



## The relationship of information asymmetry, Institutional ownership and Stock Liquidity with Income Smoothing in Tehran Stock Exchange

*Mansoreh Banam<sup>1</sup> and Alireza Mehrazeen<sup>1\*</sup>*

*1Department of Accounting, Neyshabur Branch, Islamic Azad University, Neyshabur, Iran*

**Original Article:**

*Received 7 April. 2016 Accepted 16 June. 2016 Published 20 July. 2016*

### ABSTRACT

In this study relationship between information asymmetry, Institutional ownership and Stock Liquidity by Income Smoothing in Tehran Stock Exchange is expressed. So of the study by 94 companies listed on Tehran stock exchange, that include 470 company - years that During is the years 2010 up 2014. Smoothing in this research using discretionary accruals (modified Jones model) are calculated. The difference between bids to buy and sell shares representative information asymmetry. In this study, multiple linear regression model using F and t tests were used to test the hypotheses and for analyzing the data used spss statistics tools. The Research indicated that there is not significant relationship between independent variables of Stock Liquidity and Institutional ownership and Income Smoothing. also the finding of study manifest a significant and direct relationship between information asymmetry and Income Smoothing. Firm size and financial leverage are control variables .but finally Research had found not significant relationship between stated variables and Income Smoothing.

### Keyword:

Income smoothing  
Information asymmetry  
Institutional ownership  
Stock Liquidity

---

**\* Corresponding author:** *Alireza.Mehrazeen*  
*Email:Mehrazeen@gmail.com*

Peer review under responsibility of **UCT Journal of Management and Accounting Studies**