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Comparability of accounting, quality of financial reporting and pricing of accruals

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Abstract

Comparability is one of the qualitative features of information in the theoretical foundations of financial accounting and reporting, which enables users of financial statements to identify and understand the similarities and differences between the two sets of information and consider them in their decisions. Put. Financial statements should always provide reliable information to help users make decisions. The financial report must contain relevant, reliable, comparable and comprehensible information. Therefore, recognizing the characteristics of accruals, including its stability, is one of the important goals of financial accounting research. Accruals are the direct product of accrual accounting, which forms the basis of accounting and financial reporting. In this study, the comparability of accounting, the quality of financial reporting and pricing of accruals for the period 2014 to 2020 was performed, for which a total of 630 observations are available for research. The statistical method used in this research is multivariate regression method using data panel method. The results of the research hypotheses show that the ability to compare accounting has a direct impact on the quality of financial reporting and pricing of accruals.

Key words: Accounting comparability, Accrual pricing, financial reporting quality

Introduction

Financial reporting is one of the sources of information available in capital markets that is expected to play an effective role in developing investment and increasing its efficiency. Improving the quality of financial reporting is a tool to fulfill the responsibility of meeting the needs of society. With all these interpretations, the quality of financial reporting is a multidimensional concept and there is no definition that everyone agrees on. The quality of financial reporting helps to better predict the future cash flows of the company for investors and other users of financial statements. Given that accounting and economics have interactions with each other, the quality level of financial reporting has economic implications. The usefulness of financial statements or other financial statements is affected by the quality of financial reporting, in which consistency and clarity of information are essential aspects of quality. Financial reporting quality is the criteria that distinguish useful information from other information. Promotes the usefulness of financial information. It is clear that legislators and investors agree on high quality financial reporting; because it is widely believed that the quality of financial reporting directly affects capital markets. On the other hand, current profits are also beneficial for investors because they increase their ability to predict future profits. Profit consists of two components; Cash flows and accruals created by the accountant or accountant. Because realized cash flows may have timing and compliance problems. This reduces the relative ability of cash flows to reflect the company's performance (Tavassoli and et al., 2021).

Evidence has shown that accruals improve the ability of profits to reflect corporate performance; Therefore, profit is a better indicator of performance because the use of accruals allows the business unit to identify revenue based on the principle of revenue recognition when the business unit has performed all or most of the exchange services and with reasonable confidence. Be able to collect cash and, in accordance with the principle of conformity, identify the direct costs associated with that income in the same period in which it recognized income. Therefore, in this study, we decided to examine the comparability of accounting, the quality of financial reporting and the pricing of accruals. In this chapter, after stating the research problem, we will express the importance and necessity of research. We also express the objectives of the research in the form of general and specific objectives.

Theoretical foundations and research background

Comparability of accounting

A company's financial statements should be comparable to the financial statements of previous years as well as the financial statements of similar business units. For this purpose, it is necessary to observe the consistency of the procedure in using accounting methods as well as proper disclosure of accounting procedures and comparative figures. Users of financial statements should be able to compare the financial statements of an entity over time to identify trends in changes in the entity's financial position, financial performance, and financial flexibility. Users should also be able to compare the financial statements of different business units to measure their financial position, financial performance, and financial flexibility relative to each other. Thus, it is necessary that the effects of transactions, transactions, and other similar events within the business unit be measured, measured, and presented consistently for that business unit, and that the coordination of procedures for measuring, and presenting similar issues be observed between different business units. Adherence to accounting standards makes comparability of financial statements possible because, because of the requirements of those standards, different business units must use similar procedures for accounting, transactions, and similar events.

