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THE EFFECT OF EXTERNAL SOURCES OF SENSITIVITY TO CASH FLOWS AND FINANCIAL CONSTRAINTS IN COMPANIES ADMITTED

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ABSTRACT

The aim of this research the effect of the sensitivity of external sources of cash flow and financial restrictions on companies listed in the Tehran stock exchange during 2013 to 2017. In this study, a sample of the top 80 companies listed on the stock exchange, in this study to test the hypothesis of statistical software eviws may be used. Found the sign you can to give relationship the money cash operational with size company s has limitations financial positive and meaning honey is. Also allergy references foreign to liquidity at company S limited at exchange bonds securities Tehran to limitations funds foreign more from others company the is. Changes funds cash at company S have Limitations financial ratio to company hi that limitations financial do not have, more impact at fund making has it.

Keywords: Capital structure, cash flow, restricted, unrestricted

INTRODUCTION

Given the need for business units to develop economic activities and make new investments, it is necessary to determine how to finance the implementation of investment projects. In a full-scale capital market, companies are expected to easily access external financing to finance, and investment decisions are exclusively based on expected future profits, and domestic financing has no effect on investment decisions. But in the real world, the cost of financing differs from domestic and foreign sources, and because of the problem of representativeness and information asymmetry, the cost of external financing is higher, which is why companies tend to use resources inside the company (the truth and Colleagues, 2012). Institutions for supply liquidity and improvement capital structure, need supply references financial are. Company the and institutions that limitations S financial have, usability from all references supply financial take do not have. This institutions with attention to limited or unlimited to be, to references reggie will be sensitive have. Company S limited from opinion supply Financial, limitation have and to the reason Not having liquidity and or cohesive structure or to the reason debt S previous from institutions not financial be they supply financial slowly or facility take it. Company S unlimited easy about the form of capital making you can decision sticking they do and Less sensitivity to references foreign have; Because usually provincial institutions ffinancial, credit company the take for supply references at mind you fall (Haji et al., 2017). In recent years, there has been a lot of research on the impact of financial constraints and the factors behind these constraints on the sensitivity of investment to cash flow, as firms with a financial constraint are expected to

differ significantly between domestic and foreign capital costs and therefore rely on domestic cash flow to invest. For this reason, this paper also examines the effect of the sensitivity of external sources on cash flow and financial constraints in companies admitted to Tehran Stock Exchange.

BACKGROUND

Hajih et al. (2018) investigate sensitivity references foreign to current the money cash at conditions limitations by financial internal and foreign at company by accepted have been at Exchange and Bonds Securities Tehran. Found the sign you can to give relationship the money cash Operational with size company S has Limitations financial positive and meaning honey is. also allergy references foreign to Liquidity at company S limited at exchange bonds securities Tehran to limitations funds foreign more from others Company the Is. Changes Funds Cash at Company S have Limitations Financial Ratio to Company Hi That Limitations Financial Do not have, more impact at Fund Making has it.

Hashemi et al. (2016) in an impact study Level Keep up The Money Cash on Allergy Fund Making Ratio to Fluctuate S Current Cash Operational at Company S have Limitations Mali paid. Results the result from Hypothesis S Research sign you can to give that at Company S have Limitations Financial, Fluctuate S Current Cash Operational on Fund Making the effect Negative have. Also Results Expresses This Content Is That with Increase Level Keep up The Money Cash at Companies have Limitations Financial, Effect Negative Fluctuate the on fund Making Decrease You Can Find out.

Laroca and Partners (2015) At Research to Check Root S Relationship among Limitations Financial and allergy Fund Making to current Cash paid they are. Results This Research sign you can to give allergy Positive and meaningful among fund Making and References Internal Existence has it. also Expresses This Content You Can Be That Difference at allergy Fund Making Company the More to the reason Metrics Case Use Direction Division Setting up Sample Case Check You can be.

