INTERNATIONAL JOURNAL OF RESEARCH IN COMPUTER APPLICATION & MANAGEMENT

IJRCM

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.,

Open J-Gage, India [link of the same is duly available at Inflibnet of University Grants Commission (U.G.C.)],

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 2718 Cities in 161 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

http://ijrcm.org.in/

CONTENTS

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography: Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** ***anytime*** in ***M.S. Word format*** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website (***FOR ONLINE SUBMISSION, CLICK HERE***).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: ____________

THE EDITOR
IJRCM

Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF .**

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled '____' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

NAME OF CORRESPONDING AUTHOR:
Designation:
Affiliation with full address, contact numbers & Pin Code:
Residential address with Pin Code:
Mobile Number (s):
Landline Number (s):
E-mail Address:
Alternate E-mail Address:

NOTES:
a) The whole manuscript is required to be in ***ONE MS WORD FILE*** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
b) The sender is required to mentionthe following in the **SUBJECT COLUMN** of the mail:
New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
d) The total size of the file containing the manuscript is required to be below **500 KB**.
e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE**: The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS**: The author (s) **full name**, **designation**, **affiliation** (s), **address**, **mobile/landline numbers**, and **email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT**: Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS**: Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.

6. **MANUSCRIPT**: Manuscript must be in ***BRITISH ENGLISH*** prepared on a standard A4 size ***PORTRAIT SETTING PAPER***. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.

7. **HEADINGS**: All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.

8. **SUB-HEADINGS**: All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.

9. **MAIN TEXT**: The main text should follow the following sequence:

   INTRODUCTION

   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

   It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed ***5000 WORDS***.

10. **FIGURES &TABLES**: These should be simple, crystal clear, centered, separately numbered &self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.

11. **EQUATIONS**:These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.

12. **REFERENCES**: The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:

- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
- Use (**ed.**) for one editor, and (**ed.s)** for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parentheses.
- The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, KurukshetraUniversity, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

THE STUDY OF RELATIONSHIP BETWEEN REFINED ECONOMIC VALUE ADDED (REVA) AND DIFFERENT CRITERIA OF THE RISK ADJUSTED RETURN

MOHAMMAD NOROUZI
RESEARCH SCHOLAR
ACCOUNTING DEPARTMENT
SCIENCE AND RESEARCH BRANCH
ISLAMIC AZAD UNIVERSITY
GIULAN

MAHMOUD SAMADI
ASST. PROFESSOR
ACCOUNTING DEPARTMENT
ISLAMIC AZAD UNIVERSITY
TONEKABON

ABSTRACT

Stockholders are the main owners of a business entity and are continually trying to maximize their own wealth and this wealth will result in the desirable performance of the business entity. Lack of using appropriate criteria to assess the performance will result in not achieving the real value of the company to be realized. The present research is going to try to study the information content of the refined economic value added and the different criteria of the risk adjusted return (RVAR, RVOL, α) during the years between 2007 and 2011 for 200 companies accepted in Tehran Stock Exchange. The research results which have been estimated by using the integrated regression model (PANEL DATA) and using Eviews 7 software showed that there is a positive relationship between the refined economic value added and the total risk adjusted return but regarding the relationship between refined economic value added and the systematic risk adjusted return, on the contrary to acceptance of a negative relationship between them, the relationship between them was assessed to be weak. Finally the refined economic value added has had a positive relationship with the excess return.

KEYWORDS

Return, Risk, REVA, Value Added.

INTRODUCTION

The main role of management in new organizations is to create value for all individuals and institutions which search for their interests in the organization. From among the beneficiaries of every organization and entity which entail stockholders, customers, staffs, goods suppliers, society and governmental referents, the stockholders are especially important due to their principal role in job creation and forming the entity (Nikomaram & Asgari, 2006). On the other hand we can not study different investment resolutions without considering the risk and only through return and thus we adjust return based on the risk to assess investment appropriately (Jahankhani & Zariffard, 1995).

The researchers and scholars in finance and accounting have done many studies regarding value creation and have posed different approaches for decision making for the investors to help investors to use these tools and criteria to achieve their objectives. It is clear that the traditional criteria do not have the capability of predicting future and remove the information needs of the users but they solely present some information for the investors which may deviate them in decision makings. Currently the performance assessment of most companies and organizations is carried out based on financial (traditional) criteria (Young & Byrne, 2001). Although these methods are still practically utilized they are not very suitable for assessing the performance of managers because profitability has a close relationship with the amount of investment and none of these traditional methods care about the amount of investment. In summary, the novel criteria for performance assessment have a close relationship with the value of stockholders. These criteria reflect the future trends because the investors and market expect inflation to affect the risk and money value all the time. The novel criteria, as a pattern, are capable to create value for the stockholders in a company from one period to the other (Hovezakova, 2010).

