The Evaluation of Stock Publisher's Conservatism in Company's Operation in Preliminary Stock Supply in Tehran's Stock Exchange Market

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Abstract: It has been long years that the operation of preliminary general stock supplies has attracted the attention of researches and financial thinkers. According to the definition of efficient investment markets, stock price at any time is the reflect of stock's intrinsic value considering existing and related information in market. Preliminary stock supply occurs when a company's stock are sold to public for the first time, in fact initial stock release is one of the most important event during company's life time and provides a lot of advantages for primary constituents and investors of the company. For the initial stock release, new resources are supplied which is vital for company's growth; therefore, many companies demand ownership extension through the increase and variety of the investors. In this research, we are looking for whether the conservative behavior of securities publishers (stocks) can impact on the operation of new companies to the stock market or not. According to the results obtained, research hypothesis were verified.

Key words: Stock publishers, primary stock supply, exchange market, verified, ownership

INTRODUCTION

Investment markets in our country's economy are of considerable and high importance in economic activity stimulation, investment and optimum investment allocation. Investment market is a market that all stocks and all different companies' securities supplied for sale, applicant companies can simply supply their required fund with a relatively low cost (Guo *et al.*, 2004). Also, the existence of these markets cause that people can invest their funds even a little amount in stock exchange market and through this they share in all activities and benefits of the company, therefore, according to above-mentioned it is specified that why the role of these markets has been high and how important they are. Offering securities to investors at extensive level is called public offering and first general publication of securities by a company is called first offering. Security offering brings numerous advantages for publishers of these securities that the following points can be mentioned as advantages:

- Access to the investment for growth and development of activities
- The increase in cashing capabilities through empowerment of demand for company's stocks in market
- Access to useful information using expert analysts
- Increasing company's efficiency
- More financial suppliers' trust and investors

In this research, stock publishers' conservatism in company's operation in primary offer of stocks in Tehran market exchange have been evaluated.

Operational definition of words and keywords: Primary public offer: Offering securities to investors at extensive level is called public offering and first public publish of securities through a company is called primary offer (Ritter, 1991).

New stocks: In this research, new stocks only refer to those stocks that are offered to the market for the first time and such stocks have not been dealt before in the exchange market and such stocks have been newly entered the stock exchange market (Fama and French, 1993).

New stocks' efficiency: in this research the meaning of new stocks efficiency is just the efficiency resulted by the change in stock prices and it does not include the dividend paid to stock holders, that in this research the changes in stock efficiency price has been evaluated and considered for long term period.

Stock exchange market: Stock exchange market means an official and inclusive investment market in which buying and selling company's stocks or governmental or private institutions' bonds, under especial rules and regulations and the important feature of stock exchange market is legal support of the owners if the savings and stagnant investments and legal requirements for those demanding

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investments and on the other hand stock market exchange is the center of investments and liquidity gathering and also gathering liquidity of private isector in order to finance long term investment projects and in other direction the stock market exchange is an official and safe reference that the owners of stagnant savings can search a relatively appropriate and safe place for the investment andto put their surplus funds as investments in companiesor by purchasing governmental and private institutions 'bonds, are provided with guaranteed and specified profit. Public offering securities follows with numerous advantages for their publishers that the following cases can be mentioned:

- Access to the investment for growth and development of activity
  Rating securities through market mechanism
- The increase of liquidation through the demand of company's stock in the market
- The improvement of rating company's stock because of the increase of transactions and the increase in public awareness
- The increase in company's efficiency

Initial Public Offering (IPO): The expression of initial public offering which its prevalence returns back to booming markets 1990 is that a company for the first time during its activities offers stocks to public. The significant point is that the companies which offered stocks for the first time in the stock market were not newly established and mainly they have minimum of 3 years of experience. Therefore, in this expression, first word means offering company's stocks for the first time to the external stockholders through stock exchange market that the mentioned company has realized in a process of its activity that being accepted in stock market exchange is a considerable assistance to the attraction of investment, whether through borrowing or whether through stock holders, decrease in financing costs and even tax decrease (Cai *et al.*, 2008). Total stock that during an initial public offering process, enters the stock exchange market depends on the ownership structure before IPO so that if there has been ownership concentration before public offering and previous stock holders feel that they lose control on company's affairs through IPO, they will publish less stocks and new stocks will be distributed in a way that no other great stock holders are created (Alavi, *et al.*, 2008). Direct costs of offering include direct costsin addition to extra underwriting profit without considering the rate of completion of offering process which has to be paid. Indirect costs of making the institution public also generally relates to prolonging the duration of preparation stage, this condition however it is controllable by institution managers but they impose their high volume on the institution. In addition to the costs, some of problems of initial public offering are that in IPO, the stocks of those institutions are sold that before this were financed. As a result, these factors most likely cause that initial investors (before offering) have the more information and more important ones regarding the institution's status which causes the creation of information asymmetry and following that some related abnormalities (Ritter, 2006). Other problems related to initial stock offering, how management behaves and market conditions during the offering, as the initial offering is done in a limited time, therefore, the events that occur during that time quickly effects on the offering so that market condition had been inappropriate or management behavior are not appropriate during offering, the institution value is estimated less the real one and the institution is forced to sell its stocks lower than their real price. Initial stock offering despite its great importance for the publishers and numerous concessions created for them, if not correctly programmed according to complete knowledge of potential investor and market can have unpleasant consequences for the publishers and incase of repetition, also faces investment markets with serious challenges due to mistrust. Basu (1997) defined conservatism as the requirement to have the high degree of confirmation to recognize good news like; profit against the bad news like loss.

