

**INVESTIGATING RELATIONSHIP BETWEEN CONSUMER PRICE INDEX
AND PRODUCER PRICE INDEX AND DIVIDEND PER SHARE
(CASE STUDY: Accepted Firms in Tehran Stock Exchange in 2001-2009)**

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ABSTRACT

Managers of economic institutions should possess some criteria in the stock exchange so that they can evaluate their performance and economic plans. Criteria for performance evaluation accounting can be used for evaluating performance and economic plans. One of the main criteria for performance evaluation accounting is reported accounting profit or dividends. This criterion is one of the main indexes for evaluating managers' performance, and it is also a main criterion for decision-making on approval or rejection of economic plans. This index is influenced by different factors such as price index, especially consumer price index and producer price index. In this paper, relationship between producer price index and consumer price index is investigated in accepted firms in Tehran stock exchange. Dicky- Fuller Test is used for time series reliability and Pearson correlation coefficient and Granger-causality tests are used for investigating the relationship between variables. Finally, it was concluded that consumer price index has an inverse correlation with dividend per share (first hypothesis), and producer price index has a direct correlation with dividend per share (second hypothesis).

Keywords: *dividend per share, consumer price index, producer price index, Dicky- Fuller Test, Granger-causality test*

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1. INTRODUCTION

Establishment of a stock exchange in every country indicates beginning of a stage of economy evolution and growth stages, thus. Stock exchange would not be established as long as there is no need for capital accumulation necessity and its accumulation for the financial provision of national economic development projects, or if it's established it wouldn't play any substantial role in an economy. Currently, stock exchange is considered as one component in national economy components in most developed and developing countries and financial funds of the society are collected by it and it is used for realization of economic development goals.