

Factors Affecting Real People's Capital Attraction in Tehran Stock Exchange

Hossein Zamaniyan

Graduated Master of financial management in University of Tehran Alborz Campus

Abstract

This study is on the factors influencing real people's capital attraction in Tehran Stock Exchange that in terms of the research aim is applicable. In this study, being effective factors such as the profitability of the investment in the stock, culturalism, advertising, reference groups, economic factors, political factors, brokerage operations and geographic location of stock about investments of real people attraction in Tehran Stock Exchange are investigated. This study was carried out using a questionnaire; validity and reliability were tested and with the sampling method and variance the numbers of 137 persons were chosen to fill out the questionnaire. Validity of the questionnaire initially calculated fractional and then the whole questionnaire through Cronbach's alpha. The results of research indices confirmatory factor analysis using LISREL software have shown model fit indices indicate that in terms of indices of proportionality and fitting the model is in good condition. To test the research hypotheses the average one-sample test was used and each of these assumptions have been investigated separately. At the end it appears that history of profitability, reference groups, geographical location, political factors and brokerage operations affect real people's capital attraction and economic factors, culture shareholders and advertisements have no effect on real people's capital attraction.

Keywords: capital attraction, attraction real investor, capital markets, LISREL

Introduction:

Nowadays, achieving the economic goals of the country without public participation, it is unimaginable. One way of participation of individuals in economic development is investment in the capital market. The importance of investing for growth and economic and social development is to the extent that it has one of the most powerful levers for development. But it should be noted that to the same extent due to the fact can lead to economic growth, paying no attention to it could lead to economic decline. Therefore we can say that economic growth and increasing welfare in the long run Regardless of the investment and agents may not be effective. Careful studies of the factors influencing investment on the one hand reduces stray

liquidity, inflation and increase employment and on the other hand lead to better management and is associated with increase the wealth of investors (Abzari and et al., 2008).

Through investing in stock people's small and mobile savings they headed toward generating and productive activities and production and economy wheels will be moved. Investment and related matters is a key to production, employment and the moving wheels of economy of any country and this is why such issues are inevitable. Investment is done in various ways which one of them is investment in shares of the company via the stock exchange. Stock Exchange by providing mechanisms for investment in shares of companies that have the conditions offered its shares to the public can play a major role in the dynamics of companies and economy (Abzari and et al., 2008). Meanwhile, in the direction of sustainable growth and development the problem is that what factors are effective in attracting people's capital to exchange. This study tried to identify these factors and the results of this research can be very beneficial to companies in exchange and be a step towards sustainable development.

Theoretical Fundamentals:

In general, investment means consumption available money to get some money in the future. In other words, the investment is that postpone current consumption to get more consumption possibility in the future (Sharp, 1995).

How to make investment decisions in securities, each type of investment in securities and time to investment are deal with the investment process. Procedural include following steps are raised to making decisions in this regard as the basis of investment process:

- A) Determine the policy along with investment policy
- B) Securities analysis
- C) Preparation of investment portfolio

Frequently efficiency is used in order to introduce return on investment in an asset during a period of time which is called "Maintenance Period Return"; and that is price changes and cash flows of that asset during the investment period. The rate of change express in percentage which is showing percent of the amount of investment and is called investment output rate (Jahankhani, 1998). Rate of return is an important factor in the financial decision making to investment.

Returns usually are formed with two parts: received interest and capital interest (loss) (Jones, 2003); the sum of these two components gives overall efficiency of securities and securities return rate that is a proxy for investors' decision to investment, calculate as follows:

$$r_{it} = \frac{(P_{it} - P_{it-1}) + D_{it}}{P_{it-1}}$$

r_{it} = return rate one asset item . P_{it} = Stock price at end of period . P_{it-1} = Stock prices at the beginning of the period , D_{it} = Dividend during the period.

Different forms of investment can be evaluated based on three criteria: reliability (risk), liquidity and return, but stable value (in the sense of protection against inflation) frequently called as the fourth criterion. Way of the criteria evaluation that sometimes are in competition with each other, depends on individual investment preferences and investors primarily interested in desirable range of the above mentioned criteria. Higher returns, profit distribution, capital value growth with more security and, finally, instant access to outlay (Liquidity speed) are totally representing a complete picture of the "ideal investment".

A) The degree of reliability risk

Confidence is meant to preserve the value of invested property and Degree of confidence in an investment depends on the level of risk associated with it. Risks, in turn, is dependent on different aspects such as the

creditworthiness of the debtor or the investee companies, price risk, political stability and the country's currency risk capital (in case of foreign investment).

