

Impact of Indirect Foreign investment on Stock Values by Mediating the Financing Structure Analytical Study in Iraqi Stock Market

By

Baheer Saadoun Hasan

College of Administration and Economics/ University of Baghdad /Iraq

Email: basheer.saadoun1203a@coadec.uobaghdad.edu.iq

Ayad Taher Mohammed

College of Administration and Economics/ University of Baghdad /Iraq

Email: Ayad.tahir@coadec.uobaghdad.edu.iq

Abstract

The research aims to study the level of influence of the ratio of trading and foreign ownership on the real market value of shares, and to identify the strength of the effect of the ratio of trading and foreign ownership on the cost of financing, as well as determining the effect of the cost of financing on the market and real value of the shares of the research sample companies, as well as the effect of the ratio of foreign ownership on the trading and ownership ratio. The real market value of the shares by averaging the cost of financing. The study population was represented by the Iraq Stock Exchange, and the study sample, which was chosen in a conditional intentional manner, included (13) companies distributed over sectors (industry, insurance, services, tourism, hotels, agriculture and communications), and data and information were collected through the financial statements issued by the study sample companies and the financial reports issued About the Iraq Stock Exchange and for the period (2014-2020). The researcher also adopted financial methods and statistical methods, and the financial methods were represented by the ratio of indebtedness, the ownership ratio, the required rate of return, the weighted rate of the cost of financing, the profitability of the share, the real value and the market value of the share, while the methods represented by the simple statistical methods and the arithmetic indicative methods and the mean methods, the mean Path analysis across applications (SPSS V.26, Excel 2010, AMOS V.25, SOBEL-TEST) to compare computed results and test research hypotheses. The researcher reached several results, most notably the presence of a significant effect of foreign trading on the market value of the shares of the companies investigated, the presence of a significant effect of trading and foreign ownership in the financing structure through the cost of financing, the absence of a significant effect of the financing structure through the cost of financing on the real market value of the shares, and the presence of Significant effect of trading and foreign ownership on the real and market value of shares by averaging the cost of financing companies.

Keywords: indirect foreign investment - market value of the share - the real value of the share - financing structure - financing cost.

Introduction

The integration of the globalization of financial markets has contributed to the influx of foreign capital, as it has been increasingly recognized that these flows are of benefit to investors and local companies and thus reflect positively on the host countries, and that indirect foreign investment takes the form of investment in financial assets through the purchase and

sale of shares and bonds, as the Indirect foreign investment is one of the important factors that directly affect the movement of stock values in the financial markets. On the other hand, the main objective of financial management is to maximize the value of the company by maximizing the wealth of the owners, so these reasons prompted a study of the variables (indirect foreign investment, financing structure, market value of the stock, and the real value of the stock) to determine the extent of the impact of indirect foreign investment. The direct impact on the real and market value of shares and its impact on the cost of financing, knowing the level of influence of the financing cost on the market and real value of the shares of the research sample companies, and determining the level of influence of indirect foreign investment on the real and market values of shares by mediating the cost of financing, so the research problem is embodied in the following questions, Does the increase in trading volume and foreign ownership lead to an increase in the real market value of the shares of the research sample companies? Is there an impact of the trading volume and foreign ownership on the financing structure through the weighted average of the financing cost? And does the financing structure through financing costs contribute to increasing the real market value of the shares of the research sample companies? Is there an effect of the trading volume and foreign ownership on the real market value of the companies' shares by averaging the financing structure through the weighted average of the financing cost?

The importance of the research came by highlighting the main role of foreign indirect investment in stimulating and developing the Iraqi stock market, as it works to increase the liquidity and prices of shares in the market as a result of the expansion of the investor base, and directing the attention of companies to increasing interest in financial management, which is concerned with studying the factors affecting the values of shares as well as maximizing the value of the company.

The research seeks to achieve the following goals, to contribute to enriching the knowledge aspect of the research variables (indirect foreign investment, stock values, financing structure) as well as the analytical and applied aspects in the Iraqi market for securities, and to determine the level of the impact of indirect foreign investment on companies. The research sample from Where the market and real value of shares and the financing structure of these companies, as well as determining the level of influence of foreign indirect investment on companies, the research sample in terms of market and real value of shares by mediating the financing structure of these companies, and also the research tries to reach results through which it can enhance interest in foreign indirect investment. And the values of the shares and structure of the financing of the research sample companies, and finally the analysis and discussion of the level of the impact of foreign indirect investment on the value of the shares and the financing structure of the companies of the research sample in the Iraqi Stock Exchange, and the level of the impact of the financing structure on the value of shares, as well as the analysis and discussion of the level of the impact of foreign indirect investment on the value of the shares is mediated by the financing structure, while enhancing this with statistical results that support the foregoing.

Financial and Statistical Methods

1- Financial methods

A- Debt Ratio: (Sudharto & Salim, 2021: 132)

$$\text{debt ratio} = \frac{\text{total liabilities}}{\text{total liabilities} + \text{Total Equity}}$$

B- Equity Ratio: (Miller, 2009: 129)

$$\text{Total equity} = \frac{\text{total equity}}{\text{Total Liabilities} + \text{Total Equity}}$$

C- Required rate of return: (Frank & Shen, 2016 : 17)

$$r_e = r_f + \beta_e (r_m - r_f)$$

Since : r_e = rate of return on stock , r_f = Risk – free rate of return , β_e = Beta represents a systemic risk , r_m = The rate of return on the market portfolio.

D- The weighted average of the cost of financing: (Pavel, 2018: 139)

$$\text{WACC} = (R_d * W_d) * (1 - T) + R_e * W_e$$

Since : WACC = Weighted average cost of financing , W_d = The relative weight of debt (loans, bonds) of the total financing structure , R_d = Debt cost before tax , T = company income tax , W_e = The relative weight of shares or retained earnings from the total financing structure , R_e = Cost of shares or retained earnings. and that : $W_d + W_e = 1.0$

E- Earnings per share: (Atrill, 2017 : 109)

$$\text{Earnings per share} = \frac{\text{Profits available to stockholders}}{\text{The number of ordinary shares issued}}$$

F- Share values:

As the reports of the Iraq Stock Exchange show the closing prices of the shares, which represents the market value of the companies' shares, the real value of the shares of the research sample companies is calculated according to the following equation: (Gitman & Zutter, 2015: 593).

$$\text{The real value of the share} = \frac{\text{earnings per share}}{\text{Required rate of return}}$$

2- Statistical methods

The statistical methods were relied on in analyzing the relationships between the research variables by using the programs (Microsoft Excel 2010, SPSS V.26), in order to calculate the arithmetic mean, the standard deviation and the coefficient of variation, and in order to test the relationships between the research variables, simple regression and multiple regression were used, and to measure The effect between the search variables (F-test), T-test and significant value (sig) were used by employing the search for each of the programs (SPSS V.26, AMOS V.25, SOBEL-TEST).

