

Introduction

The capital market in every country is responsible for collecting small and large and unused funds in the country, and this can provide profitability for investors and the necessary capital for the company while establishing a relationship between supply and demand. to create in the direction of production. Considering the vital importance of the capital market in the economy of the countries, the dynamics of this market in a way reflects the overall dynamics of the economy of a country, and their valuation and entry into the capital market is done through stock pricing, therefore, if the price If the shares of the companies deviate from their fundamental value and are priced higher or lower than their limits, this can have unpleasant consequences for the company, shareholders and finally the capital market. Since the basis of investors' decision-making is information from financial statements of companies, and the reports must have certain characteristics to be useful, and the role of auditors in preparing and confirming the information issued by the company. cannot be ignored in the form of accounting information. Auditors, as an institution trusted by investors and monitors the financial information of companies, can play a significant role in improving the quality of information, and also improving the quality of information and reducing information asymmetry will reduce incorrect stock pricing.

Hypotheses

Incorrect valuation occurs when the stock value is different from its fundamental value. Mispricing is a phenomenon that originates from the weaknesses of the capital market. Behavioral effects of investors, low quality and asymmetry of information are among the main examples of imperfect market, which is an important factor in the incorrect valuation of stocks. A price bubble occurs if a financial asset is mispriced and the price of a share is much higher than the discounted value of the expected cash flows of that share. Information asymmetry and low quality of information is the main cause of stock mispricing. Due to the separation of ownership from management and abuse of financial statements by managers in line with their own interests, independent auditors by confirming the accounting reports of the company as an independent institution and trusted by the parties, ensure that in order to increase the quality level of information and

reducing the conflict of interests and possible events with reporting and fake events and reducing the information asymmetry between the parties, is trying to supply the best information to the market. The quality of profit is strongly influenced by the conservatism of the auditors, and the beneficiaries can rely on this feature of the auditor. The auditor's conservatism improves the quality of information according to past researches, and the mispricing of stocks is mostly due to the lack of information asymmetry and transparent information in the market, so it is expected that the auditor's conservatism can reduce mispricing of stocks. Therefore, the research hypothesis is presented as follows:

H1: the auditor's conservatism has a negative effect on the incorrect pricing of companies' shares.

H2: the impact of the auditor's conservatism on the incorrect pricing of shares is greater in companies with higher profitability than in companies with lower profitability.

H3: the impact of the auditor's conservatism on the incorrect pricing of shares is greater in smaller companies than in larger companies.

H4: the impact of the auditor's conservatism on the incorrect pricing of the companies' shares in the last five years is more evident than in the previous periods.

Method

The current research is applied and from the methodological point of view, correlation is causal type (post-event). The statistical population under investigation in this research is all the companies admitted to the Tehran Stock Exchange and the period under investigation is from 2013 to 2022. In this research, the systematic elimination method was used to reach the sample, and 133 companies were selected as the research sample. Data analysis has been done by using the combined data method and with the data panel approach and by using Eviews 12 software to test the hypotheses.

Results

The results of the research hypothesis test showed that the auditor's conservatism has a negative effect on the incorrect pricing of stocks; Therefore, the research hypothesis is not rejected at the 5% error level. In fact, by increasing the conservatism of the auditor while improving the

quality level of the disclosed information, the incorrect pricing of shares also decreases. Companies with high profitability and low profitability do not have much difference in coefficients and significance with the test of the first hypothesis of the research and the hypothesis has been confirmed with a negative coefficient and a significance level of less than 5%, which is in line with the results of the main sample of the research. In the results of separation into two time periods before and after 2017, it can be seen that in the period from 2012 to 2016, the research hypothesis was rejected with a significance level higher than 5%, but in the group after 2017 to 2022, it is observed It is confirmed that the third hypothesis of the research has been confirmed with a negative coefficient and a significance level of less than 5%. In the results obtained from large and small companies, it was observed that in large companies the results of the fourth hypothesis test obtained with a significance level higher than five percent show that in small companies with a significance level less than 5 percent and a negative coefficient The results are confirmed in line with the results of the first research hypothesis and the fourth hypothesis.

Discussion and Conclusion

The capital market is one of the main pillars of the economic system of countries and companies are its components, whenever the value of the accepted companies' shares is far from its fundamental value, the incorrect pricing of the shares has occurred, and in this case, it is not It had high efficiency market power. The conservatism of auditors can reduce incorrect stock pricing by increasing the quality level of accounting information of companies. As it is clear and obvious, the transparency and quality of accounting information in the market is of great importance, and one of the factors that can affect the quality of this information is the company's audit institution, whose seal of approval on the financial statements attracts attention. It is the assurance of the users of these financial statements. Due to the presence of various types of risk in their work, auditors should apply a certain level of conservatism according to the level of risk that they have estimated from the business environment in their investigations, which can improve the quality level of the information at the same time. can reduce the risk of legal claims against them in the future, so this level of conservatism can induce transparency and higher quality to the information disclosed by

the employer and can reduce the asymmetry of information in the market and ultimately pricing. Incorrectly reduce the stock. Therefore, the conservatism of auditors can have a significant impact on the pricing and choice of investors in buying and selling shares.

Keywords: stock mispricing, auditor conservatism, quality of accounting information