



AENSI Journals

## Advances in Environmental Biology

ISSN-1995-0756 EISSN-1998-1066

Journal home page: <http://www.aensiweb.com/aeb.html>

### The review of effective factors on article of constitutional performance: law Iranian oil of products distribution company (N.I.O.P.D.C)

**Ameneh Rahati Noveir**

*Department of Accounting, Islamic Azad University, Borujerd Branch, Borujerd, Iran*

#### ARTICLE INFO

**Article history:**

*Received 25 April 2014*

*Received in revised form*

*8 May 2014*

*Accepted 20 May 2014*

*Available online 16 August 2014*

**Key words:**

*personalization, Notification law 44 of constitutional law, Beneficial, Decision marking, Investment*

#### ABSTRACT

More than three decades, privatization has been the most common way for improving the public structures. In order to have a successful personalization we need to a careful study with enough time. Government's approach into instructions between public and private organization by their expectations should be change for applying the notification law 44. In addition to performing organizations should provide supervisory field for donating activity; Incumbency economic affairs. By placing the comprehensive plan in pattern of magnificent leader ship's notification, the possibility of donation will be provide. Obvious financial information and comparable is main factor in the economical consciously decision marking at the public and private parts. Information users for decision making need to reliable and understandable data which accounted statements and used for assesting operation of company's financial status and it can increase up pulling more assets through the private organization. So at this research selling and distributing oil production has been evaluated in many companies which are the sources for dispatching and selling out oil productions and tar. Also oil companies such as Sepahan, Iranol, Behran, Pars, are four manufactures and distribution oil companies. Also Jey & Pasargad companies which are tar producers. After donating the aforesaid productions after and before beneficial. The beneficial statements have been calculated research finding base on prove for two theories which are mention above. For accelerating company's beneficial which that can affect on accelerating of the donation. Donation of early constitutional law 44 in some companies such as distribution company of spreeching oil production need to have an economical justification for their capitalists. Statistical method which has been used for reaching to both descriptive theories. That have applied by using flowcharts and tables like t-student parameters test and un parameter k-s which were parallel for more assurance via spss soft ware. Results are showing that between the benefits and incomes there are statistical differences.

© 2014 AENSI Publisher All rights reserved.

**To Cite This Article:** Ameneh Rahati Noveir, The review of effective factors on article of constitutional performance: law Iranian oil of products distribution company (N.I.O.P.D.C). *Adv. Environ. Biol.*, 8(11), 476-486, 2014

#### INTRODUCTION

Today, the structural terms are among new policies of the preparation of the international economy which are widely considered. Whole these policies which in a way are also called Economic adjustment policies are in the framework of accepted models in developed and developing countries and are also considered in the programs of economic, social and cultural development.

In general it must be said that privatization is part of a more comprehensive economic policy that is followed strictly by some governments nowadays as economic liberalization and integration into the global economy. International economic institutions such as the International Monetary Fund (IMF) and World Bank (WB) are considered as vigorous defenders of these new policies and are not afraid of even pressuring countries especially developing countries, often those debtors, if necessary, in order to carry out their prescribed [4].

After the 1929 crisis, in which happened in the world and some reflections on all economic issues, economists were forced to study the subject from different angles. Economists such as Adam Smith who caused a great change in the UK with his book "the wealth of nations" and then followed by Frederick list according to the situation of Germany in the nineteenth century, have stated many issues in this regard.

But one of the experts who noticed this issue a lot was John Minard Kinz. He presented his theory in his book of "general theory" to change the economic recession into prosperity in response of the economic recession that happened in Capitalism countries in 1929-1932. Based on his investigation, he recommended the government's severe involvement in the economic problems. The comments and recommendations of this

**Corresponding Author:** Ameneh Rahati Noveir, Department of Accounting, Islamic Azad University, Borujerd Branch, Borujerd, Iran.

economist were used in different countries about a quarter of a century and mentioned countries could take to delay or eliminate the social crises and lengthen the boom periods.

From the mid 70's on, Issues such as inflation, recession or low economic growth caused Friedman as one of the economists in this field in 1980 to state the reducing government or public activities and increasing private sectors activities in order to increase the economic growth in different countries which has continued in many countries until the present. [6].

