ABHINAV
International Monthly Refereed Journal of Research In Management & Technology
ISSN – 2320-0073 Volume II, March'13

THE CORRELATION BETWEEN EBIT AND REVA AND OPERATIONAL LIQUIDITY FLOW AT MARKET VALUE OF THE COMPANIES, CALCULATED IN THE INDEX OF FIFTY MOST ACTIVE COMPANIES AT TEHRAN SECURITIES EXCHANGE

Zeinab Kazemi[1] and Amirreza Kazemikhasragh[2]

[1]Master's Degree in Financial Business Administration, Islamic Azad University, Abhar Branch, Iran
Email: zeinabkazemi1987@gmail.com
[2]Bachelor's Degree in Economics, Islamic Azad University, Central Tehran Branch, Iran
Email: a.kazemi1984@gmail.com

ABSTRACT

One of the criterions for assessment of operation of a company is REVA. It means that value of the company depends on capital return and capital cost.

Thus, this criterion is taken into consideration for evaluation of operation of general cost of financing resources. This correlation between REVA and market value of the companies, calculated in index of fifty most active companies at Tehran Securities and Exchange Organization calculate the correlation between EBIT and operational liquidity flow at market value. In this research, we study that which correlations, mentioned earlier will be stronger? For this purpose, the companies, calculated in the index of fifty most active companies at Tehran Securities and Exchange Organization have been studied. The results of the said studies have revealed that the correlation between EBIT and market value is much stronger than other correlations.

Keywords: REVA, EVA and EBIT of the Index of Fifty Most Active Companies, Market Value of Companies and Operational Liquidity Cash

JEL Classification: G1, G10, G19, N25

INTRODUCTION

One of the objectives of companies in today's world is to create value for stockholders. Thus, companies' managers are seeking for increase of wealth and value. There are various methods for evaluation of these approaches.

In order to evaluate the performance of mangers at various levels of the company, different criteria have been put forth by foreign and Iranian researches. One of the most important criteria for this purpose is adjusted economic value added. The adjusted economic value added is a criterion, which most deals with the evaluation of performance of high levels of management. Instead, economic value added criterion, which is a simplified form of this

criteria is mostly dependent on office costs. It mainly deals with evaluation of lower levels of management in an organization.

Concerning the fact that there is a direct relationship between performance and objectives, if managers of companies may increase profit or value of the company, their performance shall be more desirable. As it has been indicated here above, there are various criteria for evaluation of the said performance. Finally, three criteria (adjusted economic value added, profit prior to operation and taxes and cash flow obtained from operational activities) are studied with respect to market value of stocks of foodstuff industries companies.

Statement of Problem and Importance of Subject

In order to evaluate the performance of managers, various evaluation indices have been put forth. From among these indices, one may name accounting indices (profit, interest of each stock, etc) and economic indices (economic value added, adjusted value added, market value added, etc). Herein this research, such indices as REVA, CFO and EBIT and in connection with MV of stocks of the companies, calculated at fifty most active companies at Tehran Securities and Exchange Organization are compared in pairs. Finally, it is investigated which one of the aforesaid indices are more effective in evaluation of the operation of a trading unit.

In fact, economic indices, try to change accounting information through certain adjustments to economic information, economic indices are obtained in accounting adjustments by taking a few adjustments into consideration. It seems that economic indices are more appropriate criteria since they are more real. However, in order to prove the said case, more researches must be done. Herein in research, we study two cases of accounting criteria, compared to one case of economic criteria.

Nowadays, creating value for stockholders is one of the objectives of a trading unit. This goal is fulfilled through evaluation of efficiency of the operation of the trading unit. For this evaluation, various criteria have been presented so far. One of the most important criteria is adjusted economic value added. Herein this research, efficiency of this criterion shall be studied for evaluation of the operation of the trading unit so that it will be designated to what extent this criterion is effective and useful for access of the aforesaid objective.

