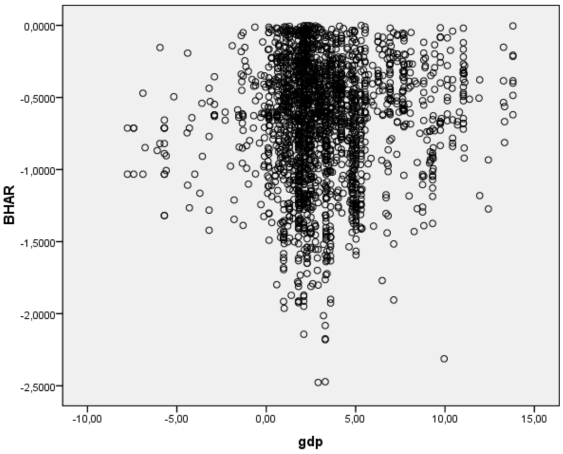
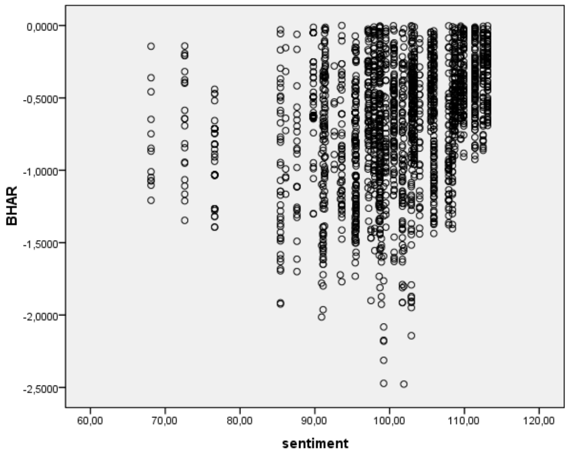
Appendix 7

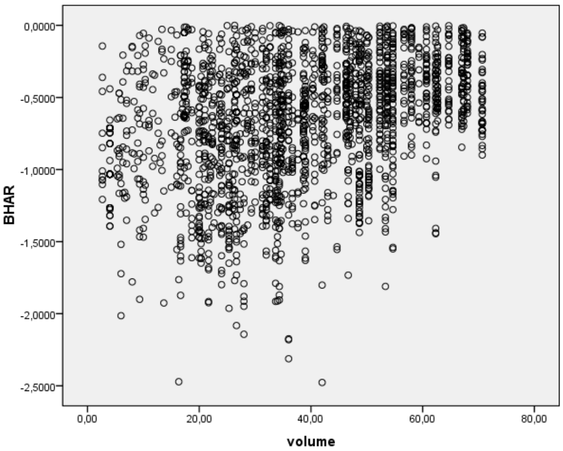
Verification of assumptions of multilinear regression based on 3 years holding period

Verification of linear relationship

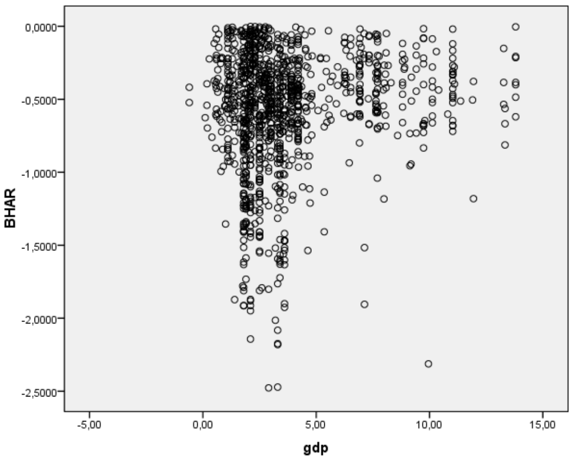
Overpricing based on 3 year BHAR returns during the period 2001-2016