Second : A review of the literature

Previous studies

A- Study (Mahdi, 2014) (the impact of indirect foreign investment on some indicators of the Iraq stock market (analytical study during the period 2007-2013))

The problem of the study centered on the following question: What is the level of influence of indirect foreign investment in the trading indicators of the Iraqi Stock Exchange? The study aimed to determine the level of the impact of indirect foreign investment on the indicators (the number of traded shares and the number of contracts executed) for the Iraqi Stock Exchange, while the study community represented the Iraq Stock Exchange, and the study sample is the transactions of non-Iraqi investors for the period (2007-2013). The

researcher relied on a set of financial and statistical methods represented by trading volumes, simple linear regression, T-test, and F-test. Foreign contracts executed in the total number of contracts executed for the market.

B- Study (Shabbir & Muhammad, 2019) (The dynamic impact of foreign portfolio investment on stock prices in Pakistan)

This study aimed to study the short-term and long-term dynamic relationship between indirect foreign investment and stock prices in the Pakistan Stock Exchange, as well as to determine the level of influence of indirect foreign investment on the Pakistan Stock Exchange, in order to reach an answer to the study problem represented by the basic question Does indirect foreign investment affect the share prices of companies listed in the Pakistan Stock Exchange? , through the adoption of the Pakistan Stock Exchange as a whole for the study, while the study sample was the companies listed on the Pakistan Stock Exchange and which were traded by indirect foreign investment for the period (1984-2016). The F-test, T-test, Distributed Autoregressive Model (ARDL), and Automated Vector Regression Model (VAR) were used as statistical methods to test the hypotheses of the study, and it was found that there is an effect of indirect foreign investment in stock prices in the Pakistan Stock Exchange in the short term, And the lack of impact of foreign indirect investment in stock prices in the Pakistan Stock Exchange in the long term.

C- Study (Afinindy et al, 2021) (The Effect Of Profitability, Firm Size, Liquidity, Sales Growth On Firm Value Mediated Capital Structure)

This study aimed to determine the extent of the direct impact of profitability, company size, liquidity and sales growth on the value of the company, as well as studying the extent of the indirect impact of profitability, company size, liquidity and sales growth on the value of the company by averaging the capital structure, through a question like the problem of the study, is there an effect How does profitability, company size, liquidity and sales affect company value by averaging the capital structure? The study population was represented by the Indonesia Stock Exchange, while the research sample included food and beverage companies for the period (2013-2018). The financial methods included the liquidity ratio, the market value of the company, the total assets, the weighted rate of the financing cost, and the statistical methods included the partial least squares (PLS) path model, T-test, and F-test, and it was concluded that there is no effect of profitability, company size and sales growth on the structure of Capital, with a positive impact of profitability and the capital structure on the value of the company, as well as the fact that the capital structure does not have an intermediary role in the impact of profitability, company size and sales growth on the value of the company, and that the capital structure has an intermediary role in the positive impact of liquidity on the value of the company.

Indirect foreign investment

It is also called Foreign Portfolio Investment (FPI), as foreign indirect investment improves liquidity in the stock market and reduces risk by distributing risk to a large base of investors (Makoni, 2020: 101). And that indirect foreign investment takes the form of trading in stocks and bonds, and so on, a type of investment in which investors lack control or influence over the invested companies, unlike foreign direct investment, in which investors usually have a major role in managing the company or investment project, but the motivating factor for foreign investment The indirect is obtaining appropriate interest or returns from these securities (Onyali & Okafor, 2014: 9), in addition to the fact that the process of transferring the assets of the securities is more rapid and flexible (Ordu-Akkaya & Soytaş, 2020: 3). Investment in the stock market is distinguished from other investments in many factors, including the change in the rate of return from one period to another. The type of investments with the possibility of reducing the degree of total risk through diversification of investment portfolio tools (Al-

Abedallat, 2012:132)). Also, indirect foreign investment works to develop and develop the economic life of the host country, and many countries rely on encouraging such type of investments because of their need for foreign currencies, and therefore the host country should provide appropriate decisions to attract these investments Jelilov et al, 2020: 166). The definition of indirect foreign investment is the process of trading by a foreign investor in local securities (shares, bonds, other financial instruments), and these securities are issued and guaranteed by the government of the host country (AKINTOYE,2021:197). Indirect foreign investment enjoys a set of advantages as follows: (Saleh and Ali, 2013: 67) (Labib, 2019: 9) (Thapa & Poshakwale, 2012: 190) (Parashar, 2020: 45) (Taonezvi, 2019: 56) (Gong). & Kim, 2011 : 220) (Wanaguru, 2020 : 207)

- A - The ability to easily enter and exit the financial markets in the host country, and does not require large amounts of cash to start investing.
- B - The difficulty of controlling such investments, and therefore the outflow of capital in large quantities leads to destabilization of the financial markets and the economy in general.
- C - It is one of the important means of financing the host countries when the rates of domestic savings are few, as well as financing local companies by purchasing their securities.
- D- Specific to trading and exchanging foreign securities.
- E- The heavy entry of foreign investors leads to an increase in the number of buyers and sellers of securities, and thus leads to an increase in the liquidity, depth, efficiency and integration of local financial markets, thus stimulating better economic growth.
- F- The increase in the movement of capital between its entry and exit affects the value of the local currency positively and negatively. When foreign investors enter, the demand for the local currency increases and its value increases, and when foreign investors leave, the demand for foreign currencies increases and the value of the local currency decreases.

Financial markets

Financial markets occupy a vital position in contemporary economic systems, as financial markets are one of the main factors for achieving economic efficiency through the exploitation of financial resources, by transferring surplus funds as accumulated savings to productive uses, and thus lead to the process of expanding the production base, and this increase In productivity, it leads to an increase in the provision of opportunities for employment and also an increase in national income, and this helps to achieve the economic development of the country (Hondroyiannis et al, 2005: 6). In the financial markets, securities issued by governments, financial institutions and companies of various types are offered. Trading in these securities takes place within these markets, including debt securities (bonds), property papers (regular and preferred shares), derivatives, and others. There are many classifications of financial markets, including the money market. and the capital market, and within each classification there are other classifications, including spot markets and futures markets, including a primary market and a secondary market (Kürthy et al, 2018: 48). The financial markets are the environment in which the trading of securities takes place, as these markets provide the appropriate place for potential buyers and sellers to conduct the exchange of securities (stocks, bonds, currencies and financial derivatives), as derivatives are financial instruments linked to an underlying asset, and in these markets the prices of securities are quoted The financial information in the trading screens, as it contains the ask price and the bid price, and when these prices match (supply and demand) the transaction occurs (Calesso et al, 2020: 3). Financial markets are defined as the regulatory framework within which financial instruments can be bought and sold (Howells & Bain, 2007: 17).

