not making the assumption. Since most researchers believe that reliability and being backed are important features of earnings quality, investigating the continuity of activity by the auditor makes the situation clearer and offers more transparency in the recognition of the earnings quality (Ibid, 379).

Methodology:

In terms of objective, researches are divided into applied and basic; and in terms of the nature and methods are divided into: historical, descriptive, correlational or consistent, causal or (Ex-post facto) and

experimental (Taghi Zadeh, 2007). Since this research is to study the effects of two or more variables on the Tehran Stock Exchange listed companies, so we should use multivariable regression statistical method. On the other hand, the present reach is an ex-post facto study, which is based on the analysis of past data (financial statements) and it is an applied research, given that it can be used by a wide range of financial information users. Since this study is the one in the capital markets, it categorized as a positive research in accounting. Information about the theoretical framework of the research have been collected using books and articles in Persian and English. Regarding the hypotheses test, financial reports of Tehran Stock Exchange member companies have been used as the main source of information due to their reliability. These reports contain the basic financial statements of companies during the years 2005 to 2012 obtained through the website of the Stock Exchange. Excel and Eviews statistical software will be used for hypotheses test and data analysis.

Results:

Descriptive statistics:

To describe the variables, it has been tried to describe the research data through tables and descriptive statistical tools, such as central and dispersion parameters, so that it would aid the transparency. Descriptive statistics for the variables are shown in the table 2.

Table 2) descriptive statistics for the variables:

Variables	Signs	Number	Average	Mean	Skewness	Stretch	Max	Min
The Quality Of Financial Reporting	Frq	828	0.34	0.1293	7.01	64.39	11.829	0.000
Reliability	Reliable	828	49.35	50.12	3.098	12.05	98.24	0.000
Timeliness	Timeliness	828	46.39	44.66	0.120	2.194	99.87	0.000
Size	Size	828	13.33	13.16	0.685	3.7964	18.43	9.797
Financial Leverage	Fl	828	0.662	0.666	2.2358	27.90	2.755	0.089
Being Costly	Cain	828	0.2391	0.1931	1.2036	4.320	0.983	0.001
Profit Margins	Prof	828	.0288	0.2612	1.1838	5.829	0.671	-0.134

According to the results obtained from descriptive data test shown above, it can be said that regarding the variance values, reliability and timeliness have the most variability, respectively. It can be said that the quality of disclosure, including reliability and timeliness, lacks stability. According to the mode descriptive statistics indicating higher repeatability of the variable, it can be inferred that mmost companies have zero score of disclosure quality in terms of reliability and timeliness during the study period. This means that the quality of disclosure of most companies examined during the study period is too weak both in terms of reliability timeliness. The mean score of reliability is 118.299 and timeliness is 46.39 representing that companies pay more attention to timely financial reporting. The average financial leverage is 0.66, indicating the leveraged companies and use of debts in finance structure of the companies. On the other hand, 24% of the total assets is composed capital (fixed) assets. Also, companies are at 29% for profit margins, partly indicating low margin of profitability.

Panel data Test in Eviews:

Lyon, Lin and Choi (LLC) reliability test

Using conventional econometric methods for estimating the model is based on the assumption that the variables are stable. If the model variables are unstable or have a unit root, then T & F routine tests are not valid and the regression results will be false.

Lyon Lin and Choi reliability test results for each variable is provided in the following table 3:

Table3. test results for each variable

Variables	Lyon Lin and Choi reliability test	
	F	P(Value)
FRQ	-8.01899	0.000
RELIBLE	-1363.25	0.000
TIMELINESS	-11.4179	0.000
Size	-8.85771	0.000
FL	-13.8097	0.000
CAIN	-9.53368	0.000
PROF	-8.97209	0.000
SG	15.1723	0.000

Since P-Value obtained for each variable is less than 5% of the risk factor, so the Lyon, Lin and Choi test results indicate the reliability of all variables in the regression model. Since all the variables are stable, there is no need to examine the long-term reliability of these variables using Cao co-integration test.

Selecting the model using F-Limer test

After verifying the reliability of variables in the previous process, we select the model through F-Limer test. The F-Limer test acknowledges whether the model is Panel or Pooled. If Cross-Section F statistic is less than 5% of significance level, the model will be Panel and otherwise the model is Pooled. F-Limer test results are as follows:

Table 4. F-Limer test:

Hypothesis	Effect Test	F-Limer test	
		Statistic	P(Value)
1	Cross-Section F	6.855535	0.000
	Cross-Section Chi- Square	511.427301	0.000
2	Cross-Section F	6.869433	0.000
	Cross-Section Chi- Square	512.200457	0.000

Since P-Value obtained for each variable is less than 5% of the risk factor, so the F-Limer test results indicate that the model is Panel. Therefore, since the Panel model was selected, the appropriate model, i.e. fixed effects model (FEM) or random effects model (REM), in the next step should be selected through Housman test.