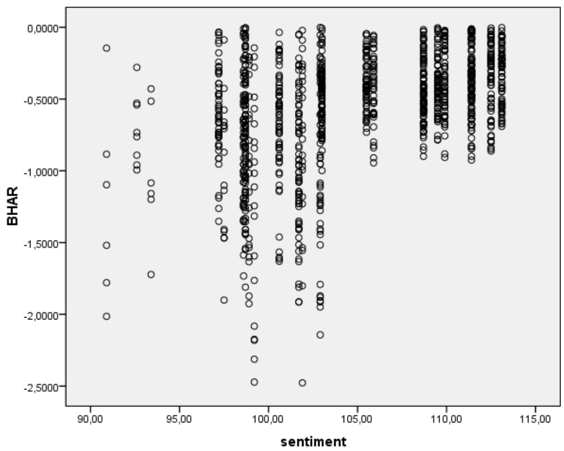




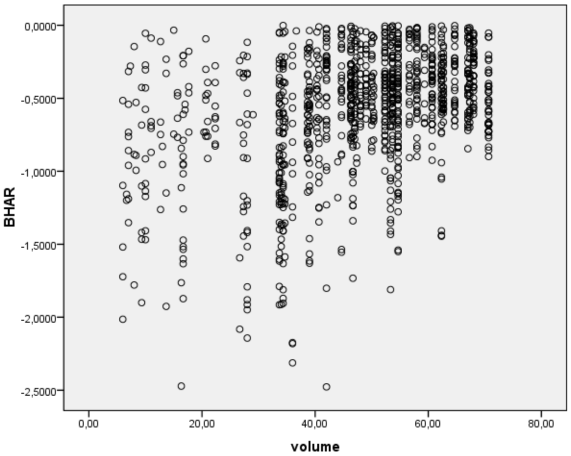


Overpricing based on 3 year BHAR returns during period 2001-2007

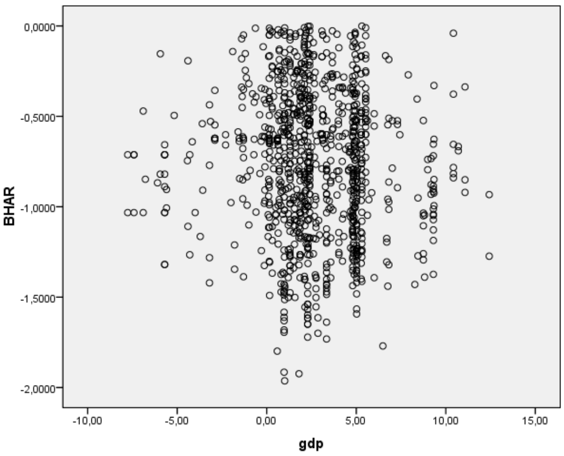


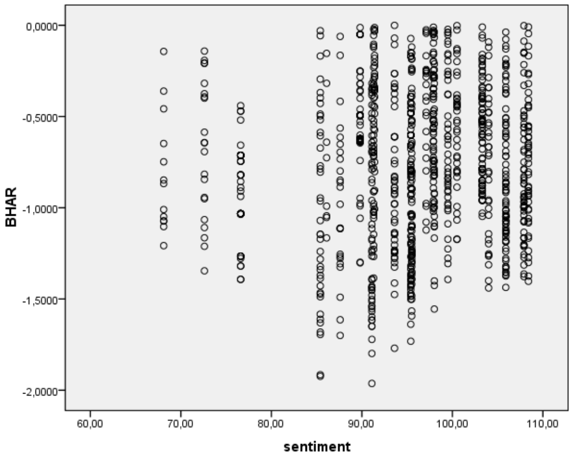


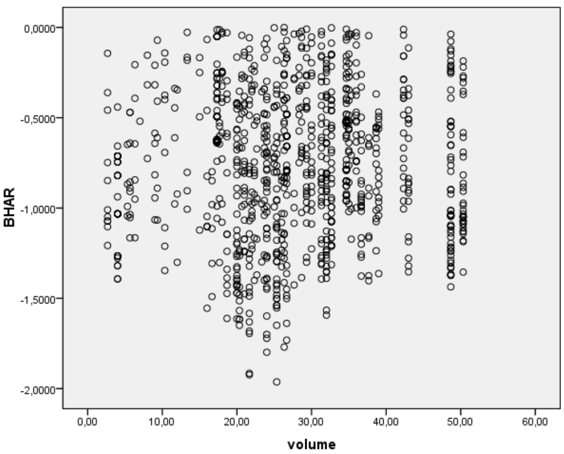
Appendix 7 (continued)



