

Market competition environment, Internal Control of social capital investment of influence

Weinan Wang

Henan University of Urban Construction, Shijiazhuang, Hebei Province

Abstract: This paper by construction market competition environment, Internal Control of social capital investment of the frame Use 2013 Years 2015 Years Shenzhen A Unit listed the company of data Research Social Capital Investment excessive of reason. The conclusion: Market competition environment the difference of area Social capital investment amount the greater Internal control quality the higher Social capital investment the less. In addition Internal control will expand the market competition environment of social capital investment of Suppression

System Effect. Research results for enterprise in improving the internal control quality Avoid social capital excessive investment provide the basis and reference.

Keywords: Internal control; Social Capital Investment; Market competition environment; Regulation Effect

2017 Years government and social capital Cooperation and Development Meeting in, Beijing, held The State vigorously promote PPP Project Full Play market in resources configuration in decisive role and government in market role of supervision in. Then Nineteen big report pointed out that China's economy has been by high-speed growth stage to high quality development stage Need improve the modern economic system Deepening supply side structural reform This not only requirements China speed up the innovation change More need to pay attention to guide social capital involved in innovation-driven reforms Further broaden the innovation and reform of the investment channel. Can China's market system also don't perfect Entrepreneurs were established government-enterprise relationship of main objective for get return Lead to the enterprise social capital investment common too high of Phenomenon And in market competition environment bad of Regional This a kind of phenomenon will be more obvious. So In market transition of big background under Study market competition environment

Investment in corporate social capital is particularly important. To accelerate the improvement of China's market-oriented mechanism, Improve Resource Allocation Efficiency, Promoting innovation-driven transformation has positive effects.^{[1][2][3]}

Social capital as an unofficial source of investment, To fill vacancies missed by the formal system, Solve the problem of social development and government-enterprise cooperation, Reducing market failures. Social capital investment behavior is significantly affected by institutional environment. Institutional environment will affect the social capital benefits of stakeholders, In regions with better institutional environment, Ordinary Enterprises have free access to the market, Will choose formal systems such as contracts, In regions with poor institutional environment, Enterprises will pay more cost to enter the Capital Market, Relatively speaking, The cost of scarce resources is also much higher.

But the existing literature is less about the market competition environment. The influence of internal control on

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social capital investment behavior. Step danlu *et al* (2013) Take BOE Technology Limited by share Ltd as the research object, Analysis of its annual competition for local subsidies but the performance is still lower, Draw a conclusion: Under the background of separation of government and enterprises, Listed companies will fight for the local government through rent-seeking. "Favor", And this phenomenon will be more and more intense in the region where the market is weak., And then it shows that the rent-seeking cost is less in the region with weak market orientation..^[4] The study only discusses the impact of market competition environment on social capital investment., There is no internal control system as a starting point.. Therefore, the Internal Control, Market competition environment and corporate social capital investment, Explore the relationship.

Enterprise culture this big background under Enterprises of various decision-making are has tendency Control environment is in enterprise existing culture under Maximum limit of condensation enterprise workers, Incentive enterprise workers for enterprise strategy target struggle And information and communication the as an enterprise internal interests stakeholders and internal interests stakeholders, Internal interests stakeholders and external interests stakeholders of Bridge Ensure that information accurate are of transfer. (4) Enterprise the supervision activities The enterprise of investment activities, Decision-making behavior the after Supervision.^[11] Based on the above theory analysis Perfect the internal control system tend to reduce relationship maintenance cost Reduce government exchange of rent-seeking cost And avoid social capital investment excessive of Phenomenon. Therefore put forward hypothesis2:

Hypothesis2: Internal control quality the poor Enterprise of social capital investment amount the more.

Finally Rent-Seeking Theory as an social capital investment expenditure of Theory Think in Government of intervention. The Rent-seeking cost is inevitable In order to earn this a kind of resources to offset rent-seeking cost Enterprise internal interests stakeholders. To build a government-enterprise relationship rent-seeking on the part of. Because our country is in economic

Transition of big background under Market economic system also is not perfect Government funding there existed a black hole behavior Entrepreneurs of Power Maintenance, Competition justice and consciousness weak And then to promote the enterprise of rent-seeking behavior The to return for objective of social capital investment behavior.

