The evaluation of the relation between operating leverage with systematic risk and the return in Tehran Stock Exchange

Behnam Behzadfar\textsuperscript{a}, Esmaeil Goudarzi\textsuperscript{b}

\textsuperscript{a} M.A of Finance Management, University of Ershad Damavand, Damavand, Iran.
\textsuperscript{b} Department of Business Administration, Arak Branch, Islamic Azad University, Arak, Iran

Abstract

In this research it has been attempted the effect of operating leverage on systematic risk and the return to be determined. In this regard 49 companies were selected as the sample from the year 2010 to the end of the year 2013. This study in terms of the nature is correlational which is the subset of descriptive research and the relation between operating leverage with risk and the return in all industries and then 3 industries were reviewed by the use of regression and correlation model. According to the results achieved from the research between operating leverage and the systematic risk there is a positive relation but there is no positive relation between the operating leverage and the return in the companies approved in Tehran Stock Exchange.

Keywords: operating leverage, systematic risk, return, Tehran Stock Exchange

References