In the present research we will focus on one of the criteria based on value, refined economic value added (REVA) and the study of relationship between these criteria and different criteria of the risk adjusted return (RVAR, RVOL, α) to help stockholders to make proper decisions by using the most appropriate performance assessment criteria.

If the relations above are proved the results of this study will lead to introduce an appropriate criterion for performance assessment. This will be related to stock return on one hand and it will represent the wealth created for the stockholders on the other hand which help them greatly to make decisions better regarding the purchase or sales of stocks or making decisions to invest in companies and also assess the efficiency of management.

Due to the growth of bourse in Iran during recent years and considering the principle 44 of the constitution of Iran our country is moving towards privatization. Meanwhile, the bourse market in Iran still needs to progress and develop to be a safe place for investment and acceptance of investment. Besides that the financial managers who are considered as the main body of decision making in companies have a lot of problems in this area to increase the wealth of their stockholders. On the other hand, the stockholders try every day to purchase those stocks which have the least risk for them with the highest returns. These factors force them to choose from among the present companies.

The results of this study will be helpful in recognizing the behaviors of economic units active in Tehran Stock Exchange and the results of utilizing REVA will be considered as a criterion in assessing the performance of managers of the companies and its role in increasing the wealth of stockholders will be great.

REVIEW OF LITERATURE

Bacidore & et al (1997) studied the relationship between economic value added and refined economic value added with exteraordinary return for a sample of companies including 600 American companies during the time period between 1982 and 1992. The results of their research showed that refined economic value added predicts exteraordinary return better. As pointed out by Basidore & et al it is better to use refined economic value added to assess the performance of the top levels of the organization and to use economic value added to assess the performances of the lower levels of performance.

Bausch & et al (2003) carried out a research about the question below: Is the earnings' residual based on market value a better criterion to assess performance compared to the earnings' residual based on book value?, and it was presented in accounting congress in Europe. They studied the residual based on market value and compared it with earnings' residual based on book value. Their results showed that refined economic value added can lead to under-investment in projects with a positive net present value (NPV) or over-investment in projects with a negative net present value (NPV). They emphasized that market value added (MVA) and the refined value added are the same in an unlimited time period after considering the results of utilizing economic value added.

Badavar-e-nahandi (2004) studied the relationship between refined value added and the risk adjusted return in firms accepted in Tehran Stock Exchange during the years between 2001 and 2003. He concluded that there is a weak positive correlation between REVA and risk adjusted return and α (the excess return) and RVAR (the total risk adjusted return), and RVOL (the systematic risk adjusted return) have had the most amount of correlation with REVA.

Goyandeh (2007) tested the relationship between economic value added and the refined economic value added with the return of firms accepted in Tehran Stock Exchange by using the integrative data for 71 firms accepted in Tehran Stock Exchange during 10 years. The results of the research showed that there is not a meaningful relationship between economic value added and the refined economic value added with the return.

OBJECTIVE

The ideal objective of the present research is to recognize new criteria to assess the performance of managers and companies and make them in line with the managers' benefits and the owners' through connecting the benefits and their rewards with stockholders' wealth.

In fact our main objective is the study of effects and descriptive capability of the refined economic value added on each of the criteria of the risk adjusted return that is the total risk adjusted return, the systematic risk adjusted return and the excess return to achieve a criterion to make useful decisions.

Finally the applied objective of this research is to help investors to determine the appropriate investment strategy. This research will help them in choosing a type of stock which has a better return, a risk adjusted return, and avoid investors to make mistakes in choosing the stocks and the creditors and lenders can devise validity for the decisions. On the other hand, by decision makings of investors based on risk and return, the capitals will be led towards some industries which have a risk adjusted return and this will prepare grounds for optimized appropriation of the resources and the results of this research will be helpful.

RESEARCH METHODOLOGY

The present research is post incidental and it has a descriptive nature. Also due to the fact that it is possible to discover the relationship between the two variables through correlation method and therefore, our research method is correlation by using the integrative regression model (panel data). Finally the present research is applied regarding the objective.

The statistical method used in the present research is the regression method by using integrative data and we have used the estimated generalized least squares (EGLS) for estimating of regression models with panel data. Also the hypotheses were tested through the results of the econometrics models and multiple regression by using Eviews 7 software.

The statistical society of the present research entails all companies accepted in Tehran Stock Exchange during the time period between 2007 and 2011 which have had the following conditions:

1. Due to the necessity of the existence of the coverage of the data for the research period, the name of companies should have been enlisted in the list of firms accepted in Tehran Stock Exchange before 2007.
2. To prepare reports in the same date and delete seasonal effects, their fiscal year should end on end of year.
3. Due to the special type of activities of investing companies, banks, insurances and financial intermediaries, the companies for the present project should not be among them.
4. The companies included should not have accumulated loss before the year 2007.
5. The data needed to carry out the present research should be presented completely for the period between 2007 and 2011.