Overpricing based on 3 year BHAR returns during period 2008-2016



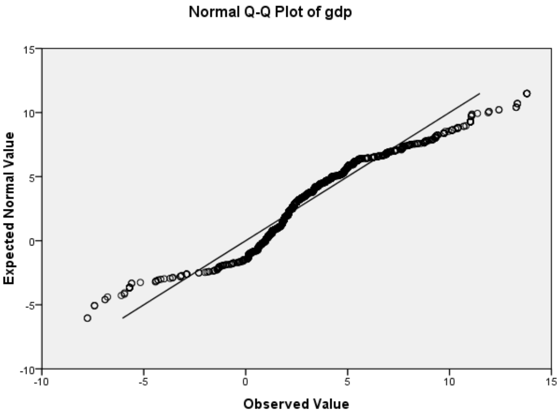


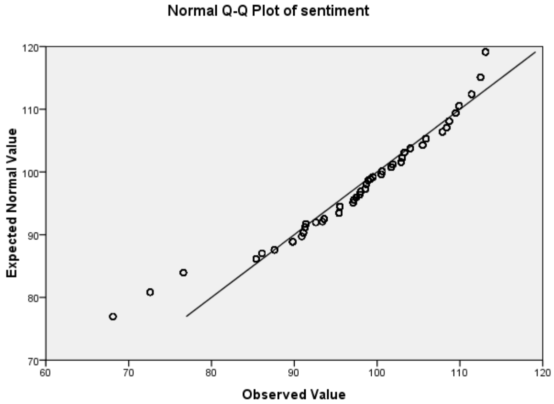


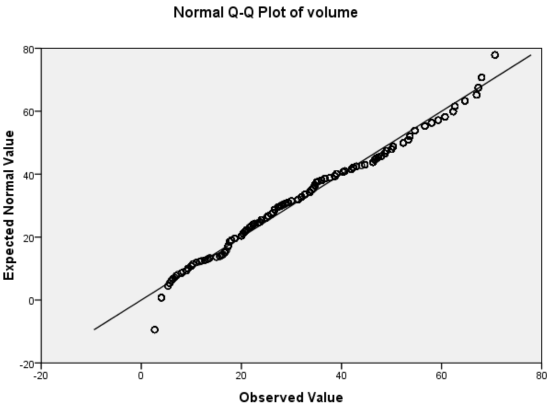
Appendix 7 (continued)

Verification of multivariate normality

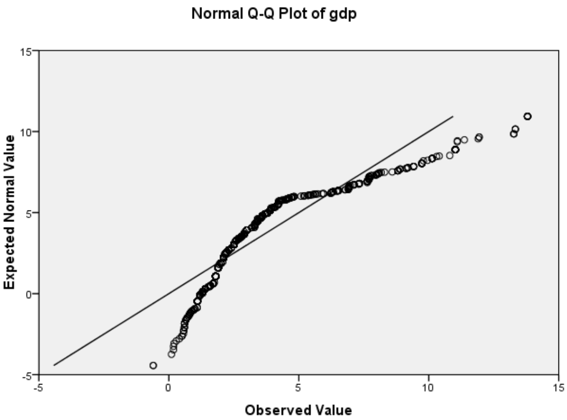
Overpricing based on 3 year BHAR returns during the period 2001-2016