Theoretical Fundamentals

Economic criteria try to change accounting information through certain adjustments to economic information and build the same as a base for evaluation of the companies' operation. These criteria including economic value added, adjusted economic value added and market value added. All criteria for measurement of operation have certain disadvantages. However, economic value added is the only criterion, which calculates real value of the company. It is regarded as a fundamental index for measurement of operation and designation of value of a company (Jahankhani, Zarif Fard, 1995, 63-65).

The efficiency operation of a trading unit influence payment process of stock interest to stockholders. Prior to purchase of stocks of the company, stockholders act upon evaluation of management efficiency of the said company. One of the instances of efficiency is management of optimized utilization of existing resources at the company. Consequently, they lead to rise of return of stockholders. Then, interest is propounded as an index for evaluation of efficiency of managers (Hendrickson, 1982- 136-144).

One of the methods for evaluation of companies is the wealth created for stockholders (Fernandez, 2001). Wealth is "current net value of the company". In fact, instead of direct emphasis on interest as a target, great emphasis is attached to interest, obtained from value of the company (Vakilifard, 1996-20).

Economic value added is one of the most efficient criteria for evaluation of performance of managers. Another economic criterion reveals the difference between market value of the company and the capital, hired by the company and it is market value added. The market value added is the result of current net value of last plans and further profiting opportunities of the company. It reveals how a company has successfully hired its capital and predicted further profiting opportunities and planed for achievement of the same. In theoretical view, market value added of the company equals to current value of all economic value added of the company or remaining profit, which may be created in the future (Stewart- 1991-222)

RESEARCH BACKGROUND

Respective researches conducted on economic profit models and use of the same in evaluation of operation of companies has started upon propounding economic value added method by Sojanen in 1954. The first empirical research for study of the relationship between economic value added and market value added was conducted in 1991 by Stewart. The companies, subject of study, used in his research, consists of 613 American companies and the relationship between economic value added and market value added in 1984 and 1985, compared to 1987 and 1988 was studied. The results obtained from the said research revealed that there is high correlation between market value added and economic value added. Chen and Dad (1996) conducted a research and studied the relationship between operation evaluation criteria and stock return as a sample, consisting of 5566 American companies from 1983 to 1992. Evaluation criteria of operation in their research were namely

Economic value added, assets return, interest of each share, stockholders' equity return and remaining profit. Melniovich and Tesoee, (1996) studied the relationship between market value added and operational evaluation criteria in computer industry. The operational evaluation criteria, subject of study conducted by the above-named, were namely economic value added, interest of each stock, interest growth of each stock, and stockholders' equities return. From among the criteria for evaluation of operation, economic value added showed the highest relationship with market value added.

Using adjusted economic value added in the said researches started for the first time in 1997 by Jeffery Bacidore et al (1997) conducted a research and studied the relationship between adjusted economic value added and economic value added and unusual stock interest for a sample consisting of 600 American companies from 1982 to 1992. The results, obtained from the said research revealed that there is a positive relationship between both economic value added and adjusted economic value added and unusual return. This relation is meaningful at 1% level. Moreover, adjusted economic value added predicts unusual return more desirably. Thus, adjusted economic value added for explaining changes in unusual return acts more desirably than economic value added does. According to Bacidore and et al, it is better to use adjusted economic value added for evaluation of operation of high levels of an organization and economic value added for evaluation of economic value added of lower levels. After the research, conducted by Gary C.Biddle, Robert M.Bowen, James S.Wallace (1998) conducted a similar research and obtained equal results using a different statistical population. In 1997, Mr. Mellborn and et al conducted a research entitled "Searching for the

best criteria of financial operation" and studied the correlation between the two criteria of economic value added and adjusted economic value added and eventually, they came with this conclusion that the ability of the adjusted economic value added in prediction of creating is higher than that of economic value added criteria.

