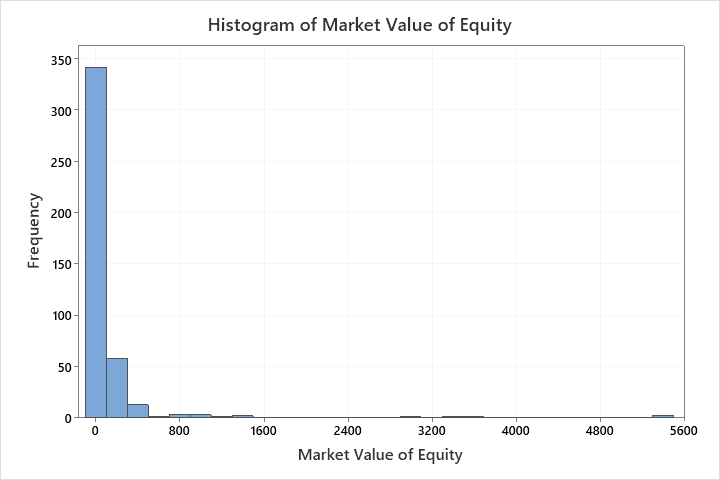
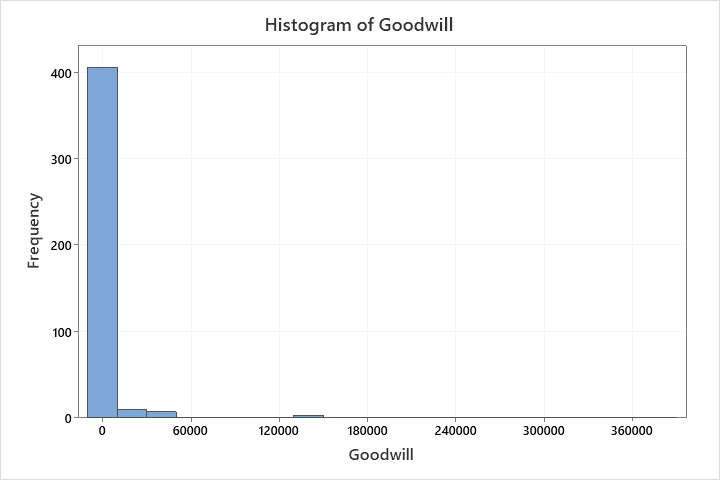
Hypothesis 2

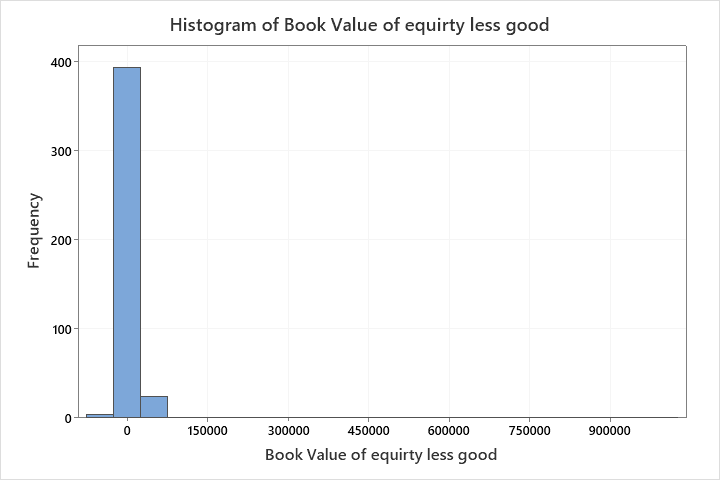
**Descriptive Statistics: Market Value of Equity, Goodwill, Book Value of equirty less good, Net Operating Profit After Tax, Growth rate, Goodwill/Total assets, Disclosure index**

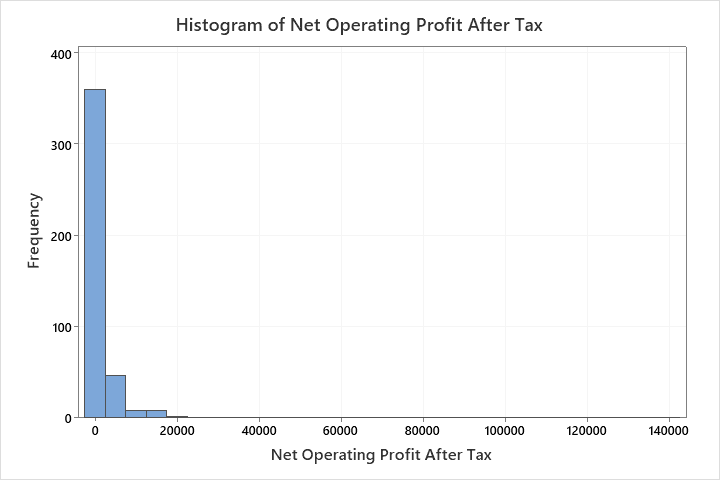
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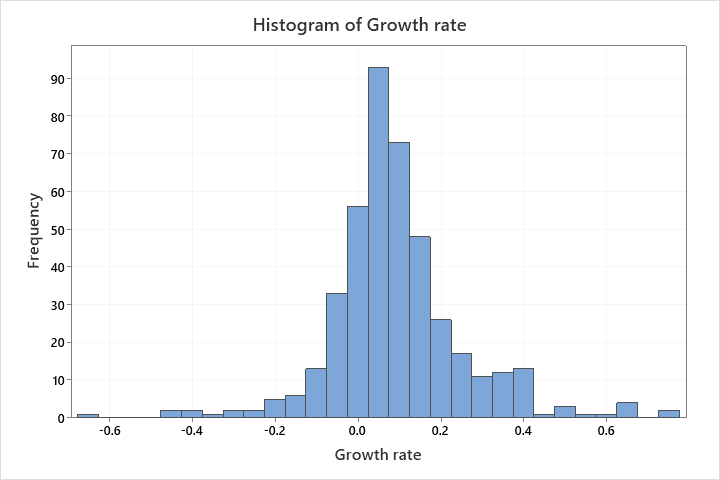
|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Variable** | **N** | **Mean** | **StDev** | **Minimum** | **Median** | **Maximum** | **Skewness** |
| Market Value of Equity | 428 | 123.89 | 483.18 | 0.13 | 20.43 | 5490.35 | 8.40 |
| Goodwill | 428 | 4267.39 | 23018.57 | 0.44 | 550.29 | 380610.48 | 12.08 |
| Book Value of equirty less good | 428 | 10649.42 | 58121.59 | -61407.00 | 2344.87 | 1008926.16 | 13.55 |
| Net Operating Profit After Tax | 428 | 2065.05 | 8039.98 | 3.28 | 467.44 | 137510.01 | 12.82 |
| Growth rate | 428 | 0.09 | 0.16 | -0.64 | 0.07 | 0.74 | 0.40 |
| Goodwill/Total assets | 428 | 0.12 | 0.13 | 0.00 | 0.08 | 0.64 | 1.64 |
| Disclosure index | 428 | 0.90 | 0.14 | 0.11 | 0.94 | 1.00 | -2.70 |