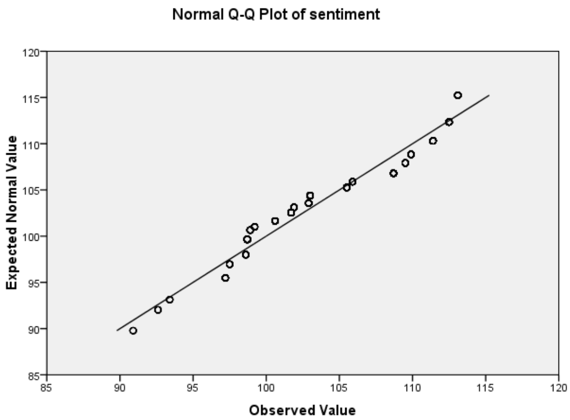


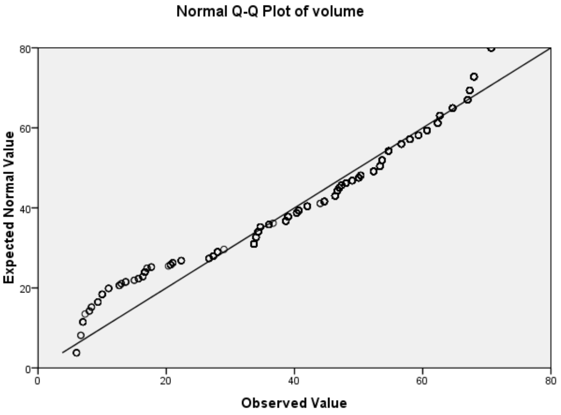




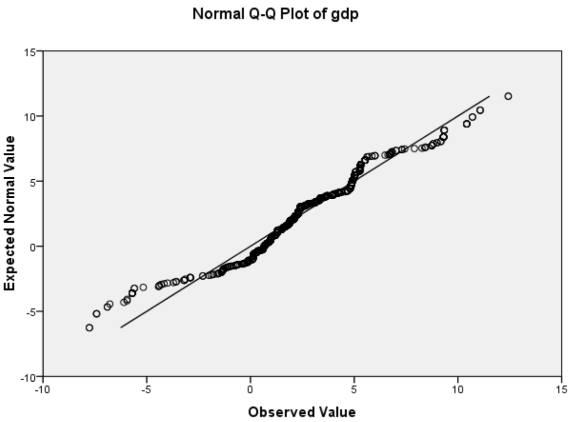
Overpricing based on 3 year BHAR returns during period 2001-2007

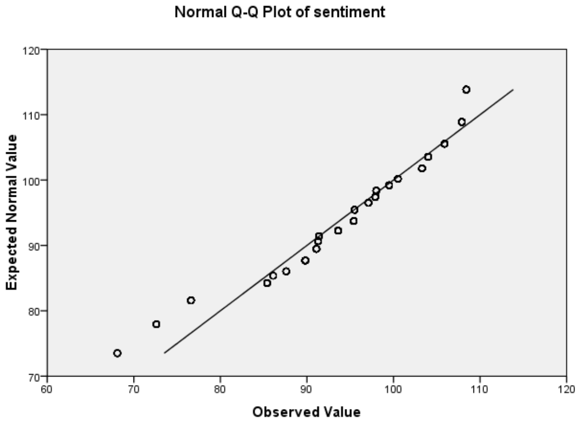


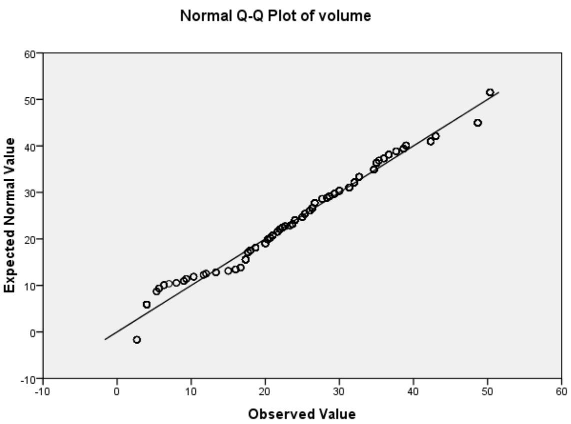




Overpricing based on 3 year BHAR returns during the period (2008-2016)