B) Liquidity

Liquidity means conversion speed of investment or property to cash or credit, by bank. Securities that traded welcoming on the stock exchange usually are a good illustration of liquidity speed.

C) Efficiency

Stock returns are determined on the basis of total income from investments. These revenues include interest and dividends receiving, other forms of distribution and allocation of profits and an increase in the value of securities (in the form of price changes).

Market is a place for exchange, but with complexity of methods and tools of trade at financial and international level, in many cases the term "location" doesn't mean anything. In financial markets, financial assets are exchanged and with this transactions, funds from holders of additional funds transfers for investment to the applicants who request for financing. The transfer of resources causes from one hand, partial, moving, no returns or low efficiency resources be removed from this position, and in the other and Efficient and productive investment projects, be financed (Khatayi, 1998).

Financial markets have various divisions. But most comprehensive division based on specified criteria are as follows (fiyoozi and et al., 1997).

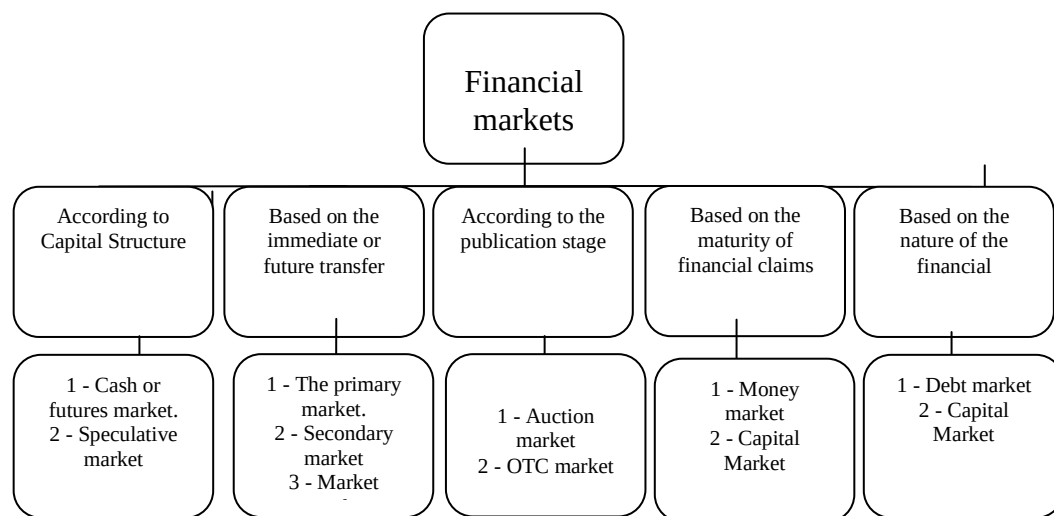


Figure 1: Classification of financial markets (fiyoozi and et al., 2007).

Primary and secondary market could be expressed as subsets of the capital market. The Primary market has two distinct main characteristics of first: market in which capital formation is done, second stocks and bonds issued by companies presented for the first time in this market (Newoo, 2000). In the secondary market securities which have already been published are bought and sold (Khatayi, 1999).

The secondary market is divided into two markets:

- Stock Exchange organized market
- OTC market

Capital market plays an important role in economic development. Capital market is the only place that could create capital formation theme and with its ideal performance provides the financial resources

required to production units and provides necessary facilities for the transfer of funds from savings of the people to investment opportunities. As speaking of economic growth and development is pointless without taking account the place of investment, Achieving optimal investment share in GDP is necessary and inevitable. Therefore, to achieve a favorable economic situation, considering to the capital market in Iran, is essential. In a general classification, Iran capital market elements are divided into two main sections of banks and securities markets (Abzari, 2001).

Sustainable presence in the capital market depends on several titles. Investors who enter this market for a short-term and seasonal period are oblivious to these factors and may not be able to achieve the desired efficiency. Factors that facilitate their sustained presence in the capital market are summarized in two below major cases:

1. To identify the exact nature of the market, including actors, tools and regulations
2. The use of portfolio (portfolio) rather than venture to invest in a specified share (kadjhodaii, 2001).