The need for comparability should not be confused with absolute uniformity, and this feature should not preclude the use of improved accounting methods. If the accounting practice used is not consistent with the qualitative characteristics of "relevance" and "reliability", it would not be appropriate for the entity to continue to use it. Similarly, if there are alternative procedures that are "more relevant" and "more reliable", it would not be appropriate for the entity not to change the accounting practices in place. Recent studies on comparability show that a firm's financially comparable capability can reduce users' costs for acquisition and processing, and increase the quality of financial information. For example, Kim et al. 2013 argue that comparable financial statements make it easier for investors to identify and evaluate firm performance because they need fewer corrections and valuation calculations when comparing the performance of a firm with that of its counterparts. (Khosravani, 2021)

Di Franco et al. (2011) believe that comparability helps to transfer information between similar firms so that investors get clearer conclusions about the similarities and economic differences of firms. On the other hand; Cash is an important and vital resource of any economic unit, cash flows play a central role in many financial decisions. Also, historical cash flow information can be useful for controlling the accuracy of past valuations and showing the relationship between the entity's activities and its future receipts and payments. Companies hold a certain percentage of their assets in cash. In addition, many companies have increased their level of cash assets (Rajan Damlo et al., 2017).

Financial reporting quality

The quality of financial reporting is the accuracy with which financial reporting conveys information about the company's operations, especially the expected cash flow of the company, in order to fairly inform investors. (Bushman and Smith, 2001)

According to the Financial Accounting Standards Board, one of the purposes of financial reporting is to provide information about the financial position, performance and financial flexibility of a business. Another purpose of financial reporting is to hold managers accountable to investors and owners to determine whether managers have fallen short of the resources entrusted to them. Also, according to the Financial Accounting Standards Board, financial reporting is not limited to the preparation and presentation of financial statements, but also includes other ways of presenting and interpreting information that is directly or indirectly related to financial information, and financial statements are only part of reporting. It is financial. The financial statements include the balance sheet, profit and loss statement, comprehensive income statement, cash flow statement as well as supplementary notes and tables, each of which alone cannot provide all the necessary information for decision making, but in the form of The mechanism provides users with the necessary information, as each reflects different aspects of the transaction. Although each provides information they are different from the others, but none of them alone serves a single purpose (Amjad et al., 2021).

Accruals and its quality

Accruals are figures that delay the recording of income or expenses. Accruals can also be introduced as a transfer of cash to another time. This means that cash payments and receipts are correctly contained in the registered accruals, and this makes these items better reflect the economic reality of the company.

Accruals are figures that delay the recording of income or expenses. Accruals can also be introduced as a transfer of cash to another time. This means that cash payments and receipts are correctly contained in the registered accruals, and this makes these items better reflect the economic reality of the company. (Khodadad Hatkeposhti., 2021)

Since in the present study, accruals have been studied based on the balance sheet approach, examining how they are valued can help to understand their degree of reliability. Liabilities that are the result of financial events of business units are recognized when they are priced. If no value can be set for them, the accrual item will not be recognized. In addition, these accruals must pass a test of reliability and validity. Removing any item of liability that is eligible for identification will compromise the usefulness and integrity of the financial information. In all natural and social sciences, classification is a must in order to study the relevant discipline and provide important and effective information to others. Accounting is no exception. Accruals should be placed in the appropriate groups to provide a summary of accounting and interpretable information so that investors and other users of financial statements can understand and analyze them in their decision-making process. Et al., 2021).

Francis et al. (2004) in their studies under the effects of pricing the quality of accruals, the stability of accruals, and their predictability are the reasons for the quality of these items. It is next and in another place of the same research, the relevance of the value of accruals and the timeliness of these items are mentioned as factors affecting the quality of accruals. Pierce Wellandsman (2003) considers the relationship between earnings relevance and weighted average cost of capital as the reason for the quality of accruals. Increase and decrease of abnormal accruals are affected, in fact, fluctuations of abnormal accruals are a proxy instead of the quality of accruals (Ghanbari, 1399).

Background Research

Chen and Gong (2019); they examined the impact of accounting comparability on the quality of financial reporting and the extent to which users of financial statements understand the consequences of corporate commitments. They anticipate that comparability improves the information environment, which not only enhances the ability of managers to evaluate commitments more accurately and reveals their confidential information, but also improves investors' understanding of commitments. Using the corrections, mapping of cash flows, income stability and audit expenses as indicators of financial reporting quality, they found that comparability with the previous period is related to higher financial reporting quality. They also provide evidence that comparability is positively related to the accuracy of management forecasts, and that comparability improves the ability of managers to predict the future performance of the company. In addition, they found that when scalability is greater than the previous period, the current period's discretionary liabilities have little positive correlation with current returns and little negative correlation with future returns, in line with their predictability that comparability improves the pricing productivity of accruals. The results can be generalized to control the endogenousness of accounting comparability and several different experimental models. Overall, the findings show that increasing the comparability of accounting is beneficial for producers and users of financial statements.