This definition describes the conservatism from profit and loss approach (Basu, 1997) but another definition (Feltham and Ohlson, 1995) is the definition through balance sheet view. Regarding this view point in cases where there is a real doubt in selection between two or several reporting methods, the method shall be selected that has the less suitable impact on the rights of stockholders (Feltham and Ohlson, 1995).The third definition about conservatism (Givoly and Hayn, 2000) is based on combination of balance sheet, loss and profit. In third view, conservatism is a an accounting concept that leads to the decrease in reported profit through later recognition of income and faster recognition of cost, low evaluation of asset and high evaluation of debt (Givoly and Hayn, 2000).

Literature review: Initial stock offering has always been the most controversial cases in the investment market that extensive researches through financial researches have been done regarding this issue. In between, the existence of abnormal efficiency that has always observed in most researches of investment market, has forced the researches to research and study more than other cases that from these researches below cases can mentioned (Ritter, 2006; Loughran *et al.*, 1994).

Ibbotson (1975) in his research found out that companies that publish their stocks to the public for the first time and through stock market, are offered in lower price than their inherent value. So that, there is significant difference among the offering and market price and trading, at the end of first month (Ibbotson, 1975). Yetman (2001) evaluated information efficiency of initial price and 3years efficiency of initial public offering regarding the accounting information and resulted this way that accounting information has significant relationship with initial and yearly pricing of initial public offerings (Yetman, 2001).

Bhagat and Rangan (2003) did a research that perhaps it is one of the most comprehensive researches done regarding the relationship between accounting information and rating new entrants company's stock to the stock market. In this research in addition to the role of accounting information, other variables like: growth opportunities, ownership percentage of initial stockholders before and after initial stock offering and investor trustee bank of offering companies' stock was evaluated by using the sample information 1655 of new entrant companies to America's Stock market during years 1986-2001 and the results was indicated that in addition to accounting variables like: sole profit, registered stock value and selling, other factors such as ownership percentage of initial stockholders and the credit of trustee investor bank also play an important role in the pricing less than the real one for the new stocks (Bhagat and Rangan, 2003).

Cai *et al.* (2008) evaluated the long term function of initial public stock offerings and the factors impacting them. The results of their research shows the levels of unconventional function, also too much initial optimism and the size of stock offering company, were important explanatory factors for this unconventional function (Cai *et al.* 2008).

Guo *et al.* (2004) in their research in addition to evaluation of financial variables have evaluated non-financial variables impacting on the price of new stock offering pharmaceutical and bio-technological companies. Most important financial variables for study are: operational cash flow, selling, net income, operational income, all assets and research and development costs, the ratio of book value to market value, the most important non-financial variables are number of company's products, product development stage and legal support of material and spiritual rights, innovations rights, are being considered the most impacting variables on the stock offering price of pharmaceutical companies and biotechnological (Guo *et al.* 2004).

Lihui evaluated systematic cheap wholesale at Shanghai and Shenzhen stock markets. His sample included 2008 new entrants company during the years 1991-2000. His findings are indicative that there is significant relationship between confidential information and initial efficiency of the stocks. He thought the reasons for cheap wholesale were investments risk at initial market and Governmental rules, because Governmental rules has caused the rationing at initial offering and limits the stock offering.

Ahmed *et al.* (2002) showed that great companies use more conservative accounting methods than other companies. Also, research results showed that there are only interest conflicts between lenders and stockholders in sharing the stocks, in that case managers of borrower companies probably have more motivation to use conservative accounting procedure (Ahmed *et al.* 2002).

MATERIALS AND METHODS

There are different motivations for stock publication. Below are the numbers of most important of them which have been raised by (Grundvall *et al.*, 2004):

- Investment increase
- Advertisement and company introduction
- Company's general status improvement
- The possibility to attract human forces
- Stockholders
- Education and merger
- Dispersing ownership

Initial public offering in different countries takes place in various methods that the following cases can be mentioned as the most important one as below:

- Public offering at a stable price
- Public offering at sale price
- Method of registration
- Dutch sale method

Public offering at stable price: In this method, first the offering price is determined and then they receive orders from investors who typically are partner in a part or all the ordered stocks.

Public offering by sale method: Basically auction method is used during governmental paper offering and also privatizations based on change in stock ownership structure and at initial public offerings, companies are rarely employed, because general belief is that in IPO, using registration method has more efficiency (Basu, 1997).

Registration method: This method is more popular in initial public offering, in which establishers undertake underwriting and advertisement on the new stocks and then receive the orders from investors before determining the offering price. This method was used in England for the implementation of privatization programs. Registration process in most cases starts with the tendency of company to be generalized then the main underwriter which is an investment bank has selected a company to fill out the forms, an auditor to confirm accounting documents of the firm and a public relations company in order to reach to a level desirable for generalization and before any actions, the company and underwriter (Investment bank) negotiate on the initial company's stock offering, the negotiation titles are the amount of underwriting, types of securities that willbe published and other required details(Alavi *et al.*, 2008).

Dutch sale method: The method of offering in this method is in a way that first the high price is determined for the considered product and then the prices fall down to the level that the investor demands an specified amount of products and then the later transactions are offered again through auction method. Price decrease process is often to the level that all units to be sold, therefore there will be a possibility that the units have been sold in a completely different prices. The especial type of dutch sale called as "moderated sale" is being used in some countries including Canada and America.

In general, pricing the stocks that are offered to the market for the first time can be divided as two methods below: stable pricing method, final pricing.

Stable pricing method: The first pricing method is stable pricing that in this case the price of those stocks that offered to the public for the first time becomes stabilized in the market. This stable price is stipulated in advertisement of final underwriting and it never changes during the offering until the end. In this method pricing, for the price of offered securities, there is no direct interaction happens between underwriter of the papers and potential investors that have tendency to invest on the securities offered. Extensive researches around the world during recent years regarding stable pricing securities that are offered to the market for the first time is indicator of this reality that this method of pricing has been a weak pricing method in order to offer the stocks in initial marketare offered for the first time and the stocks which are offered for the first time, often are offered at lower price than the real one. The logical reasoning is that stable pricing should not be used for the stocks offered for the first time, because neither the publishers of the stock and nor its underwriter are aware of the real price and this is the market that is the best mechanism to determine the price of securities. For this reason, should allow the market determine the price of securities through the creation of appropriate mechanisms, till the price of securities is determined by the market.