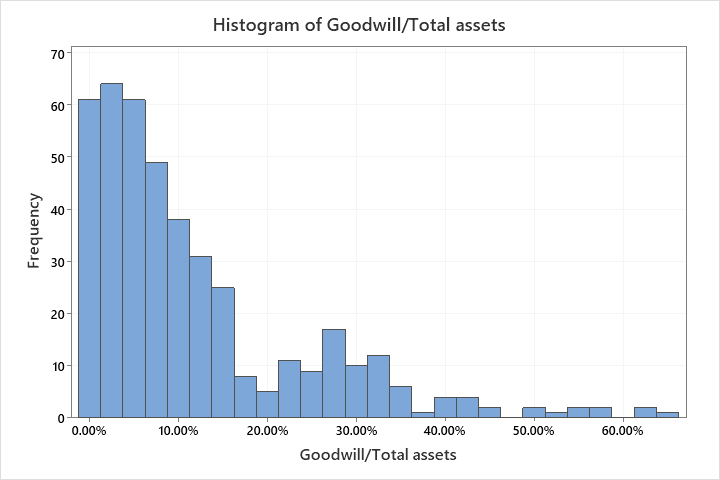


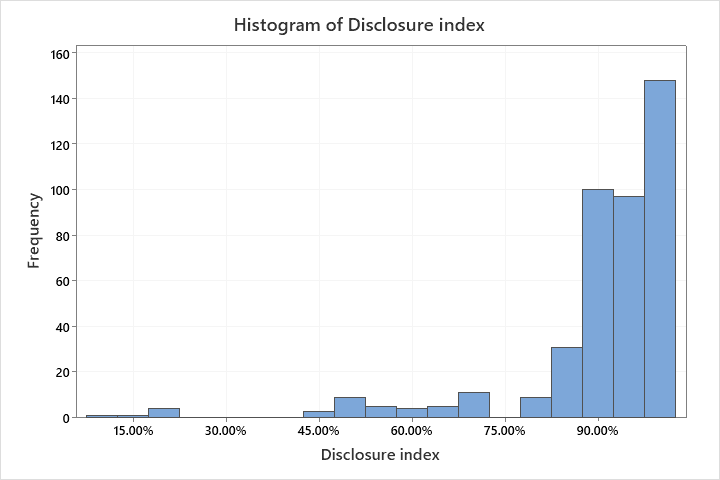


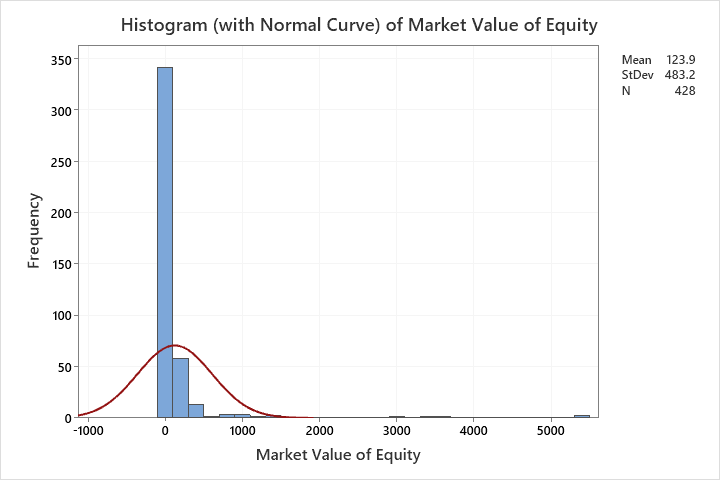


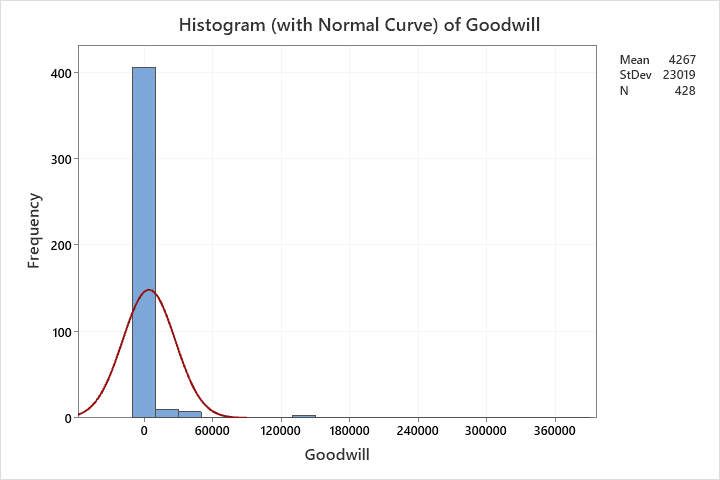


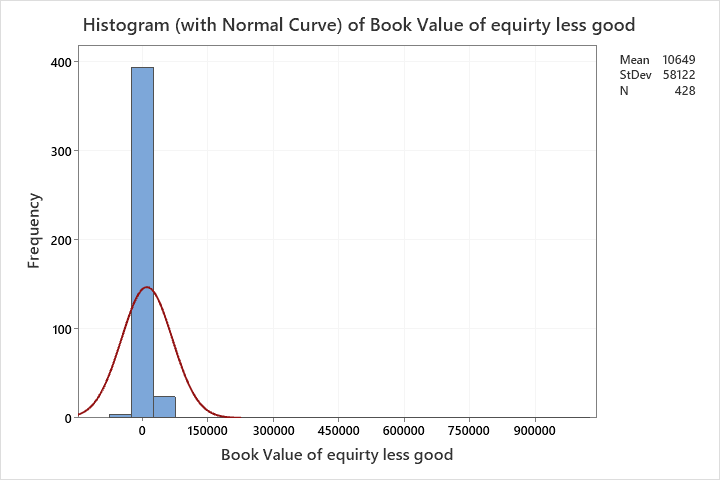


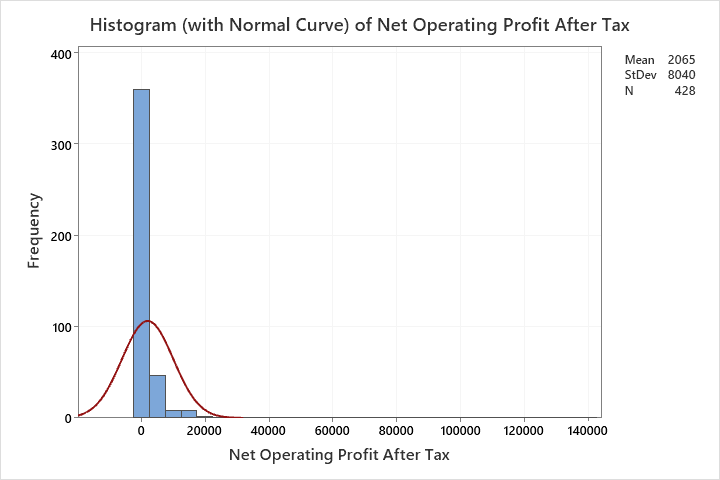


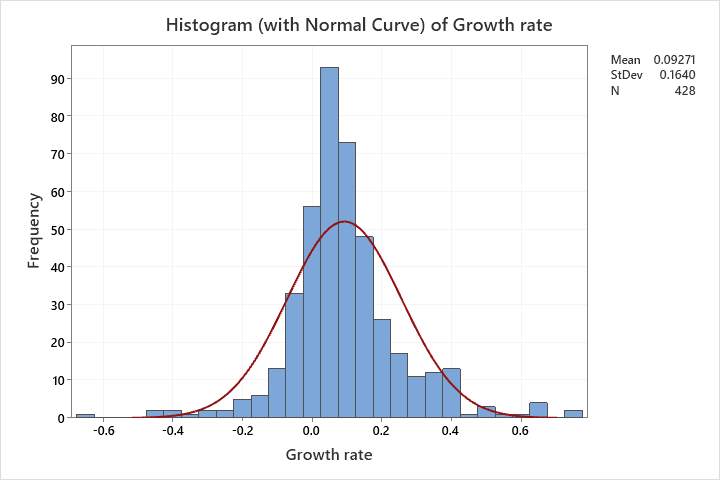


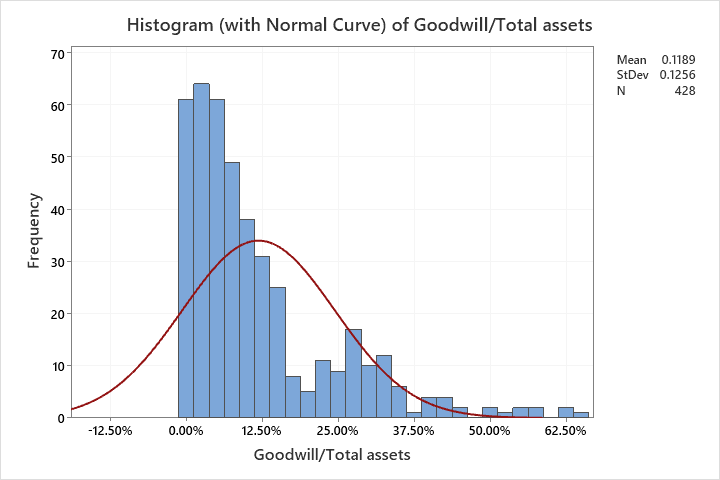


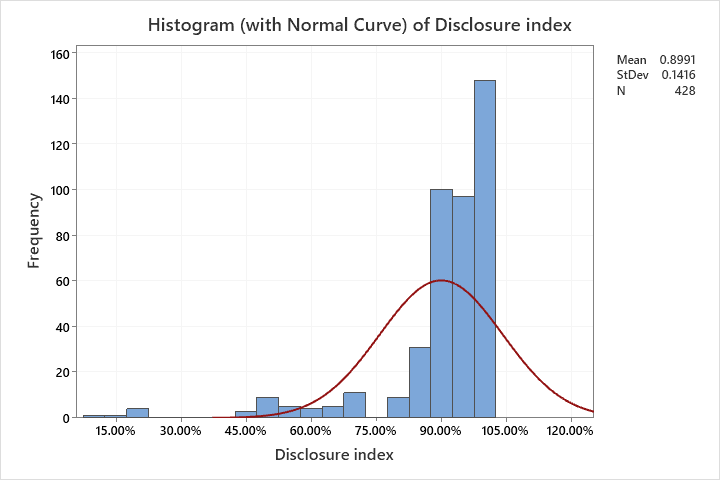


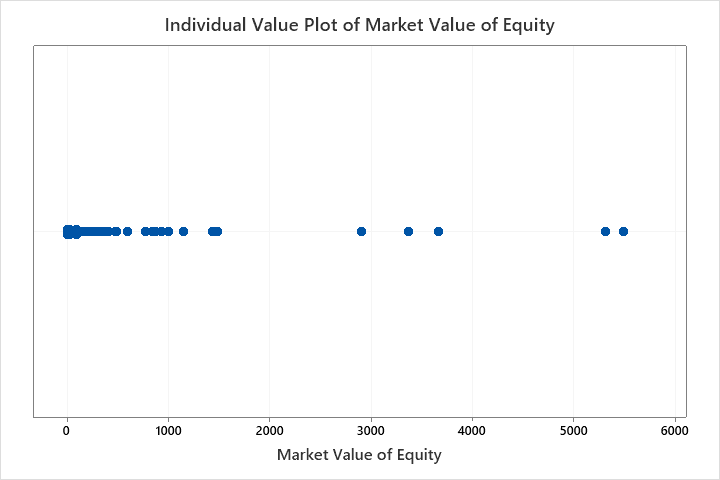


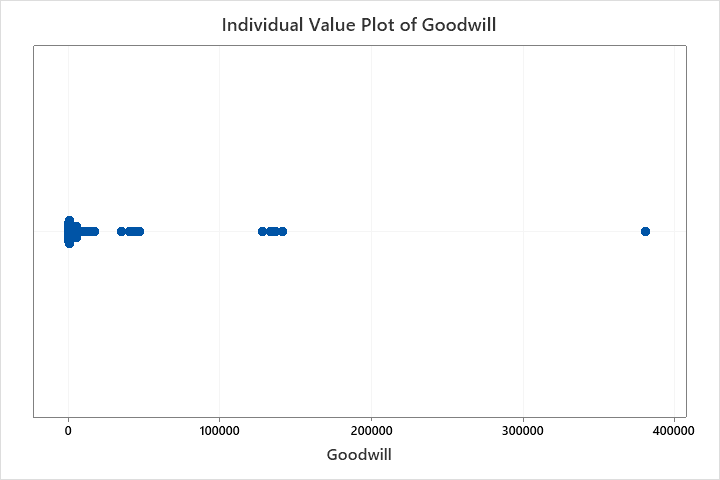


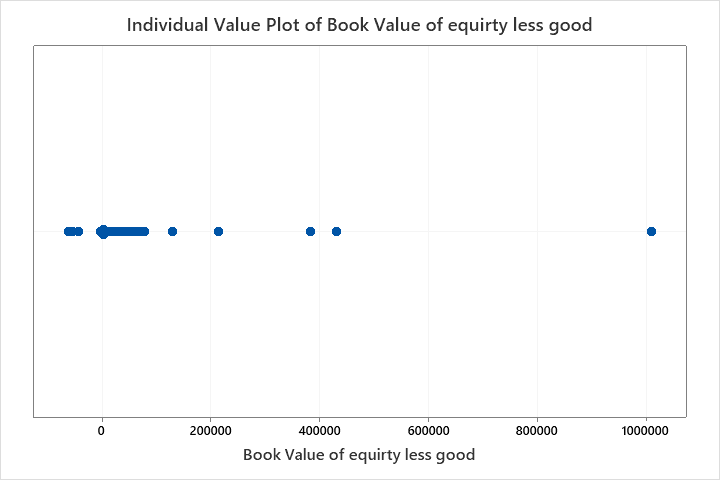


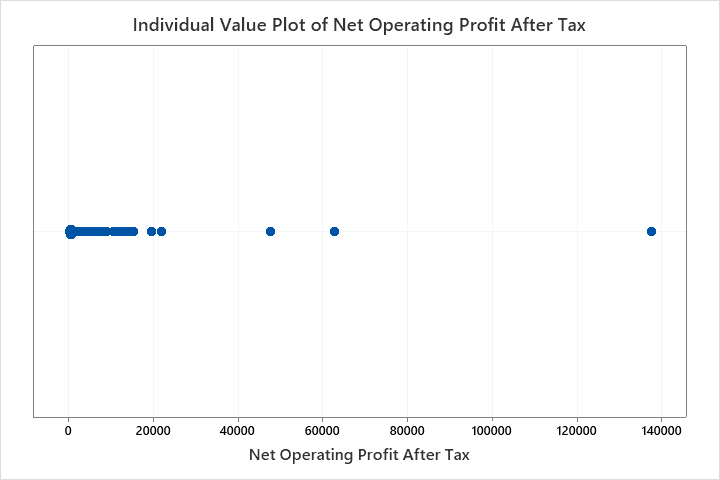


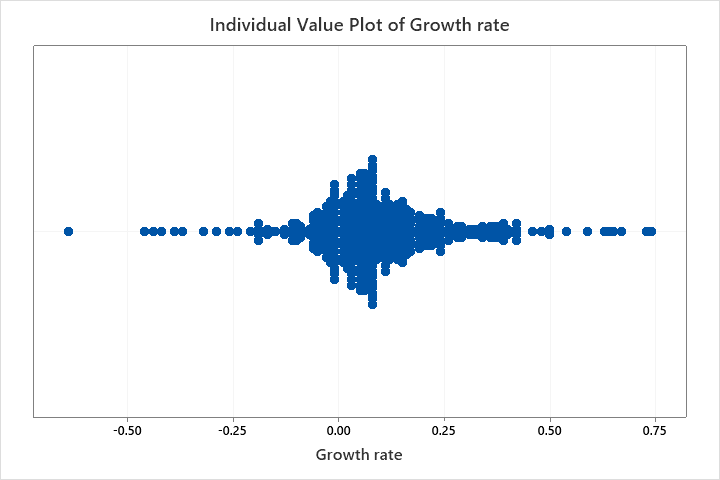


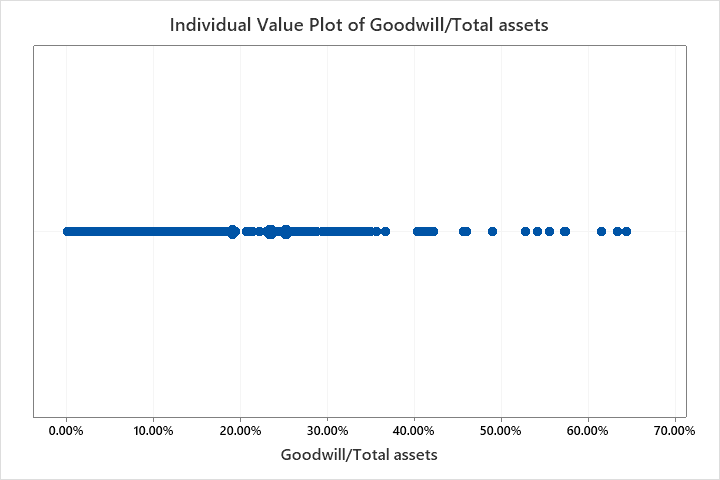


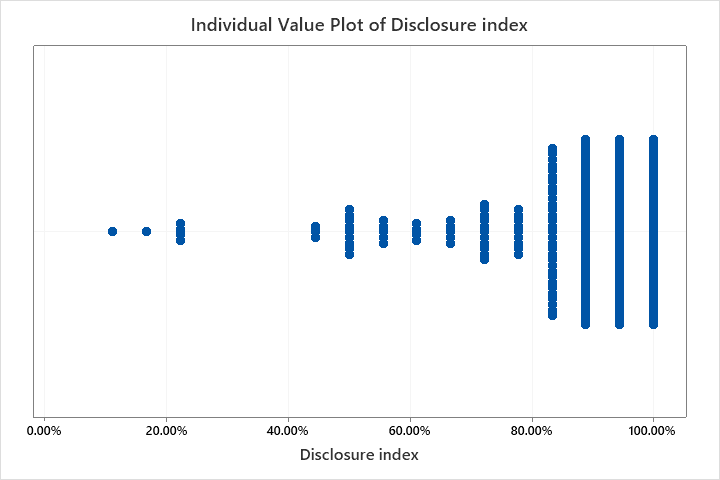


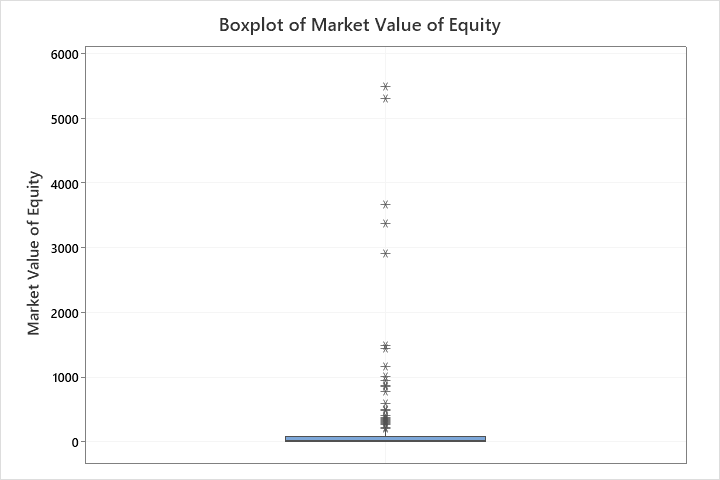


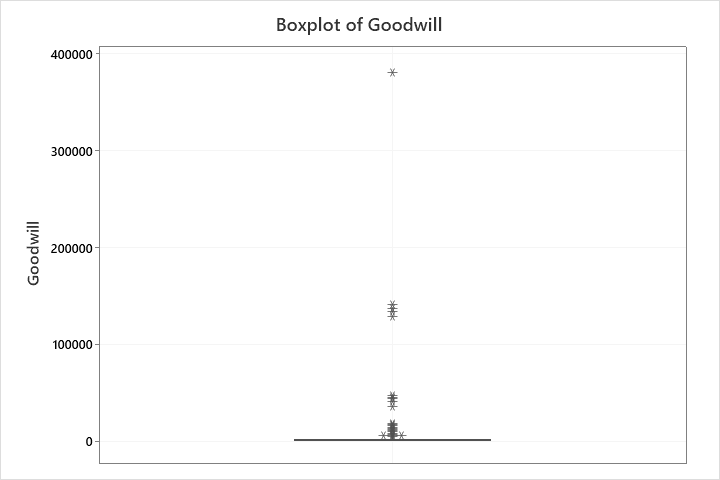


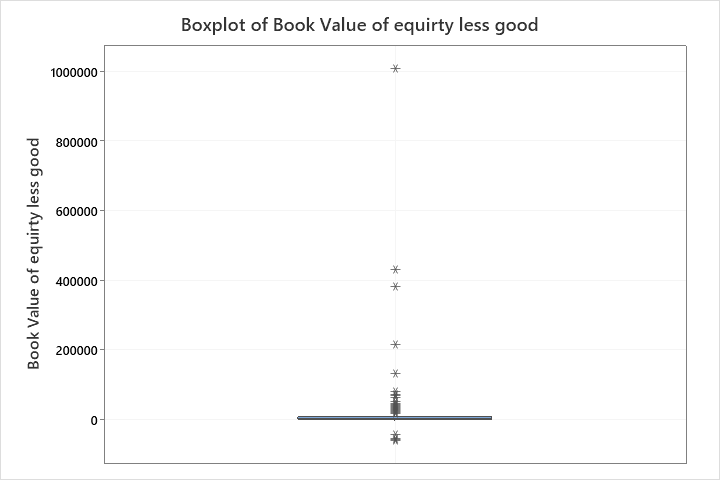


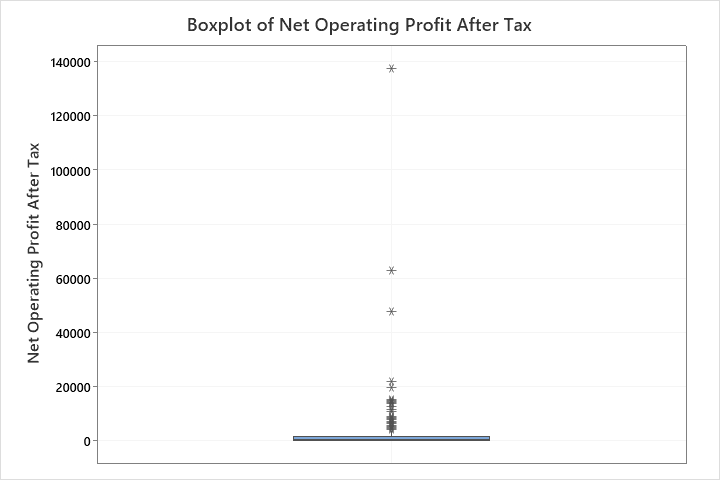


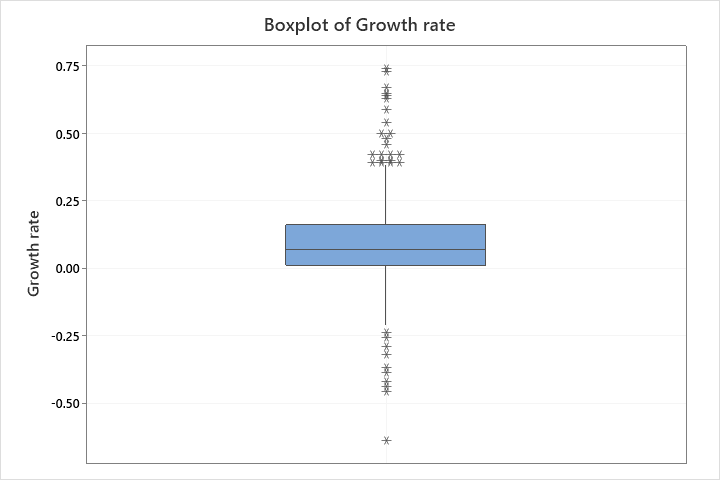


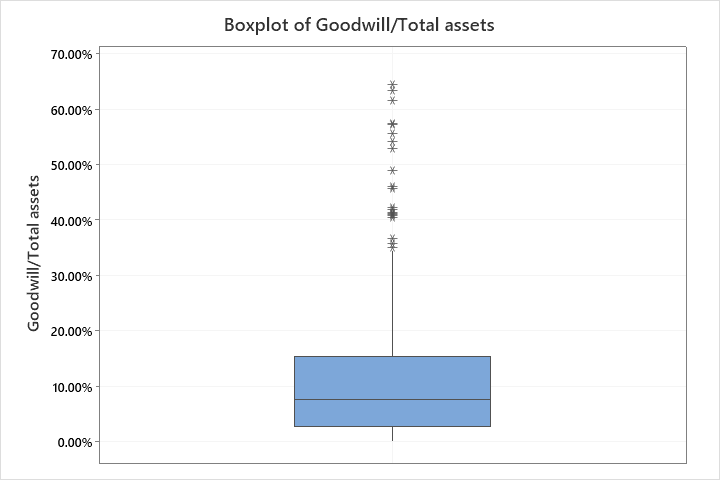


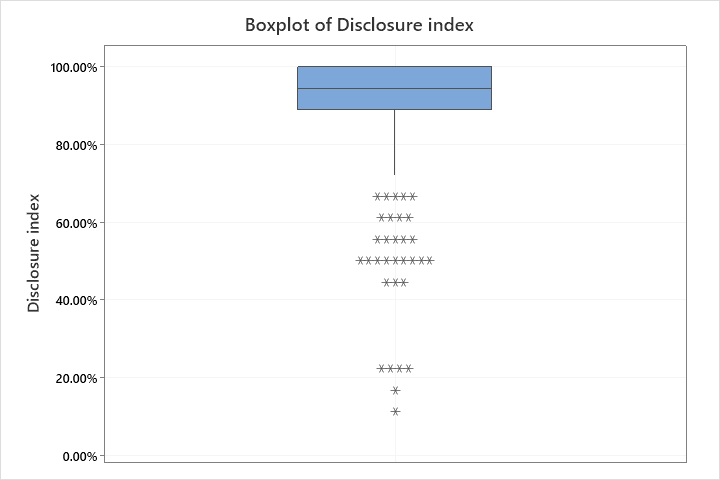




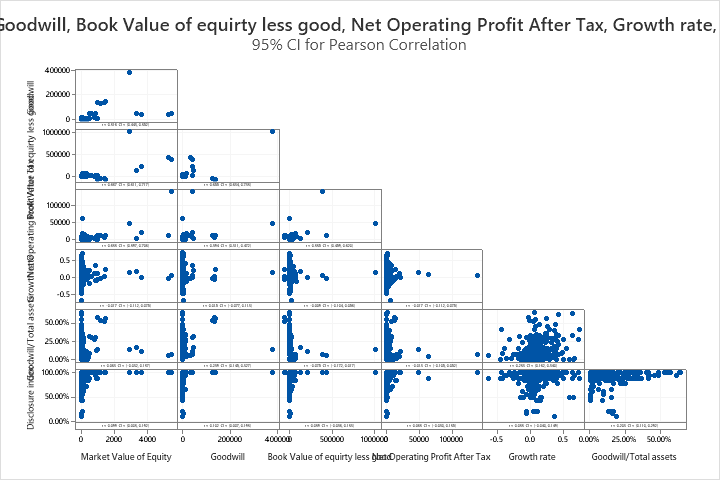








**Correlation: Market Value of Equity, Goodwill, Book Value of equirty less good, Net Operating Profit After Tax, Growth rate, Goodwill/Total assets, Disclosure index**



**Method**

|  |  |
| --- | --- |
| Correlation type | Pearson |
| Number of rows used | 428 |

*ρ: pairwise Pearson correlation*