Swann (2016), in a study entitled The effect of accounting comparability on accrual management and actual management in US companies, concluded that in the face of increasing comparability, real income management (REM) managers replace profit management Based on accruals (AEM). These findings indicate the fact that in the sensitivity analysis tests it is necessary to consider the endogenous property of the comparability variable.

Wang (2014); In a study entitled "Harmonization of Accounting Standards and Comparability of Financial Statements",considering the comparability between two companies, examined the effect of corporate profit information on the stock price of another company. The results showed that the harmonization of accounting standards has increased the comparability. For companies that are more comparable, their stock prices respond more to each other's earnings information.

Mergentaler et al. (2014), in a study entitled "Comparability of financial statements and decision-making efficiency of the company's acquisition process", showed that in the process of buying a company share, the more the financial statements of the acquiring company can be equated with Yes, the acquiring company makes better decisions about the learning process. In other words, the comparability of financial statements makes the process of allocating financial resources more efficient.

Choei et al. (2013); In a study entitled "Comparability of Financial Statements and the Ability of Current Stock Returns to Reflect Information on Future Earnings", they investigated the effect of comparability on the reaction rate of future earnings. Their findings show that companies that have the ability to compare more financial statements have a higher rate of return on their future profits; they also found that comparability allows more information to be reflected on the company's specific profits at current stock prices.

Barth and colleagues (2013); In a study entitled "The Impact of the Optional Application of International Financial Reporting Standards on the Comparability and Profitability of the Capital Market in the United States", they concluded that after the voluntary adoption of IFRS, more companies could meet these standards. Comparability has increased information at the specific level of companies, increased capital market liquidity and increased stock trading volume. Their findings are consistent with the US Securities and Exchange Commission's belief in the usefulness of comparability in the capital market.

Defranco et al. (2011); in a study entitled "The usefulness of comparability of financial statements", while presenting a model for measuring the comparability of financial statements, they concluded that there is a positive relationship between comparability and accuracy of forecasting and reduces comparability. Their research findings also showed that comparability reduces the cost of obtaining information and increases the quantity and quality of information available to analysts.

Data analysis (testing of hypotheses)

Research method, model and variables

This research is a part of applied research in terms of purpose. The research method is causal in nature and content. The research was conducted within the framework of inductive deductive reasoning. Thus, the theoretical foundations and background of the research have been done through library studies, articles and sites in the form of deduction and data collection to confirm and reject the hypotheses inductively.

Research model

To measure the first hypothesis that accounting comparability affects the quality of financial reporting, a regression model is used as follows:

$$FRQ_{it} = \beta_0 + \beta_1 ACCTCOMPD_t + \beta_2 LEV_t + \beta_3 ROA_t + \beta_4 INSTIT_t + \beta_5 BIGN_t + \beta_6 SIZE_t + \beta_7 MTB_t + \varepsilon_{i,t}$$

FRQ = Quality of Financial Reporting: Quality of Financial Reporting Using the Model Developed by Dechu & Dechu (2002) Regression of working capital of accruals for past, present and future cash flows plus changes in income and gross asset value of machinery and equipment Becomes. The quality of accruals is the standardized waste of this regression. (Decho and Decho, 2002)

$$Accrual_{j,t} = \beta O_j + \beta_1 * CFO_{j,t-1} + \beta_2 * CFO_{j,t} + \beta_3 * CFO_{j,t+1} + \beta_4 * \Delta REV_{j,t} + \beta_5 * PPE_{j,t} + \upsilon_{j,t}$$

Accrual = All current accruals for company j in year t

ΔREVj, t = change in net sales from t-1 to t, PPEj, t = gross value of property and machinery in year t and ΔCFO = operating cash flow and Uj, t = estimation error

Accrual = (ΔCA– ΔCash) – (ΔCL + ΔSTD)-dep

ΔCA = change in current assets, ΔCL = change in current liability,

ΔSTD = change in long-term debt

ΔCash = change in cash, dep = depreciation of tangible and intangible assets

ACCTCOMPD = comparability of accounting

The independent variable in this study is accounting comparability. Users of financial statements should be able to compare the entity's financial statements over time to identify changes in the entity's financial position, financial performance, and financial flexibility. Users should also be able to compare the financial statements of different business units to measure their financial

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position, financial performance, and financial flexibility relative to each other. Thus, it is necessary to measure and present the effects of transactions and other similar events within the business unit and over time for that business unit with consistent procedures, and to coordinate procedures between different business units to measure and present similar issues. Difranco et al. Have proposed two definitions of profit comparability:

A. Two companies have comparable accounting systems if they prepare similar financial statements for a given set of economic events.

B. Companies with correlated economic events and similar accounting for these events will have correlated financial statements over time. The model of Difranco et al. Is used to measure it. In this model, two companies are considered similar when they have submitted the same financial statements such as accounting profit for a set of identical economic events such as returns. To measure the comparability of accounting between companies i and j, first for each company-year, the regression model is estimated as follows, using the annual data for the last six years leading up to the end of year t. The coefficients estimated from the above relationship for each company-year are a measure of that company's accounting operations. That is, αi and βi represent the accounting operations of company i and the coefficients αj and βj represent the accounting operations of company j.

Similarities between the accounting operations of two companies, the degree of comparability of accounting of two companies i and j the concept of comparability (providing similar reports on a set of similar events) is used. Therefore, in each year, through the following relationships, the profit of company i is predicted separately once with the coefficients of company i and once with the coefficients of company j with the return of company i (similar event) for the same time period as the period of the previous relationship.

1. $E(Earnings)_{iit} = \alpha_i + \beta_i RETURN_{it} + \varepsilon$

2. E(Earnings) ijt = αij + βj RETURN it +ε

Earnings and RETURN

Then, according to Equations 1 and 2, EEarnings, the expected profit of Company i according to the accounting function of Company i and EEarnings, respectively, the expected profit of Company according to the estimated accounting function of Company j are estimated. Finally, the comparability of accounting between company i and j during the 6-year period from 5-t to t is defined as follows:

$$COMPACCT_{it} = -\frac{1}{6} * \sum_{t-6}^{t} |E(Earnings\ )_{ti} - E(Earnings\ )_{it}|$$

Where high values reflect more comparability of accounting. In other words, the closer this value is to zero, the greater the comparability of accounting.

Lev = total liabilities to total assets at the end of the financial year, ROA = is equal to the return on assets obtained by dividing the net profit by the total assets. INSTIT: Institutional Ownership Percentage, BIGN: If the company has large auditors in the capital market 1 and otherwise zero and SIZE: The size of the company is equal to the natural logarithm of all assets.

MTB: The ratio of market value to the company's office

To measure the second hypothesis that accounting comparability affects the pricing of accruals, a regression model is used as follows:

$$TA_{it} = \beta_0 + \beta_1 ACCTCOMPD_t + \beta_2 LEV_t + \beta_3 ROA_t + \beta_4 INSTIT_t + \beta_5 BIGN_t + \beta_6 SIZE_t + \beta_7 MTB_t + \varepsilon_{i,t}$$

TA = Accrual Pricing (Accrual pricing logarithm is used for normality)

In the present study, similar to the researches of Chi Purido and Spatis 2014, Di Chao et al. 1995 and Ebrahimi 1389 and Tarkhorani et al. 1399 the modified Jones model has been used to calculate voluntary and involuntary accruals. In the modified Jones model, all accruals are calculated as follows:

TAi.t = (ΔCAit – ΔCashit – ΔCLit - ΔSTDEBTit –DEPNit)

Where: TA = total corporate accruals, ΔCA = change in current assets,

ΔCash = change in cash, ΔCL = change in current return,

ΔSTDEBT = change in short-term facility or current portion of financial facility

DEPN = Cost of depreciation of tangible and intangible assets of the company

Purpose and hypotheses of the research

In general, the main purpose of this research is comparability of accounting, quality of financial reporting and pricing of accruals as the main purpose of the researcher. Accordingly, in this realization, the test of the following main hypothesis is considered:

Hypothesis 1: Accounting comparability affects the quality of financial reporting.

Hypothesis 2: Accounting comparability affects the pricing of accruals.

Unit root test (static variables)

As can be seen in all independent and dependent variables and P-value adjustment in the unit root test is less than 0.05, which indicates that the variables are constant. This means that the mean and variance of the variables have been constant over time and the covariance of the variables between different years. As a result, the use of these variables in the model does not cause false regression.

Table 1. Panel Unit (LLC) Root Test Results, Pattern Variables

Possibility	Statistics	Symbol
0.0000	411.873	ACCTCOMPD
0.0000	268.962	FRQ
0.0000	294.314	TA
0.0000	322.492	INSTIT
0.0000	357.62	BIGN
0.0000	251.616	LEV
0.0000	261.802	SIZE
0.0000	311.887	ROA
0.0000	241.41	MTB

Source: Research Finding

Limer test (combined method or fixed effects) for the research model

As the results show, the probability of F-Limer test for all research models is less than 5%; therefore, the 0 H hypothesis (integrated model) is not validated for any of the models. In other words, there are individual or group effects and the panel data method should be used to estimate the models.

Table 2. F Limer test results

Hypothesis Zero (H_0)	**Research models**	**F-limer**	**Possibility**	**Test result**
Integrated data (widths of the origins of all sections are the same.)	Model (1)	22.453	0.0000	H_0 Not accepted
	Model (2)	15.652	0.0000	H_0 Not accepted

Source: Research Finding

Hausman test (fixed effects or random effects) for research model

As the results show, according to the research models, the probability of Hausman test to determine the use of fixed effects versus random effects model is more than 5%. Therefore, H1 hypothesis (fixed effects model) is rejected. This means that there is no correlation between the estimated regression error and the independent variables.

Table 3. Summary of Hausman test method

Hypothesis Zero (H_0)	**Models of Research**	**F value**	**Possibility**	**Test result**
Random effects model	Model (1)	3.254	0.3324	H_0 accepted
	Model (2)	4.352	0.3025	H_0 accepted

Source: Research Finding

Analysis of the results of research model estimation

Test the first hypothesis

The first hypothesis is statistically formulated as follows:

H0: Accountability comparability does not affect the quality of financial reporting.

H1: Accounting comparability affects the quality of financial reporting.

The results of estimating model (1) are presented in table (4).

The results show that the probability of t-test for independent and control variables is less than 5%, therefore; the coefficient of estimation of the above variables is statistically significant. This means that the above variables are important factors in determining the quality of financial reporting. Positive and significant correlation of accounting comparability indicates the direct relationship between the above variable and the quality of financial reporting and therefore with 95% confidence the first hypothesis is confirmed despite the adjusting variables, i.e. the comparability of accounting with the quality of financial reporting has a significant relationship. The coefficient of determination of the explanatory power shows the independent variables that are able to explain 58.96% of the changes of the dependent variable. The probability of F statistic indicates that the whole model is statistically significant (because the probability of F is less than 5%). Since the Watson camera is between 1.5 and 2.5, therefore; there is no autocorrelation in the model. The regression equation is as follows.

$$FRQ_{it} = 0.11102 * ACCTCOMPD_t + 0.202155 * LEV_t + 0.113886 * ROA_t + 0.396386 * INSTIT_t + 0.497375 * BIGN_t + 0.257216 * SIZE_t + 0.184692 * MTB_t$$

Table 4. Model (1) Estimation Results

$$\boldsymbol{FRQ_{it} = \beta_0 + \beta_1 ACCTCOMPD_t + \beta_2 LEV_t + \beta_3 ROA_t + \beta_4 INSTIT_t + \beta_5 BIGN_t + \beta_6 SIZE_t + \beta_7 MTB_t + \varepsilon_{i,t}}$$

Variables	Estimation coefficient	S.D	Test statistics t	Possibility
ACCTCOMPD	0.11102	0.007638	14.53387	0.0000
LEV	0.202155	0.044136	4.580294	0.0000
ROA	0.113886	0.007689	14.81062	0.0000
INSTIT	0.396386	0.88478	4.480063	0.0000
BIGN	0.497375	0.147916	3.362552	0.0008
SIZE	0.257216	0.076372	3.367911	0.0008
MTB	0.184692	0.056933	3.244016	0.0012
C	0.557408	0.348705	1.598508	0.1104
The coefficient of determination	0.589651	Durbin- Watson		2.169794
Adjusted coefficient of determination	0.580695			
Fisher F Statistics	65.83846			
Fisher F Probability	0.0000			

Source: Research Finding

Test the second hypothesis

The second hypothesis is statistically formulated as follows:

H0: Accountability comparability does not affect the pricing of accruals.