Appendix 7 (continued)

Verification of no or little multicollinearity

Table 1

Overpricing based on 3 years BHAR returns during the period 2001-2016

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,375[a]	,141	,137	,3896016	1,598

a. Predictors: (Constant), volume, techn, sustan_pol, vc_b, alrtern_m, reputation, priv_eq_b, gdp, sentiment

b. Dependent Variable: BHAR

Table 2

Overpricing based on 3 years BHAR returns during the period 2001-2007

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,486[a]	,236	,230	,3637449	1,789

a. Predictors: (Constant), volume, sustan_pol, techn, vc_b, reputation, gdp, alrtern_m, priv_eq_b, sentiment

b. Dependent Variable: BHAR

Table 3

Overpricing based on 3 years BHAR returns during the period 2008-2016)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,210[a]	,044	,036	,3962256	1,591

a. Predictors: (Constant), volume, priv_eq_b, alrtern_m, sustan_pol, techn, vc_b, reputation, gdp, sentiment

b. Dependent Variable: BHAR

Appendix 7 (continued)

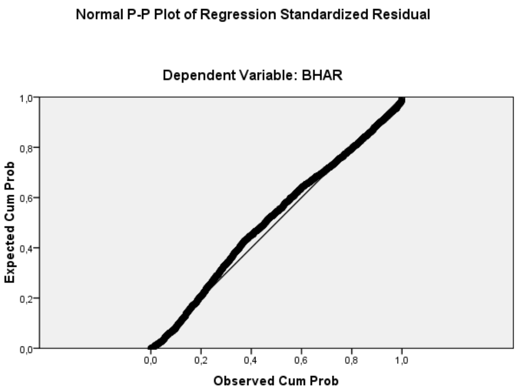
Table 4

Verification of no auto-correlation

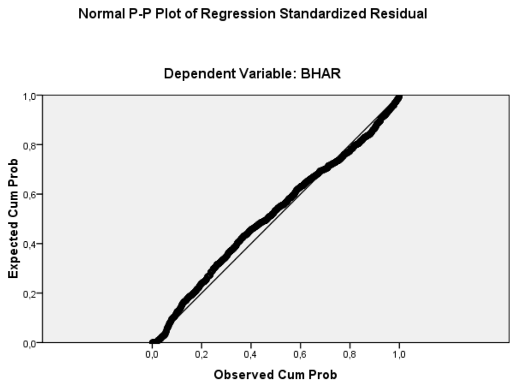
	Full period (2001-2016)		Period before crisis (2001-2007)		Period after crisis (2001-2007)	
Collinearity Statistics	Tolerance	VIF	Tolerance	VIF	Tolerance	VIF
alrtern_m	,893	1,125	,838	1,193	,922	1,085
priv_eq_b	,882	1,136	,853	1,172	,935	1,069
vc_b	,897	1,115	,872	1,146	,955	1,047
techn	,999	1,012	,990	1,010	,988	1,012
gdp	,760	1,001	,863	1,159	,672	1,488
sentiment	,371	1,318	,491	2,036	,390	2,567
sustan_pol	,976	2,700	,968	1,033	,979	1,022
reputation	,930	1,024	,936	1,068	,924	1,082
volume	,382	1,075	,507	1,972	,389	2,569

Verification of homoscedasticity

Overpricing based on 3year BHAR returns during the period 2001-2016



Overpricing based on 3 year BHAR returns during the period 2001-2007



Overpricing based on 3 year BHAR returns during the period 2008-2016)