Final pricing: At this stage the final price of securities of stocks that will be officially offered at initial market is determined by the underwriter. Securities' underwriters by considering the initial price domain, the rate of success and potential investor'smotivation to invest on stocks at show path and considering the prices proposed by potential investors and his considered profit, determine the final stock price offered in the market. It is expected that the determined price in addition to consider interests and the benefits of all benefited parties including investors and publishers of securities, leads to successful selling of securities in short time.

Long term function offering stocks has been one of the topics which is always discussed and researched in financial literature and for the reason for abnormal short time efficiency of new stocks and price drop in long term, numerous theories has been formed that in financial literature, in line and opposite these theories have been provided. in many researches that has been done on Initial Public Offering (IPO), the phenomenon of pricing less than the real price and the price drop in long term or the drop in stock long term function in most countries are observed.

Up to now numerous researches and studies have been implemented around the world on the initial offering of securities. One of the main axes of the researches in this evaluation of changes procedure of new stocks in comparison with the efficiency of stock market price index during time is the recognition of impacting factors on long term functionof new stocks and also recognition of the relationships among the factors in stock market. Researches done in different countries is indicator of that the long term new stocks 'efficiency is less than market efficiency that is called as "mystery of less function of new stocks". In order to evaluate the impacting factors on long term function of new stocks the variableslong term function of new stocks, the volume of new stocks publication in first year, the size of company, short term function of new stocks and type of industry shall be used. The recognition of all factors impacting on the long term function of new stocks could be a great solution so through this in proportion to the market and other factors,guide the stock market in order to determine the initial price, initial time schedule and the publication volume. It is necessary to explain that if the new stock

prices are determined justly, meaning that impacted price from the realities governing the efficiency and would be in proportion to the next years' profits considering the rate of trust on above profits, investors lead their investments with more trust to the stock market. Inappropriate pricing of new stocks can become a bitter experience for the investors who are at the beginning of this path and provides the causes for their discouragement towards active presence in the market. The impact of such a bitter experience on government privatization program should not be ignored, because likely it can cause the bases of program failure. Generally, growing companies are in this status those current and common resources of funds (such as: Bank loans, accumulated profit and owners' investment) is not responsive to financing requirements of these firms in their developments. For this reason, financing through initial offering of securities is of high importance for these companies, because their stock price must be an introduction of real value of assets and growth opportunities for them. In this regard, numerous witnesses indicate that investors demanding to buy them and at the start of transaction are at secondary market, in other words the initial offering of the new stocks in average are done under price. Companies that their stocks are offered to public, for various reasons including asymmetry phenomenon among new stock suppliers (current investors), financing companies and potential investors face numerous problems. In general, can be stated that investors face two abnormal phenomena as below:

- More short time efficiency from market: this phenomenon refers to the pattern of initial security offering under price
- Less long term efficiency of the market: this phenomenon referred to the pattern of less efficiency of new stocks towards the market (other companies) in the later yearsof offering

Research hypothesis
Main hyothesis: There is a significant and positive relationship between publishers conservatism and function of companies.

First secondary hypothesis: There is significant and positive relationship between publishers' conservatism and assets 'efficiency.

Statistics population: Considering the spatial domain of the research, the statistics population include all accepted companies at Tehran stock market that during the years of 2003-2012 have offered publically at Tehran stock market for the first time.

Statistics sample: Statistics sample also includes the accepted companies at Tehran stock market that have following conditions:

- The companies that between the years 2003-2012 have initially offered their stocks in Tehran stock market
- Their stocks should not have >4 months of break in transactions after the initial offering at stock market
- The companies that at their 1st year of entrance to the stock market, have had codified their budget and have had published it
- Their information is accessible
- The company should not be subordinate of any investment and financing organization or company

Operational definition of research variables: Dependent variable of this research companies function that will be measured as below. For the evaluation of companies 'function the ratio of assets' efficiency on investment efficiency has been used that its calculation is as below:

- ROA = Net income/average company's asset
- ROI = Net income/(Long term debt+the rights of stock holders)

Independent variable: In this research, independent variable is the stock publisher's conservatism that for this reason based on Givoly and Hayn (2000),a commitment will be used as the equations (Givoly and Hayn, 2000):

$$ACC_{it} = NIit+DEP_{it}-CFO_{it}$$
$$OACC_{it} = \Delta ARit+\Delta I_{it}+\Delta PE_{it}-\Delta AP_{it}-\Delta TP_{it}$$
$$NOACC_{it} = ACC_{it}-OACC_{it}$$

Therefore, research models can be stated as below:

$$ROA_{it}= 0\beta\beta+_1NOACC_{it}+e_{it}$$
$$e_{it}+NOACC_{it}1\beta+0\beta = ROI_{it}$$

Where:
ACC	=	Total commitment items
NI	=	Net income before unprecedented items
ΔI	=	The change in commodity supply
ΔPE	=	the change in prepayments
ΔAP	=	The change in paid accounts
CFO	=	Operational cash flow
OACC	=	Operational commitment items

ATP   =   The change in tax paid
ΔAR   =   The change in received accounts
NOACC =   In operational commitment items

RESULTS AND DISCUSSION

Solidarity between variables evaluated: To evaluate the relationships between the variables ROA and ROI with NOACC during the years of 2003-2011 and also in general considering data distribution being normal, Pierson solidarity analysis were used.

