



## **ANALYSIS OF THE EFFECT OF CORPORATE GOVERNANCE ON COMPANY'S TAX AVOIDANCE**

Mohammad Ali AGHAEI<sup>1</sup>, Zahra KHAYAT BEHBAHAN<sup>2\*</sup>, Sadigheh ZAREI<sup>3</sup>

<sup>1</sup> Associate Professor of Accounting Tarbiat Modares University, Tehran, Iran,

<sup>2</sup> Student of Accounting Doctor of Islamic Azad University, Bushehr, Iran,

<sup>3</sup> Ma Accounting, Alborz Non-Profit Organization, Qazvin, Iran.

**\*Corresponding Author**

**Email:** Khaiat.zahra@gmail.com

### **ABSTRACT**

*Analysis of the effect of corporate governance on the company's tax avoidance among the companies accepted in Tehran stock exchange. Therefore, screening techniques have been used for the period of 10 years (from 2006 to 2016) and 91 companies were chosen from the companies accepted in Tehran Stock exchange. The research variables were calculated by "Excel" software and data were analyzed by combining them with "Eviews" software and OLS and SLS2 regression. In present research "LEVIN, LIN, AND CHU AND FULLER DICKY'S TESTS were used to determine stability and tedium of the variables in the project and to analyze syntax of variables, the inflation factors variance test was used. Results show that the variables are stable and there is no coherent among them. Hypothesis test results show that the centralized ownership construction obtained through voting right expresses a positive relationship with tax avoidance. Salaries and cash flows are not related to tax avoidance.*

**Keywords:** Corporate Governance, Tax Avoidance, Effective Tax Rate

### **INTRODUCTION**

At the beginning of 20<sup>th</sup> century, and after formation of public corporation, a great change has taken place in the area of economic and management. This phenomena caused advancement in the industries and economic and also produced differences between management and ownership and then caused conflict of interest and difficulties in delegation. Gathering of interested people for talk about agreements, such as implicit and explicit talks are becoming more transparent. It is obvious that each interested group follows its own benefactor and these are kinds of benefit which later can be conflicting. Corporate governance is being mentioned to produce balance and equality between different groups (Botshekan & Rahbar 2009). Shareholders approach (representative theory) of the company is controlled by its owners which shareholders are aware of it and stockholder approach try to consider the matter and solve the needs of not only shareholders, but also other claimant and even the future generation (Hassas Yaganeh, colleagues 2011).

May be there are some differences of interest between stakeholders. A company's strategy is to minimize the tax payment of the shareholders and managers if not completely emit it, but this strategy is harmful to the government and the society. Research on the non-payment of the taxes is mainly concentrated on the subjects such as tax credits, shareholders and society. Base on the theoretical concept of representatives, it must be mentioned that managers are

responsible for answering to the increase in the values of the company and owners are also trying to evaluate managers and agents to understand if they are performing their duty correctly or not. Furthermore, they are interested to know how the managers reach their determined aims. This could be done sometime by cheating government and escaping the tax payment which is done as the shareholder believe, which are not only attentive, but also suitable and desirable. While society and public expect the companies to be helpful for the society and pay their share of tax properly and on time and this strategy of the companies are not acceptable by other organizations.

## **THEORETICAL BASICS AND RESEARCH BACKGROUND**

Some of the researchers believe that corporate governance is an effective method on the company's reaction in relation to changes in the company's tax rate. When government is weak, the tax rate increases and causes the companies to think of some ways to reduce the tax of their companies. This work is conducted in different ways by the companies such as avoiding and violating rules and using the legal vacuums, etc .... when the corporate governance is strong, increase in the tax rate of the company can cause ground better and more productive for the company. Corporate governance should be able to conduct avoiding tax pay for maximizing its wealth in the financial market. On the one side, the corporate governance of the company is mainly controlled by the board of directors and duty of board of director is to maximize the wealth of shareholders, and on the other side there is a view to avoid tax payment which can be an efficient tool for increasing the wealth of the shareholders and therefore there is hope that stronger the corporate governance, there is also more chance of avoiding tax payment.

Tax avoidance is apparently legal activity and seems to be noticed more than escaping tax payment. Tax avoidance is for using the tax advantages in certain limits and in the whole law is not limiting control of tax avoidance (Jam, 2000). Therefore, it seems that most of companies are busy in tax avoidance and the same way determination of effective elements on the tax avoidance in the companies is very important.