Background research:

Research associated with investments in the stock market and regional exchanges (related to the subject of this study) carried out inside and outside the country, on the basis of their temporal sequence they are as follow:

Sangestani (1997) have done a study entitled 'Stock Exchange and its performance impact on the absorption of liquidity and the economic development of the country'. Objective of this study is to investigate the effect stock market performance on absorbing liquidity and economic development. The model used in this research has many variables including exchange trading volume, liquidity, gross domestic product and national income growth rate that have been determined linearly. Observations of a time series are for a twenty year period which have been used as dependent and independent variables. The results showed that considering positive effects that exchange may have, although has been effective in attracting liquidity of the country but the pictures are very poor and any significant effect on the process of increasing national income are not shown. Finally, the Stock Exchange has played an important role in economic development and to improve this situation, it's recommended to increasing awareness, encouraging people to invest in exchange, expanding regional exchanges, improving the return on investment in the exchange, etc.

Department of Economic Studies (2000) have done a study entitled 'Regional and trans-regional securities market layout options: a model for the expansion of the geographic coverage of the capital market in Iran'. Objective of this study is to build a framework in order to develop and prioritize regions in Iran for the establishment of regional exchanges and increasing investment individuals from different regions of the country to the Stock Exchange. The study population is the total 28 provinces. The method used in this study is taxonomy which is a way to assessing the homogeneity of the provinces in each region and establishes priorities for the development of regional exchanges according to demographic, economic and industrial variables. After investigations priorities are being addressed Tehran, Mashhad, Tabriz, Isfahan, Shiraz and Ahwaz. At the end, to absorb liquidity and capitalization of the regional stock exchanges, a new organizational structure for the combination of the Tehran Stock Exchange and regional exchanges, a regulatory structure and security for investments in regional exchanges are suggested.

Abzari (2001) have done a study entitled 'Different investment strategies in Stock Exchange'. Objective of this study is to investigate different investment strategies in two ways of filtering and buy and hold at the Tehran Stock Exchange. Method of this study was library research that followed by the information of all companies listed Tehran Stock Exchange. Finally, after the necessary studies and testing hypotheses developed the results showed: The first hypothesis indicating that returns of monthly mean of filter method is more than returns of monthly mean of purchase method was approved and productivity of filter method is more than purchase method. The second hypothesis indicating that better choice of filter

method to preserve in various industries in Tehran Stock Exchange rather than purchase method has approved.

Tabrizi (2003) have done a study entitled 'Indirect investments in stock'. Objective of this study is to investigate effect of creating indirect factors in attracting domestic capital investments Stock Exchange and The proposed framework for the creation and promotion of creating indirect factors in attracting domestic capital investments Stock Exchange. Method of this study was library research and evaluate figures of leading exchanges of the world. The results showed that when the stock market has a high performance, direct investment is more than indirect investments and direct investment percent increases in the stock exchange. When financial markets, get stagnation, ordinary people think again of indirect investments fall in stock, try to use specialists and experts in the field of experience and benefit.

Senobar (2004) has done a study entitled 'Comparative analysis of households' investment opportunities in Iran'. In this study, besides pointing to the United States, Japan, Malaysia and Eastern European household's shareholders, pays to investment opportunities of households in Iran during the last 10 years which include buildings, land, vehicles, gold and coins, carpets, mobile phone, bank deposits, bonds and shares. Then pays to the nominal yield of each of these opportunities in past 10 years that include land allotment by 13%, construction 8%, automotive 17 percent, 7 percent gold, 12 percent carpets, mobile phone (32%), bank deposits 3 percent, 2 percent bonds and 23 percent stocks. In the end, concludes that in Iran must be made more investments to promote and familiarize the public with the Stock Exchange and also programs should be implemented to make people shareholder at the national level, further geographic expansion and development and promote the culture of donation stock exchange

Haghaninasab (2004) has done a study entitled 'the role of regional Forum and stock exchange in capital market development'. Objective of this study is to investigate the amount of transactions carried out in regional stock of Tabriz and compare it with the existing potentials in the region and determine the share of the regional market in the capital stock of Iran. Method of this study was library research and figures obtained from the amount of transactions in exchange East Azarbaijan regional and statistics relating to Industrial capabilities and the region's economy. The results showed market value ratio of that East Azarbaijan Regional to total market value of equity is 3 percent which considering with high potential of this region and the growing trend of trading in the regional stock, with market value of the minimum capital for this area (5 percent) has great distance.

Jones and Dey (2003) have done a study entitled 'Regional stock exchanges - Option to the dynamics of Wales and other parts of the UK'. This study with aim that Wales is a profitable area and has many active companies and can be introduced as financial district and has ability to establish a regional stock exchange, initially evaluates the different areas of England and Wales. The study suggests challenges facing regional stock exchange are creating a tangible competitive advantage, reduce information asymmetry, creating the charm for investors, and align macroeconomic policies and exchanges with other cases. The study concluded achieve that regional exchanges are a contributor to the London Stock Exchange. Wales has capability within its own to be a regional stock exchange and the establishment of regional stock exchange in Wales could contribute to the economic and industrial prosperity of the region and to the development of the capital market and economy of UK.