Pursuant to the researches, conducted abroad, certain researches have been done in Iran simultaneously. Some of the most important researches, done inside Iran are described as follows:

A research entitled "Evaluation the relationship between stock interest and economic value added at the companies for non-metal mining companies, accepted by Tehran Securities and Exchange Organization, from 1993 to 1998" was conducted and the result was given as "There is no meaningful correlation between interest of each stock and economic value added and the criteria of economic value added, in the view of efficiency, is more desirable for study of the operation of non-metal mining companies than that of interest of each stock (Zahra Nazarieh- 2000).

A research entitled "Evaluation of trading units using the models of economic value added and free cash flows and designation of gap between price and stock values" was managed. In this research, the researcher designated that at capital market of Iran, there is a relationship between price of stocks, market value of companies an market value added and value creating elements such economic value added and free cash flow (Izadi Nia- 2003).

A research entitled "The effect of the correlation between economic value added and return rate of stockholders' equities in evaluation of operation of vehicles industry companies, accepted by Tehran Securities and Exchange Organization" was conducted and results revealed that there is no meaningful relationship between economic value added and return rate of stockholders' equities (Rezaee, 2001).

RESEARCH OBJECTIVES

The main objective of this research is to study and to recognize the relationship between stock market value and adjusted economic value added, cash flow of operational activities and profit prior to tax and interest of the companies, calculated in the index of fifty most active companies at Tehran Securities and Exchange Organization. The study of this relation may reveal that which indices, indicated above, are more appropriate criteria for evaluation of the companies' operation.

RESEARCH HYPOTHESES

Herein this research, two hypotheses are studied:

1. Adjusted economic value added in connection with stock market value of companies, is a more desirable index, compared to cash funds of operational activities.
2. Adjusted economic value added with respect to stock market value of the company is a more desirable index, compared to profit prior to interest and taxes.

Statistical Population

The statistical population of this research consists of the companies, calculated in the index of five most active companies in Tehran Securities and Exchange Organization, which were studied from 2007 to 2011.

In order to calculate adjusted economic value, expected return and subsequently, risk of company must be calculated accordingly. Thus, first respective risk is calculated for all companies during the research period. Meaningfulness test of the same was conduct accordingly. However, since the research was to study the relationship between adjusted economic value added, cash flow of operational activities, profit prior to deduction of interest and tax at market value of stocks of companies. In order to generalize the results obtained from the said research, the statistical population consists of the companies of which beta is meaningful (it means that this coefficient must be at 95% meaningful level). In practice, the companies of which beta was not meaningful, they were automatically omitted from the said population.

Method for Collection of Data

In order to collect research literature, library method has been used. At empirical part of the research, collection of data was done by referring to information available at Tehran Securities and Exchange Organization, software, published by the said Organization and information available at auditing bureau.

RESEARCH LIMITATIONS

In order to achieve economic interest, it is necessary to apply a few accounting adjustments in calculation of adjusted economic value added, on the one hand. On the other hand, a few researches such as "Zimmerman" are of this opinion that the effect of the said adjustments is trivial so that in their view, it is not necessary to do such adjustments since it is of less importance. Thus, in order to do such adjustments, respective information associated with notes to financial statements is needed. In consideration of existing limitations for achievement of notes to financial statements, such transactions are impossible and cost too much. Due to the aforesaid reasons, herein this research, such adjustments have been discarded.

Research Variables and Calculation Methods

Independent variables: In this research, three independent variables have been put forth. The said variables have been extracted from Pars Portfolio Company, based on Rahavard Novin Software, using the information of balance sheet, income statement and cash flow statements of companies. Then, final information has been calculated using Excel software. Independent variables are namely adjusted economic value added, cash flow of operation activities and profit prior to interest and tax. In order to designate capital cost of a company, respective cost of each capital item must be calculated and then, average capital cost of the company will be calculated based on a percentage of their participation in the entire structure of the company's capital. Capital cost of the company is obtained through calculation of harmonized average of capital cost based on market value of the entire company.

