

Table 2 gave the results of linear regression analysis, we could see from the table, whether a standardized measure of SKEW, or MNMD which may affect ForBias more, there did not exist such significant positive coefficient as Gu and Wu (2003)said. It was mentioned above, the profit of Chinese listed companies showed weak positive partial distribution, while Chinese analysts' average forecast was positive bias as well. I supposed only when the profit showed negative bias, partial degree would have positive correlation with ForBias. At least in the market data research of China, we could not improve that an increasing partial degree would influence analysts to lower the prediction value of the company. Thus, my conclusion was that Gu and Wu (2003) provided an ideal model. In reality, we did not use MAFE to simulate the utility function of analysts. In other words, the phenomenon found in the empirical study of analysts' forecasts on the high side, in fact, could not be explained by the rational behavior of the analysts. At least, it was not reasonable to use the interpretation that Median is greater than the Mean.

Analysts predict that the degree of dispersion DISP has significant negative correlation with ForBias in the models above, showing that the more uncertain influences of the market to the company, the more likely those analysts give earnings predictive value on the high side. It can be known from Table 2 that the size of the market value of listed companies could not significantly affect whether analysts give optimistic estimation of companies, which is also the conclusion of Gu and Wu(2003): for the degree of optimism, the size of the company and the number of analysts have opposite effect, leading to an unobvious separate variable coefficient of company size. As same as the conclusion of descriptive statistic analysis, the sooner they predict, the greater positive deviation prediction may be given by analysts. This confirms the empirical results of Clayman and Schwartz (1994). It is showed through cross-variable regression analysis that at different time, there is no significant impact between the dispersion of analysts' forecast to the deviation degree of the forecast.

4. Conclusions

In Chinese market, the company profit distribution showed a weak positive partial shape, which was opposite with the negative partial pattern for the mature market. This may indicate that the current domestic equity incentive mechanism is not so widespread like mature market, so company executives had not too much power to do such Big Bath accountant processing. I found there was no significant negative correlation between the forecast deviation degree and

analyst forecast bias. The study also found that, in the 90% confidence level, forecast deviation degree and analyst forecast bias had a positive relation. This showed that it was not reducing average absolute error for analysts as their forecast target. That is, analysts' behavior could not be explained by the Gu and Wu (2003)'s rational decision model. I also proved that when the company's profits fluctuated more fiercely, the analysts tended to make higher profit forecast.

There are several directions worth to study in the future, the first thing we need to do is to prove more rigorously whether analysts have kept parts of the information when they do information disclosure, meaning whether they give fully completed profit forecast adjustments . On this point Clement and Tse (2005) gave a simple explanation which was only to be valid under specific assumptions. The other thing we need to do is to find out the real reason for analysts' forecasts deviate from the actual value. In this article, the interpretation of the MAFE utility function by Gu and wu (2003) has been denied, it needs to be more prudent for us to simulate analysts' decision-making model.

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