Heaton and Lucas (2004) have done a study entitled 'investing public pensions in the stock market: implications for risk sharing and asset prices'. Objective of this study is to investigate investments of US retirees' effects on the Stock Exchange and effects of this investment on risk sharing and asset prices and other economic variables and the response of the central government. The method used in this research, was overlapping of interference generations model calibration. The results of this study is as risk allocation and return on investment of pension funds in stock is determined by three main factors including: 1- composing of individual portfolios, 2- The interest effect of risk (benefit) and 3- The impact of financial risk. In general it can be said that risk allocation and efficiency through retirement

investments in stock is related to the investment policy adopted in this case. In the case of asset prices can be said that an investment fund was completely ineffectiveness on asset prices.

Research methodology

Since the objective of this research is to investigate the factors influencing real people's capital attraction in the Tehran Stock Exchange, it can be said that this research in terms of goal is a practical. Considering that in this study methods of library study, literature review and field methods such as interviews and questionnaires have been used and its aims is to recognize the characteristics, preferences, characteristics and behavior of individuals through referring to them, it can be said that the present study on the nature and method of research was descriptive-survey. On the collected information to approve or reject hypotheses, mainly the field method and to collect information about literature review method of library study is used. Data were collected through questionnaires in 2013. To investigate validity of the questionnaire the face validity is used. So that the questionnaire was given to a number of experts and relevant professors including supervisor and consultant professors, then they had been surveyed about any questions and about evaluation of the relevant hypothesis. Finally they all confirmed the questionnaire. To evaluate the reliability Cronbach's alpha with coefficient of 0.955 was used. In this study, one-sample t-test to examine study questions, single-factor analysis of variance and independent t to determine the significance of differences in shareholders opinions and Friedman test to ranking factors and questions are being used.

This study examined in the form of 8 hypotheses is that a related question to each hypothesis is shown in Table 1:

Table 1: support question of any of the hypotheses

Research hypotheses	Support questions of any of the hypotheses	Number of Questions
Does the profitability of the investment made in exchange affect real people's capital attraction in the Tehran Stock Exchange?	Notice of exchange short-term returns	2
	Notice of exchange differences in investment returns compared to other economic activities	9
	Notice of The return on investment in the exchange during the past two years.	19
Does the shareholdings culture affect real people's capital attraction in the Tehran Stock Exchange?	Amount of your trust about betterment of investing in the exchange compared to other economic activities	2
	Amount of believe to investing in exchange	12
	Amount of sight to investing in exchange	18
	Amount of respect to investing in the exchange compared to other economic activities	20
Do the advertisements (notification) on investment in exchange affect real people's capital attraction in the Tehran Stock Exchange?	Ads by press	1
	Ads by Tehran Stock Exchange	10
	Ads by media Ads by Internet	21
Do Reference groups affect real	Reliable people advise to invest in exchange	3

people's capital attraction in the Tehran Stock Exchange?	advise to invest in exchange By experts (professors, relevant experts	8
	advise to invest in exchange By Parents and Friends	24
Do economic factors affect real people's capital attraction in the Tehran Stock Exchange?	The impact of exchange rate fluctuations	13
	The impact of oil price fluctuations in the world	23
Do political factors affect real people's capital attraction in the Tehran Stock Exchange?	The impact of political events (such as the presidency and Parliament)	7
	News developments related to nuclear energy	25
Do brokerage operations affect real people's capital attraction in the Tehran Stock Exchange?	Amount of agent knowledge in the field of forecasting Stock Exchange	4
	Amount of guidance services in the field of Stock Exchange brokers	11
	Brokerage activities without being in exchange	15
	Amount of quality of services in the field of exchange brokers	22
Do geographic location (availability) affect real people's capital attraction in the Tehran Stock Exchange?	Ease of participation in the Tehran Stock Exchange	5
	Existence of other facilities (parking, cafe, etc.)	14
	The location proximity to exchange	17

Statistical Society

Sample for this study is in particular, real people who have invested in the Tehran Stock Exchange (in limited timeframe). Random sampling method (available) is used in a way that preliminary study on population, by calculation of the sample variance and using the formula the sample size to number was specified and then randomly some were chosen as sample.