Common Stock

Stocks are an instrument of ownership and are the most visible securities in the financial scene (Kidwell et al, 2012: 302). Ordinary shares give their owners claims to variable future income streams, which are paid out of the company's profits and are known as dividends or dividends (Howells & Bain, 2007: 304). Ordinary shares are defined as equity without priority in dividends or in the event of bankruptcy (Ross et al, 2017: 215). Ordinary shares were also defined as securities issued by the company that entitle its owner to obtain a share in the company's ownership, and this ownership entails certain rights for shareholders (Munk, 2018: 2). Ordinary shares have different types of values, some of which are used in the company's historical records and some are used according to the company's circumstances and performance and the financial market conditions. Each type is summarized as follows:

A- Nominal value:

The nominal value of the ordinary shares created for legal purposes in the company's charter, and this value is low and often less than the market value or other values (Gitman, 2006: 310). In the case of the company selling new ordinary shares, they are recorded in the balance sheet at the value The nominal amount and the amount exceeding the nominal value is recorded in the name of (extra paid-in capital). One of the advantages of this registration is that at any time the total number of common shares can be found (Besley & Brigham, 2008: 267).

b- book value:

Book value refers to the share price in the company's financial records (Baker & Powell, 2005: 104). The book value per share is calculated by dividing the equity by the number of shares in circulation (Ross et al, 2003: 373).

C- Market value:

It is the price of the stock that is traded in the financial market, in other words, it is the price at which the buyer accepts to buy the stock and the seller accepts to sell the stock (KULAL et al, 2020: 61). The wealth of shareholders is represented in the market value of their shares at any time, as the financial and investment decisions taken by the company should lead to maximizing the wealth of its shareholders (McMenamin, 2005: 140).

D- Real (intrinsic) value:

The real value of the stock depends on the expected cash flows from the stock, the risk of the stock and the required rate of return for the investor, and this value is especially important for investors to use in investment decisions (Melicher & Norton, 2017: 277). The real value is calculated by specialists and financial analysts and compared to the value of the share in the financial markets to make a decision to buy or sell. (Subramanyam & Venkatachalam, 2007: 463)

E- Liquidation value:

It is the actual amount paid for each ordinary share after liquidation of the company (Berk & DeMarzo, 2011: 587). This measure is more realistic than the book value because it depends on the current market value of the company's assets (Gitman & Zutter, 2015: 340).

Financing Structure

Finance, in its general sense, is how individuals, companies, and governments obtain money, manage it, and spend it properly (Melicher & Norton, 2017: 4). Financing refers to the provision of funds through which the company's assets are financed, and the company's financing is through two main sources: borrowed financing and owned financing, and the financing function is one of the basic functions of financial management (Al-Amri, 2010: 159).

And that every decision taken by management regarding financing will have future consequences related to revenues and costs, and will naturally affect the value of the company (Berk & DeMarzo, 2011: 93). Finance is defined as the science and art of managing money, and finance includes how companies collect money from investors and how they invest it to try to achieve profits and decide whether to reinvest profits in the business or distribute it to shareholders (Gitman & Zutter, 2015: 50).

Third: Analyze the data and discuss the results

Data analysis

A- Foreign trading ratios:

The foreign trading ratio refers to the division of the total foreign trading resulting from the operations of buying and selling foreign investors in the company's shares by the total trading volume of the company during the period. Table (1) shows the annual foreign trading ratios for the research sample companies for the period (2014-2020).

Table (1). Annual foreign trading ratios (%) for the research sample companies for the period (2014-2020)

| SEQUENCE | companies | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | average | standard deviation |
|-----------------|-----------|-------|-------|-------|-------|-------|-------|-------|---------|--------------------|
| 1 | IBSD | 79.48 | 74.82 | 60.69 | 82.99 | 83.62 | 87.81 | 57.56 | 56.99 | 26.76 |
| 2 | IMOS | 1.34 | 0.14 | 0.11 | 0.02 | 1.15 | 0.66 | 0.44 | 0.61 | 0.37 |
| 3 | IKLV | 33.79 | 1.60 | 13.22 | 0.15 | 1.94 | 3.32 | 8.38 | 6.42 | 4.93 |
| 4 | IITC | 16.34 | 2.01 | 0.12 | 1.04 | 1.01 | 0.11 | 0.35 | 1.99 | 1.99 |
| 5 | NAME | 6.42 | 1.20 | 0.98 | 0.48 | 46.05 | 13.63 | 0.84 | 16.99 | 16.10 |
| 6 | NGIR | 5.23 | 71.37 | 23.13 | 2.70 | 2.06 | 3.08 | 2.73 | 9.58 | 10.08 |
| 7 | SMRI | 75.80 | 47.82 | 67.47 | 30.08 | 76.73 | 57.60 | 51.34 | 46.77 | 21.31 |
| 8 | SBPT | 0.14 | 0.03 | 2.70 | 1.21 | 0.47 | 0.57 | 0.57 | 0.67 | 0.78 |
| 9 | HBAY | 26.71 | 30.41 | 19.08 | 37.94 | 36.47 | 27.69 | 52.09 | 28.78 | 13.72 |
| 10 | HBAG | 0.60 | 0.08 | 0.10 | 1.06 | 2.76 | 1.63 | 0.15 | 1.21 | 0.91 |
| 11 | HNTI | 0.06 | 5.20 | 0.01 | 0.07 | 15.33 | 0.02 | 0.14 | 4.91 | 5.64 |
| 12 | AIPM | 20.34 | 29.70 | 16.99 | 0.09 | 0.43 | 1.99 | 0.14 | 5.11 | 6.84 |
| 13 | TASC | 40.93 | 91.33 | 43.61 | 47.55 | 57.43 | 14.93 | 10.79 | 28.30 | 17.79 |
| General Average | | 23.63 | 27.36 | 19.09 | 15.80 | 25.03 | 16.39 | 14.27 | 16.02 | 9.79 |

B- Foreign ownership ratios:

foreign ownership rates are governed by varying restrictions through laws legislated by local governments to regulate the mechanism and percentages of ownership by foreign investors, as the foreign ownership percentage refers to the total ownership of non-Iraqi shareholders in the ownership rights of a local company, whether they are natural or legal persons. Table (2) shows the percentage of foreign ownership in the companies of the research sample for the period (2014-2020).