**Correlations**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Market Value of Equity** | **Goodwill** | | **Book Value of equirty less good** | **Net Operating Profit After Tax** | **Growth rate** |
| Goodwill | 0.516 |  | |  |  |  |
| Book Value of equirty less good | 0.667 | 0.688 | |  |  |  |
| Net Operating Profit After Tax | 0.655 | 0.394 | | 0.558 |  |  |
| Growth rate | -0.017 | 0.018 | | -0.009 | -0.017 |  |
| Goodwill/Total assets | 0.063 | 0.239 | | -0.078 | -0.013 | 0.253 |
| Disclosure index | 0.099 | 0.102 | | 0.059 | 0.065 | 0.055 |
|  | **Goodwill/Total assets** | |
| Goodwill |  | |
| Book Value of equirty less good |  | |
| Net Operating Profit After Tax |  | |
| Growth rate |  | |
| Goodwill/Total assets |  | |
| Disclosure index | 0.203 | |

**Pairwise Pearson Correlations**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sample 1** | **Sample 2** | **N** | **Correlation** | | **95% CI for ρ** |
| Goodwill | Market Value of Equity | 428 | 0.516 | | (0.443, 0.582) |
| Book Value of equirty less good | Market Value of Equity | 428 | 0.667 | | (0.611, 0.717) |
| Net Operating Profit After Tax | Market Value of Equity | 428 | 0.655 | | (0.597, 0.706) |
| Growth rate | Market Value of Equity | 428 | -0.017 | | (-0.112, 0.078) |
| Goodwill/Total assets | Market Value of Equity | 428 | 0.063 | | (-0.032, 0.157) |
| Disclosure index | Market Value of Equity | 428 | 0.099 | | (0.005, 0.192) |
| Book Value of equirty less good | Goodwill | 428 | 0.688 | | (0.634, 0.735) |