H1: Accounting comparability affects the pricing of accruals.

The results of model estimation (2) are presented in Table (5)

The results show that the probability of t-test for independent and control variables is less than 5%, therefore; the coefficient of estimation of the above variables is statistically significant. This means that the above variables are important factors in determining the pricing criteria of accruals. Positive and significant relationship Comparability of accounting indicates a direct relationship between the above variable and pricing of accruals and therefore with 95% confidence the second hypothesis is confirmed despite the adjusting variables, i.e. the comparability of accounting with pricing of accruals. There is. The coefficient of determination of the explanatory power shows the independent variables that are able to explain 38.00% of the changes of the dependent variable. The probability of F statistic indicates that the whole model is statistically significant (because the probability of F is less than 5%). Since the Watson camera is between 1.5 and 2.5, therefore; there is no autocorrelation in the model. The regression equation is as follows.

$$TA_{it} = 1.861158 + 0.734698 * ACCTCOMPD_t + 0.065763 * LEV_t + 0.741211 * ROA_t + 0.469076 * INSTIT_t + 0.22996 * BIGN_t + 0.693441 * SIZE_t + 0.3813 * MTB_t$$

Table 5. Model Estimation Results (2)

$TA_{it} = \beta_0 + \beta_1 ACCTCOMPD_t + \beta_2 LEV_t + \beta_3 ROA_t + \beta_4 INSTIT_t + \beta_5 BIGN_t + \beta_6 SIZE_t + \beta_7 MTB_t + \varepsilon_{i,t}$				
Variables	**Estimation coefficient**	**S.D**	**Test statistics t**	**Possibility**
ACCTCOMPD	0.734698	0.165579	4.437144	0.0000
LEV	0.065763	0.029653	2.217738	0.0269
ROA	0.741211	0.155663	4.761638	0.0000
INSTIT	0.469076	0.192525	2.436439	0.0151
BIGN	0.22996	0.015453	14.88124	0.0000
SIZE	0.693441	0.223732	3.099399	0.0020
MTB	0.3813	0.123885	3.077856	0.0022
C	1.861158	0.758773	2.452852	0.0144
The coefficient of determination	0.386902	Durbin- Watson		1.704478
Adjusted coefficient of determination	0.357256			
Fisher F Statistics	38.00058			
Fisher F Probability	0.0000			

Source: Research Finding

Results

According to the analysis presented in the fourth chapter that was done for each hypothesis, first we refer to the results of each hypothesis separately and then we make a general conclusion about the findings of this research.

Test result of the first hypothesis

The first hypothesis of this research was that comparability of accounting affects the quality of financial reporting.

The estimates obtained for testing the first hypothesis showed that, firstly, the probability of t-test for the independent comparability variable is less than 5%. The comparability coefficient of accounting used in the regression model is significant. This means that the above variable is an important factor in determining the quality of financial reporting.

Second, the study of the value of the adjusted coefficient of determination of the model shows the explanatory power of the model in order to explain the dependent variable, i.e. the quality of financial reporting. Therefore, the results obtained from the adjusted coefficient of determination of the model show that the explanatory variable of accounting comparability explains approximately 58.96% of the fluctuations due to the quality of financial reporting. Also, considering that the probability of F statistic was less than 5%, it means that the whole model is statistically significant.

In addition, based on the sign of the coefficient of explanatory variable, the comparability of accounting has been shown to be positive. It is inferred that an increase in this variable has an increasing effect on the quality of financial reporting. Therefore, the results of the tests confirmed the first hypothesis. That is, there is a positive correlation between the ability to compare accounting with the quality of financial reporting in the Tehran capital market.