Table (2). Foreign ownership percentages (%) for the research sample companies for the period (2014-2020)

| | companies | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | average | standard deviation |
|-----------------|-----------|-------|-------|-------|-------|-------|-------|-------|---------|--------------------|
| 1 | IBSD | 51.43 | 52.83 | 65.90 | 63.58 | 64.90 | 62.78 | 62.68 | 60.59 | 5.90 |
| 2 | IMOS | 0.85 | 0.84 | 0.84 | 0.84 | 0.71 | 0.80 | 0.52 | 0.77 | 0.12 |
| 3 | IKLV | 12.87 | 12.72 | 5.71 | 5.69 | 4.71 | 4.04 | 3.64 | 7.05 | 4.00 |
| 4 | IITC | 0.66 | 0.42 | 0.42 | 0.27 | 0.16 | 0.17 | 0.16 | 0.32 | 0.19 |
| 5 | NAME | 6.57 | 6.79 | 6.75 | 6.74 | 9.51 | 3.33 | 3.40 | 6.16 | 2.16 |
| 6 | NGIR | 16.48 | 11.30 | 4.35 | 4.62 | 4.77 | 4.64 | 1.33 | 6.78 | 5.22 |
| 7 | SMRI | 57.29 | 59.58 | 59.63 | 60.98 | 62.95 | 63.82 | 64.91 | 61.31 | 2.71 |
| 8 | SBPT | 0.02 | 0.03 | 0.03 | 0.03 | 0.03 | 0.04 | 0.04 | 0.03 | 0.01 |
| 9 | HBAY | 16.00 | 17.14 | 16.53 | 18.70 | 20.80 | 21.02 | 21.44 | 18.80 | 2.30 |
| 10 | HBAG | 0.28 | 0.28 | 0.28 | 0.26 | 0.23 | 0.21 | 0.22 | 0.25 | 0.03 |
| 11 | HNTI | 0.57 | 0.52 | 0.52 | 0.52 | 0.09 | 0.09 | 0.09 | 0.34 | 0.24 |
| 12 | AIPM | 3.12 | 1.22 | 0.30 | 0.31 | 0.26 | 0.14 | 0.15 | 0.79 | 1.10 |
| 13 | TASC | 15.61 | 15.55 | 15.81 | 15.54 | 15.92 | 15.79 | 15.57 | 15.68 | 0.15 |
| General Average | | 13.98 | 13.79 | 13.62 | 13.70 | 14.23 | 13.61 | 13.40 | 13.76 | 1.86 |

C- The value of shares in the financial markets:

The market value of the shares of companies appears in the reports of the Iraqi Stock Exchange, and the closing price at the end of the period represents the market value of one share. Table (3) shows the market value of the companies' shares during the research period (2014-2020).

Table (3). *The annual market value of the stock (dinars) for the research sample companies for the period (2014-2020)*

| | companies | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | average | standard deviation |
|------------------------|-----------|---------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|--------------------|
| 1 | IBSD | 2.26 | 2.94 | 2.50 | 2.68 | 3.59 | 3.29 | 4.15 | 3.06 | 0.66 |
| 2 | IMOS | 3.50 | 2.80 | 4.14 | 4.90 | 3.99 | 6.50 | 6.68 | 4.64 | 1.47 |
| 3 | IKLV | 1.28 | 1.11 | 0.79 | 0.76 | 1.25 | 1.69 | 1.37 | 1.18 | 0.33 |
| 4 | IITC | 4.25 | 4.28 | 5.15 | 8.10 | 7.98 | 8.85 | 10.00 | 6.94 | 2.34 |
| 5 | NAME | 1.42 | 0.77 | 0.68 | 0.47 | 0.30 | 0.54 | 0.57 | 0.68 | 0.36 |
| 6 | NGIR | 0.69 | 0.36 | 0.48 | 0.53 | 0.58 | 0.68 | 0.72 | 0.58 | 0.13 |
| 7 | SMRI | 4.88 | 3.87 | 0.32 | 1.90 | 1.86 | 1.76 | 3.07 | 2.52 | 1.52 |
| 8 | SBPT | 27.50 | 15.00 | 12.85 | 14.80 | 15.81 | 18.05 | 18.50 | 17.50 | 4.82 |
| 9 | HBAY | 80.00 | 36.00 | 32.50 | 37.50 | 44.50 | 75.00 | 77.60 | 54.73 | 21.68 |
| 10 | HBAG | 10.85 | 6.95 | 10.00 | 8.45 | 8.55 | 8.40 | 8.00 | 8.74 | 1.29 |
| 11 | HNTI | 18.50 | 9.00 | 8.50 | 6.50 | 7.00 | 9.10 | 7.76 | 9.48 | 4.10 |
| 12 | AIPM | 7.88 | 4.65 | 3.68 | 7.94 | 4.99 | 4.75 | 4.60 | 5.50 | 1.70 |
| 13 | TASC | 13.00 | 7.16 | 6.35 | 5.25 | 7.70 | 8.65 | 7.31 | 7.92 | 2.48 |
| General Average | | 13.539 | 7.299 | 6.765 | 7.675 | 8.315 | 11.328 | 11.564 | 9.498 | 3.30 |

D- The real value of the shares:

The real value is also called the intrinsic value or the fair value, and the real value of the stock represents the present value of the expected future cash flow of the stock and the risks of the stock, and that maximizing the company's profitability does not necessarily lead to maximizing the wealth of the owners, so the real value of the stock model was used The company based on dividing the earnings per share by the required rate of return, which represents the cost of financing the property, and table (4) shows the intrinsic value of the shares of the study sample companies for the period (2014-2020).

Table (4). *The real value (dinars) of the research sample companies for the duration of the research (2014-2020)*