| Net Operating Profit After Tax | Goodwill | 428 | 0.394 | | (0.311, 0.472) |
| Growth rate | Goodwill | 428 | 0.018 | | (-0.077, 0.113) |
| Goodwill/Total assets | Goodwill | 428 | 0.239 | | (0.148, 0.327) |
| Disclosure index | Goodwill | 428 | 0.102 | | (0.007, 0.195) |
| Net Operating Profit After Tax | Book Value of equirty less good | 428 | 0.558 | | (0.489, 0.620) |
| Growth rate | Book Value of equirty less good | 428 | -0.009 | | (-0.104, 0.086) |
| Goodwill/Total assets | Book Value of equirty less good | 428 | -0.078 | | (-0.172, 0.017) |
| Disclosure index | Book Value of equirty less good | 428 | 0.059 | | (-0.036, 0.153) |
| Growth rate | Net Operating Profit After Tax | 428 | -0.017 | | (-0.112, 0.078) |
| Goodwill/Total assets | Net Operating Profit After Tax | 428 | -0.013 | | (-0.108, 0.082) |
| Disclosure index | Net Operating Profit After Tax | 428 | 0.065 | | (-0.030, 0.158) |
| Goodwill/Total assets | Growth rate | 428 | 0.253 | | (0.162, 0.340) |
| Disclosure index | Growth rate | 428 | 0.055 | | (-0.040, 0.149) |
| Disclosure index | Goodwill/Total assets | 428 | 0.203 | | (0.110, 0.292) |
| **Sample 1** | **Sample 2** | **P-Value** | |
| Goodwill | Market Value of Equity | 0.000 | |
| Book Value of equirty less good | Market Value of Equity | 0.000 | |
| Net Operating Profit After Tax | Market Value of Equity | 0.000 | |
| Growth rate | Market Value of Equity | 0.722 | |
