The Effect Investigation structure of stock ownership and audit quality on the performance of companies listed on the Tehran Stock Exchange

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ABSTRACT: The proportion of institutional ownership is as influence effect to company operation basic political and can include being like turning-point of companies applied political basic changes. This is showing, that, there are auditor control role for reduce delegation problem that is result of ownership separation is effect. The aim of this study is the effect investigation structure of stock ownership and audit quality on the performance of companies listed on the Tehran stock exchange. This study is analytic with nature. With a view to target is operational and relation between variable is regression. Research study is invoice that data of this study collected of Rahavard Novin of Tehran stock exchange’s statements. This study statistic community is companies listed in Tehran stock exchange of 2009 until 2013. And we used omission systematically method for sampling. Although used EVIEWS software for showing hypothesis analysis. Results of this study showing the proportion of institutional ownership percentage on assets return have positive and virtually effect , but have negative and virtually effect on economic value added, in the manner of results showing quality auditing on assets return have not got any effect. But this have positive and virtually effect on economic value added.

Key words: Percentage of institutional ownership, Auditing qualify, Return on assets, Economic value added

INTRODUCTION

Chen and et al ( 2010 ), say that high quality of auditing is culminating to reduce information risk, that is as in conspicuous, and must be find this in reduce profit of capital cost like tangible ( Arnut, 2003). Therefore role of audit information specifying that auditor could reduce information risk by high quality of information ( Bekr and et al, 1998). In this manner information asymmetry being reduce with presentation data with reliance ability and more glassiness, that leading to reduce noted information risk for capitalist ( Lea and Mul, 2011).

The proportion of institutional ownership as a factor in the company's performance is considered a fundamental policy change and applied policies can be considered as a turning point fundamental changes ( Hanifa and Hudit , 2006 ). ( Fernando , 2007 ) Shows that the supervisory role of the auditor to reduce the agency problem as a result of the separation of ownership from control, it comes into existence, has an impacted. The impact of auditor oversight role could be reflected in lower cost of capital. Transparency and quality of financial information, as the basis for optimal economic decisions investors, creditors and general consumers, the information is very importance. When financial reports can interact with consumers, the financial information reflected in the financial reports reliable on this reports contains information that is transparent and reliable. Auditing effective mechanism for provide efficient, transparent and reliance information ( Barton and Shimku , 2002 ).

One of the interesting issues of the ownership structure in the research is accounting. Because of the investors as one of the important factors to decide the ownership of institutional shareholders have paid special attention ( Lea and Muli , 2011 ).This study of behavioral aspects, the importance of its own. Researches had shown that low volatility and stable profits, is an indication of its quality ( Overt and Vagon Hufer , 2005 ).Therefore,
investors with more confidence in stock investment companies being investing that process them more stable profit ( Noravesh and et al, 2005 ). When companies are under growing pressure in economic disadvantage, managers of units requested that a final sentence for financial accounting have request for low line of statements (that mean profit) to improve ( Zang, 2012 ). And therefore to change its information content ( Balm and et al, 2003 ).

Despite all its accounting flexibility, does not seem to be able to provide useful data for management is in such situation ( Hupe and Hupe, 1996 ). One of this methods That sometimes making up for take information assemble status notification is used, according to the proportion of institutional ownership and management. The impact of management ownership to public intervention in the management process management is preferred for the themselves ideal purposes of determining profits often refers (Chai and et al,2011). Sensitive institutional investors in connection with fluctuations in profit and audit quality, is a method by institutional policy-makers used to manipulate long-term goals ( Noravesh and et al, 2005 ). Earnings management to deliberate interference with the intent to make a profit on external financial reporting process knows ( Bekr and et al , 1998 ).

Methods of measuring corporate performance and corporate performance management solutions primarily to an audit quality is concerned ( Balm and et al. 2003 ). According to this basin is important that research in that field, allowing the development of wealth and income for the country brings ( Zang , 2012 ). Effect of audit quality on corporate performance and manage profits outside the country that economic theorists has occupied the minds of many investigations should be centered. One of the factors affecting the success of economic performance, audit quality due to the attitude of managers in relation to earnings quality and is company ownership structure ( overt and Vagon Huffer , 2005 ). The same day Iran and any country that plans to develop corporate performance should be note that what kind of performance monitoring companies better monitor and optimize the structure.