For all the years of evaluation, also for both variables of the research, the considered hypotheses to be tested are as follow:

$$\begin{cases} H_0 : \rho = 0 \\ H_1 : \rho \neq 0 \end{cases}$$

H_0 or zero hypotheses: The hypothesis is that or the solidarity ratio is equal to zero and there is no solidarity between both variables.

H_1 or the first hypothesis: The hypothesis is that or the solidarity ratio is contrary to zero and there is the positive or n egative solidarity (regarding negative or positive solidarity ratio) between both variables.

At 5% error level, there is significant positive relationship between ROA and NOACC during the years 2003, 2007, 2008 (Sig.<0.05). Therefore, shall be said with 95% probability that in the mentioned years, by the increase in NOACC, the amount of ROA has been increased. However in the year 2011, there is significant and negative relationship between ROA and NOACC

(Sig.<0.05). This means by the increase in the amount of NOACC, the amount of ROA decreases. Also just in the year 1998 by the increase in NOACC, the amount of ROI also increased. In other cases there is no significant relationship at error level of 5% was not observed (Table 1).

Evaluation of regression model: To evaluate the impact of independent variables ROA and ROI divided to year and also in general, regression model was used. Two regression models are as (Fig. 1-15) .

- ROA = NOACC
- ROI = NOACC

For determining the significance or non-existence of analyze data variance related to Table 2 were used. Considering the amounts of statistics F and SIG it was determined that in the years 2003, 2007, 1998 and 2010,and according to fitted regression models, there is a significant relationship between ROA as dependent variable and NOACCas independent variable (Sig.<0.05) but between ROIas dependent variable and NOACC as independent variable, fitted regression model were only significant in 1998 (Sig.<0.05). In other cases,fitted regression models were not significant.

Table 2 shows the information related the amount of determination ratio and moderated determination ratio for the years that fitted models are significant. The amount of two mentioned parameters is indicator of the percentages of changes in responding variable that is stated by the explanatory supposed variable. Regression ratios for the years in which the fitted.

Table 1: The Amount of pierson solidarity Ratio (R) and the Amount of Significance (Sig.) between both variables evaluated

| Variables	Type of relationship	Year	R	Sig.
ROA&NOACC	Significant-positive	2003	0.347	0.042
ROI&NOACC			0.284	0.115
ROA&NOACC		2004	-0.129	0.468
ROI&NOACC			-0.114	0.520
ROA&NOACC		2005	-0.351	0.440
ROI&NOACC			-0.493	0.261
ROA&NOACC		2006	-0.425	0.721
ROI&NOACC			-0.289	0.813
ROA&NOACC		2007	0.959	0.041
ROI&NOACC			0.834	0.166
ROA&NOACC	Significant-positive	2008	0.916	0.029
ROI&NOACC	Significant-positive		0.867	0.047
ROA&NOACC		2009	-0.684	0.316
ROI&NOACC			-0.642	0.358
ROA&NOACC	Significant-positive	2010	-0.739	0.036
ROI&NOACC			-0.393	0.336
ROA&NOACC		2011	-0.891	0.109
ROI&NOACC			-0.850	0.150
ROA&NOACC		In General	0.113	0.262
ROI&NOACC		2003-2011	0.048	0.633
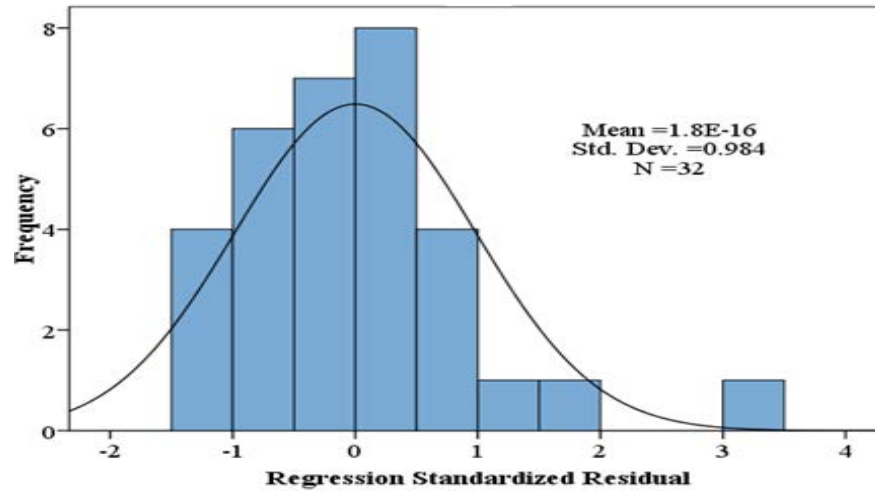
Fig. 1: Standardized histogram regression related to the variable ROA (year 2003)
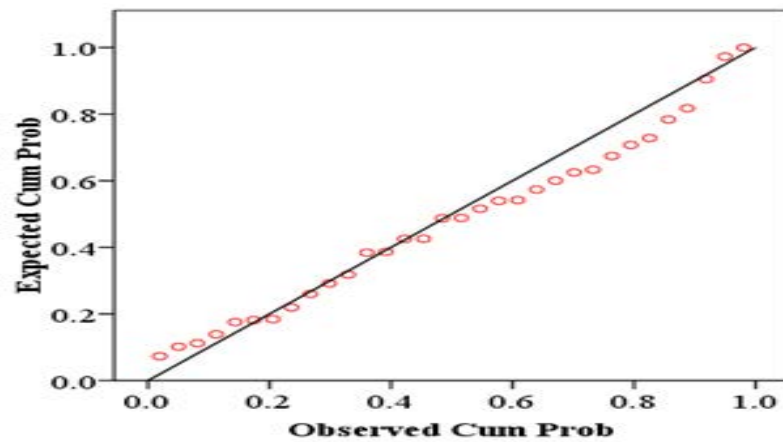