| | companies | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | average | standard deviation |
|------------------------|-----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| 1 | IBSD | 2.25 | 2.00 | 1.93 | 3.90 | 1.49 | 1.75 | 3.20 | 2.36 | 0.81 |
| 2 | IMOS | 1.65 | 2.65 | 0.75 | 5.17 | 4.77 | 3.44 | 3.06 | 3.07 | 1.46 |
| 3 | IKLV | 0.27 | 0.12 | 0.07 | 1.14 | 0.07 | 1.77 | 0.04 | 0.50 | 0.63 |
| 4 | IITC | 3.98 | 4.06 | 7.39 | 5.61 | 4.42 | 14.40 | 22.61 | 8.92 | 6.54 |
| 5 | NAME | 1.31 | 0.92 | 0.51 | 0.18 | 0.30 | 0.10 | 0.94 | 0.61 | 0.42 |
| 6 | NGIR | 0.60 | 0.36 | 0.58 | 1.03 | 1.21 | 0.14 | 0.22 | 0.59 | 0.37 |
| 7 | SMRI | 0.76 | 0.15 | 0.11 | 0.01 | 0.76 | 0.01 | 0.01 | 0.26 | 0.32 |
| 8 | SBPT | 4.18 | 9.32 | 13.66 | 29.87 | 16.93 | 17.46 | 32.73 | 17.73 | 9.59 |
| 9 | HBAY | 0.11 | 4.31 | 3.00 | 8.99 | 9.53 | 28.76 | 8.48 | 9.02 | 8.69 |
| 10 | HBAG | 3.44 | 4.62 | 4.46 | 7.37 | 5.08 | 7.13 | 2.83 | 4.99 | 1.59 |
| 11 | HNTI | 1.95 | 0.69 | 1.30 | 1.21 | 1.18 | 2.79 | 4.30 | 1.92 | 1.16 |
| 12 | AIPM | 0.57 | 0.52 | 0.02 | 0.65 | 0.84 | 2.91 | 0.10 | 0.80 | 0.90 |
| 13 | TASC | 16.25 | 2.88 | 1.05 | 2.22 | 2.84 | 4.82 | 7.32 | 5.34 | 4.83 |
| General Average | | 2.871 | 2.506 | 2.679 | 5.181 | 3.801 | 6.575 | 6.603 | 4.317 | 2.87 |

E- The weighted rate of the financing cost:

The weighted rate of the financing cost refers to the average expected cost of financing for the company's capital, which the company should pay to all creditors and investors, that is,

through the weighted rate of the financing cost, the total cost of the company's financing structure can be reached, and once a ratio is found And the costs of debt financing and the proportion and costs of financing equity can be calculated by the weighted rate. Table (5) shows the results of the weighted average costs of financing the research sample companies for the period (2014-2020).

Table (5). *The weighted average of the financing cost (%) of the research sample companies for the period (2014-2020)*

| | companies | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | average | standard deviation |
|------------------------|-----------|-------------|-------------|--------------|-------------|--------------|-------------|-------------|-------------|--------------------|
| 1 | IBSD | 6.66 | 10.01 | 12.27 | 5.52 | 16.04 | 15.60 | 10.43 | 10.93 | 4.05 |
| 2 | IMOS | 7.94 | 10.18 | 14.01 | 7.14 | 9.47 | 9.28 | 10.00 | 9.72 | 2.19 |
| 3 | IKLV | 7.49 | 6.40 | 10.61 | 4.48 | 14.70 | 7.53 | 7.13 | 8.33 | 3.34 |
| 4 | IITC | 8.47 | 8.09 | 5.54 | 7.98 | 11.39 | 8.83 | 5.60 | 7.99 | 2.01 |
| 5 | NAME | 10.55 | 9.87 | 9.90 | 12.79 | 8.50 | 5.81 | 4.24 | 8.81 | 2.92 |
| 6 | NGIR | 6.73 | 8.07 | 5.20 | 9.22 | 7.26 | 4.66 | 4.29 | 6.49 | 1.85 |
| 7 | SMRI | 7.71 | 12.54 | 14.90 | 6.10 | 6.85 | 9.93 | 8.77 | 9.54 | 3.18 |
| 8 | SBPT | 10.14 | 9.46 | 9.71 | 6.25 | 8.55 | 9.76 | 6.19 | 8.58 | 1.69 |
| 9 | HBAY | 6.98 | 7.41 | 12.43 | 10.69 | 13.13 | 7.68 | 10.25 | 9.80 | 2.49 |
| 10 | HBAG | 6.85 | 7.63 | 10.36 | 6.90 | 10.74 | 8.35 | 6.25 | 8.15 | 1.77 |
| 11 | HNTI | 7.27 | 8.28 | 9.00 | 5.87 | 15.15 | 7.40 | 6.40 | 8.48 | 3.12 |
| 12 | AIPM | 6.86 | 8.20 | 11.40 | 11.63 | 8.61 | 4.77 | 6.13 | 8.23 | 2.58 |
| 13 | TASC | 8.04 | 5.59 | 8.19 | 6.97 | 12.33 | 9.35 | 8.65 | 8.45 | 2.10 |
| General Average | | 7.82 | 8.60 | 10.27 | 7.81 | 10.98 | 8.38 | 7.26 | 8.73 | 2.56 |

2- Discussing the results:

This paragraph aims to test the relationships of the main independent study variables (trading ratios and foreign ownership) in the approved variables (the value of shares in the financial markets, the real value of shares) through the mediating variable (the cost of the financing structure), and for this purpose the researcher employed the means of inferential statistics And represented by simple linear regression and path analysis method, the researchers used the significant value (sig = 0.05), the tabular (T) value (T-test = 1.96) and the tabular (F) value (F = 3.841) for the purpose of comparing the results calculated by the programs (SPSS V). 26) and (AMOS V.25) and (SOBEL-TEST) in order to accept or reject hypotheses. The researcher formulated four main hypotheses, from which a number of sub-hypotheses emerge as follows:

1- The first main hypothesis (there is a significant and statistically significant effect of indirect foreign investment in the values of the shares of the research sample companies in the Iraqi Stock Exchange)

A - The first sub-hypothesis: - There is a statistically significant effect of the percentage of foreign trading on the market value of the shares of the research sample companies

Table (6). *values and coefficients of the effect of the foreign trading ratio on the market value of the shares of the research sample companies*

| Variables | Independent Variable (Foreign Exchange Ratio) | | | | | |
|---|---|----------------|-----------------|--------------|---------------|--------------|
| | Statistical indicators | | | | | |
| Dependent variable (stock market value) | F (F>3.841) | R ² | Sig.(P.V <0.05) | β | T-test (1.96) | a |
| | 5.143 | 0.008 | 0.041 | 0.017 | 2.287 | 9.047 |

It is clear from Table (6) that the value of (R^2) of (0.008) and this means that it explained (0.8%) of the changes that occur from the annual foreign trading contributions to the annual market value of the research sample companies, while the remaining percentage amounting to (99.2 %) is attributed to random errors or contributions to other variables that were not covered by the tested model. The value of the (T-test) and the value of the (F) test calculated, which both amounted to (2.287) and (5.143) respectively, were greater than their tabular values of (1.96), (3.841), respectively. The significance of the model parameter was (0.041), which is smaller than the level of significance, which is (0.05) with confidence limits (0.95), which indicates that the model is significant. And from what was mentioned above, the existence hypothesis is accepted (there is a significant significant effect Statistics of the annual foreign trading ratio in the annual market value of the shares of the research sample companies).

