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# **The relationship between performance evaluation improve the value of cash holdings**

Seyed mehdi rashidi\*,

**This study was investigated the relationship between performance measures of Economic Value Added and the value of cash holdings in companies listed on the Tehran Stock Exchange. In order to achieve the desired aim, three hypotheses has been developed. The sample included 126 companies listed on Tehran Stock Exchange during the period 1390 to 1394. EVA is a measure of a company's financial performance based on the residual wealth calculated by deducting its cost of capital its operating profit, adjusted for taxes on a cash basis. It is a descriptive-correlational study and an applied regarding aim. Regression models and panel data were used to test the hypotheses. The results indicate that there is no a relationship between EVA and overinvestment, however, there is a significant negative relationship between EVA and underinvestment. The results also revealed that there is a significant positive relationship between the value of companies' cash assets in evaluating the performance of the firm's value. The finding demonstrated that the second hypothesis is proved.**

**Keywords : Economic Value Added, Overinvestment, Underinvestment, Cash, Company Value**

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