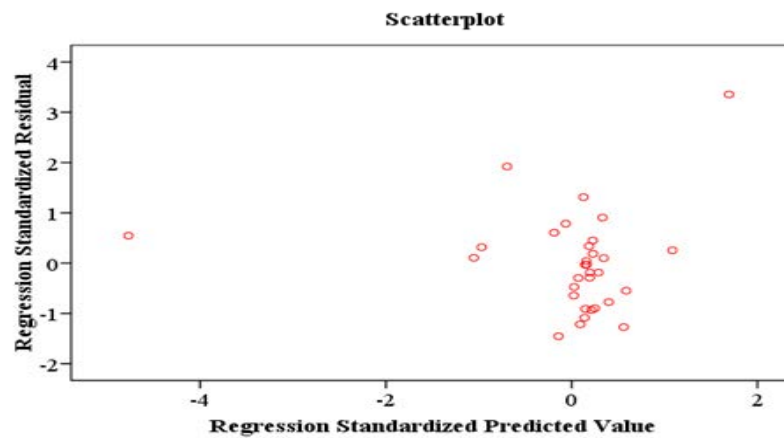Fig. 2: Normal plot p-p of regression standardized residual

Fig. 3: Standardized residual plot against the amounts of fitted standard for ROA (2003) (Regression model for the year 2007: ROA = 29.91+(0.0000097×NOACC)
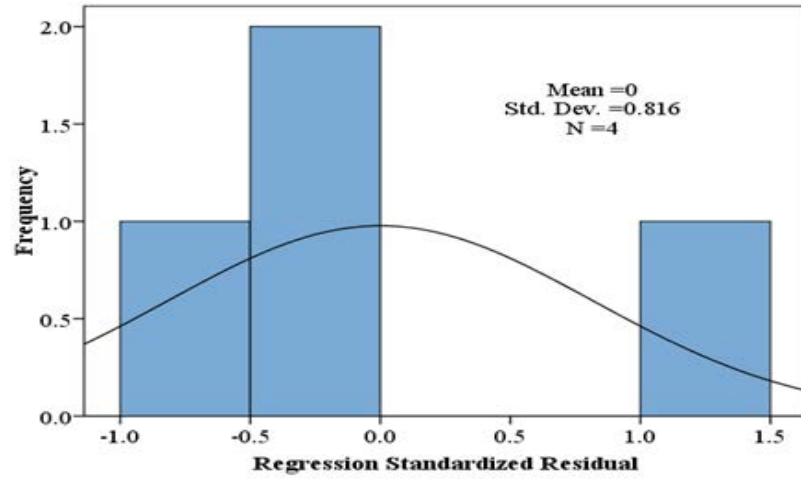
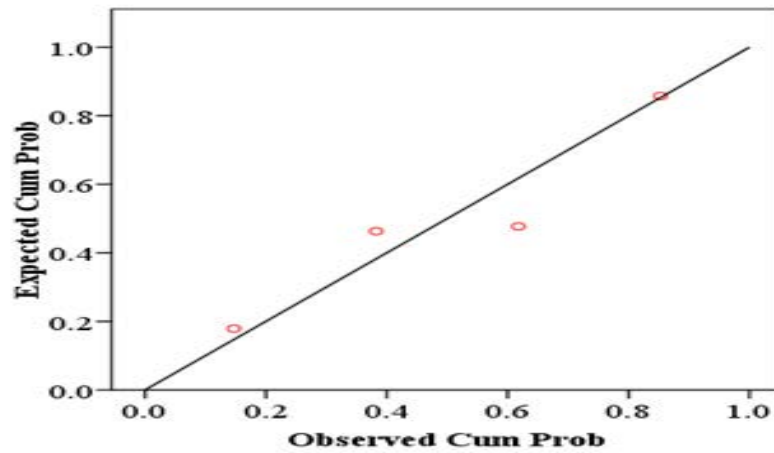Fig. 4: Residual standardized histogram regression related to variable ROA (The year 2007)

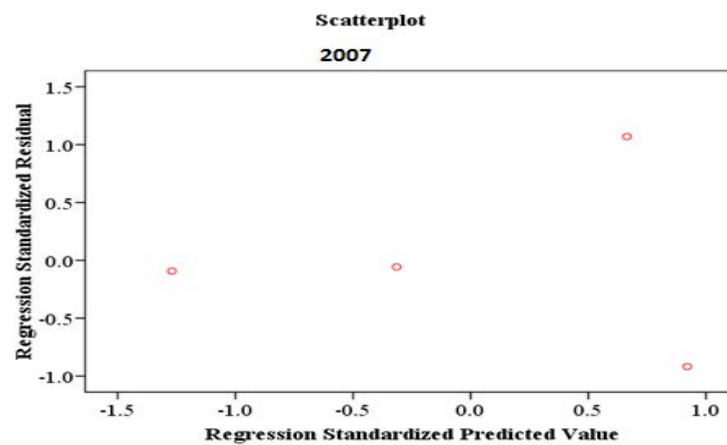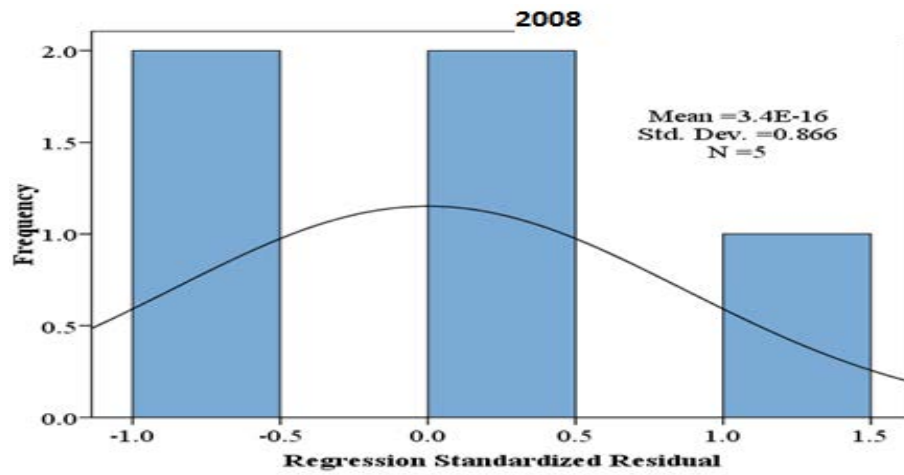Fig. 5: Normal P-P plot for standardized residual regression for ROA variable (2007)