In order to determine hired capital cost, net office cost of assets is used. If instead of net office cost of assets, such cost at current market price is hired, the amount obtained in this regard indicate adjusted economic value added.

$REVA= (\gamma\text{-}C) \times M\ capital\ t^{-1}$

Mcapital indicates market value of assets of the company and C designates capital cost, obtained through harmonized average, based on market values.

It should be noted that in order to calculate capital cost of ordinary stocks CAPM model has been used, based on the following formula:

$$E\ (r_i) = r_f + \beta(E_{(r_m)} - r_f)$$

$E(r_i)$= Expected stock return

r_f=risk free return rate

β=systematic risk coefficient

$E(r_m)$= market return

In order to calculate market return, changes in general index must be studied, which is obtained from the following formula:

$$E(r_m) = \frac{I_i - I_{t-1}}{I_{t-1}}$$

I_t= general market index at the end of t period

I_t^{-1}= general market index at the beginning of t period

Herein this research, r_f is given as 16%, equivalent of stock rate of partnership papers, published by various governmental ministries during research period. Furthermore, Beta indicates sensitiveness of extra companies' return, compared to extra market return, obtained from the following formula:

$$\beta = \frac{Cov(R_i, R_m)}{V_{ar}(R_m)}$$

In order to calculate Beta using monthly information of securities' market included in calculations of return of market and companies. As far as we know, β coefficient is a systematic trading and financial risks of companies, through use of which one may compare return rate changes of companies to total return rate of stock .

Dependent variable: The only dependent variable of this research has been extracted from market value of the companies, calculated in index of fifty most active companies at Tehran Securities and Exchange Organization.

Testing Method of Hypothesis

The aim of this research is to study the relationship between adjusted economic value added, cash flow of operational activities and profit prior to interest and tax at market value of companies' stock. Thus, through collection of past information of companies, we shall encounter with a post even research plan with panel analysis. Herein this research, SPSS15, Eviews 4 and Excel software has been used for analysis of data panel. Also, Will Caxon Test is used for diagnosis and differentiation among equal findings of Panel Test.

Data Analysis

Regression analysis or panel analysis is valid only when data enjoys certain hypotheses. Such hypotheses as linear normality, variance isotropy, etc are among the most important hypotheses. Thus, it is necessary to investigate and to control preciseness of establishment of these hypotheses before and after simulation of the model of the said hypotheses.

Herein in this research, average and mean have been calculated for market value given as 456703.4 and 226056 respectively using data. When average is > mean, it indicates that huge points exist in data and/or in other words, distribution of skew with a tendency to right side. Consequently, it is more likely that market value distribution is not normal. However, logarithm of mean and average of market value are almost overlapped. This indicates data normality after logarithm of the dependent variable.

We pay attention to the point that in regression or panel analysis, distribution of dependent variable must be normal. However, no such assumption is made for dependent variables. However, using Smirnof-Colombo Groph's Test, the hypothesis of data normality is tested. H_0 and H_1 are defined as follows:

H_0= Data is normal.

H_1= Data is not normal.

Considering Table 1, MV logarithm meaningfulness is studied.

Table 1. Smirnof-Colombo Groph's Test

Ln (MV)	**Market Value (MV)**	
132	132	Quantity
12/4038	456703/4	Average Normal quantity
1/91091	525216/1	Standard deviation
0.055	0.201	Absolute value
0.048	0.193	Positive
		Difference
0.055	-0.201	Negative
0.630	2.308	Smirnof- Colombo Graph z
0.822	0.000	Meaningfulness level-sig- (two degrees)

If sig. is <0.05, H_0 is rejected. Herein this study, meaningfulness level for MV equals to 0.0000 and for Ln (MV) it equals to 0.662. Thus, we come with this conclusion that for MV, H_0 is rejected. It means that data is not normal and for Ln (MV), H_1 is rejected. It means that data is normal.