The main objective of this study was to research seeks to answer the question that whether the proportion of institutional ownership and audit quality on the performance of companies based on return on assets and corporate performance Tobin's Q is based on the criteria listed companies in Tehran Stock Exchange is effective or not?

**Main Targets**
Identify the effect of stock ownership structure and audit quality on the performance of companies.

**Secondary Targets**
Identify the effect relation the proportion of institutional ownership on return on assets.
Identify the effect relation the proportion of institutional ownership on economic value added.
Identify the effect auditing quality on return on assets
Identify the effect auditing quality on economic value added

**Research hypothesis**

**The First Main Hypothesis**
The proportion of institutional ownership has a significant impact on corporate performance.

**Secondary Hypothesis**

**The First Secondary Hypothesis**
The proportion of institutional ownership has a significant impact on the return on assets.

**The Second Secondary Hypothesis**
The proportion of institutional ownership has a significant impact on economic value added.

**The Second Main Hypothesis**
Audit quality has a significant impact on corporate performance.

**Secondary Hypothesis**
The First Secondary Hypothesis: Audit quality has a significant impact on the return on assets.

**The Second Secondary Hypothesis**
Audit quality has a significant impact on economic value added.

**Records Research**
Namazi and Kermani (2012), The impact of ownership structure on the performance of companies listed on the Tehran stock exchange review, and had shown a significant negative relationship between institutional
ownership and corporate performance management ownership between corporate ownership and company performance, there is a significant positive relationship.

Arab Mazar Yazdi and et al (2010), in a study entitled "Examine the relationship between financial structure and functional properties of faces financial firms to disclose information with the companies listed in Tehran Stock Exchange" paid the relationship between financial structure and functional characteristics of firms with the disclosure of their information. The results obtained from this study showed that between financial structure and functional characteristics of firms with adequate disclosure in the financial faces significant relationship.

Hassan and Bot (2014), in a study entitled "the effect of ownership structure and corporate governance of companies on capital structure in Pakistan" impact of ownership structure and corporate governance on capital structure examined. In this study, three different board size, board composition and member of the managing board, a member of the board and managing board as indices of corporate governance and the percentage of shares owned by managers and institutional investors ownership structure was used as measures. The results showed that the size of the board, management and shareholders negatively and significantly associated with the leverage ratio, while membership in the board of directors and the managing director of the board does not have got any significant effect on the capital structure. Therefore, the findings indicate a positive relationship, but between institutional ownership and capital structure was insignificant.

Lontis and Dimpropolus (2007), pricing audit services, profit quality and independence of the board of directors for 97 companies, there are between auditor independence and audit services pricing. There are a positive relationship between pricing and profit management audit services that this result is for companies with small size.

RESEARCH METHOD

Methods of this study was a descriptive correlation in nature and content of the Using secondary data extracted from the financial statements of companies listed in Tehran Stock Exchange, that is devoted to analyzing the relationship between. The research was conducted within the framework of deductive will be reasoning-inductive. In this study, at first the correlation between the variables tested and if there is a correlation between the variables in estimating models, that we will. On the other hand this study is ex post facto study (quasi), that is based on the analysis of the past and historical information (financial statements) is performed. The research and analytical study library - eminent and based on panel data analysis (panel data) is also. Research is of purpose and descriptive-analytic terms as the screw.