| Goodwill/Total assets | Market Value of Equity | 0.194 | |
| Disclosure index | Market Value of Equity | 0.040 | |
| Book Value of equirty less good | Goodwill | 0.000 | |
| Net Operating Profit After Tax | Goodwill | 0.000 | |
| Growth rate | Goodwill | 0.710 | |
| Goodwill/Total assets | Goodwill | 0.000 | |
| Disclosure index | Goodwill | 0.035 | |
| Net Operating Profit After Tax | Book Value of equirty less good | 0.000 | |
| Growth rate | Book Value of equirty less good | 0.853 | |
| Goodwill/Total assets | Book Value of equirty less good | 0.105 | |
| Disclosure index | Book Value of equirty less good | 0.221 | |
| Growth rate | Net Operating Profit After Tax | 0.725 | |
| Goodwill/Total assets | Net Operating Profit After Tax | 0.784 | |
| Disclosure index | Net Operating Profit After Tax | 0.182 | |
| Goodwill/Total assets | Growth rate | 0.000 | |
| Disclosure index | Growth rate | 0.253 | |
| Disclosure index | Goodwill/Total assets | 0.000 | |

**Regression Analysis: Market Value of Equity versus Goodwill, Book Value of equirty less good, Net Operating Profit After Tax, Growth rate, Goodwill/Total assets, Disclosure index**

**Regression Equation**

|  |  |  |
| --- | --- | --- |
| Market Value of Equity | = | -83.6 + 0.00099 Goodwill + 0.003448 Book Value of equirty less good + 0.02426 Net Operating Profit After Tax - 95.2 Growth rate + 355 Goodwill/Total assets + 92 Disclosure index |