Guatem and Partners (2014) At Research to Check Relation Among References Cash Company and limitation S Financial they paid. Results Research They are sign Gave Company the Action to Creation Expenditure Fund You with Use from References Cash Internal You Can to make. When That Company the with Limitations Financial Foreign Face You Can to be to keeping References Cash More with Decrease Level Fund at Circulation Non Cash Yourself Action You Can They do.

THEORETICAL

Sensitivity of external resources to cash flow

Allergy Fund Making at Property S Fund Yeah, that's it allergy References Foreign Is. This Variable to Hold Level the Money Cash Sensitive Is and If Company Surplus Resources Dash Be Level Its Increase Will Found and vice versa. Representation problems and information asymmetries are higher in companies with financial constraints than other companies, and therefore, financing from outside these companies is more expensive. So these companies use more resources to finance the company. An important corporate resource is operating cash flow (haghighat, 2012).



Financial constraint

The term financial constraint means that there is a barrier to financing for optimal investment. Failure to provide funds for investments may be due to bad credit conditions and the inability to obtain a loan, or the inability to issue new shares, or the existence of ineligible assets. However, financial constraints cannot be constrained by financial strain or economic pressure, or the risk of bankruptcy, although these terms are also related to financial constraints (Kanaani Amiri, 2007). Financial leverage variables, dating back to the company, the percentage of dividend as control variables (factors considered are financial constraints).

Hypothesis Research

The sensitivity of external sources affects the cash flows and financial constraints of companies admitted to the exchange Allergy Fund Making on Current operational cash At Company S Accepted Have been At Exchange important papers, worthy documents Tehran PARI E. Meyer has it

Methodology of research

The statistical population of the present study included companies accepted in Tehran Stock Exchange, which was selected according to criteria below 80 companies.

1. Year Financial Company Leading you To End March Month Any Years.
2. During the Years old 2012 To 2017 Change Year Financial and Stop the operation Not have be.
3. Information Financial and Non-financial companies to Purpose Extraction data Case Need Available be.
4. Until the End Year Financial year 2011 At Exchange Bonds Securities Tehran Accepted Have been be.

Component banks and Institutions Financial (Companies investment, Mediator Gary Financial, corporate holding and Leasing) not be

In this study was to test the hypothesis of statistical software Eviews May be used.

THE RANSOM AND DATA ANALYSIS AND FINDINGS RESEARCH

Variable descriptive statistics Research

In the table 1 Indicator Central and dispersion are shown. The average is the most widely used central index Is. Simple the most significant dispersion index is the range of changes that difference is between the largest and the smallest amount of data. The most widely used dispersion index, standard deviation that is, it gets rid of variance Is.

Table 1: Descriptive statistics of research variables

Research variables	Number	average	Middle	The minimum	Maximum	Standard deviation
External Sensitivity	80	011/0	022/0	3. 26-	3. 66	89/0
Cash flow	80	044/0	118/0	2. 42 -	1. 12	89/0
Financial limitations	80	0015/0	044/0	3. 65-	5. 31	1.01

Test t Student to investigate the impact of variables

For each of the variables, the hypothesis can be expressed as follows.

$$H_0: \mu \leq (\text{No impact of variable})^3$$



$H_1: \mu > 3$ (Impact of variable)

The results of the survey are presented in the following table:

Table 2: Test t Single sample

	Test value = 3				
	T	Degrees of freedom	Significance level	95 % confidence level	
				Bottom limit	upper line
External Sensitivity	9/1 2	270	000/0	94/0	11/1
Cash flow	5/1 0	270	000/0	64/0	896/0
Financial limitations	9/11	270	000/0	55/0	765/0

The above table shows that the variables of the sample surface are desired. Because of the significance level of less than 0.05, and according to the statistics t which is more than 1.96 and is positive. And given that the 95% confidence interval includes zero is not therefore reject the null hypothesis, and the first condition is desirable for all variables and the respondents, the impact on cash flow and limits the sensitivity of external sources corporate finance is meaningful.

