



## Relationship between Operational and Financial Risk and Economic Value added: Iranian evidence

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### Abstract

This research carried out about 138 companies listed on the Tehran Stock Exchange including 11 industries during 2001-2009. After calculation of research variables via multiple regression method, analyzing of research result has been carried out using six hypothesizes. Final result of this research indicates that there is a significant relationship between operational risk and economic value added based on market and book values. However, no meaningful relationship is available between financial risk and economic value added based on market and book values. In addition, the result of multiple regression method indicates no meaningful relationship between economic value added based on market and book values, type of industries and expected profit growth with variable efficiency. It also shows a negative relationship between economic value added based on market and book values and expected financial distress index and positive relationship between economic value added based on market and book values and size of company.

**Keywords:** Economic Value Added, Operational Risk, Financial Risk.

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