Richardson and colleagues (2016) analyzed the effect of corporate governance construction on the tax avoidance. One important non-linear relation between ownership concentration and avoiding tax is in the form of "U", but even though, more than the minimum amount necessary for effective control, and ownership concentration through negative rights of voting in relation to avoiding tax payment. There is also a positive and meaningful relationship between institutional ownership construction and tax payment avoidance.

Hanlou and colleagues (2014) obtained the result that information sharing agreements in the country with other tax organizations cause reduction of avoidance in tax payment of people.

Chen and lin (2014) in an article with the title of "Does asymmetry information effect the tax avoidance?" Analyze the effect of asymmetry information on the avoidance of tax payment. In this research analyzers coverage were used as a tool for evaluation of informational asymmetry and the result obtained from this research showed that there is a meaningful negative relation between these two variable and tax payment avoidance.

Mcquire and colleagues (2012) analyzed the auditor's tax audit and their level of companies' tax avoidance. Results of their research and project showed that when inventory firms are tax



experts, their customers who are receiving tax services from these institutions are more involve with tax avoidance.

Balakrishnan and colleagues (2012) looked into this matter and noticed that the industrious tax procedures reduce the company's transparency. These researchers use asymmetry criterion information, quality of interest and error in prediction of analysts as the transparency criterion. Results of the research show that bold tax strategies reduce the company's transparency.

Dyrenge and colleagues (2010) analyzed the rate of effectiveness of long term cash tax for testing the amount of companies' tax avoidance. Result showed that there is noticeable definite differences in the tax avoidance payment among different companies and almost 85% of the companies have the ability to keep their cash effective rate of tax below 81%.

Hanlon and Heitzman (2010) analyzed the effective elements on the tax payment avoidance. These researchers proved that available elements for recognition is not clearly specified and needs more research.

Chen and colleagues (2009) analyzed relationship between volume of transparency of the company and avoidance in payment of tax with regard to Conflict of interest among shareholders and managers of the company. Results showed that more the volume of avoidance from tax payment, the amount of ambiguity in more in the company.

Mehrani and Sayedi (2013) showed that there is a positive and meaningful relationship between tax payment avoidance and differences in diagnostic and exempt taxes. Result from this research showed that governments like to obtain more tax from the companies who are avoiding tax payment and therefore the policy of reducing tax is possible to be used by using the tax avoidance strategy which has no necessary workability.

Jaafari Amineh Esfahani (2013) analyzed the effects of society responsibilities and companies' responsibilities on tax payment avoidance. In this research 92 companies participated and they were analyzed and results showed that social responsibility has no effect on tax payment avoidance.

Poorhydari and Borhani Najad (2012) analyzed the effect of characteristics of the principles of leadership of the companies on the tax management in the companies accepted in Tehran Stock Exchange. Characteristics of the principles of leadership in the company in their research consisted of the size of board of managements, composition of the board of management, division of board of director and size of auditory institution. They also mention that there is a positive relationship between managing director and tax management division. Even though, there is a meaningful relationship between the size of board of director and tax management.

Foroghi and colleagues (2012) analyzed the effect of tax avoidance on the risk of future downfall of the prices of shares. These researchers use the differences in income tax expedited interest and income taxable interest as a criterion for tax avoidance in relation to future downfall of price of share.

## **RESEARCH HYPOTHESIS**

### **Hypothesis 1.**

One centralized ownership structure is obtained by positive relation of right to vote with tax avoidance.



**Hypothesis 2.**

More than minimum level needed for effective control, centralized ownership structure obtained through the negative relationship right of vote with tax avoidance.

**Hypothesis 3.**

If difference between right to vote and right to cash flow is positive with regard to tax avoidance.

**Hypothesis 4.**

When control is more than ownership, rights and cash flow is not in relationship with tax avoidance.