Community, Sample and Statistical Method’s Research

Actual data required in this study will be collected at Tehran Stock Exchange. In this study, using systematic elimination to determine the sample size will be based on the following criteria:

1. In terms of increased comparability, the financial period ending 29 March.
2. During the period under review (2009-2014) does not change the fiscal year.
3. Financial information that is available.
4. The financial companies (such as banks, financial institutions) and financial intermediation are not investment companies or firms.
5. Information required in the definition of variables available

The method of measuring variables

Relative variables operational definitions:

A) The performance of companies based on return on assets (ROA_t,i): Net efficiency assets = (1- Tax rate) net profit / Total assets average

B) Company performance based on Economic Value Added (EVA):

EVA = NOPAT - (c × Capital)

The proportion of institutional ownership (LINST_t,i):

According to research (Vysha et al., 2013), will be calculated as follows:

\[ \text{LINST}_{t,i} = \frac{\text{The number of shares in the hands of institutional shareholders}}{\text{The total number of company shares}} \]
**Audit Quality** \( (AQ_{i,t}) \)

In this study, to calculate the measure of company audit quality research ((Difond and Jam Balvo, 1994), (Bekr and et al, 1998), (Balm and et al, 2003), (Chai and et al, 2011) and (Zang, 2012)) we will follow its and calculation method as follows: The size of audit firm has been selected as audit quality. If this is the independent variable calculating audit quality, if the auditor is auditing the sample corporations, will be the number 1, otherwise it being zero.

Control variables operational definitions:

**The proportion of managerial ownership** \( (LMAN_{i,t}) \)

Every person under the rule of exchange act and legal fact that more than 5 percent of the company's shares have a major shareholder and can be a member of a particular company board. So in this study, the percentage of shareholders who have at least one member of the board of directors of the Company are to be calculated.

**Size of the company** \( (LnSize_{i,t}) \):

Is the natural logarithm of the book value of total assets (Black et al., 2010).

**rate** \( (Grow_{i,t}) \):

Company growth is a determinant of firm performance. Basic on this finding ((Bekr and et al, 1998), (Chung and Kalapor, 2003), (RiNoldez and Feransis, 2000), (Muri, 2006)), sales growth as an indicator for value growth opportunities, is used. Sales growth, is calculated using the following models:

\[
SG_{i,t} = \frac{S_{i,t} - S_{i,t-1}}{S_{i,t-1}}
\]

\( SG_{i,t} \) = Sales growth \( i \) in year \( t \)

\( S_{i,t} \) = Net sales of company \( i \) in year \( t \)

\( S_{i,t-1} \) = Net sales is the company \( i \) in year \( t-1 \).

**Financial Leverage** \( (LEV_{i,t}) \):

In this study, to calculate the leverage ratio of (Cumming and Johan, 2011), compliance and leverage ratio \( (LEV_{i,t}) \) will be calculated as follows:

\[
LEV_{i,t} = \frac{\text{The book value of total liabilities}}{\text{The book value of total assets}}
\]

**Log profitability** \( (LPRO_{i,t}) \)

Is equal with the logarithm of the ratio net profit in this year (Aryvtys et al., 2007).

**Company age** \( (AGE_{i,t}) \)

Is equal to the logarithm of age from the beginning up to the end of the year under review (Domen and Pedersen, 2000).

**Property negative returns** \( (PR_{i,t}) \)

Property negative return is calculated as follows (Kaminus and et al, 2006):

\[
PR_i = R_{MKT} + R_{HML} + R_{SMB}
\]

where in:

\( R_{MKT} \) = Is equal to the logarithm of the market value of the company's equity.
\( R_{HML} \) = Is equal to the logarithm of the book value of the company's equity.

\( R_{SMB} \) = Is equal to the logarithm returns.

And stock returns will be calculated as follows:

Selected at an annual rate of return for the stock is calculated as follows:

\[
R_{it} = \frac{(P_{it} - P_{it-1}) + DPS + (P_{it} - 1000)A + P_{it}B}{P_{it-1}}
\]

Where in:

- \( p_{it} \) = The stock price at the end of t
- \( p_{it-1} \) = The stock price at the end of the year t-1
- \( DPS \) = Dividend per share based on the number of shares at beginning of period
- \( A \) = Percent of the cash capital increase
- \( B \) = Percent increase in capital from retained earnings and reserves.