Analysis Method

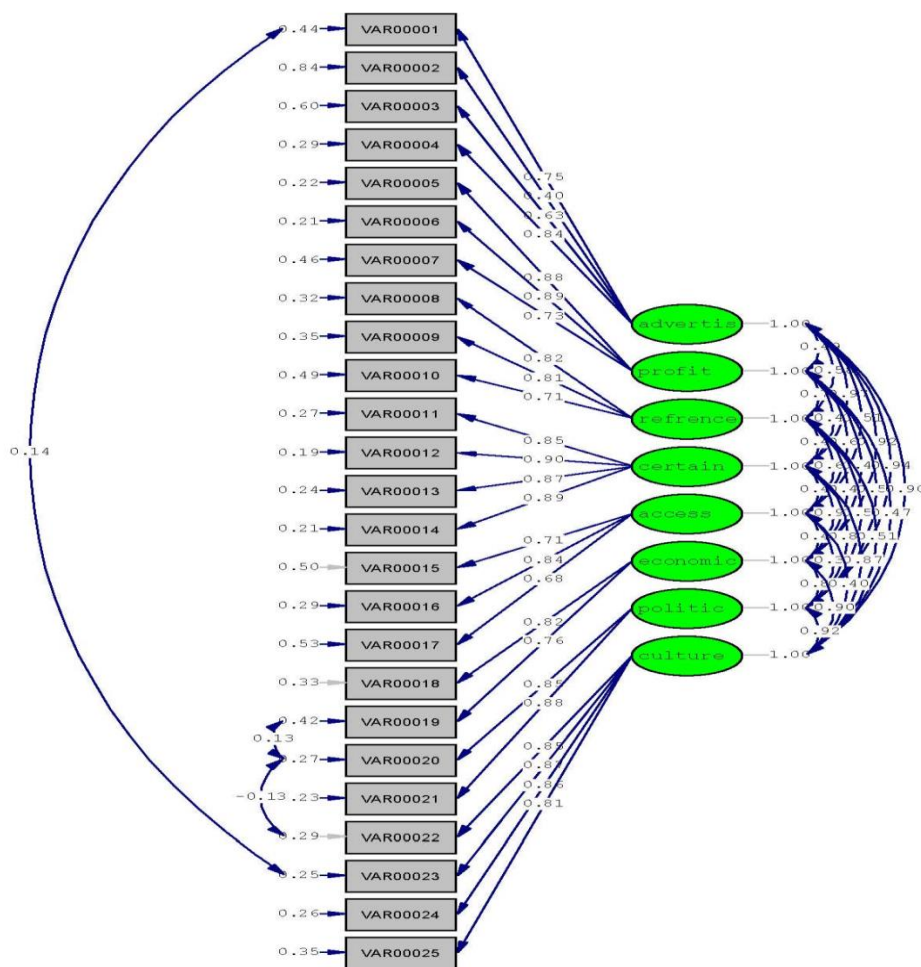
For processing data derived from questionnaires and sum up them SPSS software was used. To analyze the data using structural equation modeling, confirmatory factor analysis by LISREL software was used. To confirm or reject research questions and to achieve the other finding inferential statistical (Test t, Friedman) are used to explain the collected data.

Research Findings:

In this study, 91.97% of respondents were male and the remaining 8.03 percent were female. In terms of age 27.40 percent of respondents were under 30 years, 43.6% between 31 and 40 years, 17.40 percent and 10.95 percent between 41 and 50 years and 10.95 percent were more than 50 years. In terms of education 13.87% of respondents were diploma and lower, associate degree 20.44 percent, 51.82 percent undergraduate and 13.87 percent of master and higher. In terms of job 31.10% had non-government jobs, 10.10 percent retired, unemployed 17.20 percent and 12.41 percent had government jobs. In terms of experience, 20.9% had less than 1 year, 62.2% between 1 to 3 years, 6.5% between 3 to 5 years and 10.4% had more than five years of service.

In this section, the results of research variables confirmatory factor analysis are represented using LISREL software. It should be noted that in order to reduce variables and consider them as a latent

variable obtained factor coefficient should be more than 0.3 (Momeni and Faalghayoom, 2007). In confirmatory factor analysis for each of the concepts or variables there are conceptual model. In examining each of models the basic question is that is it appropriate measurement models? In the other words do research data are consistent with the conceptual model or not? There are two types of indicators to test the model. 1-indicators of well-being and indicators of bad being. Indicators of well-being are AGFI, AGFI .NFI... which how much there amount be greater, they are much better. The proposed amount for such indicators is 0.9. Also bad being indexes include AESMR and χ^2/df which how much there amount be smaller, model has better fitting. The extent permitted of χ^2/df is 3, the extent permitted of AESMR is 0.08. To answer the question of model fitting we must instigate both good and bad being indexes. Figures 2 and 3 show research indicator confirmatory factor analysis using LISREL software .