**Coefficients**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Term** | **Coef** | **SE Coef** | **T-Value** | **P-Value** | **VIF** |
| Constant | -83.59 | 99.17 | -0.84 | 0.40 |  |
| Goodwill | 0.00 | 0.00 | 0.98 | 0.33 | 2.28 |
| Book Value of equirty less good | 0.00 | 0.00 | 8.06 | 0.00 | 2.62 |
| Net Operating Profit After Tax | 0.02 | 0.00 | 10.52 | 0.00 | 1.46 |
| Growth rate | -95.23 | 97.13 | -0.98 | 0.33 | 1.08 |
| Goodwill/Total assets | 354.57 | 141.51 | 2.51 | 0.01 | 1.34 |
| Disclosure index | 92.43 | 111.16 | 0.83 | 0.41 | 1.05 |

**Model Summary**

|  |  |  |  |
| --- | --- | --- | --- |
| **S** | **R-sq** | **R-sq(adj)** | **R-sq(pred)** |
| 317.410 | 57.45% | 56.85% | 0.00% |

**Analysis of Variance**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Source** | **DF** | **Adj SS** | **Adj MS** | **F-Value** | **P-Value** |
| Regression | 6 | 57274263 | 9545711 | 94.75 | 0.00 |
| Goodwill | 1 | 96580 | 96580 | 0.96 | 0.33 |
| Book Value of equirty less good | 1 | 6542522 | 6542522 | 64.94 | 0.00 |
| Net Operating Profit After Tax | 1 | 11150326 | 11150326 | 110.67 | 0.00 |
| Growth rate | 1 | 96847 | 96847 | 0.96 | 0.33 |
| Goodwill/Total assets | 1 | 632498 | 632498 | 6.28 | 0.01 |
| Disclosure index | 1 | 69668 | 69668 | 0.69 | 0.41 |
| Error | 421 | 42415289 | 100749 |  |  |
| Total | 427 | 99689552 |  |  |  |

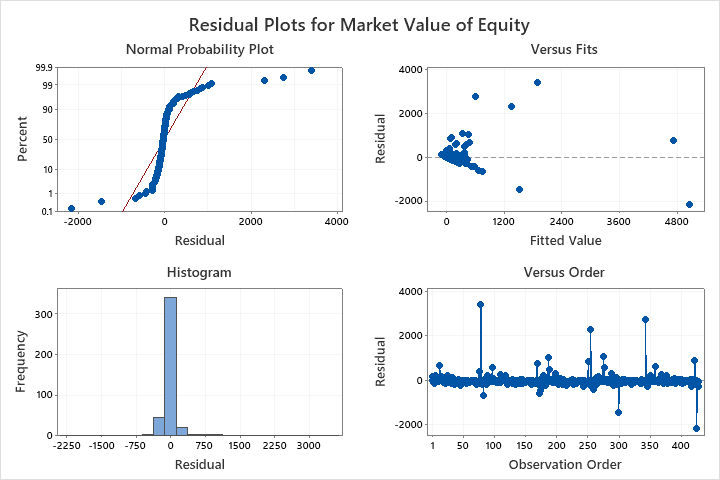
**Fits and Diagnostics for Unusual Observations**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Obs** | **Market Value of Equity** | **Fit** | **Resid** | **Std Resid** |  |  |
| 13 | 1150 | 484 | 665 | 2.31 | R | X |
| 24 | 36 | -12 | 48 | 0.15 |  | X |
| 79 | 5311 | 1896 | 3415 | 12.20 | R | X |
| 83 | 87 | 746 | -660 | -2.09 | R |  |
| 97 | 995 | 412 | 583 | 2.06 | R | X |
| 109 | 45 | -12 | 57 | 0.19 |  | X |
| 117 | 13 | -53 | 66 | 0.21 |  | X |
| 169 | 5490 | 4725 | 765 | 4.72 | R | X |
| 172 | 9 | 177 | -168 | -0.55 |  | X |
| 184 | 18 | -92 | 110 | 0.35 |  | X |
| 187 | 1487 | 463 | 1025 | 3.67 | R | X |
| 244 | 0 | 284 | -283 | -0.92 |  | X |
| 251 | 933 | 91 | 842 | 2.66 | R |  |
| 255 | 3666 | 1353 | 2313 | 7.43 | R |  |
| 275 | 1431 | 335 | 1096 | 3.86 | R | X |
| 286 | 83 | -9 | 92 | 0.30 |  | X |
| 292 | 9 | 216 | -206 | -0.67 |  | X |
| 300 | 83 | 1530 | -1447 | -5.11 | R | X |
| 327 | 19 | 63 | -44 | -0.14 |  | X |
| 343 | 3369 | 615 | 2754 | 8.76 | R |  |
| 346 | 4 | 259 | -255 | -0.83 |  | X |
| 358 | 842 | 209 | 633 | 2.01 | R |  |
| 367 | 86 | -21 | 108 | 0.35 |  | X |
| 415 | 9 | -39 | 48 | 0.16 |  | X |
| 419 | 9 | 184 | -175 | -0.57 |  | X |
| 422 | 999 | 109 | 890 | 2.81 | R |  |
| 425 | 2903 | 5055 | -2152 | -17.10 | R | X |

*R  Large residual  
X  Unusual X*

**Durbin-Watson Statistic**

|  |  |
| --- | --- |
| Durbin-Watson Statistic = | 1.99960 |

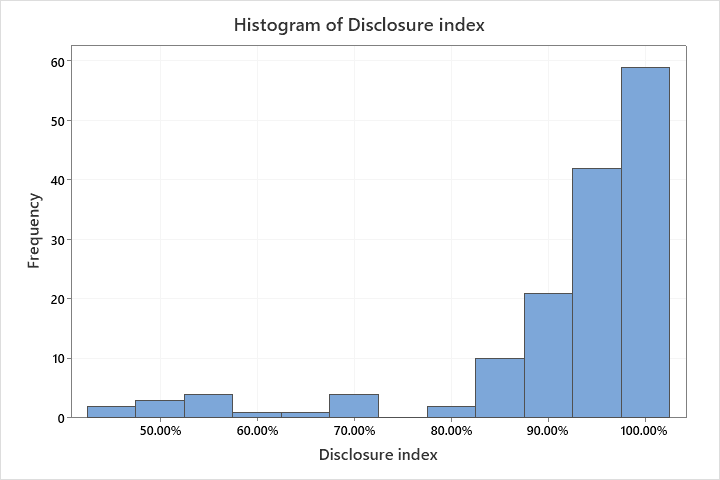


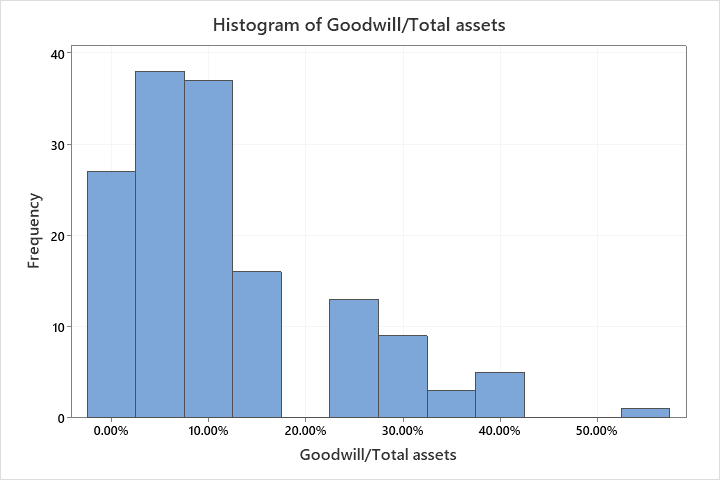
WORKSHEET 2

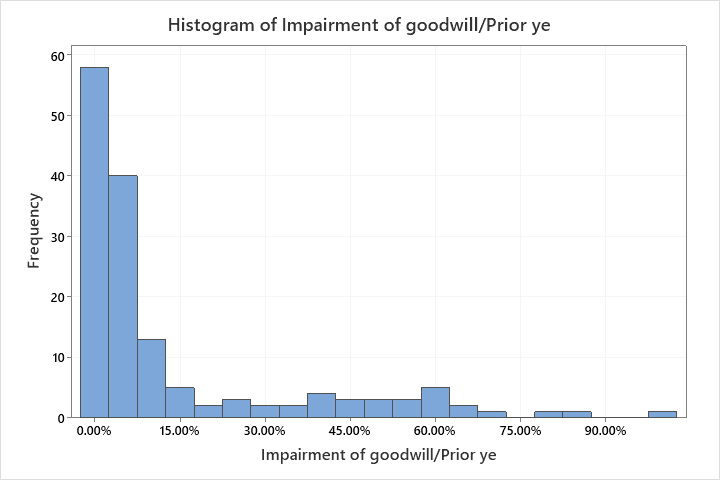
**Descriptive Statistics: Disclosure index, Goodwill/Total assets, Impairment of goodwill/Prior ye**