B - The second sub-hypothesis: - There is a significant, statistically significant effect of the percentage of foreign trading on the real value of the shares of the research sample companies

Table (7). values and coefficients of the effect of the foreign trading ratio on the real value of the shares of the research sample companies

| Variables | Independent Variable (Foreign Exchange Ratio) | | | | | |
|---|---|----------------|-----------------|--------|---------------|-------|
| | Statistical indicators | | | | | |
| Dependent variable (the real value of the shares) | F (F>3.841) | R ² | Sig.(P.V <0.05) | β | T-test (1.96) | a |
| | 2.563 | 0.028 | 0.163 | -0.035 | -1.386 | 5.131 |

It is clear to the researcher from Table (7) that the value of (R^2) which is (0.028), and this means that it explained (2.8%) of the changes that occur from the contributions of foreign trading in the real value of the shares of the research sample companies, while the remaining percentage amounting to (97.2 %) is attributed to random errors or contributions to other variables that were not covered by the tested model. The calculated (T-test) value was (-1.386), which is less than its tabular value (T-test = 1.96), and the calculated (F) test value It reached (2.563), which is smaller than the tabular (F) of (3.841), and the significance of the model parameter was (0.163), which is greater than the level of significance, which is (0.05), with confidence limits (0.95), which indicates that the model is not significant. Above, the existence hypothesis is rejected and the null hypothesis is accepted (there is no significant statistically significant effect of the percentage of foreign trading on the real value of the shares of the research sample companies).

C - The third sub-hypothesis: - There is a significant, statistically significant effect of the percentage of foreign ownership in the market value of the shares of the research sample companies

Table (8). values of the coefficients of the effect of the foreign ownership percentage on the market value of the shares of the research sample companies

| Variables | Independent Variable (Foreign Ownership Percentage) | | | | | |
|---|---|----------------|-----------------|--------|---------------|-------|
| | Statistical indicators | | | | | |
| Dependent variable (stock market value) | F (F>3.841) | R ² | Sig.(P.V <0.05) | β | T-test (1.96) | a |
| | 0.132 | 0.001 | 0.609 | -0.040 | -0.514 | 9.875 |

It is clear to the researcher from Table (8) that the value of (R^2) which is (0.001), and this means that it explained (0.1%) of the changes that occur from the contributions of the

foreign ownership percentage in the market value of the shares of the research sample companies, while the remaining percentage is (99.9%) is attributed to random errors or contributions to other variables that were not covered by the tested model. The calculated (T-test) value was (-0.514), which is less than its tabular value (T-test=1.96), and the value of the (F) test The calculated value amounted to (0.132), which is smaller than the tabular (F) of (3.841), and the significance of the model parameter was (0.609), which is greater than the level of significance of (0.05) within confidence (0.95), which indicates that the model is not significant. As mentioned above, the existence hypothesis is rejected and the null hypothesis is accepted (there is no significant statistically significant effect of the percentage of foreign ownership in the market value of the shares of the research sample companies).

D - Fourth sub-hypothesis: - There is a significant effect with a statistical significance of the percentage of foreign ownership in the real value of the shares of the research sample companies.

Table (9). values and coefficients of the effect of the foreign ownership percentage on the real value of the shares of the research sample companies

| Variables | Independent Variable (Foreign Ownership Percentage) | | | | | |
|---|---|----------------|-----------------|--------|---------------|-------|
| | Statistical indicators | | | | | |
| Dependent variable (the real value of the shares) | F (F>3.841) | R ² | Sig.(P.V <0.05) | β | T-test (1.96) | a |
| | 2.367 | 0.003 | 0.128 | -0.050 | -1.529 | 5.372 |

It is clear to the researcher from Table (9) that the value of (R²) which is (0.003), and this means that it explained (0.3%) of the changes that occur from the contributions of foreign ownership in the real value of the shares of the research sample companies, while the remaining percentage amounting to (99.7 %) is attributed to random errors or contributions to other variables that were not covered by the tested model. The calculated (T-test) value was (-1.529), which is smaller than its tabular value (T-test = 1.96), and the calculated (F) test value may It reached (2.367), which is smaller than the tabular (F) amounting to (3.841), and the significance of the model parameter was (0.128), which is greater than the level of significance, which is (0.05), with confidence limits (0.95), which indicates that the model is not significant. The existence hypothesis is rejected and the null hypothesis is accepted (there is no significant effect of the foreign ownership percentage on the real value of the shares of the research sample companies).

2 - The second main hypothesis (there is a significant and statistically significant effect of indirect foreign investment in the cost of financing the research sample companies in the Iraqi Stock Exchange)

A - The first sub-hypothesis: - There is a significant, statistically significant effect of the percentage of foreign trading on the cost of financing the research sample companies

Table (10). Values and coefficients of the effect of the foreign trading ratio on the cost of financing the research sample companies

| Variables | Independent Variable (Foreign Exchange Ratio) | | | | | |
|-------------------------------------|---|----------------|-----------------|-------|---------------|-------|
| | Statistical indicators | | | | | |
| Dependent variable (financing cost) | F (F>3.841) | R ² | Sig.(P.V <0.05) | β | T-test (1.96) | a |
| | 4.695 | 0.05 | 0.033 | 0.022 | 2.167 | 8.283 |

The researcher notes from Table (10) that the value of (R²) which is 0.050), and this means that it explained (5%) of the changes that occur from the contributions of the foreign

trading percentage in the cost of financing the research sample companies, while the remaining percentage amounting to (95 %) is attributed to random errors or contributions to other variables that were not covered by the tested model. The calculated (T-test) value was (2.167), which is greater than its tabular value (T-test=1.96), and the calculated (F) test value reached (4.695), which is greater than the tabular (F) of (3.841), and the significance of the model parameter was (0.033), which is smaller than the level of significance, which is (0.05), with confidence limits (0.95), which indicates that the model is significant. Existence (there is a statistically significant effect of the percentage of foreign trading in the cost of financing the research sample companies).

B - The second sub-hypothesis: - There is a significant, statistically significant effect of the percentage of foreign ownership on the cost of financing the research sample companies

Table (11). values and coefficients of the effect of the foreign ownership rate on the cost of financing the research sample companies

| Variables | Independent Variable (Foreign Ownership Percentage) | | | | | |
|-------------------------------------|---|----------------|-----------------|-------|---------------|-------|
| | Statistical indicators | | | | | |
| Dependent variable (financing cost) | F (F>3.841) | R ² | Sig.(P.V <0.05) | β | T-test (1.96) | a |
| | 6.683 | 0.070 | 0.011 | 0.033 | 2.585 | 8.271 |

The researcher notes from Table (11) that the value of (R²) which is (0.070) and this means that it explained (7%) of the changes that occur from the contributions of foreign ownership in the cost of financing the research sample companies, while the remaining percentage amounting to (93%)) It is attributed to random errors or contributions to other variables that were not covered by the tested model. The calculated (T-test) value was (2.585), which is greater than its tabular value (T-test = 1.96), and the calculated (F) test value reached (6.683), which is greater than the tabular (F) amounting to (3.841), while the significance of the model parameter was (0.011), which is smaller than the level of significance, which is (0.05), with confidence limits (0.95), which indicates that the model is significant. (There is a statistically significant effect of the percentage of foreign ownership in the cost of financing the research sample companies).