To test the hypothesis of the research, the following models are used:

$$AcETR_{it} = \beta_0 + \beta_1 CR_{it} + \beta_2 VR_{it} + \beta_3 VR2_{it} + \beta_4 VR - CR_{it} + \beta_5 LEV_{it} + \beta_6 CINT_{it} + \beta_7 SIZE_{it} + \beta_8 GRO_{it} + \beta_9 ROA_{it} + \beta_{10} INVINT_{it} + \beta_{11} RDINT_{it} + \beta_{12} DA_{it} + \varepsilon_{it}$$

$$CETR_{it} = \beta_0 + \beta_1 CR_{it} + \beta_2 VR_{it} + \beta_3 VR2_{it} + \beta_4 VR - CR_{it} + \beta_5 LEV_{it} + \beta_6 CINT_{it} + \beta_7 SIZE_{it} + \beta_8 GRO_{it} + \beta_9 ROA_{it} + \beta_{10} INVINT_{it} + \beta_{11} RDINT_{it} + \beta_{12} DA_{it} + \varepsilon_{it}$$

**Table 1: research variables**

Variable's name	symbol	Type of variable
Right of cash flow	CR	Independent
Right to vote	VR	Independent
Square of right to vote	VR2	Independent
Right to vote on right of cash flow	VR/CR	independent
Tax avoidance through effective rate of cash tax	CETRit	Dependent
<b>Tax avoidance through effective right of accrual tax</b>	ACETRit	Dependent
Financial leverage	Lev	Controlled
Intensity of investment	CINT	Controlled
Size of company	SIZE	Controlled
Growth opportunity	GRO	Controlled
Profitability	ROA	Controlled
Optional accrual items	DA	Controlled
Expenses for research and development	RDINT	Controlled
Intensive of goods availability	INVINT	Controls what is obtain

**METHOD OF RESEARCH**

To obtain the applicable aim, this kind of research is chosen to be able to use the Stock Exchange organizations analyzed financially and Stock exchange for the financial managers of the companies, Universities and higher education centers, researchers and auditing organizations be able to use them. From inference method, this research is descriptive-analytic type. Descriptive research explains the matter without any manipulation. This type of research consists of data collection to test hypothesis or to answer questions about the present conditions. Regarding the type of research plan, the presented matter is after event research. In this type of researches, the aim is to analyze effects of variables on each other and on the data which are available naturally in an environment or they form the past events without any direct interference of Researchers, collected and analyzed. Present research method is according to correlation research, and therefore the regression analysis are being used which is widely applicable in estimation and forecasting of relationship between variables.

To analyze normality in remaining of the distribution, “Jarque-Bra” test is being used. Zero hypothesis in this test shows non-normality of variables distributions and the opposite hypothesis which shows normality of the variables distributions. If the statistics of Jarque-Bra is less than 5%, in this case zero hypothesis is not acceptable and the opposite hypothesis is approved, which means remaining data and distribution are normal and there is no need for conversion of variables (natural algorithms (ln)).

To analyze non-correlation between variables “Durbin Watson” test is used. This test is used for reliability of sentences. In the other words this test is used for analysis of self- correlation between remaining in the regression analysis. The amount of this statistic show is between 1.5 to 2.5. Reliability and validity.

Reliability and validity analysis of the variables in the research:

The main aim of reliability is to understand that how much methods and tools used are able to measure the specifications specified. Since research variables are obtained according to special formulas and standards, therefore the tools for measuring variables have necessary and enough reliabilities. Having a suitable validity is necessary and primary condition for reliability. By validity the aim is that, under no similar circumstances at another time or place, using one measuring tool for evaluation of variables or adjectival have a similar result. Validated tools are tools which has similar results in property repeatability and test results.

To analyze this matter non-existence of coherent between research variables from the testing factors of variance inflations were used. If the amount of this factor is more than 5, then the amount of coherence is available and it must be removed.

To choose one of the combined date set or data combined date from Limer, “F” statistics methods is used. This statistics determines the width separately for the companies from the origin. In this test “zero” hypothesis show the similarity of width from origin and opposite hypothesis show non-similarity of width from the origin (consolidated data). Therefore, if there is possibility of “F” statistics being less than 5%, the combined data method is used, other wise consolidated data method is used.

After “Limer” test, if zero hypothesis is rejected, the “Hausman test is used to be able to explain the effects of stable and accidental between methods according to dependent variable comparison. If Hausman test is less than 5%, effect pattern is fixed, and if it is more than 5% then the accidental effect pattern is used. The amount of determination coefficient is in fact determiner of percentage of dependent variable changes which is explained by the independent variable. Even though most of time it is preferred to use any other criterion which is called as determination coefficient for analysis of “Nekoe Brazesh model of multi variable regression. This coefficient is in fact the determining coefficient which are considered as “SST and SSE” in their degrees of freedom.