The sampling method was systematic deletion and we could not have random sampling and the companies were selected considering the conditions defined for them. By applying the conditions above, the number of our selected sample was 200 companies.

HYPOTHESIS

H1: There is a relationship between refined economic value added and the total risk adjusted return (RVAR).

H2: There is a relationship between refined economic value added and the systematic risk adjusted return (RVOL).

H3: There is a relationship between refined economic value added and the excess return (α).

VARIABLES

In the present research different criteria related to the risk adjusted return (RVAR, RVOL, α) have been used as the dependent variable. The extera return is the rate of return created without any risks by an investment which has been incurred by the investor and make the return of different stocks comparable in the market and we have used 3 criteria of the risk adjusted return, the reward to variability ratio (RVAR) to calculate the total risk adjusted return, the rewards to volatility ratio (RVOL) to calculate the systematic risk adjusted return, and the criterion of differential excess return or alpha (α). The calculation method for them is as follows (Jones, 2012):

$$RVAR = \frac{R_i - R_f}{\sigma(R_i)}$$

$$RVOL = \frac{R_i - R_f}{\beta_i}$$

$$a_{it} = R_{it} - E(R_{it})$$

Ri = real return of stocks

Rf = rate of interest without risk

O (Ri) = deviation or total risk

β = beta

E (Rit) = the expected return rate

Rm = market return

The independent variable of the present research is refined economic value added (REVA). REVA is the net residual which is gained after the subtraction of investment opportunity cost to the market value of the market from the operational net profit after the taxation and it is expressed in the following form (Giurca, 2007).

REVAt = NOPATt – WACC (MCPITALt-1)

NOPATt = operational profit after taxation.

WACC= weight average of capital cost

MCATITALt-1 : the market value of the capital in the beginning of the period

FINDINGS

H1: There is a relationship between refined economic value added and the total risk adjusted return (RVAR).

TABLE 1: A MODEL BY USING ESTIMATOR ELGS

Dependent variable: RVAR							
Regression model: $RVAR_{it} = \beta_0 + \beta_1 REVA_{it} + \varepsilon_{it}$							
hypothesis	independent variable	coefficients	t statistics	P-Value	F statistics	Durbin-Watson	adjusted R^2
1	REVA AR (1)	1.59 -0.253	6.457 -4.625	0000 0000	4.56	2.28	0.47

As it can be seen above the amount of F statistics regarding %5 alpha error level, is higher than F statistics. Thus we can say that it means the meaningfulness of the regression model and the amount of Durbin-Watson, regarding its tendency towards number 2, and it is appropriate for after removing first order self-correlation. Also P-Value gained and the results of testing the model and the coefficient of the independent variable showed that the coefficient of the refined economic value added is positive and meaningful.

Finally the amount of the identification coefficient of the model showed that the estimating variables of the model have a capability of good descriptiveness (%47) to describe the dependent variable. Thus, the first hypothesis is accepted. Therefore it is suggested that the investors, creditors, and other beneficiaries to use refined economic value added as an alternative for the total risk adjusted return to assess management's performance and be used as a success assessment criterion and pricing for stocks of the companies.

Also the research findings of Badavarnahandi (2004) showed that there is a positive but weak correlation between refined economic values added and the total risk adjusted return.

H2: There is a relationship between refined economic value added and the systematic risk adjusted return (RVOL).

TABLE 2: A MODEL BY USING ESTIMATOR ELGS

Dependent variable: RVOL							
Regression model: $RVOL_{it} = \beta_0 + \beta_1 REVA_{it} + \varepsilon_{it}$							
hypothesis	independent variable	coefficients	t statistics	P-Value	F statistics	Durbin-Watson	adjusted R^2
2	REVA	-4.11	11.19	0.000	2.08	2.42	0.21
	AR (1)	-0.22	-3.07	0.002			

As it can be seen above the amount of F statistics regarding %5 alpha error level, is higher than F statistics. Thus we can say that it means the meaningfulness of the regression model and the amount of Durbin-Watson, regarding its tendency towards number 2, and it is appropriate for after removing first order self-correlation. Also P-Value gained and the results of testing the model and the coefficient of the independent variable showed that the coefficient of the refined economic value added is negative and meaningful.

Although the second hypothesis is accepted, the amount of the identification coefficient of the model showed that the estimating variables of the model have a capability of good descriptiveness (%21) to describe the dependent variable. Therefore it is not suggested for the investors, creditors, and other beneficiaries to use refined economic value added as an alternative for the the systematic risk adjusted return to assess management's performance and be used as a success assessment criterion and pricing for stocks of the companies.

Also the research findings of Badavarnahandi (2004) showed that there is a positive but weak correlation between refined economic values added and the systematic risk adjusted return.

H3: There is a relationship between refined economic value added and the excess return (α).