Chi-Square=459.02, df=244, P-value=0.00000, RMSEA=0.079

Figure 2: Measures of variables in a standard estimate mood

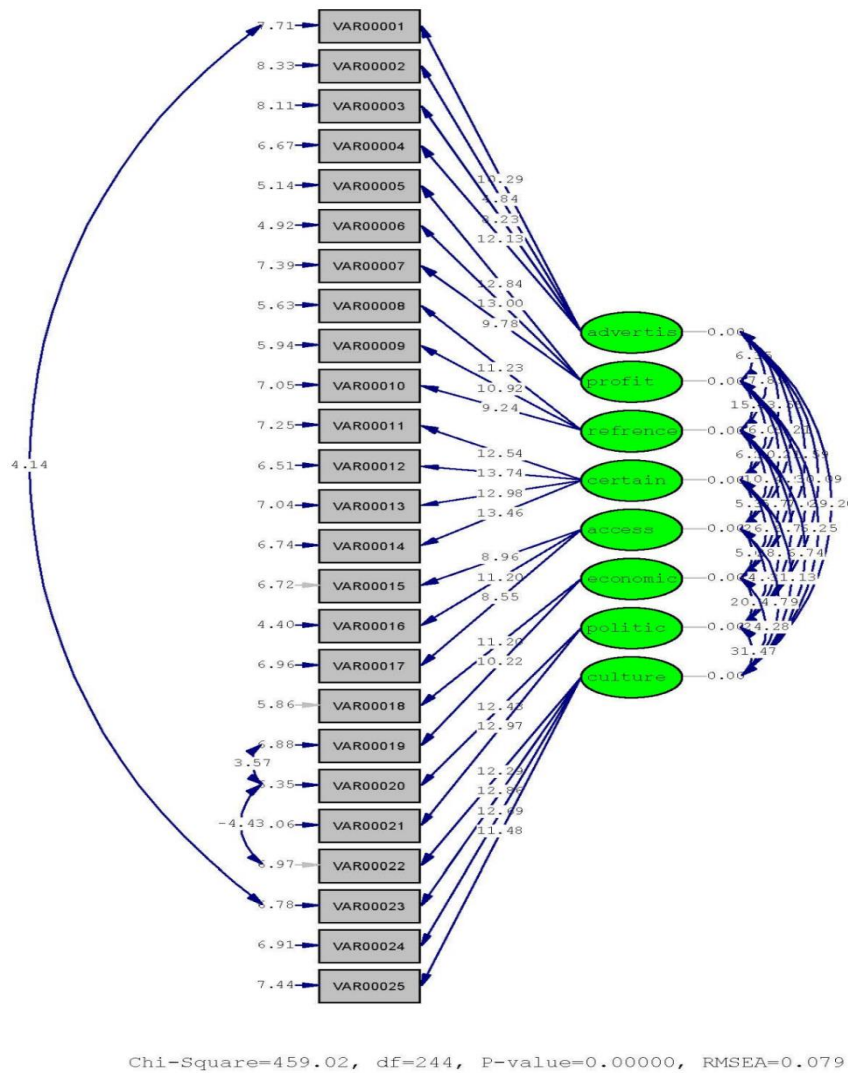


Figure 3: Measures of variables in a significant mood

Indicators of the model fitting show that in terms of suitability and fitness the model is in good condition; as ratio of Chi square to the degree of freedom is 0.079 which is smaller than allowable amount of 0.08. Also P-value is 0.000 which is smaller than 0.05, NFI is 0.95 and CFI is 0.97. Therefore, it can be concluded that the model is implemented appropriately. If the value of t be bigger than 2.56 or smaller than -2.56 then standard correlation coefficient will be significant in 99% confidence level.