Hypothesis test Research

Review the first hypothesis

Pearson's correlation coefficient was used to evaluate the hypothesis is that visible results in Table 3.

H_0 : The sensitivity of external resources to cash flow and financial constraints of firms accepted in the exchange of influence does not have

H_1 : The sensitivity of external sources affects the cash flow and financial constraints of companies admitted to the exchange

Table 3: Pearson correlation test the hypothesis

		External Sensitivity	Cash flow	Financial limitations
External Sensitivity	The correlation coefficient	1	58/0 **	1
	Significance level		000/0	
	Number	80	80	80
Cash flow	The correlation coefficient	58/0 **	1	
	Significance level	000/0		
	Number	80	80	1
Financial limitations	The correlation coefficient	1	1	58/0 **
	Significance level			000/0
	Number		80	80

Table results 3 shows that due to the significance level of 0.000, which is less than 05/0, Sensitivity to external sources of cash flow and financial constraints are significant at a confidence level of 99%. Since the correlation coefficient is positive, the relationship between the two variables is the place with the increase (decrease) one, also increase (decrease) is. The intensity of this relationship is equal to 58/0 is. Therefore, the null hypothesis is rejected and is assuming a clearance.

Study of the second hypothesis

Pearson's correlation coefficient was used to evaluate the hypothesis is that visible results in Table 4.

H₀: allergy Fund Go on current Operational cash At Company S Accepted have been At Exchange important papers, worthy documents Tehran the effect does not have

H₁: allergy Fund making on current Operational cash At Company S Accepted have been At Exchange important papers, worthy documents Tehran the effect has it

Table 4: Pearson correlation test the hypothesis II

		Function	Meditation of danger
allergy Fund Making	The correlation coefficient	1	- 54/0 **
	Significance level Number	87	000/0 87
current Operational cash	The correlation coefficient	- 54/0 **	1
	Significance level Number	000/0 87	87

Table results 4 Shows that due to the significance level of 0.000, which is less than 05/0, Sensitivity effect Fund Making On current Operational cash at a confidence level of 99% is significant. Since the correlation coefficient is negative, the relationship between the two variables is inverse relationship between the intensity of the 54 / -0 is. So assuming the null hypothesis is rejected and a clearance is

RESULT MAKING

This Research, Evidence Take About allergy References Foreign to Liquidity process At Conditions Limitations S Financial For participation S Accepted Have been At Exchange Bonds Securities Provide Tehran You can Brought up. Results Estimate Pattern sign Gave Flow ratio Cash Operational On Value Nominal take stock) to Indicator title Limitations Financial Internal (the effect Positive and meaning you have On holiday Fund Making At Property Of capital You To Value Nominal take stock) To Title Sensitivity Index Liquidity Company (has it. also Found the Badge to give Relationship Mutual The money Cash Operational With Size of the company S Little, Positive And Meaning Honey Is. With Attention to The statistics t Down to be This Variable at Company S Small proportion To Company S the big, sign You can To give Between limits Financial Foreign That With Proxy Size Sensei Co. You can To be And allergy Liquidity At Company Small Relationship Less Ratio To Company S the big Keep up Is; So allergy References Bourgeois To Liquidity process mentioned At Company S With References Financial Limited in Exchange Bonds Securities Tehran At Limitations Foreign financial Adaptability Less Ratio To Others Company It has. With Attention to Meaning you have Effects Mutual Company Big ones With The money Cash Operational It should be noted Is allergy foreign resources E Process Liquidity At Company The Y strong More And great More At Exchange Bonds Securities Tehran At Limited Resources Financial Foreign, influens More Ratio To Other companies The has it. To in a way Kelly Results The result From Research sign Gave sensitivity References Foreign To Process Liquidity At Between company Hi That Limitations Financial have With Time That company Without Limitations Financial Is, Different Is. The results with the results of previous studies (Lopez et al., 2014. Hafvrd et al., 2012) is similar.



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