Results from the research of Chen and Gong (2019); They examined the impact of accounting comparability on the quality of financial reporting and the extent to which users of financial statements understand the consequences of corporate commitments. They predicted that comparability would improve the information environment, which would not only increase managers 'ability to evaluate commitments more accurately and reveal their confidential information, but also improve investors' understanding of commitments. Using the corrections, mapping of cash flows, income stability and audit expenses as indicators of financial reporting quality, they found that comparability with the previous period is related to higher financial reporting quality. In general, the findings show that increasing the comparability of accounting is useful for producers and users of financial statements, which is in line with the results of this study.

Test result of the second hypothesis

The second hypothesis was that the ability to compare accounting affects the pricing of accruals.

The estimates obtained from the second hypothesis test showed that, firstly, the probability of t-test for the independent comparability variable of accounting is less than 5%. The comparability coefficient of accounting used in the regression model is significant. This means that the above variable is an important factor in determining the pricing of accruals.

Second, the study of the value of the adjusted coefficient of determination of the model, shows the ability of the model to explain the dependent variable, namely the pricing of accruals. Therefore, the results obtained from the adjusted coefficient of determination of the model show that the explanatory variable of accounting comparability explains approximately 38.69% of the fluctuations caused by accrual pricing. Also, considering that the probability of F statistic was less than 5%, it means that the whole model is statistically significant. In addition, based on the sign of the coefficient of the explanatory variable, the comparability of accounting has been shown to be positive. It is inferred that an increase in this variable has an increasing effect on the pricing of accruals. Therefore, the results of the tests confirmed the second hypothesis. That is, there is a positive correlation between the ability to compare accounting with the pricing of accruals in the Tehran capital market.

Results from the research of Chen and Gong (2019); They examined the impact of accounting comparability on the quality of financial reporting and the extent to which users of financial statements understand the consequences of corporate commitments. They predicted that comparability would improve the information environment, which would not only increase managers 'ability to evaluate commitments more accurately and reveal their confidential information, but also improve investors' understanding of commitments. Using the corrections, mapping of cash flows, income stability and audit expenses as indicators of financial reporting quality, they found that comparability with the previous period is related to higher financial reporting quality. In general, the findings show that increasing the comparability of accounting is useful for producers and users of financial statements, which is in line with the results of this study.

Recommendations

According to the results of this study, the following suggestions are presented**.**

Proposal based on the results of the first hypothesis

According to the result of the first hypothesis that "accounting comparability affects the quality of financial reporting." Approved Shareholders and other investors are advised to consider the ability to compare accounting information as a factor affecting the quality of financial reporting, so it is recommended that managers and consultants to focus on the quality of financial reporting companies. They should try to increase the comparability of companies' accounting information, and it should be borne in mind that the higher the quality of financial reporting in companies, the better financial information companies have, and in other words, the higher the profitability situation that managers are present. Provide their performance status to the market and users with transparency, and it should also be borne in mind that the ability to compare accounting information is measured using the stock returns of companies in the stock market, so it can be said that companies with financial performance status Have been better able to compare higher accounting information and ultimately have better financial reporting quality so the stocks of such companies are more suitable to buy or not Folding can be.

Proposal based on the results of the second hypothesis

According to the result of the second hypothesis that "accounting comparability has an effect on the pricing of accruals." It was suggested that comparability of accounting information be considered as an effective factor on the pricing of accruals because the results of this research hypothesis showed that the more comparability of accounting in companies increases, consequently The pricing of accruals is increased and it should be stated that the ability to compare accounting information that shows the growth rate of stock returns of companies and in other words is a function of dividends and stock returns of the company, which shows this. The better the performance of companies and their managers have used the assets of companies in more profitable activities and have made higher profits for the company, they have been able to have a higher comparability, which ultimately this profitability and higher efficiency increases the pricing of items. Has become a commitment.

An increase in the amount of accruals indicates an increase in the amount of current assets of companies compared to debts and depreciation costs, which indicates that the amount of working capital of companies has improved, and in other words, the inflow of cash flows to companies has increased and therefore This statement shows the increase of profitability and improve the performance of companies and their profitability, which will eventually lead to an increase in the final return of shareholders, and therefore the shares of companies that have more comparability of accounting and higher pricing of accruals in them. Terry is for maintenance or purchase.

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