Fig. 6: Standardized residuals plot against fitted standard amounts for ROA (Regression models for the year 2008; ROA= 35.21+(0.0000019×NOACC); ROI = 62.68+(0.0000032×NOACC)

Fig. 7: Standardized residual histogram of regression related to the variable ROA (The year 2008)
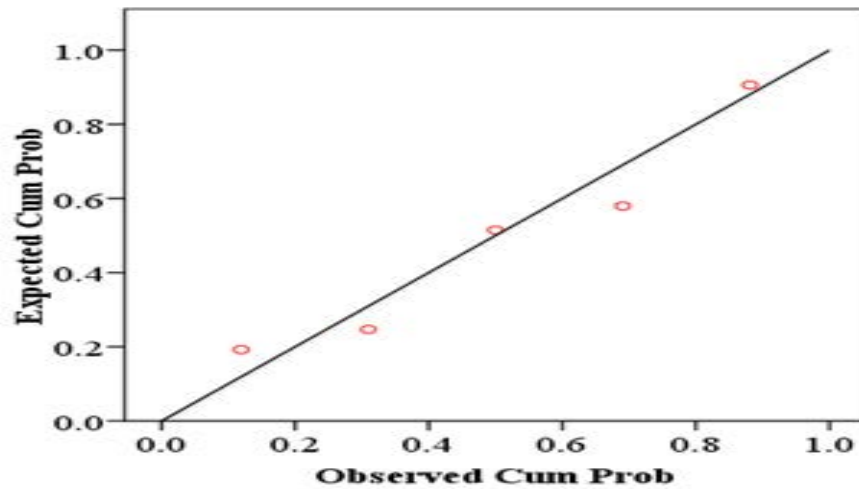

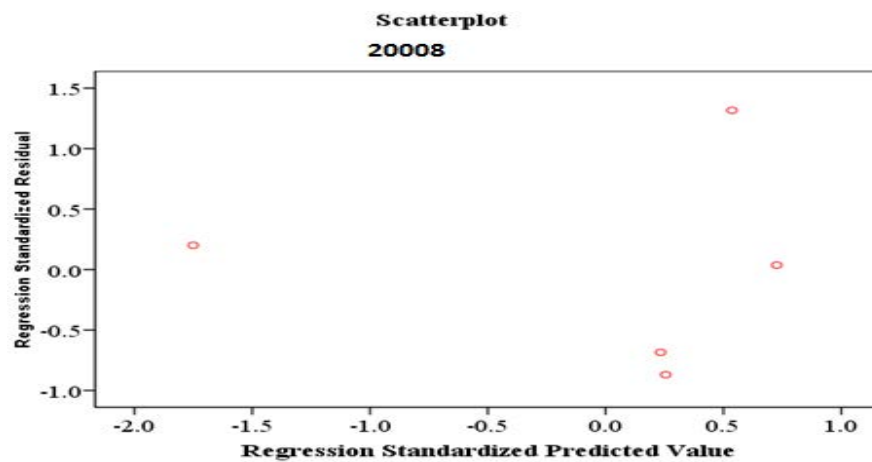Fig. 8: Normal P-P Plot for standardized residual regression for variable ROA (The year 2008)

Fig. 9: Standardized residuals plot against standard fitted amounts for ROA (2008)
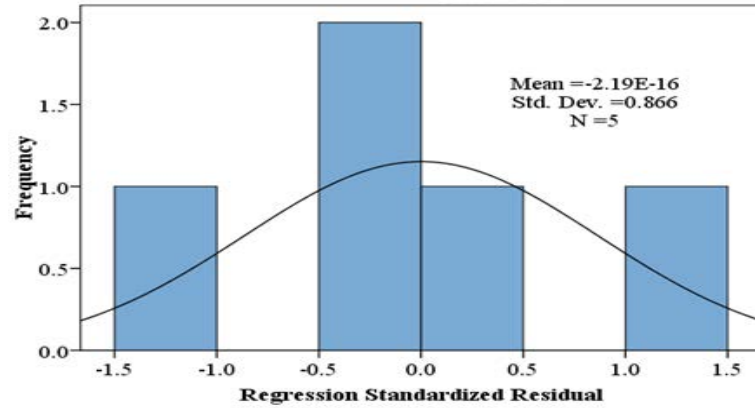
Fig. 10: Standardized regression residual histogram related to ROI variable (2008)
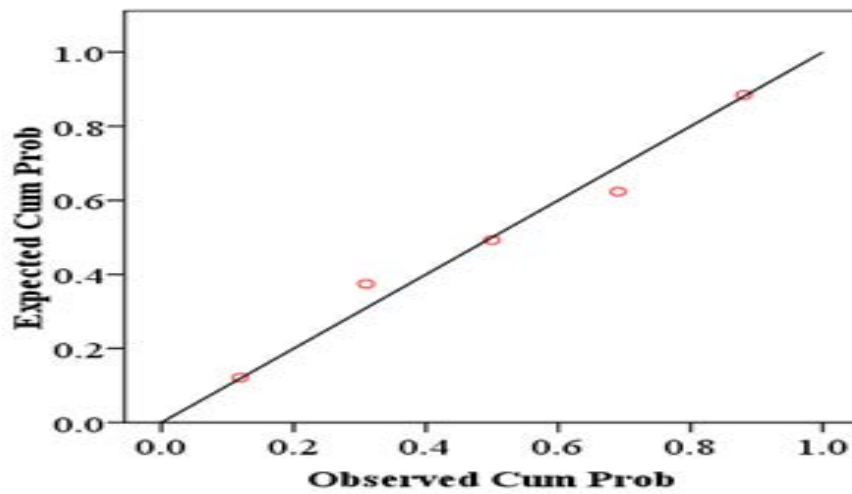