However, the term "privatization" is defined as any transfer of the activity from the public sector to the private sector, it can only be associated with investment or private management of public sector activity. But more typically is referred to the transfer of ownership of public enterprises to the private sector. Iran is no exception in this regard and follows up this issue through the implementation of policies of Article 44 of the Constitution and the five-year plans of economic, social, cultural development. Article 44 of the Constitution is the most comprehensive policy programmed effort targeted the economy Integrity in the country, and influence nearly all sectors of the economic and social and the individual and collective of citizens and all executive and administrative power should be used to make it prosper. Values of the general policies of Article 44 depend upon its achievements in the implementation. The purpose of this policy is to change Iran to a major and strong player in the field of global trade and commerce and national sustainable development in national and international level [8].

Thus, according to the 20-year vision document and the fifth program of economic, social and cultural development of the Islamic Republic of Iran, the shrinking of government and getting rid of oil-based economy are the tasks of the government to be fulfilled. Therefore in this regard, privatization and economic liberalization policies were accepted as the main pillar of economic policy in the oil ministry. Therefore the optimized and harmonic combination of activities in private and state sector is considered among basic concepts of Assignment in order to make the manufacturing sector more active and better use of resources and production factors with the goal of developing competitiveness and increase profitability and productivity Which in itself is not regarded as an end in itself but a tool to achieve economic goals.

#### *Definition of Key Terms:*

*Profitability: The end result of all programs and financial decisions:*

Privatization: The renewal and differentiation of the organization as a background for future privatization which most developing countries use this method as a way to reduce state property and in another definition of the term privatization means divestiture of the assignment and administration of government activities to the private sector [1] and transferring office and administration activities from the state to the private sector. In appearance, privatization is the process that public sector jobs and facilities at each level transferring to the private sector. But in the real sense it refers to the cultural distribution at all levels of society that the legislature, judiciary, executive and all members of a nation to believe that people's business must be left to the people [7].

Privatization in the real sense refers to the cultural distribution at all levels of society to the legislators, judicial, executive, and all the people of a country to "believe" that "people's business" must be left to the "people". It means that the people without government intervention do the tasks and responsibilities of their community and no power can stop them from their responsibilities. Privatization has been proposed as one of the country's administrative reform solutions to improve the performance of organizations. It is proposed to improve the performance of organizations. Using Privatization as a of the state's official economic policies will be successful and effective when it would be consistent with the organization's structure [2].

Article 44 of the Constitution: Iran's economy is based on three sectors: state, cooperative and private, is based on systematic and correct planning. The public sector includes all major industries, mother industries, foreign trade, major minerals, banking, insurance, power generation, dams and large-scale irrigation networks, radio and television, post, telegraph and telephone services, aviation, shipping, roads, railroads, etc. which is considered as public property and disposal of the state. Cooperative sector includes production and distribution companies and institutions that are formed based on Islamic criteria in urban and rural. The private sector includes that part of agriculture, animal husbandry, industry, trade, and services that supplement the economic activities of the state and cooperative sectors. Ownership in these sectors are supported by the law of Islamic Republic until it is consistent with other principles of this chapter and is not outside the scope of Islamic law and cause economic growth and development of the country and will not cause loss in the society.

Income: The amount of money that producers earn by selling their product or service.

Cost: it includes the cost of items or services that are needed for earning revenue.

National Iranian Oil Products Distribution Company: National Iranian Oil Products Distribution Company has been formed in accordance with paragraph (a) of Article 5 of the Statute Law of National Iranian Oil Company as a joint-stock company and a subsidiary of National Iranian Oil Refining and Distribution, the main center is in Tehran its capital is one hundred million rials (one thousandth of a share of namely one hundred thousand rials). Mission and goals of the National Distribution Company is expressed as follows:

- A) Receiving, delivery, procurement and purchasing, storage, transportation, distribution, supply and sale of petroleum products and liquefied petroleum gas forms when required by branches and agencies within and outside the country.
- B) The offer and sale of petroleum products.
- C) To study and prepare and implement projects related to the construction areas and supply areas and inland transportation (land, sea, air) and distribution networks and facilities required.
- D) Efforts to develop and improve the mentioned activities and an effort to turn the country's dependence on foreign expertise and technology with an emphasis on using local materials and building industries and facilities for staff training.
- E) Protection, conservation and management of transportation, storage of all distribution networks.
- F) Prepare regulations pertaining to the safety and using petroleum products and distribution equipment based on existing standards.
- G) Tenure to any business activities and other services that are identified as necessary to develop the company's main operations (Statute of the National distribution Company, 1987).

*The main assumptions:*

1. Privatization has improved the performance of assigned tasks.
2. Levels of income and cost variables influence are different on the privatization process, that the first hypothesis includes the secondary assumption that these secondary assumptions should be used for analysis of the main assumptions.