Table 2: Amount of model fitting

Index	The value obtained	The maximum allowable
Chi square on DOF	1.88	Less than 3
CFI	0.97	Upper than 0.9
RMSEA	0.079	Less than 0.08
IFI	0.97	Upper than 0.9
NFI	0.95	Upper than 0.9
NNFI	0.96	Upper than 0.9

Testing research hypotheses**First hypothesis: Histories of the profitability of the Investments in exchange have a significant positive impact on real people's capital attraction.**

According to the scores obtained from the sample and one sample T-testing, the results suggest that p-value or in the words the amount of Sig that its value is equivalent to 0.000, has been smaller than $\alpha=0.05$, therefore null hypothesis namely the mean of history of the profitability of the Investments in exchange are equal to 3, has not been approved; the overall result will be explained as follows, according to the community average 3.912 and T statistic value equal to 11.566 which is greater than 1.96 then first hypothesis is confirmed. As a result histories of the profitability of the Investments in exchange have a significant positive impact on real people's capital attraction.

Second hypothesis: Advertising on investment in exchange has a significant positive impact on real people's capital attraction.

According to the scores obtained from the sample and one sample T-testing, the results suggest that p-value or in the words the amount of Sig that its value is equivalent to 0.873, has been greater than $\alpha=0.05$, therefore null hypothesis namely the mean of advertising on investment in exchange are equal to 3, has not been approved; the overall result will be explained as follows, according to the community average 3.013 and T statistic value equal to 0.160 which is in range of 1.96-1.69 then second hypothesis is not confirmed. As a result advertising on investment in exchange have not a significant positive impact on real people's capital attraction.

Third hypothesis: Shareholdings cultures have a significant positive impact on real people's capital attraction.

According to the scores obtained from the sample and one sample T-testing, the results suggest that p-value or in the words the amount of Sig that its value is equivalent to 0.087, has been greater than $\alpha=0.05$, therefore null hypothesis namely the mean of shareholdings culture are equal to 3, has not been approved; the overall result will be explained as follows, according to the community average 3.151 and T statistic value equal to 1.725 which is in range of 1.96-1.69 then third hypothesis is not confirmed. As a result shareholdings cultures have not a significant positive impact on real people's capital attraction.

Forth hypothesis: Reference groups in exchange have a significant positive impact on real people's capital attraction.

According to the scores obtained from the sample and one sample T-testing, the results suggest that p-value or in the words the amount of Sig that its value is equivalent to 0.000, has been smaller than $\alpha=0.05$, therefore null hypothesis namely the mean of reference groups are equal to 3, has not been approved; the overall result will be explained as follows, according to the community average 3.612 and T statistic value equal to 11.566 which is greater than 1.96 then forth hypothesis is confirmed. As a result reference groups have a significant positive impact on real people's capital attraction.

Fifth hypothesis: Economic factors have a significant positive impact on real people's capital attraction.

According to the scores obtained from the sample and one sample T-testing, the results suggest that p-value or in the words the amount of Sig that its value is equivalent to 0.254, has been greater than $\alpha=0.05$, therefore null hypothesis namely the mean of economic factors are equal to 3, has not been approved; the overall result will be explained as follows, according to the community average 3.104 and T statistic value equal to 1.147 which is in range of 1.96-1.69 then fifth hypothesis is not confirmed. As a result economic factors have not a significant positive impact on real people's capital attraction.

Sixth hypothesis: Political factors have a significant positive impact on real people's capital attraction.

According to the scores obtained from the sample and one sample T-testing, the results suggest that p-value or in the words the amount of Sig that its value is equivalent to 0.007, has been smaller than $\alpha=0.05$, therefore null hypothesis namely the mean of political factors are equal to 3, has not been approved; the overall result will be explained as follows, according to the community average 3.258 and T statistic value equal to 2.737 which is greater than 1.96 then sixth hypothesis is confirmed. As a result Political factors have a significant positive impact on real people's capital attraction.

Seventh hypothesis: Brokerage operations have a significant positive impact on real people's capital attraction.

According to the scores obtained from the sample and one sample T-testing, the results suggest that p-value or in the words the amount of Sig that its value is equivalent to 0.015, has been smaller than $\alpha=0.05$, therefore null hypothesis namely the mean of brokerage operations are equal to 3, has not been approved; the overall result will be explained as follows, according to the community average 3.223 and T statistic value equal to 2.453 which is greater than 1.96 then seventh hypothesis is confirmed. As a result brokerage operations have a significant positive impact on real people's capital attraction.

Eighth hypothesis: The geographical locations (availability) have a significant positive impact on real people's capital attraction.

According to the scores obtained from the sample and one sample T-testing, the results suggest that p-value or in the words the amount of Sig that its value is equivalent to 0.015, has been smaller than $\alpha=0.05$, therefore null hypothesis namely the mean of the geographical location are equal to 3, has not been approved; the overall result will be explained as follows, according to the community average 3.580 and T statistic value equal to 7.669 which is greater than 1.96 then eighth hypothesis is confirmed. As a result the geographical locations have a significant positive impact on real people's capital attraction.