## DATA ANALYSIS:

### *statistic society and sample:*

Statistic society consisting of all the companies accepted in Tehran Stock Exchange during the years 2006 to 2015. Method of sampling is according to systematic deleting type (screening). To analyze this research matter annual- industrial information were used. Research samples were chosen according to deleting sampling.



Table 2: Samples according to limits

Limits	companies
Companies accepted in Tehran Stock Exchange till the end of 2016	496
Companies which are not having annual ending in Esfand(Fab)	98
Intermediation and insurance companies	39
Not Holding comp. since their nature are diff. from other member comp.	32
Comp. with 6 month delay in action	79
Comp. with no information available or deleted from stock exchange	105
Comp. change their annual financial registration during research	52
Comp. remained in statistic sample	91

In this article 91 companies' data are analyzed during the year 2007 to 2016 and results obtained are analyzed. It is necessary to mention that Excel software is used for calculation of variables and Eviews 7 software is used for analysis and calculation of models and hypothesis test in the research.

To determine research variables reliability Loelin, Lin and Cho statistics are used. Results of this test showed that this subject were independent, dependent and controlled variables during the research which were at a stable level, since the amount of p-value for test is less than 5%.

Results of Pearson correlation show that there is positive and meaningful relation between tax avoidance by effective cash tax rate and tax avoidance by effective accrual tax rate with right to vote which shows increase in the amount of right of voting and that causes increase in the tax avoidance. There is also a negative and meaningful correlation between tax avoidance by effective cash rate of tax and tax avoidance by effective rate of accrual tax with right of cash flow which (p11) shows increase in the amount of rate of cash flow right, tax avoidance will be reduced and also there is a positive and significant correlation between tax avoidance by effective rate of cash tax and tax avoidance by effective avoidance by effective rate of accrual tax and cash flow which cause increase in tax avoidance. And finally there is correlation between explainable variables at a balanced level of solidarity.

## REGRESSION RESULTS

### *centralized ownership structure:*

Results of the analysis of ordinary least squares (OLS) show that in terms of centralized ownership structure for companies with coefficient regression of right to vote is significant and positive relation with tax avoidance by effective rate of cash tax and tax avoidance by effective rate of accrual tax. Voting regression coefficient has a positive and significant relation with tax avoidance by effective rate of cash tax payment and tax avoidance by accrual effective tax rate. It also has positive and meaningful relationship with financial leverage, financing intensity, size of the company, optional accrual items, growth opportunity, profitability and expenses for research and development and tax avoidance and it has a negative relationship with intensity of goods availability, and tax avoidance.

Results of regression show that there is a non-linear relationship between ownership centralization and tax avoidance and also this relationship shows the opposite form of the "U" pattern. It means that at the low level, increase in the ownership centralization has positive relationship with tax avoidance which has stabilizing and boosting effect.

**Table 3: Results of regression, centralized ownership structure**

variables	Predicted sign	Tax avoidance through effective rate of cash tax	Tax avoidance through effective rate of accrual tax
Fixed amount	-/+	-0/171	-0/331
		-1/55	-1/17
Right of vote	-	0/134	0/328
		1/28	1/41
Right of square vote	+	-0/237	-0/539
		(-1/88)	-1/71
Financial leverage	+	0/022	-/158
		(0/31)	1/44
Financing intensity	+	0/055	0/009
		(0/74)	0/084
Company's size	+	0/007	0.029
		1/69	2/91
Growth opportunity	-/+	0/001	0/001
		1/81	0/05
Profitability	-/+	0/012	0/016
		1/01	0/48
Optional accrual items	+	0/15	0/24
		3/11	1/57
Research & development expenses	+	0/187	0/219
		(0/31)	0/76
Goods availability intensity	-	-0/099	-0/085
		-2/52	-1/16
Decreased determination coefficient		%9/98	%7/89