*The secondary hypotheses:*

1. Revenue from Assigned activities has increased after privatization than before.
2. Costs of assigned activities have increased after privatization than before.
3. Profits from Assigned activities have increased after privatization than before.

## MATERIALS AND METHODS

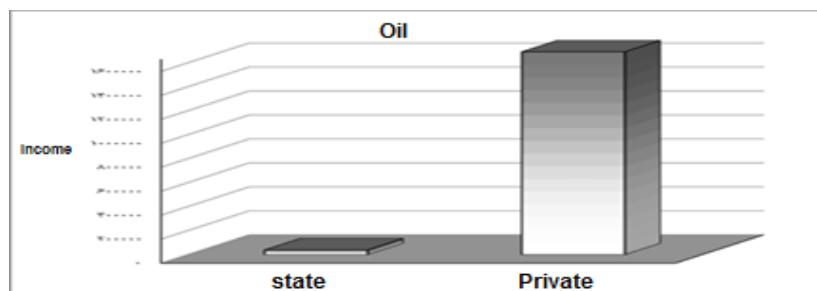
Scientific research is a stepwise, logical, systematic and accurate method for problem identification, data collection, data analysis and valid inferences from them. Then the scientific research is not solely based on personal experience or perception and intuition but of course is objective and accurate [9].

The present study is an applicable research regarding the purpose. Because it is trying to study the prerequisites to run the subject in action, by the purpose of making a specific field applicational [3]. Research project is a comparative design so that it is investigating the state of the National distribution Company at the time of selling products of oil and Ghir before the privatization and sale of the products after privatization in private firms.

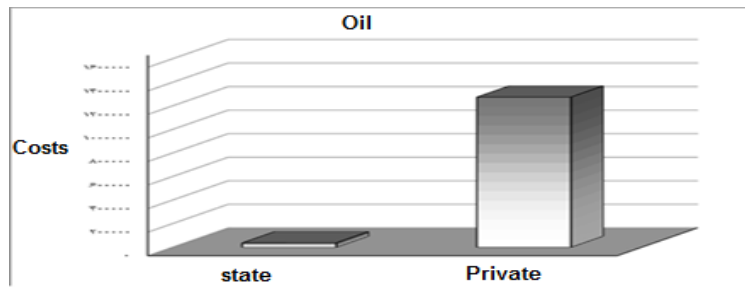
In this respect, two hypotheses were proposed and have been analyzed using fiscal and administrative documents.

*Results:*

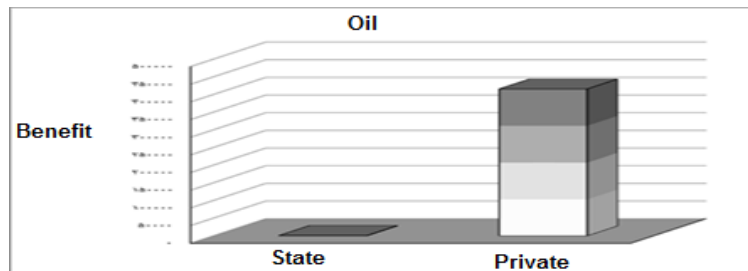
In this section, the statistical analysis of collected data and research hypotheses test are discussed. To compare the two types of indicators alone and the total in study period, which have been active in public and private sectors, the two sample t-test and t - paired has been used. The nonparametric Wilcoxon test and the Kolmogorov - Smirnov two-sample tests have been used for comparing the revenue, expenses and profits and losses of firms in the two types of ownership (private and public). Mining output calculations has been done using Excel and SPSS statistical software.



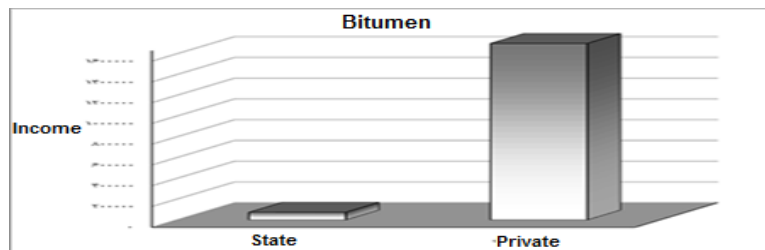
**Fig. 1:** Comparison of mean income from the sales of oil before (public companies) and after (private company) Assignment.



