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**THE EFFECT OF EARNINGS VARIABILITY FACTORS ON MANAGERS
EARNING PER SHARE FORECAST ERROR IN SMOOTHING AND
OPERATIONAL EFFICIENCY COMPANY**

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ABSTRACT

The goal of financial reporting in firms is to let users forecast future earnings of an economic unit and also use this forecast to assess manager's performance. Accordingly, the main goal of the present study is to investigate about the effect of earnings variability factors on managers' earning forecast per share in firms enlisted in Tehran Stock Exchange. The statistical population for this research comprises all firms enlisted in Tehran Stock Exchange for the time period between 2015 and 2019 and after screening 125 firms were studied. The present research is descriptive and correlation type and the variables have been tested through statistical analyses. Research findings showed that earning variability factors did not have a meaningful effect on earning forecast per share in high and low levels regarding earning smoothening but in high and low operational efficiency variability levels it has had a negative and meaningful effect. Also the test of difference between earning per share forecast error in high and low level of smoothening was rejected but the test of earning forecast error in firms having a low level of operational efficiency variability compared to firms with a high level of operational efficiency variability has been less and meaningful.

KEYWORDS: *Earning Variability Factors, Managers' Earning Per Share Forecast, Earning Smoothening, Operational Efficiency Variability*

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