

Table 2: Definition of Variables and Descriptive Statistics

Name	Variable Definition	Unit	ES	μ	σ
Dependent Variables					
PHI22	The absolute high price for the year-bid for OTC	DC	—	28.02	24.90
PLO23	The absolute low price for the year-bid for OTC	DC	—	14.27	14.67
PCY24	Price on the close of year (31 Dec. 1988)	DC	—	18.14	18.70
PC199	Price on the close of firm's Fiscal year	DC	—	19.12	18.91
The Independent Variables					
b1	Cash and short term investments	MMD	+	188.95	861.80
b2	Receivables-total	MMD	+	120.17	346.64
b3	Inventories-total	MMD	?	123.85	692.76
b4	Current assets-total	MMD	+	302.31	732.86
b5	Current Liabilities-total	MMD	-	208.44	546.95
b6	Assets-total / Liab. & Stkholder Equit.-total	MMD	+	2182.64	6640.92
b7	Prop., Plant, and Equip.(PPE, prod cost)	MMD	?	722.27	2247.91
b8	PPE-total(net) (C7 less of depreciation)	MMD	?	485.19	1520.12
b9	Long-term debt-total	MMD	-	286.26	722.79
b12	Total sales net of Discounts	MMD	+	1019.16	2203.01
b13	Oper. Inc. before depr.(net sale-cost of good sold	MMD	+	133.9	308.76
b14	Depreciation	MMD	?	39.11	91.54
b15	Interest Expense	MMD	?	73.73	308.20
b16	Income taxes	MMD	-	31.52	74.65
b18	Income before extraordinary items	MMD	?	0.46	41.21
b19	Dividends-on preferred stock	MMD	?	50.50	144.94
b21	Dividends-on common stock	MMD	+	24.26	64.75
b25	Number of common shares outstanding	MM	?	28.79	49.99
b26	Dividends per share-ex date	DC	?	0.58	0.73
b28	Common shares traded during the cal. year	MM	?	21.29	40.69
b29	Employees	M	?	7.79	19.55
b30	PPE-Capital expenditure	MMD	+	69.46	170.48
b36	Retained Earnings	MMD	+ ?	276.14	895.34
b41	Cost of good sold	MMD	-	534.50	1435.56
b42	Labor and related expenses	MMD	-	84.02	353.59
b43	Pension and retirement expense	MMD	- ?	5.39	24.97
b45	Advertising expense	MMD	+ ?	13.66	69.79
b46	Research and development	MMD	+	13.83	65.71
b51	Investment tax credit(income Acct)	MMD	+	0.71	3.81
b58	Earnings per share (primary)	DC	+	1.09	2.62
b59	Inventory valuation method	code	?	16.87	57.69
b60	Common equity-total	MMD	+	434.02	1077.72
b98	Order backlog (sales and others)	MMD	?	131.84	1227.60
b100	Number of common shareholders	M	+ ?	12.68	31.60

The number part of the variables' name are the COMPUSTAT assigned item numbers. ES=Expected Sign of Coefficient.

Units M=Thousands, MM=millions, MMD=Millions of Dollars, DC=Dollars and Cents.