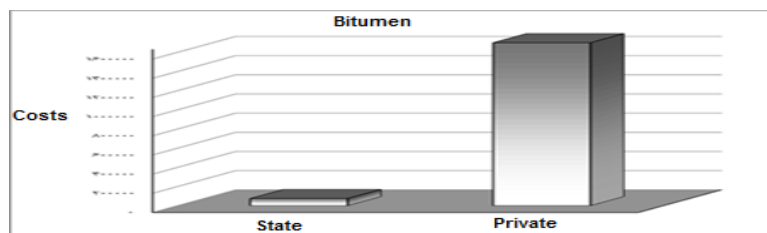
**Fig. 2:** Comparison of mean costs from sales of oil before (public companies) and after (private company) Assignment.



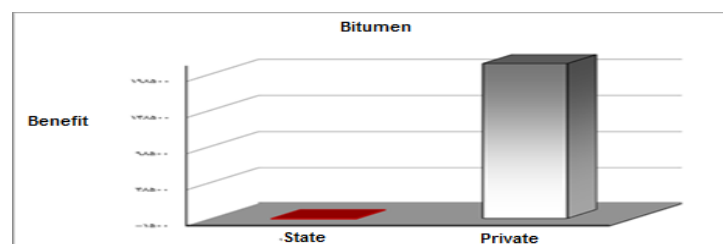
**Fig. 3:** Comparison of mean profits from sales of oil before (the government) and after (private company) Assignment.



**Fig. 4:** Comparison of mean income from the sales of bitumen before (public companies) and after (private company) assignment.



**Fig. 5:** Comparison of the mean costs from the sales of bitumen before (public companies) and after (private company) assignment.



**Fig. 6:** Comparison of the mean profits from the sales of bitumen before (public companies) and after (private company) assignment.

To compare the Mean value between two groups, we can use the mean comparison test of two groups. This study consists of two main hypothesis and sub-hypotheses that the main assumptions are:

1. Privatization has improved the performance of assigned tasks.
2. The effectiveness of such as income and expenditure variables on the privatization process is different.

The first hypothesis includes secondary hypothesis which secondary assumption should be used for the analysis of the main.

1. Revenue from assigned activities has increased after privatization than before.
2. Cost of assigned activities has increased after privatization than before.
3. Profit from assigned activities has increased after privatization than before.

In this section, we first prove the secondary hypothesis, to be able to analyze the main assumptions from the results of secondary hypotheses:

*Hypothesis test:*

*First hypothesis:*

Income from assigned activities has increased after privatization than before.

Ownership		N	Mean	Std. Deviation	Std. Error Mean
Total revenue	state	3	39489.33	7552.395	4360.378
	private	12	1692455	506308.079	146158.6

a. product: Oil

		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference
Total revenue	Equal variances assumed	5.012	.043	-5.498	13	.000	-1652966
	Equal variances not assumed			-11.304	11.020	.000	-1652966

a. Product: Oil

Ownership		N	Mean	Std. Deviation	Std. Error Mean
Total revenue	state	3	73960.33	19806.600	11435.346
	private	6	2310054	644559.748	263140.4

a. Product: Bitumen

		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference
Total revenue	Equal variances assumed	18.395	.004	-5.804	7	.001	-2236094
	Equal variances not assumed			-8.490	5.019	.000	-2236094

a. Product: Bitumen

Ownership		N	Mean	Std. Deviation
Total Revenue	state	6	56724.83	23156.230
	private	18	1898321	614665.237
Total Expenses	state	6	56832.67	24949.155
	private	18	1549601	597197.831
Profit and loss	state	6	-107.83	7751.830
	private	18	348720.50	148730.931

Under the assumption of anisotropy of variance (Because the Leuven test values of significance levels of oil with 0.04 and the Bitumen is equal to 0.004, both are less than 0.05 at the 95% confidence level, thus the null hypothesis is rejected that means there is the variance anisotropy) t values for the null hypothesis are in the region of rejection. The t value for Oil -11.304 and for Bitumen is -8.49 that both are in the region of rejection of null hypotheses. Also under the assumption of variance anisotropy (Because the Leuven test amounts for significance levels for revenue (sum of products of oil and bitumen) is equal to 0.009 and less than 0.05. Thus at the 95% confidence level, the null hypothesis is rejected that means there is the variance anisotropy) t values for the null hypothesis are in the region of rejection. The t value for revenue is -12.684 and in the region of rejection of the null hypothesis. Which means that the average income from the sale of oil and bitumen production in private companies in more than the state.

*The second hypothesis test:*

Cost of assigned activities has increased after privatization than before.

Group Statistics<sup>a</sup>

Ownership	N	Mean	Std. Deviation	Std. Error Mean
total state	3	38338.67	9770.624	5641.072
experiences private	12	1276488	383370.404	110669.5

a. Product: Oil

## Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference
Total	Equal variances assumed	5.318	.038	-5.439	13	.000	-1238149
Experiences	Equal variances not assumed			-11.173	11.057	.000	-1238149

a. Product: Oil

Group Statistics<sup>a</sup>

Ownership	N	Mean	Std. Deviation	Std. Error Mean
Total state	3	75326.67	20847.101	12036.079
Experiences private	6	2095827	593463.933	242280.6

a. Product: Bitumen

## Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference
Total	Equal variances assumed	17.906	.004	-5.696	7	.001	-2020501
Experiences	Equal variances not assumed			-8.329	5.025	.000	-2020501

a. Product: Bitumen

Under the assumption of anisotropy of variance (Since the Leuven test amounts for significance level of oil is equal to 0.038 and the Bitumen is equal to 0.004 that is both less than 0.05 and at the 95% confidence level, the null hypothesis is rejected and there is variance anisotropy.) T values are in the region of the null hypothesis rejection, the value of t for oil is -11.17 and is -8.33 for Bitumen that both are in the region to reject the null hypothesis and also under the assumption of anisotropy of variance (because the significance values of Leuven test for costs (sum of products of oil and bitumen) is 0.016 which is less than 0.05. Therefore, the null hypothesis will be rejected at the 95% confidence level that means there is variance anisotropy). The t values are in the region for the null hypothesis rejection. The t value is obtained -10.577 for cost which is in the region of null hypothesis rejection. It means that the average cost resulting from the sale of oil and bitumen in private companies is more than the state.

*The third hypothesis*

Profit from assigned activities has increased after privatization than before.

Group Statistics<sup>a</sup>

Ownership	N	Mean	Std. Deviation	Std. Error Mean
Profit & loss state	3	1150.67	2825.134	1631.092
private	12	415967.42	134785.184	38909.131

a. Product: Oil

Independent Samples Test<sup>a</sup>

		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference
Profit & loss	Equal variances assumed	7.155	.019	-5.183	13	.000	-414816.8
	Equal variances not assumed			-10.652	11.039	.000	-414816.8

a. Product: Oil

Group Statistics<sup>a</sup>

Ownership	N	Mean	Std. Deviation	Std. Error Mean
Profit & loss state	3	-1366.33	11725.797	6769.892
private	6	214226.67	51807.921	21150.495

a. Product: Bitumen

## Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference
Profit & loss	Equal variances assumed	12.318	.010	-6.893	7	.000	-215593.0
	Equal variances not assumed			-9.708	5.922	.000	-215593.0

a. Product: Bitumen

Under the assumption of anisotropy of variance (Since the Leuven test amounts for significance level of oil is equal to 0.019 and the Bitumen is equal to 0.01 that is both less than 0.05, thus at the 95% confidence level, the null hypothesis is rejected and there is variance anisotropy.) T values are in the region of the null hypothesis rejection, the value of t for oil is -10.56 and is -9.71 for Bitumen that both are in the region to reject the null hypothesis and also under the assumption of anisotropy of variance (Since the significance values of Leuven test for profits (sum of products of oil and bitumen) is 0.0 which is less than 0.05, Therefore the null hypothesis will be rejected at the 95% confidence level that means there is variance anisotropy). The t values are in the region for the null hypothesis rejection. The t value is obtained -9.91 for profit which is in the region of null hypothesis rejection. It means that the average profit resulting from the sale of oil and bitumen in private companies is more than the state.

*The Kolmogorov - Smirnov test to compare two groups:*

*Income:*

Non-parametric test of Kolmogorov - Smirnov is equivalent to the test of the t-parameter which is based on the distribution of variables which means that it investigates the distribution of two variables with respect to the performance and data concentration area. In the case of rejection of null hypothesis, it can be concluded that the distribution of two variables will be different regarding the performance and concentration.

		total income
Most Extreme Differences	Absolute	1.000
	Positive	.000
	Negative	-1.000
Kolmogorov-Smirnov Z		1.549
Asymp. Sig. (2-tailed)		.016
Exact Sig. (2-tailed)		.004
Point Probability		.004

a. Grouping Variable: Ownership  
b. Product: Oil

		total income
Most Extreme Differences	Absolute	1.000
	Positive	.000
	Negative	-1.000
Kolmogorov-Smirnov Z		1.414
Asymp. Sig. (2-tailed)		.037
Exact Sig. (2-tailed)		.024
Point Probability		.024

a. Grouping Variable: Ownership  
b. Product: Bitumen

For ease of using the significance level or the probability to decide the null hypothesis and the other hypothesis, otherwise the Kolmogorov-Smirnov z values should be compared with its specific table. The inference based on the significance level is such that whenever its amount is less than 0.05, the null hypothesis is rejected. Significance level amounts of income is equal to 0.004 and 0.024 (values approximately equal to 0.016 and 0.037), that both are less than 0.05 so the null hypothesis is rejected at the 95 percent confidence level. In other words, oil and bitumen distribution of income data for private companies is larger amounts than government-owned companies.

*Cost:*

		total income
Most Extreme Differences	Absolute	1.000
	Positive	.000
	Negative	-1.000
Kolmogorov-Smirnov Z		1.549
Asymp. Sig. (2-tailed)		.016
Exact Sig. (2-tailed)		.004
Point Probability		.004

a. Grouping Variable: Ownership  
b. Product: Oil

		total income
Most Extreme Differences	Absolute	1.000
	Positive	.000
	Negative	-1.000
Kolmogorov-Smirnov Z		1.414
Asymp. Sig. (2-tailed)		.037
Exact Sig. (2-tailed)		.024
Point Probability		.024

a. Grouping Variable: Ownership  
b. Product: Bitumen

Significance level for the cost amounts equals to 0.004 and 0.024 (values approximately equal to 0.016 and 0.037), both are less than 0.05, so the null hypothesis is rejected at the 95 percent confidence level. In other words, either in the oil or bitumen distribution of cost data for private companies is larger than government-owned companies.

**Test Statistics<sup>a,b</sup>**

		Profit and loss
Most Extreme Differences	Absolute	1.000
	Positive	.000
	Negative	-1.000
Kolmogorov-Smirnov Z		1.549
Asymp. Sig. (2-tailed)		.016
Exact Sig. (2-tailed)		.004
Point Probability		.004

a. Grouping Variable: Ownership  
b. Product: Oil

**Test Statistics<sup>a,b</sup>**

		Profit and loss
Most Extreme Differences	Absolute	1.000
	Positive	.000
	Negative	-1.000
Kolmogorov-Smirnov Z		1.414
Asymp. Sig. (2-tailed)		.037
Exact Sig. (2-tailed)		.024
Point Probability		.024

a. Grouping Variable: Ownership  
b. Product: bitumen

Amounts of significance level for the benefit equal to 0.004 and 0.024 (values approximately equal to 0.016 and 0.037), both are less than 0.05, so the null hypothesis is rejected at the 95 percent confidence level. In other words, the oil and bitumen, the profit data distribution for private companies is greater than state-owned enterprises.

*The second main hypothesis:*

The effectiveness amount of income and expenditure variables on the privatization process is different.

**Paired Samples Statistics**

Ownership		Mean	N	Std. Deviation
state	1 total income	56724.83	6	23156.230
	total cost	56832.67	6	24949.155
private	1 total income	1898321	18	614665.237
	total cost	1549601	18	597197.831

**Paired Samples Test**

Ownership		Paired Differences		t	df	Sig. (2-tailed)
		Mean	Std. Deviation			
state	Pair 1 total cost-total income	-107.833	7751.830	-.034	5	.974
private	Pair 1 total cost-total income	348720.5	148730.931	9.947	17	.000

Since the value of the statistical test for public and private companies is obtained respectively as -0.034 and 9.947 then the null hypothesis is not rejected for state companies, but it is rejected for private companies. This means that there is no significant difference between revenue and expenditure for state companies but for private companies there is a significant difference between expenditure and income.

*Wilcoxon test:*

Non-parametric test is equivalent to paired t-test Wilcoxon. This test compares the mean scores of two groups:



Ownership		total cost- total income
state	Z	-.105 <sup>a</sup>
	Asymp. Sig. (2-tailed)	.917
private	Z	-3.724 <sup>b</sup>
	Asymp. Sig. (2-tailed)	.000

- a. Based on negative ranks.  
 b. Based on positive ranks.  
 c. Wilcoxon Signed Ranks Test

Ownership		N	Mean Rank	Sum of Ranks	
state	total income -total cost	Negative Ranks	3 <sup>a</sup>	3.33	10.00
		Positive Ranks	3 <sup>b</sup>	3.67	11.00
		Ties	0 <sup>c</sup>		
		Total	6		
private	total income -total cost	Negative Ranks	18 <sup>a</sup>	9.50	171.00
		Positive Ranks	0 <sup>b</sup>	.00	.00
		Ties	0 <sup>c</sup>		
		Total	18		

- a. total income > total cost  
 b. total income < total cost  
 c. total income = total cost

Due to that the significance level for public and private companies respectively is obtained 0.917 and 0.000 and is larger than 0.05 for public companies and for private companies it is less than 0.05 therefore the null hypothesis is not rejected for public companies but for private companies it is rejected. This means that there is no significant difference between revenues and costs for state companies, while for private companies there is a significant difference between expenditure and income.

#### Conclusion:

Privatization is a process that government investigates the probability to transfer their duties and facilities and assets from public sector to private sector and if appropriate does this action. In fact, the goal of privatization policy is performance improvement of activities and optimized allocation of resources.

In Iran in recent years steps have been taken towards privatization.

The Notification to the general policies of Article 44 of the Constitution indicates acceptance of the private sector in economic development of the country. In fact, we should always remember that the privatization is a policy or instrument to achieve goals such as efficiency, economic growth and increase social welfare. In this regard, experience shows that in a short time interval, respectively, the private sector cannot replace government (albeit inefficient). Therefore, at a suitable time interval, power, and responsibility required in this sector should be created and during assignment of tasks and responsibilities to the private sector, the competitiveness program should be followed which is prerequisite for efficient and sustainable privatization, facilitation of competition and regulation of creation of monopolies through creating competitive regulation and attract popular support through the establishment of a social security system [5].

In this research, the list of companies that their oil sales is assigned in 2005 and their bitumen in 2006 has been received from National Distribution company and financial statements of Pars and Behran Oil company have been derived from the Tehran Stock Exchange and the financial statements and Sepahan, Pasargad, Jey and Iranol Companies have been studied seeing the inter-company financial statements which have been approved by the audit organization.

The financial statements of revenues (operational and non-operational income) and expences (non-operating expenses and cost of goods) and net profit were prepared and they were compared before the privatization process (83-80) and the privatization process (86-83) so that the following results are obtained.

In this study, first the normalization hypothesis for independent variables has been assessed using t-test which the results indicate the mean revenues and expenses and essential profit to be normal so that the Kolmogorov-Smirnov test can be used for each 3 variable.

#### The first hypothesis:

First, to investigate and test the first hypotheses in parametric two sample t-test then k-s test were used in parallel. For this test the Income of National distribution Company in the three years before assignment of oil and bitumen products in comparison with the indicators of every year (from 80 to 82) Oil and (81-83) bitumen and Pars, Iranol, Behran Oil companies' revenues to sell oil products in the years (83-85) and Jey and Pasargad Oil Company in the year (84-86) three years after the assignment were collected and then the mean and variance of the results have been calculated for each group so that the results are as follows:

During (80-83) Significant increase compared to years (84-86) is observed, so in order to make sure that the income increase is not affected by factors such as 1- time 2- inflation, we have tried to control these years sale

and it was concluded that there are no significant differences in real income and nominal income for mentioned variables.

1. Using two sample t – test the income of both oil and bitumen products before and after the privatization process have been compared. Two sample t-test to compare the mean values of each group is used during different times and accordingly, since the Leuven test for the oil is 0.04 and the bitumen is equal to 0.004 and both less than 0.05, Thus by the null hypothesis rejection at 95% confidence level for the t value -11.304 is obtained for oil and for bitumen is -8.49 that from this analysis we can conclude that there are significant statistical differences between the mean of the total revenue from oil and bitumen before and after privatization and in fact, this represents the increment in revenues in private companies. Ks test is used as a nonparametric test for more accurate results to be able to rely on the validity of the responses.

2. Using two sample t – test, the cost of both oil and bitumen products before and after the privatization process is compared. Two sample t -test is used for comparison of mean values of each group during different times and according to that the amount of test for oil is 0.04 and for bitumen is equal to 0.004 and both are less than 0.05, thus rejecting the null hypothesis at 95% confidence level, the t for oil -11.304 and bitumen -8.49 is obtained from that from the analysis we can conclude that the mean of the total cost of oil and bitumen before and after privatization has a significant difference and actually it shows that the costs are decreased in private companies. K-s test is used as a nonparametric test for more accurate results to be able to rely on the validity of the responses.