TABLE 3: A MODEL BY USING ESTIMATOR ELGS

Dependent variable: α							
Regression model: $\alpha_{it} = \beta_0 + \beta_1 REVA_{it} + \varepsilon_{it}$							
hypothesis	independent variable	coefficients	t statistics	P-Value	F statistics	Durbin-Watson	adjusted R^2
3	REVA	2.90	2.96	0005	5.83	2.43	0.55
	AR (1)	-0.17	-2.68	0007			

As it can be seen above the amount of F statistics regarding %5 alpha error level, is higher than F statistics. Thus we can say that it means the meaningfulness of the regression model and the amount of Durbin-Watson, regarding its tendency towards number 2, and it is appropriate for after removing first order self-correlation. Also P-Value gained and the results of testing the model and the coefficient of the independent variable showed that the coefficient of the refined economic value added is positive and meaningful.

Finally the amount of the identification coefficient of the model showed that the estimating variables of the model have a capability of good descriptiveness (%55) to describe the dependent variable. Thus, the third hypothesis is accepted. Therefore it is suggested that the investors, creditors, and other beneficiaries to use refined economic value added as an alternative for the adjusted stock return as an alternative for differential stock return to assess management's performance and be used as a success assessment criterion and pricing for stocks of the companies.

Also the research findings of Badavarnahandi (2004) showed that there is a positive but weak correlation between refined economic values added and the excess return.

SUGGESTIONS

1. The results of the present research showed that the stock price has an important effect on the changes of REVA and stock return. Thus, it is suggested that the stock exchange should avoid changes in stocks of some companies which result in gaining unusual profits through illegal information gaining of some major stockholders without authorities' regulations. They should force companies to present transparent and in time information about the reasons for overpricing of the stocks to help investors to make more conscious decisions and avoid losses of many minor stockholders who make their livings through it and to avoid lack og knowledge among them.
2. Regarding the fact that the rate of capital cost is one of the effective factors on changes of REVA, it is suggested for the managers in companies that they should assess the costs accurately for each of the financial resources to maximize the value creation for the stockholders and integrate them optimally to minimize the cost of financing and achieving the optimal capital structure.
3. Due to the criticisms and based on the traditional performance assessment criteria done by the researchers in financial areas during the recent years and the necessity of utilizing and considering novel criteria it should be considered that these criteria are a high and effective step towards making appropriate decisions in financing, operations and investment.

SCOPE FOR FURTHER RESEARCH

1. The subject discussed here can be investigated for the different industries.
2. The comparison of the information content of market value added (MVA) and cash value added (CVA) with the risk adjusted return.
3. Studying the relationship between refined economic value added and market value added (MVA) and cash value added (CAV)
4. Studying the relationship between stockholders' economic value added and refined economic value added with EPS and DPS.

REFERENCES

1. Bacidore, J.M., et al. (1997), "The Search for the Best Financial Performane Measure," Financial Analysts Journal, Vol. 53, No. 3.
2. Badavar-e-nahandi Y. (2004): "The Relationship Between REVA and Stock Returns Based on Risk-Adjusted," Thesis, Allameh Tabatabai University, Tehran.
3. Bausch, A. et al., (2003), "Is market Value-Based Residual Income a Superior Performance Measure Compared to Book Value-Based Residual Income?" [e-book] Giessen: university of Giessen. Available through: Giessen Giessen Electronic Library, < http://geb.uni-giessen.de> [Accessed 19 August 2005].
4. Giurca L. (2007): "New Approaches on Shareholders Value of a Firm," Thesis, University of Craiova, Craiova.
5. Goyandeh K. (2007): "Compare the Information Content of EVA and REVA with Stock Returns Listed Companies in Tehran Stock Exchange," Thesis, University of Shiraz, Shiraz.

6. Hovezakova, B.A., (2010). "The Project of the Economic Value Added Implementation into the Management of the Company XY s.r.o in Order to Raise its Economic Performance," Tomas Bata University, Zlin.
7. Jahankhani , A. and Zariffard, A. (1995), "The Management and Shareholders of a Criterion Used to Measure the Value of the Company?" Journal of Financial, No 7 & 8.
8. Jones, C. P., (2006), "Investments: Analysis and Management." Wiley, Saint Cloud.
9. Nikomaram, H. and Asgari, M.R. (2006), "A Model for Determining the Expected Return on the Tehran Stock Exchange Indexes EP, EPS, REVA, EVA," Journal of Economic, Vol 20.
10. Young, S.D. and Byrne, S.F. (2000), "EVA and Value-Based Management: a Pratical Guide to Implementation," McGraw-Hill, New York.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Computer Application and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you tosupply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail**infoijrcm@gmail.com** for further improvements in the interest of research.

If youhave any queries please feel free to contact us on our E-mail **infoijrcm@gmail.com**.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals