

Considering Relationship Between Ownership Structure and Accuracy of Profit Prediction in Companies Accepted at Tehran Stock Exchange

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Abstract

Prediction is an important factor at making economic decisions. Investors, creditors and managers and other people rely on economic predictions in their organization for making economic decision. If there is strong relationship between reported profit and divided profit, investors can pay attention to future profits. The main goal of this research is considering relationship between structure of ownership and accuracy of profit prediction in companies accepted at Tehran stock exchange. Statistical society of research is all companies accepted at Tehran stock exchange that 87 companies have been chosen during 2009-2014 for testing hypothesis of research. Considering relationship of independent variable on dependent variable in this research has been done by using multi-variable regression model and based on combined data. Result of research showed that there is meaningful relationship between ownership concentrations with accuracy of profit prediction. However much ownership doesn't exist between stockholders and low ownership of stockholders with accuracy of profit prediction.

Key words: Ownership structure, Ownership concentration, Profit prediction, Companies accepted at Tehran stock

INTRODUCTION

Usually financial information related to previous events are proper basis for predicting result of future activities; since future faces ambiguity financial information as can reduce ambiguity about a situation and lead to more accurate and reliable prediction has more profitability. Importance of the role of predicting financial information is as profitability in predication has been identified as a qualitative feature of accounting information that has taken attention of investors (Bakhsami et al, 2011). Predict profit for each stock investment has high importance, because it is counted an important factor at stock assessment methods and in most cases it is fundamental part of methods of choosing stock. Importance of this prediction depends on the degree of deviation that had with reality; in this firm that as deviation is less, prediction has more accuracy and

this problem is counted an important factor for user and provider (Ramezani et al, 2014).

Ownership structure is an effective factor on predicting profit. One important parameter and mechanism of firm ruling is ownership structure that can have important effect on transferring information and distributing it and on output of firms' stock. Therefore ownership is an important factor because it affects the way of conflicts of benefits among owners (Li et al, 2014). Ownership structure affects directing committee and income of management, so this kind of effect depends on pressure or lack of pressure of opportunities of investments (Kazemian & Samusi, 2015). Managers of companies that have many owners and don't have stockholders, have much motivation for profit management, because cost of processing information don't have economic explanation for stockholders' so they are forced to rely on information of profit and losses reported by management of companies (Munisi et al, 2014). The main goal of this study is considering the effect of ownership structure on accuracy of predicting profit in companies accepted at Tehran stock and importance of this research is that experimentally managers, investors and other decision-makers will observe difference of ownership structure and its effectiveness on accuracy of predicting

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profit. It is necessary that the meaning of firm ownership is different groups like government, financial institutions, banks and other private companies and in a word general and specific stockholders.

Theoretical Principles and Background of Research

Investors and creditors, managers and other people rely on economic prediction in their organization for making economic decision. Information presented by company and so profit is based on past events but investors need information about future of company. One viewpoint about this subject is presenting historical and current information by business unit; of course in a way to be able to predict their future. Another viewpoint is that management by having resources and facilities does prediction and by general publish of these prediction increases financial efficiency (Basiri and Khanmohammadi, 2013). One important parameter and mechanism of firm ruling is ownership structure that can have important effect on transferring information and distributing it and so affects output of companies stock. Therefore ownership structure is an important point because it affects conflicts of benefits among owners; also index of quality of explicit information is concrete feature of firm that flows in rules of firm's structure (Li et al, 2014). Component of stockholders(private or legal) is called ownership structure that cooperated at managing firm and can be manifested in different forms. Ownership structure includes public, private, corporate, institutionalized, foreign, managerial individual or family ownership that distinguishes distribution of law and responsibilities among different stockholders like managing committee, managers, stockholders and other beneficiaries and use these rules and procedures for making decision in affairs of company and by doing this action provides structure through which goals of company and tools of achieving those goals and supervision on performance is written. Consideration of the effect of ownership structure on accuracy of predicting profit for better assessment of consumers of managers' performance seems necessary that in the following some studies inside and outside country is pointed out:

Mehrani et al (2011) considered relationship of ownership structure and profit quality in companies accepted at Tehran stock exchange. In this research 48 companies have been considered during 2004-2008. Findings of research showed that there is meaningful and negative relationship between institutionalized ownership and profit quality and meaningful and positive relationship between managerial ownership and profit quality of companies. Also there isn't meaningful relationship between legal ownership and profit quality of companies.