3. Using two sample t – test, the profits of both oil and bitumen products before and after the privatization process is compared. Two sample t -test is used for comparison of mean values of each group during different times and according to that the amount of test for oil is 0.04 and for bitumen is equal to 0.004 and both are less than 0.05, thus rejecting the null hypothesis at 95% confidence level, the t for oil -11.304 and bitumen -8.49 is obtained from that from the analysis we can conclude that the mean of the total profit of oil and bitumen before and after privatization has a significant difference and actually it shows that the profits are increased in private companies. K-s test is used as a nonparametric test for more accurate results to be able to rely on the validity of the responses.

4. The better analysis for assignment of the products (the sum of two products, regardless of its type), average income, benefit and costs are compared before and after the privatization that results suggest that the average income, profit and cost of sales for all products in private companies is more than public companies.

#### *The second hypothesis:*

To study the second main hypothesis first the parametric paired t-test and then parallel the Wilcoxon nonparametric test were used for better and more accurate conclusions.

With respect to the statistic of the test for private and state companies which is equal to -0.034 and 9.947, it can be concluded that the null hypothesis cannot be rejected for state companies that means there is a significant difference between costs and revenues for state companies before privatization while the difference is shown to be significant after privatization.

Wilcoxon test also shows the same result of this analysis.

#### *Analysis of the main hypotheses:*

1. Privatization has improved the performance of assigned tasks.

2. Effectiveness level of income and cost variables are different on the privatization process.

Sets discussed in previous chapters suggests that if the "profitability index" is considered as a measure of success for privatization in distribution units of oil and bitumen, the increase in profits arising from the assignment, clearly indicates the success of the project and can be a pilot for the other units to be covered.

Closer look at the components of profit, income and expenses of assigned units, indicates that the although during transfer process, the costs and revenues have increased at the same time, but the rate of increase, revenues from sales has increased with higher growth rate than supply costs which will ultimately increase the profitability of the units.

The evidence suggests that improving sales management and access to foreign markets are among the opportunities and shining strengths which is followed by the increasing in revenue and especially foreign currency earnings. On the other hand, reviewing the supply costs and improvement in distribution management has caused less growth in comparison to the sales revenues inside and outside the borders while the increase in costs proportional to the amount of production and supply.

Proposals to implement Article 44 in National Iranian Oil Products Distribution Company:

The results indicate the fact that in terms of profitability, the privatization process of bitumen and oil units was successful and to continue the process and extend it to other departments, the following recommendations are presented:

1. In order to identify the ways of induced differences in costs and revenues of assigned units, a research has to be done in the structure of revenue and cost, before and after assignment so that the improvement in management are illustrated in the form of performance indices.
2. In order to keep the markets and to maintain a presence in new markets, the need to develop a strategic plan is quite certain. This is especially in the current situation of units which have achieved a commercial nature, will cause more success.
3. Although the success of assigned units mostly is due to access to global markets and such facilities are less in distribution sector, but the assignment of the previous units and improved management practices obtained can be a pilot for assignment of other units.
4. In order to evaluate the results of assignment that is beyond the review of performance indicators, measuring customer satisfaction and downstream units and prefers of upstream units and contractors can be considered in the later stages of the investigation.

#### REFERENCES

- [1] Bassiri, F., 2008. Introduction to privatization and privatization steps, Journal of Communication, No. 40.
- [2] Haghghi, Mohammad Ali, 1996. Evaluation and design of structural model for the privatization of the state sector (Ports and Shipping Organization), Tarbiat Modarres University.
- [3] Law. John. After Method: Mess in Social Science Research, published by Routledge, 2004. [www.books.google.com](http://www.books.google.com).
- [4] Mir Mohammad, M., 1996. Privatization, administrative reform Quarterly, No. VIII and IX.
- [5] Reviewing the privatization experiences of selected countries and the relevant provisions in Iran (a review to the general policies and legislation to implement Article 44), Bureau of Economic Research, 2007.
- [6] Nahraty, I., 1997. Critique of privatization in Iran, cultural institution of Rasa, first edition.
- [7] Rahimi Boroujerdi, A., 1994. macroeconomic policies and structural reforms, first edition, Tehran Institute of Business Studies and researches.
- [8] Saeedi, P., 2008. Barriers and administrative requirements of the general policies of Article 44 of the Constitution, Strategy Magazine, Issue 16.
- [9] Sekaran, Uma, 2002. research methods in management, translation of Mahmoud Saebi and Mohammad Shirazi, Publications of Research Institute of Planning and Management, Second Edition.
- [10] Yousefian, H., Privatization article, Central Training of National Oil Company.