Fig. 11: Normal P-P Plot for regression standardized for ROI variable (The year 2008)
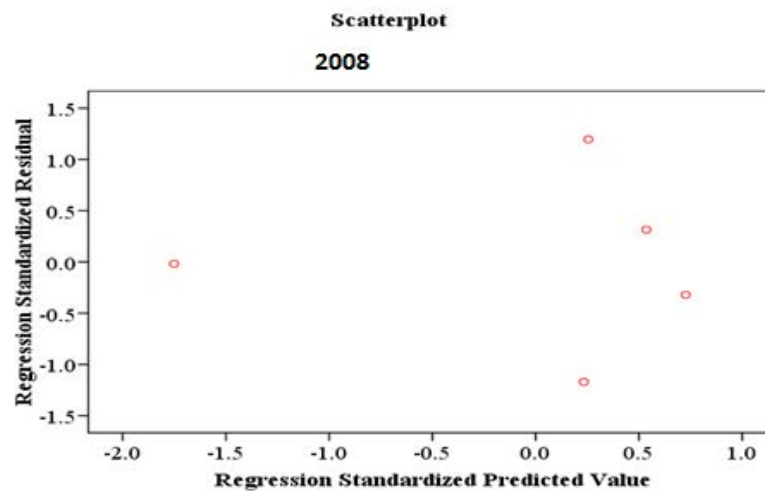

Fig. 12: Normal P-P Plot for regression standardized for ROI variable (The year 2008)
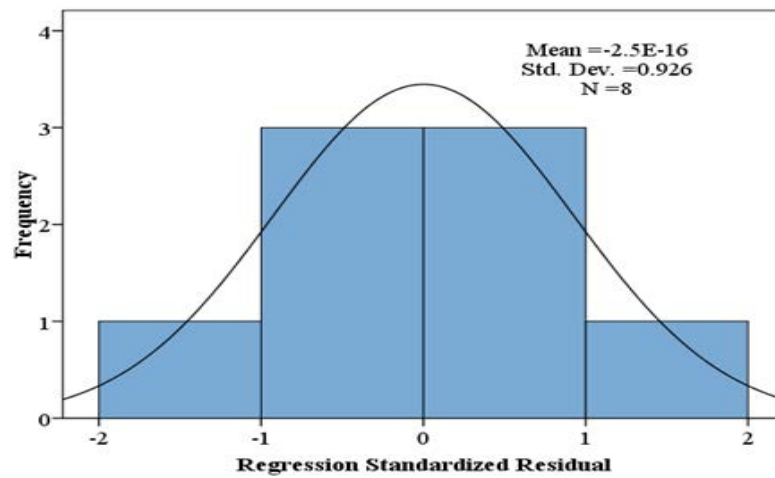
Fig. 13: Standardized residuals plot against the fitted amounts standard for ROI (2008)
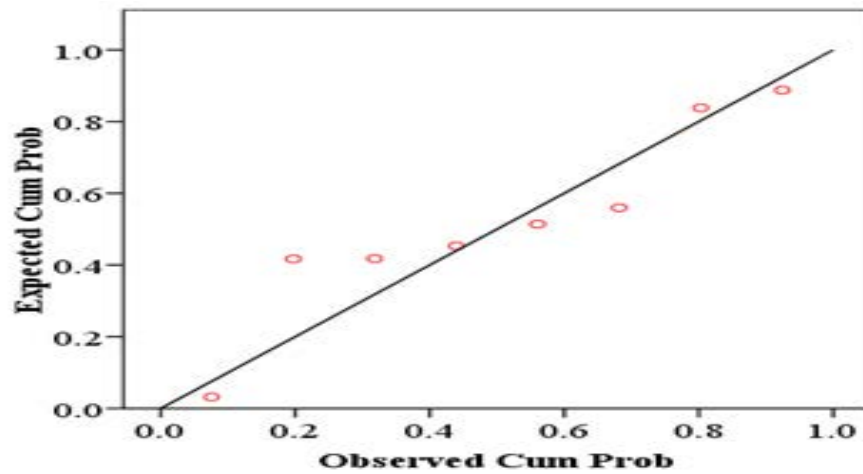

Fig. 14: Standardized residual histogram for regression related to ROA variable (The year 2010)
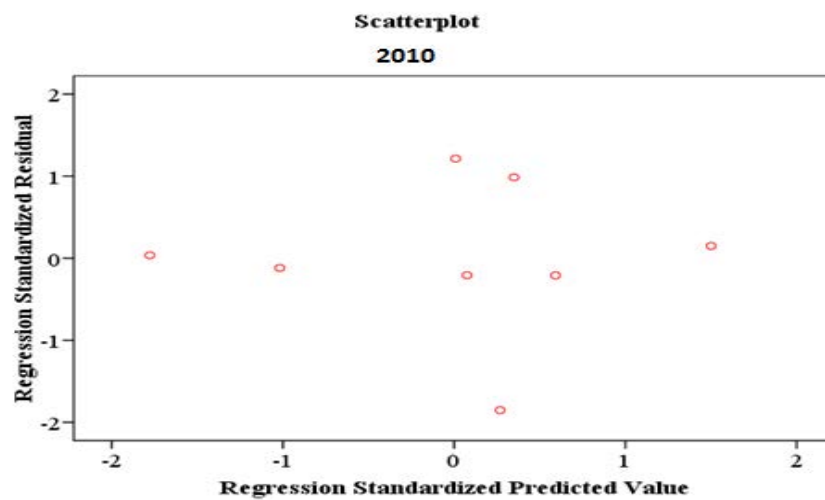