3- The third main hypothesis (there is a significant and statistically significant effect of the cost of financing in the values of the shares of the research sample companies in the Iraqi Stock Exchange)

A - The first sub-hypothesis: - There is a significant, statistically significant effect of the financing cost on the market value of the shares of the research sample companies

Table (12). values and coefficients of the effect of the cost of financing on the market value of the shares of the research sample companies

| Variables | Independent Variable (financing cost) | | | | | |
|---|---------------------------------------|----------------|-----------------|-------|---------------|-------|
| | Statistical indicators | | | | | |
| Dependent variable (stock market value) | F (F>3.841) | R ² | Sig.(P.V <0.05) | β | T-test (1.96) | a |
| | 0.235 | 0.003 | 0.538 | 0.372 | 0.606 | 6.976 |

It is clear from Table (12) that the value of (R²) amounting to (0.003), and this means that it explained (0.3%) of the changes that occur from the contributions of the financing cost in the market value of the shares of the research sample companies, while the remaining percentage amounting to (99.7%)) It is attributed to random errors or contributions to other variables that

were not covered by the tested model. The value of (T-test) and the value of the (F) test, which both amounted to (0.606) and (0.235), respectively, were smaller than their tabular values of (1.96), (3.841), respectively. The significance of the model parameter was (0.538), which is greater than the level of significance of (0.05) with confidence limits (0.95), which indicates that the model is not significant. And from what was mentioned above, the existence hypothesis is rejected and the null hypothesis is accepted (there is no significant and statistically significant effect of the cost of financing on the market value of the shares of the research sample companies).

B - The second sub-hypothesis: - There is a significant and statistically significant effect of the financing cost on the real value of the shares of the research sample companies.

Table (13). values and coefficients of the effect of the cost of financing on the real value of the shares of the research sample companies

| Variables | Independent Variable (financing cost) | | | | | |
|---|---------------------------------------|----------------|-----------------|--------|---------------|-------|
| | Statistical indicators | | | | | |
| Dependent variable (the real value of the shares) | F (F>3.841) | R ² | Sig.(P.V <0.05) | β | T-test (1.96) | a |
| | 1.410 | 0.016 | 0.379 | -0.224 | -0.877 | 6.973 |

It is clear to the researcher from Table (13) that the value of (R²) which is (0.016), and this means that it explained (1.6%) of the changes that occur from the contributions of the financing cost in the real value of the shares of the research sample companies, while the remaining percentage amounting to (98.4 %) is attributed to random errors or contributions to other variables that were not covered by the tested model. The calculated (T-test) value was (-0.877), which is less than its tabular value (T-test=1.96), and the calculated (F) test value It reached (1.410), which is smaller than the tabular (F) which is (3.841), and the significance of the model parameter was (0.379), which is greater than the level of significance of (0.05) with confidence limits (0.95), which indicates that the model is not significant. Above, the existence hypothesis is rejected and the null hypothesis is accepted (there is no significant statistically significant effect of the financing cost on the real value of the shares of the research sample companies).

4 - The fourth main hypothesis (there is a significant, statistically significant effect of indirect foreign investment in stock values by averaging the cost of financing the research sample companies in the Iraqi Stock Exchange)

A - The first sub-hypothesis: - There is a significant, statistically significant effect of the percentage of foreign trading on the market value of shares by averaging the cost of financing the research sample companies

Table (14). values of direct and indirect effects of the first sub-hypothesis variables

| The direction of influence relationships | | | | Impact value | |
|--|--------|----------------|--------|--------------------|-------|
| Indirect foreign investment trading ratios | -----> | Financing cost | -----> | share market value | 0.006 |
| | -----> | | | share market value | 0.017 |
| overall effect | | | | 0.023 | |

As it is evident from Table (14) that the direct effect of indirect foreign trading on the market value of shares amounted to (0.017), while the indirect effect of averaging the cost of financing for companies amounted to (0.006), meaning that the overall effect of the model amounted to (0.023), and apparently for statistical analyzes The exploratory results are weak, but the current research and the test above talk about a financial issue. The mentioned ratios are of importance, and from what was mentioned above, the existence hypothesis is accepted (there is a significant statistically significant effect of the percentage of foreign trading in the market value of shares by averaging the cost of financing the research sample companies).

B - The second sub-hypothesis: - There is a significant, statistically significant effect of the percentage of foreign trading on the real value of shares by averaging the cost of financing the research sample companies

Table (15). values of direct and indirect effects of the second sub-hypothesis variables

| The direction of influence relationships | | | | Impact value | |
|--|--------|----------------|--------|-----------------------------|--------|
| Indirect foreign investment trading ratios | -----> | Financing cost | -----> | The real value of the share | -0.005 |
| | —————> | | | | -0.035 |
| overall effect | | | | -0.040 | |

As it is evident from Table (15) that the direct effect of the independent variable (indirect foreign trading ratios) on the responsive variable (the real value of the stock) amounted to (-0.035), while the indirect effect of averaging the cost of financing amounted to (-0.005), meaning that the overall effect of the model It reached (-0.040), and from what was mentioned above, the existence hypothesis is accepted (there is a significant effect with a statistical significance for the percentage of foreign trading in the real value of shares by averaging the cost of financing the research sample companies).

C - The third sub-hypothesis: - There is a significant, statistically significant effect of the percentage of foreign ownership in the market value of shares by averaging the cost of financing the research sample companies

Table (16). values of direct and indirect effects of the third sub-hypothesis variables

| The direction of influence relationships | | | | Impact value | |
|---|--------|----------------|--------|--------------------|-------|
| Ownership ratios of indirect foreign investment | -----> | Financing cost | -----> | share market value | 0.013 |
| | —————> | | | | -0.04 |
| overall effect | | | | -0.027 | |

It is evident from Table (16) that the direct effect of the independent variable (indirect foreign investment ownership ratios) on the responsive variable (the market value of the share) amounted to (-0.040), while the indirect effect of mediating (finance cost) amounted to (0.013), meaning that the effect The total of the model amounted to (-0.027), and from what was mentioned above, the existence hypothesis is accepted (there is a significant and statistically significant effect of the percentage of foreign ownership in the market value of shares by averaging the cost of financing the research sample companies).