Thus, H_1 Test for economic value added in connection with market value of stocks is a more desirable index, compared to cash sums of operational activities.

In order to study the aforesaid hypothesis, the following two formulas are used:

Ln (MV) = A + B (REVA) + E

Ln (MV)= A+B (CFO) + E

Firs, the linear relationship between market value of stock of the companies, calculated in index of fifty most active companies at Tehran Securities and Exchange Organization and adjusted economic value added and cash flow of operational activities. Then, in case a linear relation exists among the aforesaid variables, we compare determining coefficient, obtained from the aforesaid relations.

Study the linear relationship between market value and adjusted economic value added and calculation of determining coefficient between the two:

The respective histogram (Figure 1) shows a linear relationship between adjusted economic value added and market value, indicating a reverse relation between the two variables.

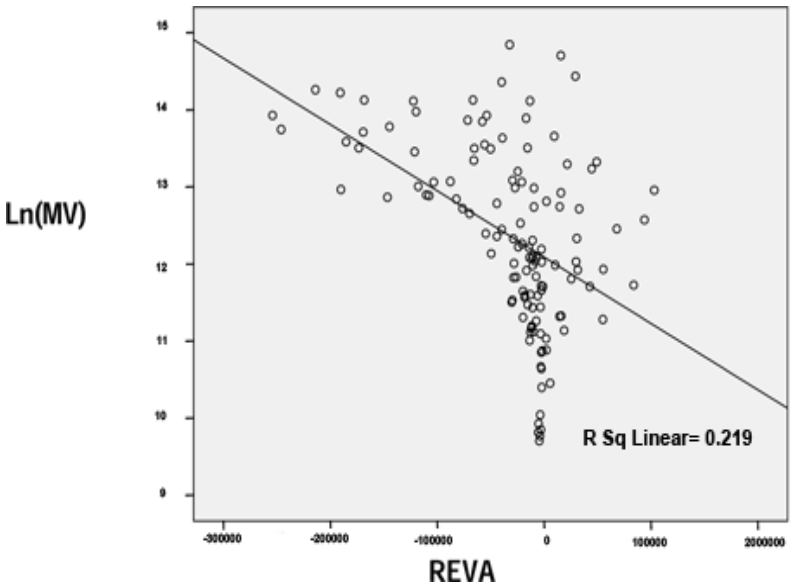

Figure 1

Here in this study, H_0 and H_1 are written as follows.

H=B=O. There is no meaningful relationship between adjusted economic value added and stock market value of companies.

H=B#0. There is a meaningful relationship between adjusted economic value added and stock market value of companies.

In these tests, B is slope of line. If such slope is zero, it means that the model is meaningless; otherwise, the respective model is meaningful.

Table 2, obtained from panel analysis, indicates the results of this study.

Table 2.

Dependant Variable				
Least squares method				
Sample: 2007-2011				
Observations: Five years				
Covariance and standard error				
Variable	Coefficient	Standard error	Test Statistics	Probabilities
C	12. 0.874	0.1117	108.1768	0.0000
X1	-0.00000860	-0.00000108	-7.9368	0.0000
Determining coefficient	0.2205	Dependent variable average		12.3516
Adjusted determining coefficient	0.2144	Dependent variable standard error		1.1686

Table 2. (Contd….)

Regression standard error	1.0358	Total of powers	135.1881
F test statistic	35.6511	Camera Test- Watson	1.6673
F statistical probability	0.0000		

In this table, X1 indicates line slope and C indicates width of the origin of diagram. As you see,
F statistical probability is less than 0.05, H_0 is rejected at a reliability level of 95%. Determining coefficient equals to 0.22.

Study the linear relationship between market value and Cash Flows of operational activities and calculation of determining coefficient between the two:

The respective histogram (Figure 2) shows a linear relationship between 2 variables ,indication positive relation between the two variables.