### *pyramid ownership structure*

Table 4 shows the results obtained from analysis of “OLS” of pyramid ownership structure of the companies. Voting right regression coefficient of cash flows have meaningful and positive relationship with tax avoidance by effective rate of cash tax and tax avoidance by effective rate of accrual tax. Regression coefficient of cash flow doesn't have meaningful relationship with tax avoidance by effective rate of cash tax payment and tax avoidance by effective rate of accrual tax. Also there is a positive and meaningful relationship between financial leverage, financing intensity, size of the company, optional accrual items growth opportunity, profitability and expenses of research and development and tax payment avoidance and there is also a negative relationship between goods availability intensity and tax payment avoidance. Results of the regression show that there is a positive and meaningful relation between ownership centralization in the form of pyramid ownership structure and tax payment avoidance. (Stimulus effect). When there are differences between voting rights and liquidity, lower level of salary decreases the cash flow and therefore it can not move on the same direction as controller (the modified effect) which causes decrease in the reinforcement effect and tax payment avoidance.

**Table 4: results of regression, pyramid ownership structure**

variables	Predicting sign	Tax avoidance through effective rate of cash tax	Tax avoidance through effective rate of accrual tax
Fixed amount	-/+	0/105	-0/215
		-1/01	-1/29

Right of cash flow	~	-0/059	-0/171
		-1/05	-1/19
Right of voting to right of cash flow	+	0/005	0/006
		2/41	1/82
Financial pyramid	+	0/022	0/158
		0/31	1/44
Financing intensity	+	0/055	0/009
		0/74	0/084
Company's size	+	0/007	0/029
		1/69	2/91
Growth opportunity	-/+	0/001	0/001
		1/81	0/05
Profitability	-/+	0/012	0/016
		1/01	0/48
Optional accrual items	+	0/15	0/24
		3/11	1/57
Expenses for reseach & development	+	0/187	0/219
		0/31	0/76
Goods availability intensive	~	-0/099	-0/085
		-2/52	-1/16
Decreased determining coefficient		%9/19	%7/11

• *analysis of ownership structure according to regression analysis of tools variables SLS2*

Since ownership structure considered as an inside variable, another analysis has been done to calculate externality of this structure. Specially, at the beginning, regression analysis of tools variables SLS2 has been done. Therefore, proposed structural variables produced by regression at the first stage is used in the second stage instead of main variable. In this research 4 tools variables are chosen for ownership structure (p15) which consist of: 1. Market value of ownership right 2. Tobin Q ratio, 3. Company's life span, and 4. Market share

To measure the market value of ownership right (number of shares in share price), Tobin Q ratio (value of the amount of debt entered notebook in addition to ownership right of market value divided by total assets), company's life span (algorithm of number of years passed by from the day of company's establishment and calculation of market share through ratio of company's sale divided to industry sale. Results of regression analysis SLS2 are presented in tables 5 and 6.

Base on the regressions of first stage for ownership centralization of regression coefficient for market value of ownership right and 2) Tobin Q 3) company's life span, significantly related to right of voting and square right to vote. In addition, in regression stage 2, regression coefficient of right to vote meaningfully and positively related to tax avoidance by cash effective rate and tax avoidance through effective rate of accrual tax and square regression coefficient of right of voting have negative and meaningful relation with tax avoidance through effective rate of accrual tax which supports the effect of correction.

**Table 5: results of regression of variable tools (SLS2): internal structure ownership- regression stage**

variables	Sign prediction	Right of vote	Square of right of vote	Right of cash flow	Right to vote to cash flow right
Fix amount	-/+	-0/241	-0/432	0/125	1/012

		-1/90	-2/37	1/41	1/22
Market value for ownership right	+	-0/026	0/022	0/024	0/009
		3/39	3/41	3/62	0/15
Tobin Q	+	0/003	0/003	0/006	0/019
		2/11	1/35	3/24	0/91
Company life span	+	0/001	0/009	0/012	0/042
		4/21	3/09	6/11	1/88
Market share	+	0/002	0/004	0/019	0/008
		0/41	0/89	0/56	0/42
Justified determination coefficient		%17/16	18/25	%19/32	%15/44

Base on table 6, pyramid ownership structure, for first stage regression market value, regression coefficient of market value of ownership right and company's life span have significant relation with right of vote and squared right of vote. In addition, for second stage regression, right of voting regression coefficient in relation to cash flow right and tax avoidance through effective rate of accrual Tax contains stimulus effect. Regression coefficient of right of cash flow with tax avoidance through effective rate of cash tax and tax avoidance through effective rate of accrual tax has no relation. There is also a positive and meaningful relation between financial leverage, financing intensity, company size, optional accrual items, growth opportunity, profitability and expenses for research and development and tax avoidance and have negative relation between goods availability intensity and tax avoidance.

