
"تكلفة الملكية ومخاطر مكونات العوائد من التدفقات النقدية والمستحقات: حالة دراسية من بورصة عمان للأوراق المالية 2000-2010"

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Abstract

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The purpose of this thesis is to examine if risk in cash flow and accrual components of earnings and risk in earnings are important determinants of firm’s cost of equity, and what is the most important determinant of them. Also, it examines the ability of these components to capture firm risk in the case of smoothing. The sample consists of services and industrial firms listed in Amman Stock Exchange during the period (2000-2010). Initially, we examine risk in earnings to estimate cost of equity. Then examine the role of risk in earnings cash flow and accrual in estimating the implied cost of equity that use it as a proxy of firm risk. Therefore, we test its role in capturing firm risk. Also, he develops a model of earnings smoothing, and examine the role of risk in earnings components in capturing firm risk in the case of earnings smoothing. Also, we examine the effect of profit margin and the length of the operating cash cycle on the relation between firm risk and risk in cash flows and accruals. The results show that the aggregate earnings is a good determinant for firm’s cost of equity. Risk in operating cash flow and in accruals is not a good determinant to the firm implied cost of equity. Also, the risk in cash flow and accrual components of earnings is a not good tool to capture the firm risk in case of earnings smoothing. The profit margin and operating cash cycle don’t affect the relation between implied cost of equity and risk in operating cash flow and accruals, and that is because this linkage needs clear dividend policy,
and constant growth in dividend, which is not available in the sample companies in ASE. So, we recommend that they should follow clear (not random) dividend policy and clear growth rate in dividend, so they can detect the risk of the company through some accounting variables and thus estimate the cost of equity.

**Key words:** Cost of Equity, Earnings, Operating Cash Flow, and Accruals.