**Financial constraint** (\( CON_{i,t} \))

In order to separate the samples and calculate the financial constraints, have used four criteria that these criteria are as follows:

**\( WW \) Index**

Based on old research (Vitd and Wv, 2006), measure financial constraints (\( Cons_{i,t} \)) foreign companies have developed in the Tehran Stock Exchange that after this we called index to \( WW \). In compare with (Caplan and Zingelz, 1997) (KZ is basis for calculation of financial constraints), (Vitd and Wv, 2006) provided that the index of financial companies is more consistent with the characteristics associated with limitations. \( WW \) index is formulated as follows:

\[
WW_{index_{i,t}} = -0.091 \text{CashFlow}_{i,t} - 0.062 \text{DIVPOS}_{i,t} + 0.021 \text{TLTD}_{i,t} - 0.044 \text{Size}_{i,t}
\]

\[
+ 0.102 \text{ISG}_{i,t} - 0.035 \text{SG}_{i,t}
\]

In \( WW \) index:

- \( \text{CashFlow}_{i,t} \) = Is equal to cash flows net cash flows from operating activities divided by the book value of total assets at the end of \( i \) t, is calculated as follows:

\[
\text{CashFlow}_{i,t} = \frac{\text{Net cash flows from operating activities}}{\text{Book value of total assets}}
\]

- \( \text{DIVPOS}_{i,t} \) = Artificial variable is that if the company \( i \) in year \( t \), pay cash dividends equal to \( 1 \) and otherwise is zero.

- \( \text{TLTD}_{i,t} \) = The ratio of long term debt to total assets book value.

\[
\text{TLTD}_{i,t} = \frac{\text{Long- term liabilities}}{\text{Book value of total assets}}
\]

- \( \text{Size}_{i,t} \) = Is the natural logarithm of the book value of total assets.

- \( \text{ISG}_{i,t} \) = Is studied industry sales growth rate, which is calculated as follows:

\[
\text{ISG}_{i,t} = \frac{\text{IS}_{i,t} - \text{IS}_{i,t-1}}{\text{IS}_{i,t-1}}
\]

- \( \text{ISG}_{i,t} \) = It industry sales growth in \( t \)

- \( IS_{i,t} \) = Net sales in the industry it \( t \)
$IS_{t,t-1} = \text{It is the industry's net sales in year } t-1$.

**Sales growth rate** ($SG_{i,t}$) = Company growth is a determinant of firm performance. Plant on this study ((Bekr and et al., 1998),(Chong and Kalaput, 2003),(RiNolaz and Feransis, 2000),(Muri, 2006)) sales growth is being as an indicator for value growth opportunities, is used. Sales growth, is calculated using the following models:

$$SG_{i,t} = \frac{S_{i,t} - S_{i,t-1}}{S_{i,t-1}}$$

$SG_{i,t}$ = Sales growth i in year t

$S_{i,t}$ = Net sales of company i in year t

$S_{i,t-1}$ = Net sales of company i in year t-1

In each financial year based on WW index calculation and classification. Because all company each their size calculated of mount of index mean, if all company are in low sample, there are in raw of companies with financial limitation and otherwise there are in raw of without limitation companies.

**Data Analysis Method**

At the first is used to Jarek and Brawo test evaluate the normal distribution of data, then to is used these panels and Pvelng F test Limer for choose between them. If you select panel method, Hausman test methods fixed effects and random effects to choose from done. The data was analyzed using software (Excel), after that, the reform and classification on the basis of variables into software (Eviews), and the final analysis will be performed and finally to approve or reject the hypothesis using the results of the software discussed.

**Research findings**

| Table 1-4: Descriptive statics research variables |
|---|---|---|---|---|
| Variable | N | Mean | Std. Deviation | Least | Highest |
| AQ$_{i,t}$ | 600 | 0.6325 | 362.452 | 6.584 | 1.115 |
| LMAN$_{i,t}$ | 600 | 10.4251 | 251.745 | 5.362 | 7.135 |
| LINST$_{i,t}$ | 600 | 17.7521 | 321.123 | 3.122 | 4.136 |
| EVA | 600 | 13.5263 | 121.142 | 5.856 | 6.419 |
| ROA$_{i,t}$ | 600 | 16.6253 | 145.452 | 6.751 | 7.856 |
| LnSize$_{i,t}$ | 600 | 12.2515 | 243.362 | 7.452 | 8.524 |
| Grow$_{i,t}$ | 600 | 21.3256 | 123.225 | 8.336 | 8.954 |
| LEV$_{i,t}$ | 600 | 19.3215 | 155.632 | 7.512 | 8.523 |
| LPRO$_{i,t}$ | 600 | 23.6253 | 285.215 | 3.562 | 5.214 |
| AGE$_{i,t}$ | 600 | 17.5695 | 162.321 | 4.215 | 6.315 |
| PR$_{i,t}$ | 600 | 19.6932 | 145.651 | 7.665 | 8.215 |
| CON$_{i,t}$ | 600 | 10.2541 | 145.362 | 7.265 | 8.261 |

**Inferential statistics**

**The First Main Hypothesis**
The proportion of institutional ownership has a significant impact on corporate performance.

**The First Secondary Hypothesis**

$H_0$: The proportion of institutional ownership has a significant impact on the return on assets.

$H_1$: The proportion of institutional ownership has a significant impact on the return on assets.

First studious model
$ROA_{it} = \alpha_0 + \beta_1 LINST_{it} + \beta_2 LMAN_{it} + \beta_3 SIZE_{it} + \beta_4 GROW_{it} + \beta_5 LEV_{it} + \beta_6 LPRO_{it} + \beta_7 AGE_{it} + \beta_8 PR_{it} + \beta_9 CON_{it} + \varepsilon_{it}$

### Table 4-4: Coefficient's equation of regression between the first model.

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Coefficient</th>
<th>Std. Coefficient</th>
<th>T Test</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinate of origin</td>
<td>5.231</td>
<td>0.452</td>
<td>2.421</td>
<td>0.022</td>
</tr>
<tr>
<td>$LINST_{i,t}$</td>
<td>6.136</td>
<td>0.521</td>
<td>3.423</td>
<td>0.003</td>
</tr>
<tr>
<td>$LMAN_{i,t}$</td>
<td>-3.265</td>
<td>0.125</td>
<td>-2.225</td>
<td>0.036</td>
</tr>
<tr>
<td>$LnSize_{i,t}$</td>
<td>-7.526</td>
<td>0.421</td>
<td>-3.423</td>
<td>0.005</td>
</tr>
<tr>
<td>$Grow_{i,t}$</td>
<td>2.235</td>
<td>0.336</td>
<td>3.362</td>
<td>0.023</td>
</tr>
<tr>
<td>$LEV_{i,t}$</td>
<td>1.263</td>
<td>0.452</td>
<td>3.045</td>
<td>0.005</td>
</tr>
<tr>
<td>$LPRO_{i,t}$</td>
<td>-3.654</td>
<td>0.125</td>
<td>-4.352</td>
<td>0.011</td>
</tr>
<tr>
<td>$AGE_{i,t}$</td>
<td>4.415</td>
<td>0.415</td>
<td>3.214</td>
<td>0.010</td>
</tr>
<tr>
<td>$PR_{i,t}$</td>
<td>3.561</td>
<td>0.638</td>
<td>2.421</td>
<td>0.031</td>
</tr>
<tr>
<td>$CON_{i,t}$</td>
<td>-4.175</td>
<td>0.485</td>
<td>-4.123</td>
<td>0.011</td>
</tr>
<tr>
<td></td>
<td>1.215</td>
<td>0.236</td>
<td>3.162</td>
<td>0.042</td>
</tr>
<tr>
<td></td>
<td>-4.563</td>
<td>0.752</td>
<td>-3.162</td>
<td>0.044</td>
</tr>
<tr>
<td></td>
<td>1.265</td>
<td>0.563</td>
<td>3.045</td>
<td>0.005</td>
</tr>
<tr>
<td></td>
<td>2.486</td>
<td>0.442</td>
<td>4.442</td>
<td>0.051</td>
</tr>
<tr>
<td></td>
<td>-3.396</td>
<td>0.256</td>
<td>1.256</td>
<td>0.008</td>
</tr>
<tr>
<td></td>
<td>2.089</td>
<td>0.302</td>
<td>0.302</td>
<td>0.033</td>
</tr>
<tr>
<td></td>
<td>-3.114</td>
<td>0.310</td>
<td>-1.125</td>
<td>0.051</td>
</tr>
<tr>
<td></td>
<td>-2.236</td>
<td>0.409</td>
<td>-2.622</td>
<td>0.028</td>
</tr>
</tbody>
</table>