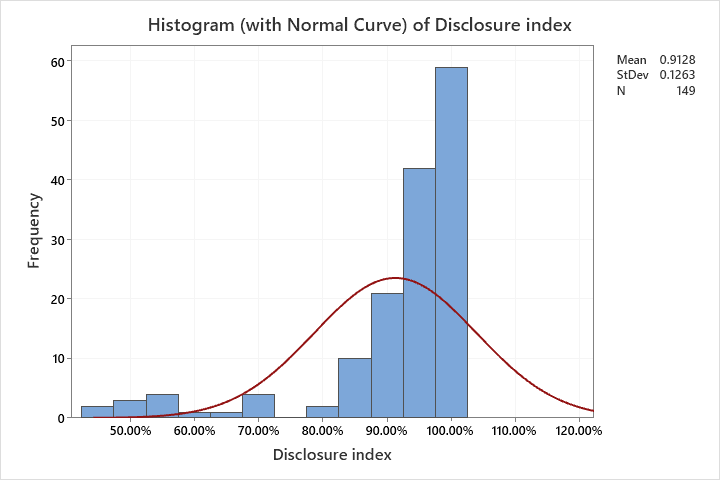
**Statistics**

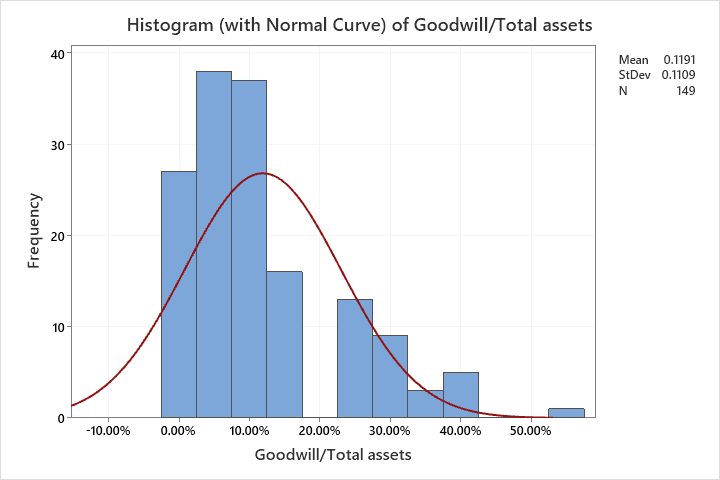
|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Variable** | **N** | **Mean** | **StDev** | **Minimum** | **Median** | **Maximum** | **Skewness** |
| Disclosure index | 149 | 0.9128 | 0.1263 | 0.4444 | 0.9444 | 1.0000 | -2.17 |
| Goodwill/Total assets | 149 | 0.11905 | 0.11085 | 0.00220 | 0.08463 | 0.57263 | 1.40 |
| Impairment of goodwill/Prior ye | 149 | 0.1384 | 0.2119 | 0.0000 | 0.0403 | 1.0000 | 1.93 |