**Table 6. Results of tools variable regression SLS2: internal ownership structure- second stage of regression**

Variables	Sign prediction	Tax avoidance through effective rate of cash tax	Tax avoidance through effective rate of accrual tax
Fix amount	-/+	-1/257	-1/129
		-2/58	-2/41
Right to vote	+	3/159	5/168
		1/62	1/87
Square of right to vote	-	-3/138	-4/249
		-2/27	-2/16
Right of cash flow	-	-1/782	-3/014
		-0/82	-0/55
Right of voting to cash flow right	+	0/214	0/54
		2/72	2/64
Financial leverage	+	0/022	0/158
		0/31	1/44
Investment intensity	+	0/055	0/009
		0/74	0/084
Company size	+	0/007	0/029
		1/69	2/91
Growth opportunity	-/+	0/001	0/001
		1/81	0/05
Profitability	-/+	0/012	0/016
		1/01	0/48
Optional accrual items	+	0/15	0/24
		3/11	1/57
Expenses for research & development	+	0/187	0/219
		0/31	0/76



Goods availability intensity	~	-0/099	-0/085
		-2/52	-1/16

## CONCLUSION

Regarding relationship between ownership structure and tax avoidance in the form of centralized & pyramid ownership, base on the centralized ownership in structural share of constructive companies is more than ownership shares, the effect of density in regard to first hypothesis meets Desai and Dharmapala claims (2006). Who say that tax payment avoidance can easy the ability of internal people for stripping ownership of shareholders' assets, because it is complicated and being mentioned for economical difficulties in a business deal.

The effect of correction regarding second hypothesis according to Chen and colleagues (2010) shows that companies under the control of family have less tax payment avoidance since the owners like to forget about tax advantages to stop the non-tax discounts and company's share price which can cause worriedness for the minority shareholders regarding management of share price.

Regarding the 4 third hypothesis its effect is placed in the matter which is suiting Francis and colleagues (2005), and Masulis and colleagues (2009) who found that the more extension between voting rights and right of cash amount, people inside might be looking for more personal advantages and benefits during the time of avoidance from the consequences of cash flow.

Regarding the fourth hypothesis the correction is not generalizable and matching with the claim which were mentioned in the previous researches regarding the matching between voting and right of cash flow, which increases enforcement effects (Laporta and colleagues 1999, Claessens and colleagues 2002). Propulsion effect are different when right of voting and cash flow are different which in this case low level of income in cash flow can not have incredible alignment with the controller (corrected effect). Which is enough for reducing the effect of enforcement and tax avoidance.

P19. Since it is possible that ownership structure be an internal variable (such as Villalonga and Demsetz 2001), another analysis is conducted to calculate the externality of this structure. Base on the previous researches of Villalonga and Demsetz 2001, there are 4 variables in this research which considered as instrumental variables for ownership structure which are consisting of:

1. Market value of right of ownership.
2. Tobin Q.
3. Company's life span.
4. Used market share.

Above researches show that all the variables show ownership structure, but none of them are used in analysis.

**Table 7: Results of hypothesis test**

rows	hypothesis	results
1	A centralized structure obtained through voting right which has positive relation with tax payment avoidance.	approved
2	More than minimum of required level for effective control, centralized ownership structure obtained through voting right which has negative relation with tax	Approved

	payment avoidance.	
3	A divergence between voting right and right of cash flow has positive relation with tax payment avoidance.	Approved
4	When control is more than ownership, right of cash flow is not related to tax payment avoidance.	approved

## SUGGESTIONS:

### *Applicable suggestions*

1. According to information and important roles which can be obtained from decision making in financing and financial analysts have mentioned, it is suggested to the Tehran Stock Exchange authorities to create a better and more suitable bed to be able to obtain more accurate information regarding the information symmetry.
2. It is suggested to the tax organization to make necessary arrangements regarding changes in taxing system structure to have less tax pressure on the companies and therefore the negative tax effects be less.
3. Base on the theoretical decisions and practical researches it is suggested to the managers and decision makers to make tax decisions carefully and strategic, while they are considering long term effects which every tax system has. It is also suggested to the financiers to consider the tax strategies and programming of the companies, and the probabilities regarding the cash flows and future activities of the companies and use the decision making strategies of the companies.