**Fix coefficient** | 0.54 | 0.51 | 2.011 | (0.000) 16.236

In this hypothesis is not significant because Limer test to test the hypothesis using panel least squares are used. The above table shows that the model explains the hypothesis is equal to 54%. What this means is that 54 percent of the hypothesis is explained by the independent variables and independent variables can predict the dependent variable Fisher also shows a significant level test this hypothesis model was significant and linear relationship between variables is created. Because the value of the Durbin-Watson (2.011) located between 1.5 to 2.5 of errors will also be accepted after independence. On the other hand error rate (Prob.) T test for less than 5% institutional ownership variable, so this variable on the dependent variable that could have a significant impact asset returns. As a result, we can say that the proportion of institutional ownership has a significant positive impact on the return on assets.

### Table 4-4: Coefficient's equation of regression between the second model.

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Coefficient</th>
<th>Std. Coefficient</th>
<th>T Test</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinate of origin</td>
<td>3.561</td>
<td>0.638</td>
<td>2.421</td>
<td>0.031</td>
</tr>
<tr>
<td>$LINST_{i,t}$</td>
<td>-4.175</td>
<td>0.485</td>
<td>-4.123</td>
<td>0.011</td>
</tr>
<tr>
<td>$LMAN_{i,t}$</td>
<td>1.215</td>
<td>0.236</td>
<td>3.162</td>
<td>0.042</td>
</tr>
<tr>
<td>$LnSize_{i,t}$</td>
<td>-4.563</td>
<td>0.752</td>
<td>-2.756</td>
<td>0.044</td>
</tr>
<tr>
<td>$Grow_{i,t}$</td>
<td>1.265</td>
<td>0.563</td>
<td>4.653</td>
<td>0.032</td>
</tr>
<tr>
<td>$LEV_{i,t}$</td>
<td>2.486</td>
<td>0.442</td>
<td>4.442</td>
<td>0.051</td>
</tr>
<tr>
<td>$LPRO_{i,t}$</td>
<td>-3.396</td>
<td>0.256</td>
<td>1.256</td>
<td>0.008</td>
</tr>
<tr>
<td>$AGE_{i,t}$</td>
<td>2.089</td>
<td>0.302</td>
<td>0.302</td>
<td>0.033</td>
</tr>
<tr>
<td>$PR_{i,t}$</td>
<td>-3.114</td>
<td>0.310</td>
<td>-1.125</td>
<td>0.051</td>
</tr>
<tr>
<td>$CON_{i,t}$</td>
<td>-2.236</td>
<td>0.409</td>
<td>-2.622</td>
<td>0.028</td>
</tr>
</tbody>
</table>

**Fix coefficient** | 0.58 | 0.54 | 1.78 | (0.000) 21.261
The second secondary hypothesis

$H_0$: The proportion of institutional ownership has not a significant impact on economic value added.

$H_1$: The proportion of institutional ownership has a significant impact on economic value added.

$$EVA_{it} = \alpha_0 + \beta_1 LINST_{it} + \beta_2 LMAN_{it} + \beta_3 SIZE_{it} + \beta_4 GROW_{it} + \beta_5 LEV_{it} + \beta_6 LPRO_{it} + \beta_7 AGE_{it} + \beta_8 PR_{it} + \beta_9 CON_{it} + \epsilon_{it}$$

In this hypothesis is not significant because Limer test to test the hypothesis using panel least squares are used. The above table shows that the model explains the hypothesis is equal to 58%. What this means is that 58 percent of the hypothesis is explained by the independent variables and independent variables can predict the dependent variable Fisher also shows a significant level test this hypothesis model was significant and linear relationship between variables is created. Because the value of the Durbin-Watson (1.78) located between 1.5 to 2.5 of errors will also be accepted after independence. On the other hand error rate (Prob.) T test for less than 5% institutional ownership variable, so this variable on the dependent variable that could have a significant impact economic value added. As a result, we can say that the proportion of institutional ownership has a significant positive impact on the economic value added.