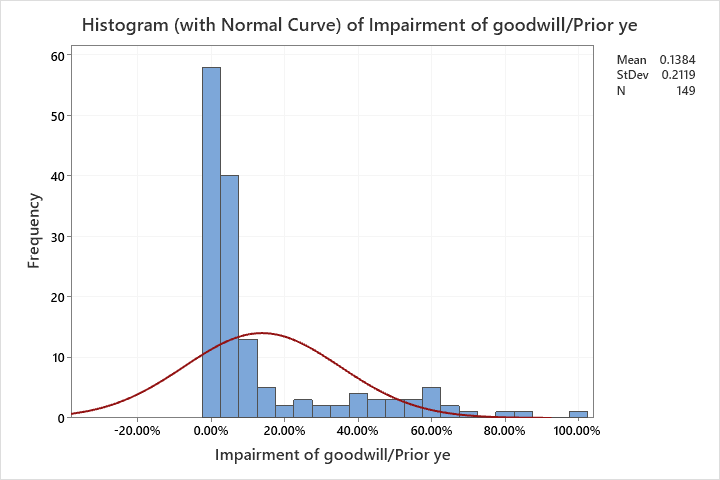


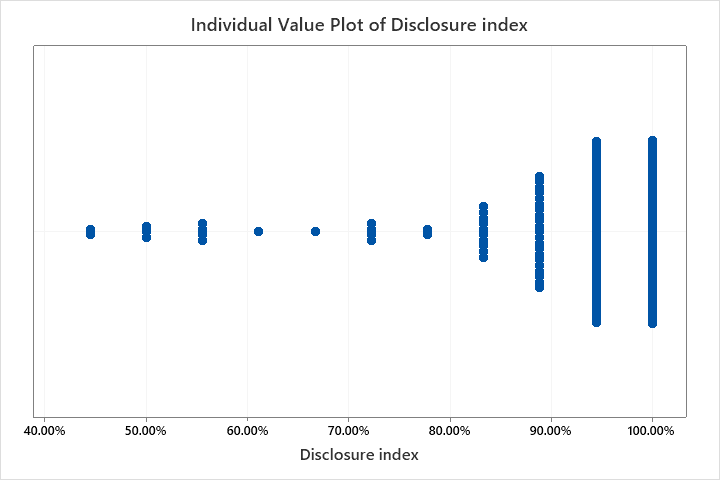


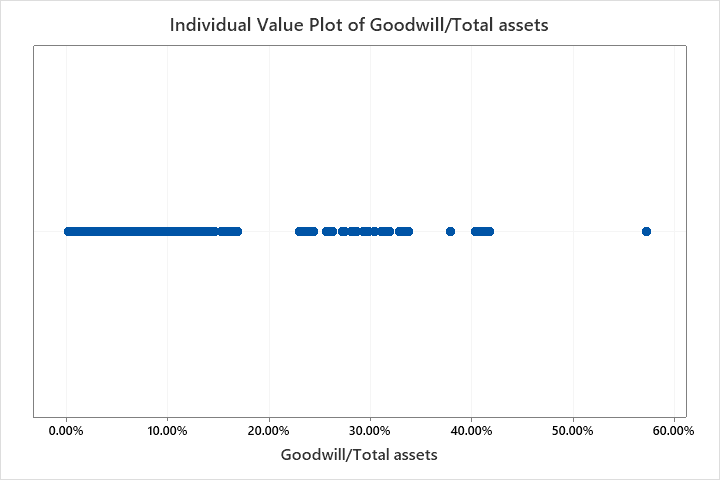


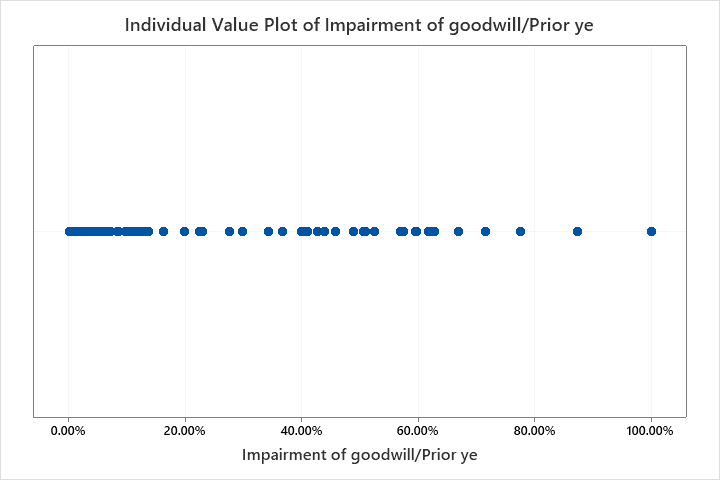


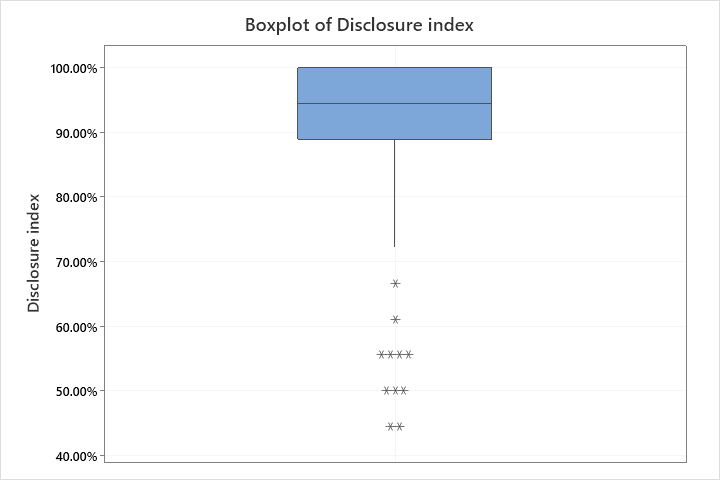


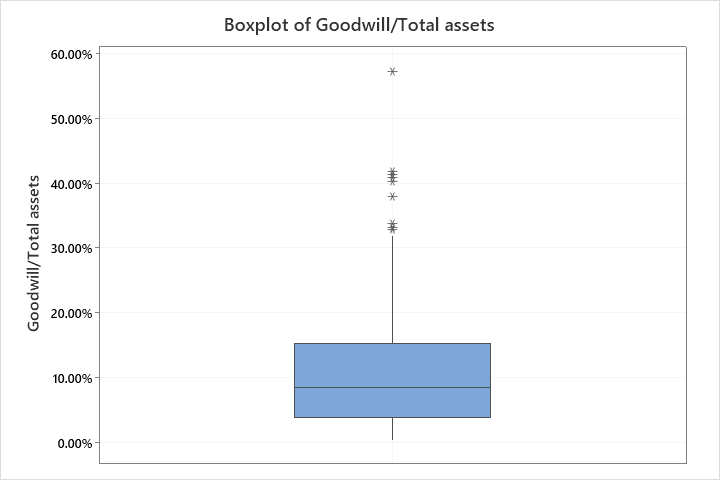








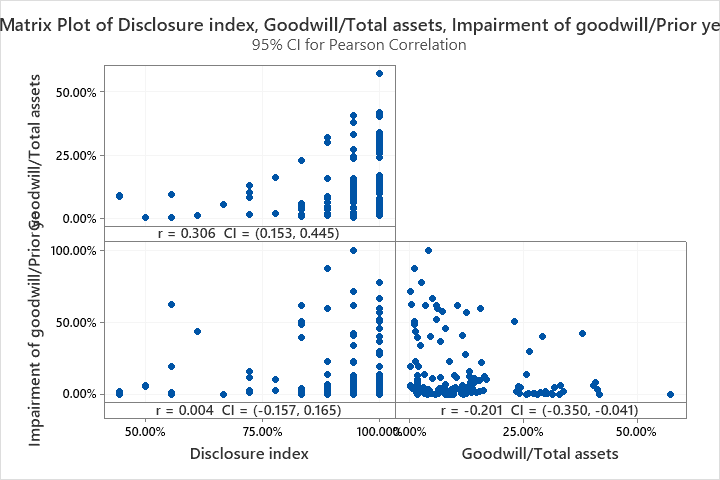






WORKSHEET 2

**Correlation: Disclosure index, Goodwill/Total assets, Impairment of goodwill/Prior ye**



**Method**

|  |  |
| --- | --- |
| Correlation type | Pearson |
| Number of rows used | 149 |

*ρ: pairwise Pearson correlation*

**Correlations**

|  |  |  |
| --- | --- | --- |
|  | **Disclosure index** | **Goodwill/Total assets** |
| Goodwill/Total assets | 0.306 |  |
| Impairment of goodwill/Prior ye | 0.004 | -0.201 |

**Pairwise Pearson Correlations**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sample 1** | **Sample 2** | **N** | **Correlation** | **95% CI for ρ** | **P-Value** |
| Goodwill/Total assets | Disclosure index | 149 | 0.306 | (0.153, 0.445) | 0.000 |
| Impairment of goodwill/Prior ye | Disclosure index | 149 | 0.004 | (-0.157, 0.165) | 0.958 |
| Impairment of goodwill/Prior ye | Goodwill/Total assets | 149 | -0.201 | (-0.350, -0.041) | 0.014 |

WORKSHEET 2

**Regression Analysis: Disclosure index versus Goodwill/Total assets, Impairment of goodwill/Prior ye**

**Regression Equation**

|  |  |  |
| --- | --- | --- |
| Disclosure index | = | 0.8637 + 0.3643 Goodwill/Total assets + 0.0409 Impairment of goodwill/Prior ye |

**Coefficients**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Term** | **Coef** | **SE Coef** | **T-Value** | **P-Value** | **VIF** |
| Constant | 0.8637 | 0.0170 | 50.81 | 0.000 |  |
| Goodwill/Total assets | 0.3643 | 0.0914 | 3.99 | 0.000 | 1.04 |
| Impairment of goodwill/Prior ye | 0.0409 | 0.0478 | 0.86 | 0.394 | 1.04 |

**Model Summary**

|  |  |  |  |
| --- | --- | --- | --- |
| **S** | **R-sq** | **R-sq(adj)** | **R-sq(pred)** |
| 0.120725 | 9.82% | 8.58% | 6.71% |

**Analysis of Variance**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Source** | | **DF** | | **Adj SS** | | **Adj MS** | | **F-Value** | | **P-Value** | |
| Regression | | 2 | | 0.23172 | | 0.11586 | | 7.95 | | 0.001 | |
| Goodwill/Total assets | | 1 | | 0.23167 | | 0.23167 | | 15.90 | | 0.000 | |
| Impairment of goodwill/Prior ye | | 1 | | 0.01066 | | 0.01066 | | 0.73 | | 0.394 | |
| Error | | 146 | | 2.12788 | | 0.01457 | |  | |  | |
| Total | | 148 | | 2.35960 | |  | |  | |  | |

**Fits and Diagnostics for Unusual Observations**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Obs** | **Disclosure index** | **Fit** | **Resid** | **Std Resid** |  |  |
| 14 | 1.0000 | 0.9049 | 0.0951 | 0.82 |  | X |
| 39 | 0.5556 | 0.8729 | -0.3173 | -2.65 | R |  |
| 65 | 0.9444 | 1.0193 | -0.0749 | -0.64 |  | X |
| 67 | 0.5556 | 0.8986 | -0.3430 | -2.86 | R |  |
| 70 | 0.8889 | 0.9037 | -0.0148 | -0.13 |  | X |
| 71 | 0.5000 | 0.8672 | -0.3672 | -3.07 | R |  |
| 72 | 1.0000 | 1.0723 | -0.0723 | -0.64 |  | X |
| 73 | 0.5556 | 0.8907 | -0.3351 | -2.84 | R |  |
| 95 | 0.5556 | 0.8999 | -0.3444 | -2.87 | R |  |
| 97 | 0.5000 | 0.8670 | -0.3670 | -3.07 | R |  |
| 110 | 0.9444 | 0.9198 | 0.0247 | 0.22 |  | X |
| 123 | 0.4444 | 0.8964 | -0.4520 | -3.76 | R |  |
| 127 | 0.5000 | 0.8670 | -0.3670 | -3.07 | R |  |
| 134 | 0.6111 | 0.8862 | -0.2751 | -2.31 | R |  |
| 149 | 0.4444 | 0.8963 | -0.4518 | -3.76 | R |  |

*R  Large residual  
X  Unusual X*

**Durbin-Watson Statistic**

|  |  |
| --- | --- |
| Durbin-Watson Statistic = | 1.87911 |