Fig. 15: Normal P-P Plot for standardized regression residual for ROA variable (2010)

Table 2: The amount of pierson solidarity Ratio (R) and the amount of Significance (Sig.) between both variables evaluated

Years	Dependent variable	Independent variable	Statistics F	Sig.	Type of model	Durbin-watson statistics
2003	ROA	NOACC	4.108	0.042	Significant	1.848
	ROI	NOACC	2.635	0.115		1.501
2004	ROA	NOACC	0.540	0.468		2.315
	ROI	NOACC	0.424	0.520		2.195
2005	ROA	NOACC	0.703	0.440		1.378
	ROI	NOACC	1.602	0.261		1.417
2006	ROA	NOACC	0.220	0.721		1.297
	ROI	NOACC	0.091	0.813		1.297
2007	ROA	NOACC	22.692	0.041	Significant	1.981
	ROI	NOACC	4.584	0.166		1.687
1998	ROA	NOACC	15.724	0.029	Significant	1.960
	ROI	NOACC	9.117	0.047	Significant	1.888
2009	ROA	NOACC	1.754	0.316		0.845
	ROI	NOACC	1.403	0.358		0.726
2010	ROA	NOACC	7.216	0.036	Significant	1.950
	ROI	NOACC	1.096	0.336		1.441
2011	ROA	NOACC	7.722	0.109		2.227
	ROI	NOACC	5.205	0.150		2.037
In general	ROA	NOACC	1.275	0.262		1.745
2003-2011	ROI	NOACC	0.229	0.633		2.026

Table 3: Determining and moderated determining for significant fitted models

Years	Dependent variable	Independent variable	Determining ratio	Determining moderated ratio
2003	ROA	NOACC	0.120	0.091
2007	ROA	NOACC	0.919	0.879
1998	ROA	NOACC	0.840	0.786
2010	ROI	NOACC	0.752	0.670
	ROA	NOACC	0.546	0.470

Table 4: Regression Ratios for Fitted Significant Models Durbin-Watson Statistics amounts for fitted model was Significant, approves the Non-Correlation of the (Table 2)

Years	Dependent variable	Independent variable	Regression ratios	β_i amount of	Statisticst	Sig.
2003	ROA	NOACC	β_0	16.93	10.027	0.000
			β_1	0.000016	2.027	0.042
2007	ROA	NOACC	β_0	29.91	8.400	0.014
			β_1	0.0000097	4.764	0.041
1998	ROA	NOACC	β_0	35.21	8.829	0.003
			β_1	0.0000019	3.965	0.029
	ROI	NOACC	β_0	62.68	6.962	0.006
			β_1	0.0000032	3.019	0.039
2010	ROA	NOACC	β_0	8.22	5.446	0.002
			β	-0.000003	-2.686	0.036

regression model was significant has been provided in Table 2-4. Considering the amount of t and the rate of Sig. all the calculated ratios can be used in regression model because the amount of Sig. related to this ratios is <0.05.

The results of testing hypothesis

The results of testing the first hypothesis: Is there any significant relationship between stock publishers conservatism and the efficiency of assets or not? During different years, Pierson solidarity ratio has been used that from the results of statistical analysis is observed that with the probability of 95% it can be said that in the year 2003 because the amount obtained is at the error level of Sig.<0.05 (0.042) and because R is a positive number, it shall be said that there is a significant and positive relationship between stock publishers conservatism and the efficiency of assets, it means that by increase in

conservatism, the amount of efficiency of the assets has also increased and the first hypothesis is approved in this year and in the year 2007 also because the amount obtained at error level is Sig. < 0.05 (0.041) and because R is a positive number, it can be said that there is a significant and positive relationship between conservatism and the efficiency of assets, and the first hypothesis in this year is also approved and in the year 2008 also because the amount obtained at error level is Sig. <0.05 (0.029) and because R is a positive number, it can be said that there is a significant and positive relationship between conservatism and the efficiency of assets, and the first hypothesis in this year butin the year 2010 the amount obtained is at error level Sig. <0.05 (0.036), there is negative and significant relationship because R obtained is a negative number, it can be said that there is significant and negative relationship, it means that the increase in conservatism, the amount of efficiency

of assets decrease and but in general, in the years 2003-2011, there is no significant relationship between the variables of the hypothesis.

The results of second hypothesis: Is there any positive and significant relationship between stock publishers conservatism and investors' efficiency or not? For testing this hypothesis Pierson solidarity ratio has been used accordingthe analysis of statistics findings,therefore with the probability of 95%, it can be said that in the year 2008, because the amount obtained at the error level Sig. < 0.05 (0.047) and because R is a positive,it can be said that there is a positive and significant relationship between the publishers' conservatism and the efficiency of the investments, it means by the increase in conservatism, the amount of investment efficiency also increases and the second hypothesis is also approved in this year but in general between the years 2003-2011, there is no positive and significant relationship between the conservatism of the stock publishers.

CONCLUSION

Initial stock offering has always been one of most controversial cases in stock markets that have always been done vast researches through the financial researches in this regards. Initial stock offering despite the great importance it has for the publishers and provides numerous advantages for them, if it is not programmed based on the complete market knowledge and potential investor can follow unpleasant consequences for the stock publishers and in case of repetition also faces investment market with serious challenges caused by mistrust. Considering the increasing procedure of Tehran stock market activity, the importance the evaluation of the initial function of the stocks of new entrants is not covered to any one, therefore; we in this research, try to evaluate the efficiency of new stocks in comparison with market portfolio and the impacting factors on abnormal efficiency of these stocks in long term. According to the obtained results, research hypotheses were approved.

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