The second main hypothesis

Audit quality has a significant impact on corporate performance.

The first secondary hypothesis

$H_0$: Audit quality has not a significant impact on the return on assets.

$H_1$: Audit quality has a significant impact on the return on assets.

$$ROA_{it} = \alpha_0 + \beta_1 IQ_{it} + \beta_2 LMAN_{it} + \beta_3 SIZE_{it} + \beta_4 GROW_{it} + \beta_5 LEV_{it} + \beta_6 LPRO_{it} + \beta_7 AGE_{it} + \beta_8 PR_{it} + \beta_9 CON_{it} + \epsilon_{it}$$

Table 4-4: Coefficient’s equation of regression between the third model.

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Coefficient</th>
<th>Std. Coefficient</th>
<th>T Test</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinate of geom</td>
<td>2.785</td>
<td>0.455</td>
<td>2.326</td>
<td>0.281</td>
</tr>
<tr>
<td>$LINST_{i,t}$</td>
<td>2.111</td>
<td>0.369</td>
<td>3.123</td>
<td>0.174</td>
</tr>
<tr>
<td>$LMAN_{i,t}$</td>
<td>1.225</td>
<td>0.896</td>
<td>3.325</td>
<td>0.048</td>
</tr>
<tr>
<td>LnSize$_{i,t}$</td>
<td>2.163</td>
<td>0.489</td>
<td>3.563</td>
<td>0.125</td>
</tr>
<tr>
<td>GROW$_{i,t}$</td>
<td>1.785</td>
<td>0.369</td>
<td>4.748</td>
<td>0.445</td>
</tr>
<tr>
<td>LEV$_{i,t}$</td>
<td>2.152</td>
<td>0.302</td>
<td>3.152</td>
<td>0.039</td>
</tr>
<tr>
<td>LPRO$_{i,t}$</td>
<td>-3.251</td>
<td>0.785</td>
<td>-2.096</td>
<td>0.012</td>
</tr>
<tr>
<td>AGE$_{i,t}$</td>
<td>2.362</td>
<td>0.325</td>
<td>2.301</td>
<td>0.145</td>
</tr>
<tr>
<td>PR$_{i,t}$</td>
<td>-3.114</td>
<td>0.310</td>
<td>-3.125</td>
<td>0.051</td>
</tr>
<tr>
<td>CON$_{i,t}$</td>
<td>-2.236</td>
<td>0.409</td>
<td>-2.622</td>
<td>0.028</td>
</tr>
</tbody>
</table>

In this hypothesis is not significant because Limer test to test the hypothesis using panel least squares are used. The above table shows that the model explains the hypothesis is equal to 33%. What this means is that 33 percent of the hypothesis is explained by the independent variables and independent variables can predict the dependent variable Fisher also shows a significant level test this hypothesis model was significant and linear relationship between variables is created. Because the value of the Durbin-Watson (1.56) located between 1.5 to 2.5 of errors will also be accepted after independence. On the other hand error rate (Prob.) T test for more than 5% return on assets variable, so this variable on the dependent variable that could have a significant impact asset returns. As a result, we can say that auditing quality has not a significant positive impact on the return on assets.

The second secondary hypothesis

$H_0$: Audit quality has a significant impact on economic value added.

$H_1$: Audit quality has a significant impact on economic value added.

$$EVA_{it} = \alpha_0 + \beta_1 IQ_{it} + \beta_2 LMAN_{it} + \beta_3 SIZE_{it} + \beta_4 GROW_{it} + \beta_5 LEV_{it} + \beta_6 LPRO_{it} + \beta_7 AGE_{it} + \beta_8 PR_{it} + \beta_9 CON_{it} + \epsilon_{it}$$
Table 4-4: Coefficient's equation of regression between the fourth model.

