
The impact of conditional and unconditional conservatism on trade credit: evidence of Tehran Stock Exchange

Samin KOHANSAL,
Faculty of Accounting, Kooshyar Higher Education
Institute, Rasht, Iran

Shoeyb ROSTAMI,
Faculty of Accounting, Kooshyar Higher Education
Institute, Rasht, Iran,
E-mail: Sh_Rostami_Acc@yahoo.com

Zeynab ROSTAMI,
Faculty of Accounting, Raja University, Qazvin, Iran

Abstract

The aim of this research is to examine the impact of conditional and unconditional conservatism on the trade credit of companies listed at the Tehran Stock Exchange. In this respect, using a systematic deletion sampling, 74 companies were chosen and studied during the period 2009 to 2013. The method of testing the research hypotheses was a multivariate regression using estimated generalized least square. The results of the research indicated that conditional and unconditional conservatism are positively and significantly related to the trade credit of the companies; in other words, if a higher level of conservatism is used and types of conservatism grow, more trade credit will accrue to companies.

Keywords: Trade credit, conditional conservatism, unconditional conservatism, Tehran Stock Exchange.

JEL Classification: M41.

To cite this article:

Kohansal, S., Rostami, S. and Rostami, Z. (2017), The impact of conditional and unconditional conservatism on trade credit: Evidence of Tehran Stock Exchange, *Audit Financiar*, vol. XV, no. 1(145)/2017, pp. 93-102, DOI: 10.20869/AUDITF/2017/145/93

To link to this article:

<http://dx.doi.org/10.20869/AUDITF/2017/145/93>

Received: 26 November 2016

Revised: 5 December 2016

Accepted: 12 December 2016