Sarhangi and Jalai Farahani (2014) have considered a research entitled as assessment of the effect of ownership structure on consistency of profit of companies accepted at Tehran stock exchange and in this direction aspects of concentration and combination of ownership structure of companies was paid attention. Result of research showed that ownership structure has meaningful effect on consistency of profit. Effect of managerial ownership and 5 greater stockholders on consistency of profit was positive and meaningful and effect of individual ownership in consistency of profit is negative and meaningful.

Darabi and Ema jomeh (2014) have considered effect of ownership structure on accuracy of predicting profit. This research regarding goal is applied and regarding the way of data collection it is descriptive and regarding type it is correlation and for testing hypothesis of research panel regression analysis has been sued. Findings of research showed that there isn't meaningful relationship between percent of ownership of stockholders (great or small) and accuracy of predicting profit.

Pigitz (2009) from Harward university considered effect of ownership structure on profit quality and financial performance that was chosen as the best research of the year of America by AAA. They concluded that private companies with financial support have generally higher profit than companies without financial support.

Ano (2010) concluded that ownership structure affects liquidity and companies' value. In this paper average investment of ownership structure of company and average classes of different investments were calculated. He concluded that potential investment explains difference of average cash and firm value among productive companies listed at stock exchange. Experimental results showed that investment by concentration on right of owners through internal and reciprocal stockholders can lead be lead to lower liquidity and firm value.

Gang lee in (2012) in a research entitled as relationship between advantage f stock of director general and predicting profit considered that weather advantages of stock of director general is useful for future prediction or not. They concluded that in companies with high stock for director general, current year profit has more information for predicting future profit and in environment of profit prediction, power of prediction of advantages of director general about future profit is stronger than other predicting factors.

Research Hypothesis

Based on theoretical literature, goals and questions of research hypothesis have been written as:

H1: There is meaningful relationship between ownership structure and accuracy of predicting profit among companies accepted at Tehran stock exchange.

H2: There is meaningful relationship between higher ownership of stockholders and accuracy of predicting profit by analyzer at companies accepted at Tehran stock exchange.

H3: There is meaningful relationship between low ownership of stockholders and accuracy of more prediction of profit by analyzer at companies accepted at stock exchange.

Methodology

This research regarding goal is applied and regarding data collection and method it is descriptive and correlation type. Statistical society of research is all companies accepted at Iran stock exchange in studying year with mentioned conditions that are 435 companies. For determining considering samples in the research regarding number, type of activity and size of stock companies systematic omission method (screwing technique) was used. It means that among considering companies those that had all conditions during 2009-2014 were considered as sample. To be accepted since 2009 at stock exchange; Their required information should be available for variables of research about those companies during research period; Transaction of stock of companies shouldn't have succession during studying years for at least 6 months; financial year of company should end to 29 of Esfand and company shouldn't change his financial year at studying period.

Method of collecting required data for research for testing hypothesis is through referring financial statement audited at companies accepted at Tehran stock exchange (existing at library of Tehran stock exchange) and information related to theoretical principles and theoretic research is reliable in library studies fork and by using books, Persian and Latin papers, searching net, thesis and other reliable scientific database.

Other data were extracted from existing software at Tehran stock having information of fiscal cases of sampling company. Also by referring library of stock exchange and website of research management, development and Islamic studies data were collected. At the step of collecting, classifying and primary processing of data Excel software has been used and final analysis was done through Eviews software.

Research variables and way of measuring it

In this research according to studies of Macca and Balsta (2011) error of profit prediction was measured

according to following equation through real profit minus average predicted profit by management divided on real profit:

$$\text{Forecast error}_i = \frac{\left| \text{Actual profit}_i - \overline{\text{Forecasted profit}_i} \right|}{\text{Actual profit}_i}$$

Forecast Error i= Percent of Predicted Error of I Company Profit

Actual profit i= real profit of each share of I company at related financial year

Forecasted profit i= average predicted profit by management at related financial year

In the following for calculation of degree of concentration of ownership of each index Herfindal-Harishman was used. Harfindal-Harishman index is an economic index that is used for assessing degree of ownership at market. In this index percent of stock of each fundamental owner is multiplied by 2 and then collected together; the sum was between 0-1 and as it closes 1 concentration is more.

$$\text{Concentration}_i = \sum SI^2$$

Concentration i: percent of ownership concentration

SI: percent of ownership of each owner

Then we consider least number of necessary stock for choosing a representative at directing committee as great stockholder that is calculated from relation (3) (Ghalibafasl, 2005).

$$BS = \frac{N}{B+1} + 1 \quad (3)$$

According to research of Maca and Balsta (2011) percent of small stockholders is measured through collecting percent of owners under 5% of each company in related year. For measuring size of company market value of company at the end of period was used and the meaning of natural logarithm resulted from multiplying number of distributed stock and stockholders at the price of stock at the last day of the year. Ratio of market value to note value is achieved through dividing stock market value (multiplying number of distributed stock and available for stockholders at the price of stock market) to note value of equity. Ratio of total debt to total assets is calculated through relation (2):

$$\text{Leverage}_{i,t} = \frac{\text{TotalDebit}_{i,t}}{\text{TotalAsset}_{i,t}}$$

In relation (4) we have:

Leverage I,t: ratio of financial leverage of I company at t year

total Debiti,t: total debt f I company at the end of t year extracted from balance sheet

TotalAsseti,t: sum of total asset of I company at the end of t year extracted from balance sheet

In this research firm sale growth is measured through difference of current year sale and previous year divided by previous year sale and in the form of relation(5):

$$Growth_{i,t} = \frac{Sale_{i,t} - Sale_{i,t-1}}{Sale_{i,t-1}}$$

In relation(5) we have:

Growth i,t: percent of sale growth of i company at the end of t year

Sale I,t; sum of sale of I company at the end of t year

Sale I,t-1: sum of I company at the end of t-1

In this study for implementing conceptual model of research and analyzing data and testing hypothesis the following regression Patten will be used in the form of (panel data) that this model is presented as below:

$$FE_{i,t} = \alpha + \beta_1 Concentration_{i,t} + \beta_2 Big_Own_{i,t} + \beta_3 Retail_Own_{i,t} + \beta_4 Size_{i,t} + \beta_5 BM_{i,t} + \beta_6 Leverage_{i,t} + \beta_7 Growth_{i,t} + \epsilon_{it}$$

(basic model)

In the following by using presented basic model above and output resulted from basic model in model(1) we consider relationship between concentration of ownership and accuracy of profit prediction:

$$FE_{i,t} = \alpha + \beta_1 Concentration_{i,t} + \beta_2 Big_Own_{i,t} + \beta_3 Retail_Own_{i,t} + \beta_4 Size_{i,t} + \beta_5 BM_{i,t} + \beta_6 Leverage_{i,t} + \beta_7 Growth_{i,t} + \epsilon_{it}$$

model (1)

After considering relationship between concentration of ownership and accuracy of profit prediction by using the following regression model(model 2) we consider that as

ownership of owners is more does accuracy of prediction by analyser is more or not:

$$FE_{i,t} = \alpha + \beta_1 Concentration_{i,t} + \beta_4 Size_{i,t} + \beta_5 BM_{i,t} + \beta_6 Leverage_{i,t} + \beta_7 Growth_{i,t} + \epsilon_{it}$$

model(2)

And after calculating ownership of great stockholders in model(3) we consider that as ownership of small stockholders is more does accuracy of profit prediction by analyser is more or not:

$$FE_{i,t} = \alpha + \beta_2 Big_Own_{i,t} + \beta_4 Size_{i,t} + \beta_5 BM_{i,t} + \beta_6 Leverage_{i,t} + \beta_7 Growth_{i,t} + \epsilon_{it}$$

model(3)

In these models:

FEi,t: predicted error at i company in t year

Concentrationi,t: percent of concentration of ownership of I company at t year

Big-Owni,t: percent of great stockholders of I company at t year

Retail-owni,t: percent of small stockholders of I company in t year

Sizei,t: size of I company in t year

BMi,t:ratio of market value to note value of I company in t year

Leverage,t: ratio of financial leverage of I company in t year

Growthi,t: percent of sale growth of I company in t year

Regarding identified model of independent variables of research are ownership concentration, percent of great stockholders and percent of small stockholders. Dependent variable of research are error of profit prediction and control variable of research is size of company, ratio of market value to note value, ration of financial leverage and percent of sale.

RESULT OF RESEARCH

Method of analysis and testing hypothesis

In this research for analyzing data and testing hypothesis multi-variable linear regression model is used. Applied

statistical method in this research is panel data. For testing hypothesis of research firstly accuracy of mixing data was tested by chaw test and then based on result of hausman test type of testing method (fixed effect or random effects) were determined and regarding type of method model is estimated. For considering meaningfulness of the whole model statistic and for considering meaningfulness of coefficient of F variables used at independent t level in each model 95% certainty statistic for accepting or rejecting hypothesis of making decision is used. Also for considering normality of variables and equality of error variance jarak-bara test and white test are used.

Based on result of jarak-bara because meaningfulness level is less than 0.05, distribution of dependent variable isn't normal. It should be said that when size of sample is great enough, deviation of suppose of normality is insignificant.

In case that random variables have different variances there is inequality of variance. Therefore after estimating model of sentences, waste are extracted and their square is regressed on explaining variables of model. In case regression is generally meaningful; there will exist a witness for inequality of variance. In this research white test has been used for searching inequality of variance. As it is distinct from result of table 2; result confirms inequality of variance. In these conditions equation generalized least square (EGLS) is proper and this method is used for estimating model.

Table 1: Jarak bara test

Variable	Jarak bara statistics	Sig
Accuracy of predicting profit	13.965	0.000

Reference: Research findings

Table 2: Identifying inequality of variance at hypothesis by using white test

Hypothesis	F statistics	Statistic probability
First hypothesis	1.12845	0.5784
Second hypothesis	0.96487	0.4678
Third hypothesis	0.87456	0.4125

Reference: Research findings

Table 3: Result of chaw and hausman test

Result of chaw and hausman test	Sig	Statistics	Null hypothesis
Null hypothesis is rejected	0.000	8.875	Using combined data model
Null hypothesis is rejected	0.000	19.785	Using random effect model

Reference: Research findings

Result of Testing First Hypothesis of Research

The goal of testing first hypothesis is considering relationship between concentration of ownership and accuracy of profit prediction at companies accepted at Tehran stock exchange and its statistical hypothesis is defined as:

H0: there isn't meaningful relationship between concentration of ownership and accuracy of profit prediction.

H1: there is meaningful relationship between concentration of ownership and accuracy of profit prediction.

In order to be able to distinguish that using panel data method will be efficient at estimating considering model or not, chaw test is used. In this hypothesis H0 denotes equality of width from origin and in case of rejecting them using panel data is accepted and we can use panel data. Result of this test has been presented in table 3.

Result of chaw test shows that probability for F statistic is less than 5%, so for testing this model data are used in the form of panel. Also in order to distinguish which method (fixed effect and random effect) is proper for estimation (fixed distinguishes or randomness of difference of cross-sectional units) hausman test is used. In this test hypothesis H0 denotes that there isn't relationship between disorder component related to width from origin and explanatory variables and they are independent from each other. In Hausman test in case that H0 hypothesis is rejected.

Result of Testing Second Hypothesis of Research

The goal of testing first hypothesis is considering relationship between high ownership of stockholders and more accuracy of profit prediction in companies accepted

Table 4: Result of chaw and hausman test

Result of chaw and hausman test	Sig	Statistics	Null hypothesis
Null hypothesis is rejected	0.000	7.574	Using combined data model
Null hypothesis is rejected	0.000	16.965	Using random effect model

Reference: Research findings

Table 5: result of chaw and hausman test

Result of chaw and hausman test	Sig	Statistics	Null hypothesis
Null hypothesis is rejected	0.000	4.349	Using combined data model
Null hypothesis is rejected	0.000	10.149	Using random effect model

Reference: Research findings

at Tehran stock exchange and statistical hypothesis is defined as below:

H0: there isn't meaningful relationship between high ownership of stockholders and more accuracy of profit prediction by analyzer at companies accepted at Tehran stock exchange.

H1: there is meaningful relationship between high ownership of stockholders and more accuracy of profit by analyzer at companies accepted at Tehran stock exchange.

In order to be able to distinguished that weather panel data method will be effective at estimating considering model or not, chaw test or F test are used. In this test H0 hypothesis denotes equality of width from origin and in case of rejecting them using panel data are accepted and we

can use panel data. According to what is seen in above table, result of chaw test shows that probability for F statistic is less than 5%, so for testing this model data are used in panel form. Also in order to distinguish that which method (fixed effect or random effect) is more proper estimation(fixed distinguish or randomness of differences of cross-sectional units) hausman test is used. In this test H0 hypothesis denotes that there isn't relationship between disorder component related to width from origin and explanatory variables and they are independent. In hausman test in case that H0 hypothesis is rejected fixed effect method and in case H0 hypothesis is accepted random effect method is benefited. Result of test has been presented in table 4.

Result of Testing Third Hypothesis of Research

The goal of testing third hypothesis is considering relationship between low ownership of stockholders and

Table 6: Result of three tests of hypothesis

Number of hypothesis	Variable	Coefficient	Standard error	T statistic	Sig
Result of testing first hypothesis	Fixed amount	0.748	0.089	2.789	0.000
	Percent of ownership concentration	-0.567	0.074	-8.562	0.000
	Size of company	-0.0812	0.004	-2.99	0.009
	Ratio of market value to note value	0.0449	0.097	1.247	0.1745
	Ratio of financial leverage	0.9632	0.044	6.052	0.000
	Sale growth company	-0.4157	0.003	5.457	0.000
	F statistic		121.105	Determination coefficient	0.781
	Sig of F statistic		0.000	Modified determination coefficient	0.774
	EGLS method (resolving probable effect of variance inequality)			Dorbin-watson amount	1.813
	Result of testing second hypothesis	Fixed amount	0.518	0.055	9.512
Ownership percent of great stockholders		-0.0003	0.147	-0.784	0.4152
Size of company		-0.0954	0.009	-2.578	0.0092
Ratio of market value to note value		0.06348	0.052	1.74	0.108
Ratio of financial leverage		0.8845	0.037	6.196	0.000
Sale growth of company		-0.4986	0.002	-4.845	0.000
F statistic			16.221	Determination coefficient	0.719
Sig level of F statistic			0.000	Modified determination coefficient	0.711
EGLS method (resolving probable effect of variance inequality)				Dorbin-watson amount	2.194
Result of testing third hypothesis		Fixed amount	0.384	0.095	4.374
	Ownership percent of small stockholders				
	Size of company				
	Fixed amount	0.0089	0.081	1.794	0.987
	Ownership percent of great stockholders				
	Size of company				
	Fixed amount	-0.0745	0.0065	-2.147	0.0096
	Ownership percent of great stockholders				
	Size of company				
	Ratio of market value to note value	0.0607	0.096	1.852	0.0994
Ratio of financial leverage	0.8865	0.069	5.011	0.000	
Sale growth of company	-0.4789	0.009	-4.214	0.000	
F statistic		21.248	Determination coefficient	0.694	
Sig of F statistic		0.000	Modified determination coefficient	0.688	
EGLS method (resolving probable effect of variance inequality)			Dorbin-watson amount	2.008	

Source: Research finding

accuracy of predicting profit by analyst in companies accepted at Tehran stock exchange and its statistical hypothesis is defined as below:

H0: there isn't meaningful relationship between low ownership of stockholders and accuracy of profit prediction by analyst at companies accepted at Tehran stock exchange.

H1: there is meaningful relationship between low ownership of stockholders and accuracy of profit prediction by analyst at companies accepted at Tehran stock exchange.

In order to be able to distinguish that whether using panel data method will be efficient at estimating model or not, Chow test and F test will be used. In this test H0 denotes equality of width from origin and in case of rejecting them using panel data is accepted and we can use panel data method. Regarding result of test and significance, H0 is rejected at 95% level and we can use data method in panel form. Also in order to distinguish that which method (fixed effect or random effect) is more proper for estimation (fixed effect or randomness of differences of cross sectional units) Hausman test is used. In this test H0 hypothesis denotes that there isn't relationship between disorder component related to width from origin and explanatory variables and they are independent. In Hausman test in case H0 hypothesis is rejected fixed effect method and in case H0 hypothesis is accepted random effect method is used. Result of this test has been presented in table 5.

Regarding above table, sig of Hausman is less than 0.05, so for estimating coefficient of mentioned model we should use fixed effect model. Result of testing mentioned model by using fixed effect model and estimating general least square (EGLS) for all three tests have been presented in table 6. Since sig of variable of percent of concentration of ownership is less than 0.05, so H0 hypothesis is rejected and we can say that there is relationship between ownership concentration and accuracy of profit prediction. Therefore first hypothesis is confirmed at 95%. Negativeness of coefficient of variable of ownership concentration denotes that there is diverse relationship between accuracy of profit prediction and percent of concentration of ownership. Findings of testing first hypothesis denotes that in Iran capital market ownership concentration has corporate role and due to its supervisory function on management performance caused increase of quality of financial reporting and so leads to increase of accuracy of profit prediction of companies. Regarding result of second hypothesis, sig of Hausman test is less than 0.05, so for estimating coefficient of mentioned model we should use fixed effect model. Therefore there isn't meaningful relationship between high ownership of stockholders and more accuracy of profit prediction by

analyst at companies accepted at stock exchange. Findings of testing second hypothesis denotes that at Iran capital market great stockholders don't have important effect on quality of financial reporting and accuracy of predicting profit by companies. Regarding testing third hypothesis since sig of ownership concentration of small stockholders is bigger than 0.05 so there isn't meaningful relationship between low ownership of stockholders and more accuracy of predicting profit by analyst at companies accepted at stock exchange. Therefore third hypothesis of research is rejected at 95% certainty.

CONCLUSION AND APPLIED SUGGESTION

As it was mentioned at first hypothesis there is relationship between ownership concentration and accuracy of profit prediction. Also negativeness of coefficient of variable of ownership concentration denotes that there is diverse relationship between error of profit prediction and percent of ownership concentration and so this hypothesis is accepted and correlation is direct. This conclusion is directed with result of research of Sarhanig and Jalali Farahani (2014), Darabi and Emam Jomeh (2014) and Moradi et al (2011). At the second hypothesis as ownership of stockholders is more, accuracy of profit prediction by analyst isn't more. Ownership of great stockholders hasn't meaningful effect on accuracy of profit prediction by analyst and this hypothesis is rejected and there isn't correlation. This conclusion is directed with result of research of Sarhanig and Jalali Farahani (2014), Darabi and Emam Jomeh (2014), Moradi et al (2011), Mehrani et al (2011), Gang and Lee (2012), Pigitz (2009), Alishah et al (2009) and Chen et al (2005). In third hypothesis as ownership of small stockholders is more, accuracy of profit prediction by analyst isn't more. Small stockholders ownership doesn't have meaningful effect on accuracy of profit prediction by analyst and this hypothesis is rejected and there isn't correlation. This conclusion is directed with result of research of Sarhanig and Jalali Farahani (2014), Darabi and Emam Jomeh (2014), Moradi et al (2011), Mehrai et al (2011), Gang and Lee (2012), Pey Gitz (2009), Alishah et al (2009), Chen et al (2005). On the other hand in this study variables of size of company, ratio of market value to note value, ratio financial leverage and sale growth of company have been searched in the form of control variables. Result of estimating models shows that size of company and percent of sale growth of company has diverse effect on error of profit prediction as by increasing size of company and percent of sale growth accuracy of profit prediction of companies is added. Also ratio of financial leverage through increasing company's risk has direct effect on error of profit prediction as by increasing ratio of financial leverage error of profit prediction of

companies becomes ore. In relation with ratio of market value to note value experimental observation doesn't show meaningful relation between this variable and degree of accuracy of profit prediction. Regarding result of first hypothesis of research it is suggested that ownership concentration that had corporate role at Uran's capital market and due to supervising function on performance of management should be increased to enhance quality of financial reporting quality and so increase accuracy of predicting company's profit. Also regarding result of second hypothesis of research it is suggested that for increasing accuracy of profit prediction by analyzer by increasing percent of great stockholders stimulate sufficient motivation for supervising managers and finally regarding result of third hypothesis of research it is suggested to create proper position for small stockholders at Iran's capital market and support position of small stockholders at stock organization.

Limitation and Suggestion for Future Research

In this research ownership structure hasn't been considered regarding family and non-family aspect so it is suggested in future research consider ownership structure regarding family and non-family aspects.

In this research dividing hasn't been done regarding type of activity of companies accepted at stock so it is suggested in future research regarding type of activity of productive companies do test of research model.

In this research only companies accepted at Tehran stock exchange have been studied, so for more exact consideration it is suggested in future research the model of research be tested mong companies that haven't been tested at stock and result should be compared with result of this research.

In this research considering ownership structure has been only considered on accuracy of profit prediction so it is suggested in future research study the effect of ownership structure on error of profit prediction.

Regarding that in this research only ownership structure has been considered as an effective factor on accuracy of profit

prediction. Maybe variables that are similar to ownership structure regarding total features affect accuracy of profit prediction. Therefore it is suggested in future research variable of corporate ruling be added as new independent variable to the research model.

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