So Internal control system whether will in market competition environment of social capital investment influence between regulation effect? Existing literature rare study such problem. Zhao Shuang (2013) Research to social capital as an core capital of Internal Control System Main refers to have social capital of interests stakeholders become enterprise of actual control people after the enterprise of target, Organization structure and so on of influence.^[10] Its and no to market competition environment as an Social Capital Investment Behavior of big background Overall Market competition environment and internal control quality "Common in" In a market competition environment more excellent

Benign of Regional Market competitive high Enterprise often there and survival of the fittest "Phenomenon Then the company's internal control system is relatively perfect in order to achieve a better profit. Therefore, Make assumptions:

Hypothesis3: Internal control will positively adjust the influence of market competition environment on Corporate Social Capital Investment.

1. Samples and data

《Basic norms for enterprise internal control》Yu2008 After the formal introduction, Encourage enterprises to independently implement the Internal Control System. Subsequently, The State has introduced many more internal control laws.. But, From the introduction of laws and regulations to the true implementation of the enterprise needs a buffer period. Therefore, This paper chooses 2013 Year to year 2015 Annual Listed Company (Unit) As a sample. Simultaneous, Process the data obtained as follows (1) Delete An enterprise with incomplete data. (2) Delete enterprise with outliers. (3) Remove Financial Insurance. (4) Delete poorly run enterprises (StAnd*St). Data all from CSMAR Data base.

2. Research Model

Li Wanfu, a scholar, Processing Methods of Wen zhonglin and others^{[5] [11] [12]}, Build, paper, Model. Scholars,

established controls, and institutional changes

Quantity^{[15] [16] [17] [18]},Select the following₆.Control variables,Bring it to the following₄.Test in the Model.Model(1),Model(2),Model(3)And Model(4)Variable reference table in1.Variable Design.

Five,Empirical results

Table2Given the Model(1),Model(2),Model(3),Model(4)Of regression results.Can seeHerfindahl Index the higherEnterprise social capital investment amount the greater.Because this paper with illuminates the DAR index measure market competition environmentAnd illuminates the DAR index is a inverse IndexHerfindahl Index the close1,Representative market competition environment the bad;SoHerfindahl Index the higherShow that market competition environment the badEnterprise social capital investment amount to the greater.Prove hypothesis1.In additionAssets-liability ratio the higher,Equity properties for State-Owned Enterprise,Financial transparency the higherEnterprise social capital investment amount the moreAnd by certain degree of significant test;Government subsidies,Return on total assets,TobinQ,Business Income The higher the growth,Enterprise Social Capital Investment the lessBut no by significant test Higher Internal Control Quality,Less investment in corporate social capital,Prove this hypothesis2.Also,Higher asset-liability ratio,Property rights for State-Owned Enterprises,More investment in corporate social capital,And through a certain degree of significance test;Government subsidies,Return on total assets,TobinQ,The higher the growth rate of operating income,Lower Fiscal Transparency,Less investment in corporate social capital,But did not pass the significance test..

Slave Model(3),Model(4)OfR2Changes can be found,The latterR2Bigger than the former,And passed the significance test;AndICQ * HHIPassed.5%Significance Test:It is proved that internal control will adjust the influence of market competition environment on social capital investment amount.,Simultaneous,Heffendal SystemTValue from2.519Up2.643,And further improvedSi_G,Passed.1%Significance Test,It shows that the quality of internal control has positively adjusted the influence of market competition environment on the amount of social capital investment.,Through the hypothesis of this paper3.Show that the better the competitive environment in the market,Internal control will positively regulate its investment in social capital.,Reduce social capital investment.

Table3.Display,State-owned Enterprises,Non-state-owned enterprises,The worse the market competition environment becomes,Poor internal control quality,The greater the amount of Corporate Social Capital Investment,Further proof hypothesis1.And assumptions2.However, after adding the interaction between internal control quality and market competition environment,Only state-owned enterprises to prove the in market competition environment of social capital investment of influence process inInternal Control plays Regulation Effect;Non-state-owned enterprise no prove.May be due to non-state-owned listed the company on social capital particularly attentionSo simple of market competition environment and internal control system of social capital investment of influence significantly greater than State-owned the company(From illuminates the DAR system and internal control indexSi_GCan see),And then lead to join InterAction the afterMakesSi_GReduceBut not by significant test.

The phenomenon of pre-enterprise operation decision-making is more serious,Provide enterprises with rent-seeking behavior."Living conditions",Entrepreneurs generally tend to establish the relationship between government and enterprises to obtain returns.;Therefore, this paper suggests:Actively transform government functions,Reduce government to business,Level of market intervention,Improve Resource Allocation Efficiency,And then achieve economic transformation and development,The goal of optimizing industrial structure.

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