Selecting appropriate model by Housman test:

If the results of F-Limer test in the previous stage indicates the use of Panel model, appropriate model must be selected by Housman test. If Cross-Section F statistic is less than 5% of significance level, the fixed effects model (FEM) and if it was more than 5% significance level, the random-effects model (REM) is selected. Housman test results as follows:

Table5. Housman test results

Hypothesis	Effect Test	Housman test	
		statistic	P(Value)
1	Cross-Section Random	22.546348	0.000
2	Cross-Section Random	19.211779	0.000

Since P-Value obtained in both hypotheses is less than 5% of the risk factor, so the results of the Housman test indicates that fixed effects model is selected.

The final regression model:

Table 6. final regression model results, First Hypothesis:

Variable	Coefficient	t-Statistic	Prob
TIMELINESS	0.1722	3.1904	0.0015
Size	0.0216	2.8077	0.0051
FL	-0.0216	-1.1014	0.2711
CAIN	0.1173	8.5640	0.0000
PROF	-0.1106	-3.8186	0.0001
SG	-0.0016	-0.1748	0.8613
C	0.0694	0.6544	0.5131
AR(1)	-0.1173	-2.3825	0.0175
R-squared	0.4065	F-statistic	4.4527
Adjusted R-squared	0.3152	Prob(F-statistic)	0.0000
Durbin-Watson stat	2.0905		

Table 7. final regression model results, Second Hypothesis:

Variable	Coefficient	t-Statistic	Prob
Reliable	0.1439	6.7303	0.0000
Size	0.0305	4.8572	0.0000
FL	-0.0339	-2.5556	0.0108
CAIN	0.0869	6.7325	0.0000
PROF	-0.1243	-4.8579	0.0000
SG	-0.0010	-0.1377	0.8905
C	-0.0233	-0.2732	0.7848
AR(1)	-0.1354	-3.1690	0.0016
R-squared	0.4065	F-statistic	4.4527
Adjusted R-squared	0.3152	Prob(F-statistic)	0.0000
Durbin-Watson stat	2.0830		

According to the results obtained from the final regression model shown in the above tables, since the probability coefficient of F-statistic in both hypotheses is less than 5%, so the overall regression model is significant. On the other hand, according to table 4-5, autocorrelation between variables was confirmed and

the fixed effects model has been accepted, so AR (1) were used to overcome the autocorrelation between variables. According to Watson-Durbin statistics that was between 1.5 and 2.5, we can say that the autocorrelation problem between variables is resolved. According to the coefficient of determination, it can be inferred that about 40% of the changes in the dependent variable (quality of financial reporting) is under the control of independent variables.

Discussion and Conclusion:

The effect of control variables on the quality of financial reporting showed that the size and cost level of the company has significant directly impact on quality of reporting. This means that as companies become larger and use more fixed assets, the quality of financial reporting is also increased. Also financial leverage and margin profit have significant reverse effect on the quality of financial reporting, it means that as the financing state of the company is more leveraged, the quality of its financial reporting is reduced. Meanwhile, in parallel to increase the profitability of companies, managers are likely to manage or manipulate the profits aiming to achieve their own goals, which in turn leads to a reduction in the quality of financial reporting.

Final Conclusion and Interpretation of Results:

Absorbing dead deposits and directing them towards production units and providing facilities for public participation in the development of industries and contribution inflation in the plants' profits is one of the main goals of Stock Exchange in every country. So that, the organization can play a critical role in society as a leverage to control inflation rates and increase investment rate. Therefore in order to achieve this goal, the organization should be able to attract the investors' trust to invest in the capital market. It is also subject to a clear and transparent capital market. Transparency of capital markets depends on correct and timely financial reporting of listed companies in the stock market and the users cannot identify opportunities and risks of investing in a timely manner without this information, (Etemadi, 2003).

In recent years, many studies have been carried out to investigate the relationship between the quality of financial reporting and the level of disclosure in annual reports and characteristics of reporting companies. It should be noted that in the literature on the subject, in general, the quality of disclosure has been considered synonymous with quality financial reporting. In this section, for a better interpretation of the results we

briefly imply the relevant researches:

Since the formulation of the theoretical foundations of financial reporting accounting standards, several studies have been made on quality of disclosure in Financial Reporting and quality of Financial Reporting and related elements. The results by Glostone and Milgram (1985), Amihod and Mendelsohn (1986), Diamond and Werkechia (1991), Isley and O'Hara (2003) showed that increased quality of financial information leads to reduced information asymmetry, and subsequently reduces the cost of equity (Cohen, 2004). The research conducted by Haley, Hutton and Palpo (1991) suggests that improved financial reporting results in an increase in the degree of liquidity of the stock and improves stock performance (ibid. 9). Werkechia and Leoz (2004) showed that the poor quality of financial reporting leads to information risk and increased cost of capital (Bülow, 2007). Abdullah (1996), about the annual reports of 26 Bahraini companies, showed that there is significant negative relationship between Timeliness of the report and profitability, firm size and cash dividends. Enseh in 2000 investigated the timeliness of financial reporting of 47 non-financial companies listed on Zimbabwe Stock Exchange. The results showed that variables such as firm size, profitability and lifetime of the company have significant relationship with the financial reporting time (Enseh, 2000). Shaw (2003) studied the relationship between the quality of information disclosure, profit smoothing and timeliness of interest payments. He concluded that companies with higher quality of reporting use the optional accrual accounts more and pay more attention to earnings management and smoothing. Also, timeliness of profits at the time of bad news (not profitable) has an inverse relationship with the quality of information disclosure. Dogan et al. (2007), investigated the relationship between profitability, firm size and financial risk with timeliness of reporting time for companies active in international stock exchange. The results showed that the profitable companies are more likely to provide timely Financial Reporting compared

with loss companies. In addition, the firm size, financial risk and timely reporting history are other factors affecting the timeliness. Obert (2009) examines the different reasons for the delay in annual financial reporting in French companies. He concluded that the delay in annual financial reporting has positive relationship with financial leverage negative relationship with the delay in the earlier period. Abdullah in Malaysia found that there is significant relationship between profitability, leverage ratio, the composition of the Board of Directors, the Audit Committee and timely sending information (Abdullah, 2007). Mahajan and Chander by investigating the factors affecting the timely submission of information in India found that company size, industry, profitability are important factors in the timely submission of information (Mahajan, Chander, 2008). Al-mousi and Al-Abbas in a Saudi Research found that company size, type of auditor's opinion, the auditor, the industry and the company's profitability are key factors in providing timely financial reporting (Al-mousi, Al-Abbas, 2008). Lee by examining the effect of market competition on the quality of the voluntarily disclosure of information found that competition increases the quality of voluntarily information disclosure. The result of his research showed that large companies versus small companies that are highly competitive have lower quality of disclosure than small companies (Lee, 2010).

Left Witch et al. (1981) states that firms with high leverage have higher costs of representation and thus higher demand for monitoring; and therefore it seems that the quality financial reporting is associated with financing structure of the company. Many studies, including Deakin (1979) and Dhaliwal (1980) shows that the more is the ratio of debt to equity, the company is more likely to use accounting practices leading to increased profits reported in the current period. This finding is consistent with the result of Zimskey and Hagerman (1981). Burg Staler (1997) acknowledges that avoiding loss will reduce the cost of debt. Graham, Harvey and Gopal (2005) found that the companies in the threshold of violation of contract terms (i.e. with high leverage or non-profitable) pay more attention to accounting method. They also indicated that the hypothesis about the effect of Debt Contracts on the quality of financial information in private companies is highly supported. Cohen (2004) concluded that companies with more leverage are more likely to provide financial information with much higher quality.

Considering the studies performed earlier in the world on the relationship between disclosure quality (timeliness and reliable), the present study also examines the impact of the quality of disclosure (timeliness and reliable) on the quality of Financial Reporting by the companies accepted in Tehran Stock Exchange. The final results of this study show the direct and relatively weak impact of disclosure quality (timeliness and reliable) on the quality of Financial Reporting. The results also showed that size and costly level of the company has direct and significant effect as well, financial leverage and profit margins have negative significant impact on the quality of Financial Reporting. As above results mentioned previously, the results of this study were mostly in accordance with previous researches in and out of the country.

Recommendations based on results:

According to the results of this study, it is recommended to Auditing Organization and auditing institutes to be aware of the current state of its client companies in terms of timeliness of Financial Reporting and disclosure quality and quality of financial information and also plan to advance the audit goals and programs to perform a quality audit. Corporate managers can reduce their cost of capital through disclosure quality and financial reporting quality.

References:

- Ahmadi, Ahmad, (2007), Using the characteristics of financial information in earnings quality assessment (companies listed in Tehran Stock Exchange), master's thesis, Department of Accounting, University of Mazandaran.
- Arziton, Reza, (2004). The relationship between financial structure characteristics and companies' performance with the level of disclosure in financial statements of companies listed in the Tehran Stock Exchange. MS Thesis, Shaheed Beheshti University.
- Audit Organization of the Islamic Republic of Iran, 2011