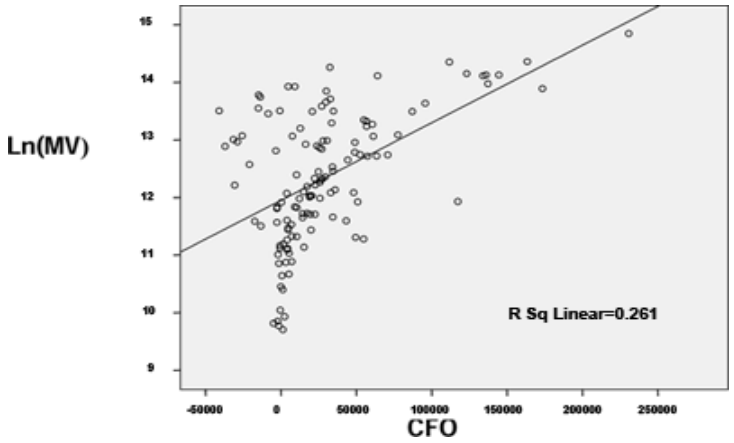

Figure 2

Here in this study, H_0 and H_1 are written as follows.

H=B=O. There is no meaningful relationship between market value and Cash Flows of operational activities

H=B#0. There is a meaningful relationship between market value and Cash Flows of operational activities.

Table 3. Obtained from panel analysis, indicates the results of this study

Dependant Variable				
Least squares method				
Sample: 2007-2011				
Observations: Five years				
Covariance and standard error				
Variable	Coefficient	Standard error	Test Statistics	Probabilities
C	11.9491	0.1199	99.6263	0.0000
X1	7.9106	0.00000170	-7.9368	0.0000

Table 3. Obtained from panel analysis, indicates the results of this study (Contd….)

Determining coefficient	0.2652	Dependent variable average	12.3272
Adjusted determining coefficient	0.2593	Dependent variable standard error	1.1471
Regression standard error	0.9872	Total of powers	121.8228
F test statistic	45.1163	Camera Test- Watson	1.7539
F statistical probability	0.0000		

In this table, X2 indicates line slope and C indicates width of the origin of diagram. As you see,

F statistical probability is less than 0.05, H_0 is rejected at a reliability level of 95%. Determining coefficient equals to 0.2652 i.e. 26.52% of market value change is explained by cash flow of operational activities.

H_{-2} Test is adjusted economic value added in connection with market value of stock of companies is a more desirable index, compared to profit prior to interest and taxes.

In order to study the aforesaid hypothesis, the two following formulas are used:

Ln(MV)= A + B (REVA) + E

Ln (MV)= A + B (EBIT) + E

In the previous section, the existing linear relationship between adjusted economic value added and market value is studied and eventually, calculated determining coefficient has equaled to 0.22. Thus, in this section, we study only the linear relationship between profit prior to deduction of interest and taxes and market value. Finally, we compare calculated determining coefficient for adjusted economic value.

Study between linear relationship between profit prior to deduction of interest and taxes and market value and calculation of its determining coefficient:

The respective histogram (Figure 3) shows a positive relation between 2 variables.

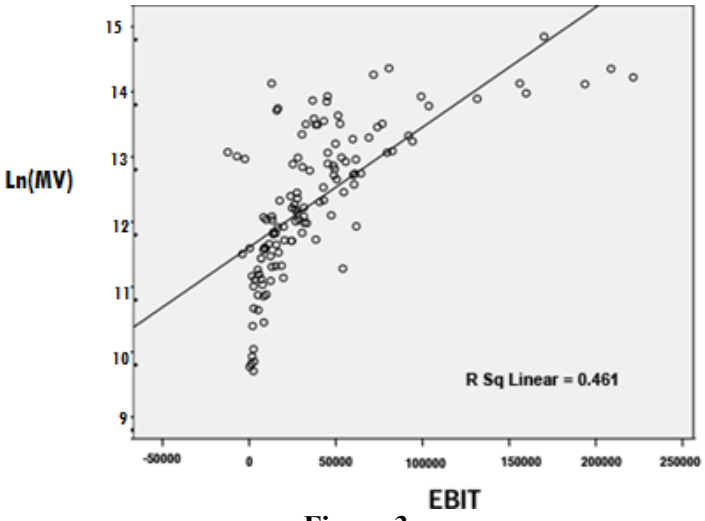

Figure 3

In this study, H_0 and H_1 are written as follows:

There is no linear relationship between market value of stocks and profit prior to interest and taxes.