### *Titles of the future decision making*

1. Analysis of this research hypothesis for long period of time.
2. Analysis of stability or non-stability of bata with the use of other tests especially for companies with above leverage.
3. Analysis of effect of ownership on the tax policies and tax avoidance.
4. Analysis of if the market shows any reaction to tax agencies or not.

Analysis of tax avoidance and social responsibility of companies.

## References

- Ahmadpoor- Ahmad, Gholami Jamkerani- Reza (2005). Analysis of accounting information relation and market risk. Social sciences and humanity magazine. Shiraz University.
- Ahmadpoor-Ahmad, Resaian- Amir (2006): analysis of relation between risk criteria and differences in suggested prices in buying and selling of shares in Tehran Stock Exchange. Analysis of accounting and Auditing sh.46, winter 2006- page 37-60
- Babajani- Jafar, Tahriri- Arash, Saghafi- Ali, Badri- Ahmad (2014)- relation between symmetric information and profit management, advance accounting magazine, - Shiraz University.
- Babajani-Jafar, and Abdi-Majid (2010). Corporate governance relationship and taxable profit of the companies, financial accounting research, second year- No. 2.
- Delavar- Ali, 1992. Method of research in psychology and Educational Science. Payam Noor University- Tehran.



- Hafez nia- M. Reza, 2006, introduction on the method of research in humanatrian Sceinces, 12th Edition, organization for study and Editing study books in Humanetarian Sceinces of Universities –Tehran.
- Hasani- Mohammad, Husaini- Sayed M. Beshir, 2010, analysis of relation at the level of disclosure of accounting information and prices swing in companies accepted in Tehran Stock Exchange, Economic and job research journal. First year- No 2.
- Hasas Yaganeh- yahya 2005, shanazeri- nasrin 2015, analysis of relationship between financial report qualities ans asymmetry of information under the different risky conditions and intere4st of financers in Tehran Stock Exchange market. Khaki – Gholamreza 2003, Thesis for Master course.
- Izadi nia- Naser, and Resaian- Amir, 2009, capital structure and tax on income of companies. Quarterly, special about tax, No. 4.
- Khajevi- Shokrollah, Alizadeh – Vahid, 2014 analysis of effects of level of disclosure of candidates on the asymmetric information of companies accepted in Tehran Stock Exchange, quarterly, practical studies of financial accounting- Eleventh years, No. 42.
- Khani- Abdollah, Ghajavand- Ziba, 2011, review on the symmetric information literature and its measurement criterion.
- Khosh tabiat- Mohsen, and Naderi ghomi- Valiallah 2009. From work of reliable behavior relation of more than limit of financers with shares returns, practical studies of financial accounting. No. 25- 86-53.
- Method of research with approach to thesis writing. Central pulication of scientific research in the country with coordination of cultural center publication of Derayat- Tehran.
- Namazi- Mohammad 2000. Practical researches in accounting. Methodological view. ~ first Edition. Shiraz University publication.
- Pazhoyan- Jamshid, 2001, general section economy (taxes Tehran- Teacher Training University.
- Poor zamani- Zahra, Jahanshah- Azita, Ghasemi- Mona 2011- analysis of relationship between quality of financial report and speed in adjusted share price in Tehran Stock Exchange- Thesis on Master in accounting, Islamic Azad University –tehran branch.
- Rae- Reza and Falahpoor- Saeed 2004. Behavioural finance, different approach in financial area. Financial researches. No. 18, 106, 77.
- Reshad- Abdolkhalegh, 2010. Practical researches on accounting, methodological view. Mohammad Namazi, second edition, Shiraz. Shiraz University publication.
- ReyazatFarhad 1998. “financial and its applicability engineering in Iranian financial market. Accounting magazine- No. 128.
- Zolnoor- sayed husain, 1995, an introduction on methods of Econometrics, firsy publication, Shiraz University- Shiraz.

