

**The Normality of Financial Ratio Distributions- Observations from  
Securities Companies Listed at the OTC in Taiwan**

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**Abstract**

This study examines the normality of the financial ratio distribution of the securities companies listed at the OTC in Taiwan. It is found that most of the major financial ratios appear to be cross-sectionally non-normal either on an individual year basis or on a 3-year-average basis. These findings suggest future studies to examine the normality assumption first before they apply tests to financial ratios. To provide meaningful implication, the violations of the normality assumption should be adjusted before any further modeling procedure or analysis are conducted.

**Key words:** Normality; Financial ratios; Over-the counter; Taiwan