H=B=0

There is a linear relationship between market value of stocks of companies and profit prior to interest and taxes.

H=B#0

Table 4, obtained from panel analysis, obtained from panel analysis, indicates the results of this study:

Table 4.

Dependant variable				
Least squares method				
Sample: 2007-2011				
Observations: Five years				
Covariance and standard error				
Variable	Coefficient	Standard error	Test statistics	Probabilities
0.0000	99.5094	0.1166	11.6073	C
0.0000	8.9229	0.00000207	0.0001840	X3
12.3152	Dependent variable average	0.4693		Determining coefficient
1.1434	Dependent variable standard error	0.4650		Adjusted determining coefficient
86.7301	Total of powers	0.8363		Regression standard error
1.83191	Camera Test-Watson	48.6585		F Test Statistics
		0.0000		F statistical probability

In this table, X3 indicates slope of line and C designates width of the origin of diagram.

As you see, F statistical probability is < 0.05. H_0 is rejected at reliability level of 95%. Determining coefficient equals to 0.4693 i.e. 46.93% of changes in market value are explained by profit prior to deduction of interest and taxes.

Comparison Of Results Obtained From Testing Hypotheses (Final Results)

The aim of this section is to compare the relationship between adjusted economic value added and market value of the companies, calculated in the index of fifty most active companies at Tehran Securities and Exchange Organization and extent of relationship between cash flow of operational activities and profit prior to interest and taxes. Thus, respective results are summarized in the following table (5):

Table 5.

Quantity	Models	Determining coefficient	Comparisons
126	Ln (MV)= 11.2158+0.0000264 (EBIT)	0.469	1-3
127	Ln (MV) = 11.6531+0.0000164 (CFO)	0.265	2-3
128	Ln (MV_0)= 11.4798+ 0.000064 (REVA)	0.220	-

Table 6. Test Results of Will Caxon Marked Ratings (Ratings)

Total of ratings	Average of ratings	Quantity	
5100	66.23	77 (1)	Negative ratings Absolute value of adjusted value added absolute value of profit errors prior to deduction of interest and taxes
2650	56.38	47 0 (3)	Positive ratings Equal quantities
		124	Total
4203	57.58	73 (4)	Negative ratings Absolute value of adjusted economic value added-absolute value of cash flow errors of operational activities
3547	69.55	51 (5) 0 (6)	Positive ratings Equal quantities
		124	Total

(1): Absolute value of adjusted economic value added errors < absolute value of profit errors prior to deduction of interest and tax

(2): Absolute value of adjusted economic value added errors > absolute value of profit errors prior to deduction of interest and tax

(3): Absolute value of adjusted economic value added errors = absolute value of errors prior to deduction of interest and tax

(4): Absolute value of adjusted economic value added errors < absolute value of cash flow errors of operational activities

(5): Absolute value of adjusted economic value added errors> absolute value of cash flow errors of operational activities

(6): Absolute value of adjusted economic value added errors = absolute value of cash flow errors of operational activities

Continuation of Table 6. Test Statistics of Will Caxon's marked ratings

Absolute value of adjusted economic value added errors- Absolute value of cash flow errors of operational activities	Absolute value of adjusted economic value added errors- Absolute value of errors prior to deduction of interest and taxes	
0.818* 0.413	-3.055* 0.002	2 Meaningful level (two ranges)