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Coefficient</th>
<th>Std. Coefficient</th>
<th>T Test</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinate of origin</td>
<td>2.056</td>
<td>0.088</td>
<td>3.188</td>
<td>0.036</td>
</tr>
<tr>
<td>$LINST_{i,t}$</td>
<td>2.325</td>
<td>0.145</td>
<td>3.103</td>
<td>0.021</td>
</tr>
<tr>
<td>$LMAN_{i,t}$</td>
<td>1.745</td>
<td>0.325</td>
<td>2.077</td>
<td>0.123</td>
</tr>
<tr>
<td>$LnSize_{i,t}$</td>
<td>1.452</td>
<td>0.396</td>
<td>3.254</td>
<td>0.023</td>
</tr>
<tr>
<td>$Grow_{i,t}$</td>
<td>1.253</td>
<td>0.345</td>
<td>3.186</td>
<td>0.088</td>
</tr>
<tr>
<td>$LEV_{i,t}$</td>
<td>2.366</td>
<td>0.214</td>
<td>3.096</td>
<td>0.126</td>
</tr>
<tr>
<td>$LPRO_{i,t}$</td>
<td>-3.236</td>
<td>0.721</td>
<td>-3.088</td>
<td>0.028</td>
</tr>
<tr>
<td>$AGE_{i,t}$</td>
<td>2.336</td>
<td>0.145</td>
<td>2.251</td>
<td>0.263</td>
</tr>
<tr>
<td>$PR_{i,t}$</td>
<td>1.215</td>
<td>0.245</td>
<td>3.963</td>
<td>0.013</td>
</tr>
<tr>
<td>$CON_{i,t}$</td>
<td>-2.054</td>
<td>0.688</td>
<td>-2.203</td>
<td>0.142</td>
</tr>
</tbody>
</table>

| Fix coefficient      | 0.62        | Tempered coefficient | 0.5931 | Dorbin Watson | 1.69  | F Fisher | (0.236)25.145 |

In this hypothesis is not significant because Limer test to test the hypothesis using panel least squares are used. The above table shows that the model explains the hypothesis is equal to 62%. What this means is that 623% percent of the hypothesis is explained by the independent variables and independent variables can predict the dependent variable Fisher also shows a significant level test this hypothesis model was significant and linear relationship between variables is created. Because the value of the Durbin-Watson (1.56) located between 1.5 to 2.5 of errors will also be accepted after independence. On the other hand error rate (Prob.) T test for more than 5% return on audit quality, so this variable on the dependent variable that could have a significant impact economic value added. As a result, we can say that auditing quality has not a significant positive impact on economic value added.

**CONCLUSIONS RESEARCH**

To test this research that says, the structure of stock ownership and audit quality on the performance of companies listed on the Tehran Stock Exchange, the impact of multiple regression using software Eviews is used. This hypothesis is not significant due to Limer test, to test the hypothesis using least squares estimation is used fusion. After collecting the required data, the company's performance, the percentage of institutional ownership, audit quality cash assets, and control variables such as firm size, leverage, profitability, age, financial constraints, negative returns and growth rates were evaluated companies and then at a significance level of 95% was measured using regression analysis. As was observed due to regression for the period under review, the first, second and fourth hypotheses, the null hypothesis was rejected and the alternative hypothesis was accepted. But what about the third hypothesis hypotheses, verify the null hypothesis was rejected and the alternative hypothesis was rejected and the results show. That percentage of institutional ownership is a positive and meaningful impact on the return on assets. But, there is a significant negative impact on economic value added. In the third and fourth hypotheses on the return on assets does not affect audit quality. But the economic value is a positive and meaningful impact.

**REFERENCES**


Namazi, Mohammad and Kermani, Ehsan; (2012), "The ownership structure effective on operation of listed stocks of Tehran exchange". Reviews of Accounting and Auditing, No 53, Tehran University, 83-100.