In order to prioritize components of research Friedman test was used:

H0: Priorities of effective factors in real people's capital attraction are same.

H1: At least two priorities are not alike.

To prioritize the affecting factors at first H0 assumption was investigated and because of significance level of less than 0.05 then H0 assumption namely priorities equality rejected and H1 assumption namely priorities inequality approved. The results of data processing are presented in Table 3.

Table 3: results of research variables equality test

result	significance level	Degrees of freedom	Chi-squared	Count
Approval of priorities inequality	0.000	7	145.084	137

According to the chi-square and degree of freedom and a significance level and with regard to $\alpha = 0.005$, equality of means assumption is rejected, so we can prioritize the factors. The results of the prioritization are in the following table

Table 4: ranking of the factors using Friedman test

Variables	Average ratings
Profitability	6.08
Reference groups	5.32
Geographical location	4.94
Political factors	4.42
Brokerage operations	4.29

At a significance level of 0.005 there is a difference between the rankings of variables. According to Friedman test result priority of influential variables in real people's capital attraction are respectively profitability, reference groups, geographic location, political factors and brokerage operations.

Conclusion:

Sum up and general conclusions of testing the research hypotheses suggests that history of Profitability, reference groups, geographic location, political factors and brokerage operations are effective in real people's capital attraction and economic factors, cultural stakeholders and advertising are not effective in real people's capital attraction. According to Friedman test result priority of influential variables in real people's capital attraction is respectively profitability, reference groups, geographic location, political factors and brokerage operations.

Recommendations:

Given that reference groups have effect in real people's capital attraction, it is recommended to exchange that acts in identifying and using this people to inform, making culture and encouraging people to invest. Given that brokerage operations have effect in real people's capital attraction, it is recommended to exchange that does more control over the performance of brokerage operations and justifies brokerage to do their operations without speculative operations for the benefit of specific people.

It is recommended that exchange in terms of geographic location provides in form of parking facilities and ancillary facilities for the investors.

It is recommended that exchange acts to of inform about investment in exchange with taking into account history of profitability and the political factors.

References:

- Abzari M., Poorebrahimi M. Reza. (2001). Different investment strategies on the stock exchange. Research Journal, Volume XII.
- Abzari M., Safari A. (2006). Electronic Stock Exchange and its development in Iran, Journal of Eghtesad va Tejarate Novin.
- Ahmadvand M. Rahim. (2000). The role of the insurance industry in capital market funding needed for the manufacturing, First Printing, Tehran, Institute for Monetary and Banking Research
- Batachriya K., Gori and Johnson A. Richard. (1997). Concepts and statistical methods, translation of Morteza Shahrashoob and Fatah M. Michael, Tehran University Publishing Center
- Bazargan, A. (1997). Research Methods in Behavioral Sciences, Tehran Agah Publishing
- Davani Gh.(1996). Stock Exchange, First Edition, Tehran, Nakhostin publishing
- Hafezniya M. Reza. (2003). Introduction to research in the humanities, Eighth Edition, Tehran, publisher of SAMT
- Haghaninasab. (2004). the role of Regional Forum and the stock exchange on capital market development with emphasis on regional and local stock exchange services in Azerbaijan, development of regional capital markets conference, Tabriz
- Jahankhahi A., Moradi M. (1996). Analyzing the shares buying decisions of ordinary purchasers in Tehran Stock Exchange, the first seminar on financial management, Tehran, Shahid Beheshti University of Administrative Sciences
- Jamshidi. A. (2003). Capital market, goals, motivation, tools and risks, a set of basic data on investment in securities, Tehran, cultural services of Rasa
- Jones P. Chalz. (2003). Investment management, translator Reza Tehrani and A. Noorbakhsh, Tehran look dissemination of knowledge
- Kadkhodayi H. (2001). Insurance, bank, stock exchange, Triangle Development, Journal of the insurance industry, the sixteenth year,
- Khatayi M. (1999). Financial markets and economic growth, First Edition, Tehran, monetary and financial research institute
- Sangestani A. (1997). Stock Exchange and its performance effect on the absorption of liquidity and the economic development of the country, Islamic Azad University, Khorasan, senior thesis
- Senobar N. (2004). Comparative Analysis of Investment Opportunities in Iran households, the development of regional capital markets conference, Tabriz