Note: * based on positive ratings

In table -6, N refers to the companies, which have not been omitted during Bet meaningfulness test process. In order to compare the intensification of correlation between realized models, absolute value of errors has been used. In other words, errors of each realized model and absolute value of the same has been compared using Will Caxton' Test. Using this test, absolute value of errors of the model is compared. Obviously, the smaller absolute value of errors is, the better the said model will be. The result of comparison between adjusted economic value and cash value of operational activities indicate that there is no meaningful relationship between the two said models (Meaningful level of Will Caxton's Test equals to 0.4). Moreover, test result for comparison of the adjusted economic value and profit prior to interest and tax indicate that profit prior to interest and taxes, compared to adjusted economic value added may more desirably express the changes in market value of foodstuff industry company(Meaningful level of Will Caxton's Test equals to 0.002).

RESEARCH RESULTS

Adjusted economic value added is a criterion, which completes economic value added value and it has always been an important and criterion for evaluation. Various researches have been done in order to designate the ability of this criterion in evaluation of operation by different researches. Adjusted economic value added is a criterion, which tries to cause accounting profit close to economic profit, includes market value of capital cost in calculation of accounting profit. Including market value of capital cost in calculation of profit, it tries to measure the value, created for companies better than economic value added so that it would be a more desirable base for evaluation of operation of managers and investment by investors at companies. Adjusted economic value added and economic value added pay attention to the most important aspects of creating value at companies. One deals with efficiency of processes and operations at companies and another with ability of managers in financing at low capital cost. Herein this research, the relationship between these three criteria and market value of stocks of the companies, calculated in index of fifty most active in Tehran Securities and Exchange Organization. Finally, it has been found that compared to cash flow of operational activities, there is an equal relationship between adjusted economic value and market value of stocks of the companies, calculated in index of fifty most active companies at Tehran Securities and Exchange Organization; and compared to profit prior to deduction of interest and profit, there is a less relationship between adjusted economic value and market value of stocks of the said index. In other words, profit prior to deduction of interest and taxes, in connection with market value of stocks of the said

companies, enjoys more relation and higher ability to explain, compared to both criteria, explained earlier.

REFERENCES

1. Bacidore,J.M.,Boquist, J.A.,Milbourn,T.T.,Thakor,A.V.(1997),"The Search for the Best Financial Performance measure", Financial Analysts Journal, Vol. 53 , No .3.
2. Gary C.Biddle, Robert M.Bowen, James S.Wallace (1998) "Evidence on EVA" University of Washington Business School, seattle.
3. Izadinia, Nasser (2003)- "Evaluation of trading units using economic value added models and free cash flows and designating the gap between price and stock value"- Thesis (Doctorate Degree)- Alameh Tabatabaee University
4. Jahankhani, Ali and Ahmad Zarif Fard (1995)- "Do managers and stockholders use a more desirable criterion for measurement of value of a company"?- Financial Research Seasonal- Issues 7-8, Tehran- Institute of Publications of University of Tehran
5. Jahankhani, Ali and Reza Sajadi (Winter 1995- Spring 1995) "Application of the concept of economic value added in financial decision making"- Financial Research Seasonal- Issues 5-6, Institute of Publications of Tehran University
6. Nazarieh, Zahra (2000), "Evaluation of the relationship between interest of each stock and economic value added of the companies, accepted at Tehran Securities and Exchange Organization"- Dissertation- Master's Degree program- Alameh Tabatabaee University
7. Rezaee, Gholamreza (2001)- "The effect of correlation between economic value added and return rate of stockholders in evaluation of operation of vehicles industry companies of Tehran Securities and Exchange Organization"- Dissertation- Master's Degree program- Alameh Tabatabaee University
8. Stewart, G.B(1991)"The Quest for Value :A Guide for Senior Managers" New York Harper Coll in Publisher
9. Vakili Fard, Hamid Reza and Masoud Vakili Fard (1996)- "Financial Management"- Samareh Publications