- Azar, Adel, Momeni, Mansour, 2004. *Statistics and Its Application in Management*, Volume II, statistical analysis, SAMT publishing, Tehran, p. 105.
- Chans, C. B., & Brown, S. J. (1986), "Limited information as a source of risk", *Journal of Portfolio Management*, 12,66–72.
- Espinosa monica ,tapia mikel and trometta marco (2005),"Disclosure and Liquidity" ,working paper.
- Ezat, A and EL-Masry, A (2008) , " The impact of corporate governance on the timeliness of corporate internet reporting by Egyptian listed companies " , *mangrial Finance* , Vol 34, Issue 12, PP. 848-867
- Fama, E. & Jensen, M.(1983)«Separation of ownership and control», *Journal of Law and Economics*,Vol. 26, pp.301-326.
- FASB. (1978), "Objectives of Financial Reporting by Business Enterprises, Statement of Financial Accounting", Concept No.1.
- Ferguson, M.J, et al (2002) Valuntary disclosure by state-owned enterprises listed on the stock exchange of Hong-Kong, *journal of international Financial Management and Accounting* 13(2) pp. 125-152
- Francis J, Khurana I, Pereira R,(2005)," Disclosure incentives and effects on cost of capital around the world", *The Accounting Review*; 80,1125-1163.
- Frankel , R., Joos ,P., 2003," Litigation Risk and Voluntary Disclosure", <http://ssrn.com/abstract=280503>.
- Fraser P. (2004). How do U.S and Japanese Investors Process Information, and How do they from their Expectation of Future? Evidence from Quantitative Survey Based Data. *Journal of Asset Management*, 5(2), 77-90.
- Freeman E, R, (1994). The Politics of Stakeholder Theory: Some Future Directions. *Business Ethics Quarterly*, 4(4), 409-421.
- Ghazalia,N.A.M. & Weetman, P.(2006)«Perpetuating Traditional Influences: Voluntary Disclosurein Malaysia following the economic crisis», *Journal of International Accounting, Auditing and Taxation*, Vol. 15, No. 2, pp. 226-248.
- Gietzmann . M,(2006), Disclosure of Timely and Forward- Looking Statements and Strategic Management of Major Institutional Ownership, pp 409-427
- Glosten, L. and P. Milgrom., (1985)," Bid-ask spread and transactions prices in a specialist market", *Journal of Financial Economics*, No. 14(1), PP. 70-100.
- Gomes ,A., Gorton ,A., Madureira ,L., 2006," SEC Regulation Fair Disclosure , Information and the Cost of Capital", <http://ssrn.com/abstract=599162>.
- Healy, P., A. Hutton, and K. Palepu, (1999)," Stock performance and intermediation changes surrounding sustained increases in disclosure", *Contemporary Accounting Research* 16,485-520.
- Heflin , F, Subramanayam & Zhang , 2003," Regulation FD and The Financial Information Environment," *The Accounting Review*.
- Heflin, F., K.W. Shaw, and J.J. Wild,(2002)," Disclosure quality and market liquidity", Working Paper, Robert H. Smith School of Business, College Park, MD.
- Hendrikson E. S. and Michael F. Van Breda,(1991), *Accounting Theory*,p 854
- Hill , M. , 2007," Qualitative Characteristics of Accounting Information " , <http://highered Mcgrow-hill.com>.
- Hill C. W. & Jones T. M. (1992). Stakeholder-Agency Theory. *Journal of Management Studies*, 29.
- Ho, S.M. & Wong, K.S(2001)«A Study of the Relationship between Corporate Governance Structures and The Extent of Voluntary Disclosure», *Journal of International Accounting, Auditing and Taxation*, Vol. 10, No. 2, pp. 139-156.
- Hoeich, W., Haito, L., Mao, C. & Zhang , 2002," Regulation FD and Market Behavior Around Earning Announcements: Is the Cure Worse Than the Disease?", <http://ssrn.com/abstract=11364>.
- Hsiu J. F. (2006). Effect of Financial Information Transparency on Investor Behavior in Taiwan Stock Market. *ProQuest Database*, 16(3), 6- 22.
- Iatridis .G, (2006), Accounting Disclosure And Firms' Financial Attributes: Evidence From The UK Markets , *International Review Financial Analysis*, pp 1- 23
- Jackson H.E.(2003). To What Extent Should Individual Investors Rely on the Mechanisms of Market Efficiency: A Peliminary Investigation of Dispersion in Investor Returns. *Journal of Gorporation Law*, 28(4), 671- 689.

Kohler, Eric Louis. "Dictionary for Accountants." (1970).

Rossin A and Mohammad Alabbas (1999) " Audit delay: Evidence from listed joint stock companies in Saudi Arabia" working paper King Khalid University, Abha, Saudi Arabia

shipeier, Y., Mendelson, H., #1986\$," Asset Pricing and the Bid-Ask Spread", Journal of Financial Economics 17, 223-249.

Stacki, Ahmad, (2001). The relationship between quality of corporate disclosure and the cost of debt. MS Thesis, University of Allameh Tabatabai.