D- Fourth sub-hypothesis:- There is a significant effect of the foreign ownership percentage on the real value of the shares by averaging the cost of financing the research sample companies

Table (17). values of direct and indirect effects of the fourth sub-hypothesis variables

| The direction of influence relationships | | | | Impact value |
|---|--------|----------------|--------|--------------|
| Ownership ratios of indirect foreign investment | -----> | Financing cost | -----> | -0.007 |
| | -----> | | | -0.05 |
| overall effect | | | | -0.057 |

As it is evident from Table (17) that the direct effect of the independent variable is the percentage of ownership of indirect foreign investment on the responsive variable, the real value of the shares amounted to (-0.050), while the indirect effect is by averaging the cost of financing at a rate of (-0.007), meaning that the overall effect of the model amounted to (0.057). -), and from what was mentioned above, the existence hypothesis is accepted (there is a statistically significant effect of the percentage of foreign ownership in the real value of shares by averaging the cost of financing the research sample companies).

Conclusions

The current topic includes the most important conclusions reached by the researcher through the financial and statistical analysis of this research, as the results showed the contribution of the indirect foreign investment trading ratio with a positive impact on the value of the stock in the financial market, which leads to maximizing the market value of the stock and making it more stable in the market and thus declining The fluctuations of stock returns, which reduce the risk of the stock, which is reflected in the reduction of the required rate of return, which represents the cost of financing the property, and this leads to a decrease in the total cost of financing companies, which leads to maximizing the value of the company. The statistical side showed that there was no significant effect of the percentage of indirect foreign investment ownership on the real and market shares values of the companies investigated, which gives an indication of the companies listed in the Iraqi Stock Exchange, especially the Baghdad Company for Soft Drinks and Al Mamoura Real Estate Investment Company by not exceeding the permissible percentage (49%), which Approved by Iraqi Law No. (17) of (2019) Article (12) Second. It was also shown through the financial and statistical analysis that the low percentage of debt financing in the financing structure of the research sample companies resulted in a failure to benefit from the tax savings provided by debt financing in order to maximize the real and market values of the stock. Also, the results of the financial analysis indicate not to employ the earnings per share in maximizing the real value of the shares of the

research sample companies. The discrepancy between the real and market values of the shares also explains the weakness of the rationality of the investors in the financial market, as well as the inefficiency of the financial market as a result of the information not being quickly reflected on the share prices in the market. It was also shown from the statistical side that there is a positive role for the mediating variable (financing cost) in maximizing the effect of the ratio of trading and foreign ownership on the value of shares in the financial market of the research sample companies, as well as the presence of a role for the mediating variable (financing cost) in the effect of the ratio of trading and foreign ownership on the real value. For stock companies sample search.

References

- Al-Amri, Muhammad Ali Ibrahim, (2010). *Advanced Financial Management*, first edition, Ithraa Publishing and Distribution House, Amman.
- Atrill, P. (2017). *Financial management for decision makers*, Eighth Edition, Pearson Education Limited.
- Afinindy, I., Salim, U., & Ratnawati, K., (2021). The Effect Of Profitability, Firm Size, Liquidity, Sales Growth On Firm Value Mediated Capital Structure. *International Journal Of Business, Economics And Law*, 24(4), 15-22.
- Al-Abdallat, A. Z., & Al, S. D., (2012). Impact of the investment and gross domestic product on the Amman Stock Exchange index. *Investment management and financial innovations*, (9, Iss. 3), 130-136.
- AKINTOYE, O. T., (2021). Effect of Foreign Direct Investment and Foreign Portfolio Investment on Foreign Exchange Rate in Nigeria.
- Berk, J., & DeMarzo, P. (2011). *Corporate Finance*, fourth edition. Essex: Person Education Limited.
- Besley, S., & Brigham, E. F, (2008). *Essentials of managerial finance*, 14e, Thomson Higher Education.
- Baker, H. K., & Powell, G.E., (2005). *Understanding financial management: A practical guide*. Blackwell Publishing.
- Calesso, A., Conti, M., & Grasselli, M., (2020, August). CyberWolf: assessing vulnerabilities of ICT-intensive financial markets, In *Proceedings of the 15th International Conference on Availability, Reliability and Security* (pp. 1-7).
- Frank, M. Z., & Shen, T., (2016). Investment and the weighted average cost of capital. *Journal of Financial Economics*, 119(2), 300-315.
- Gitman, L. J. (2006). *Introduction to Managerial Finance*, tenth edition.
- Gitman, L. J., & Zutter, C. J., (2015). *Principles of managerial finance*, fourteenth edition, published by Pearson Education.
- Gong, J. S., & Kim, C. H., (2011). The Characteristics of Foreign Portfolio Investment, *Journal of the Korea Academia-Industrial cooperation Society*, 12(1), 216-221.
- Hondroyannis, G., Lolos, S., & Papapetrou, E., (2005). Financial markets and economic growth in Greece, 1986–1999, *Journal of International Financial Markets, Institutions and Money*, 15(2), 173-188.
- Howells, P., & Bain, K., (2007). *Financial markets and institutions*, Pearson Education.
- Jelilov, G., Celik, B., & Adamu, Y., (2020). Foreign Portfolio Investment Response to Monetary Policy Decisions in Nigeria: A Toda-Yamamoto Approach. *International Business Research*, 13(3), 166-166.
- Kürthy, G., Varga, J., Pesuth, T., Vidovics-Dancs, Á., Sebestyén, G., Sztanó, G., & Varga, E., (2018). *Basics of Finance*.
- KULAL , G., KAMIŞLI , S., KAMIŞLI, M., YALAMAN, A., SAYILIR ,Özlem,

- ERTUĞRUL, M. & KARAASLAN, I., (2020). Financial Markets & Institutions, Copyright by Anadolu University.
- Kidwell, D. S., Blackwell, D. W., Whidbee, D. A., & Sias, R. W. (2012). Financial institutions, markets, and money, John Wiley & Sons.
- Labib, Amer Ahmed, (2019). The role of indirect foreign investment on the capital market - a case study of the State of Qatar, a master's thesis in economic sciences specializing in international economics, Faculty of Economics, Commercial and Management Sciences, Department of Economics, Mohamed Khider University - Biskra, Algeria.
- Makoni, P. L., (2020). Foreign Portfolio Investments, Exchange Rates and Capital Openness: A Panel Data Approach, International Journal of Economics & Business Administration (IJEBA), 8(2), 100-113.
- Munk, C., (2018). Financial markets and investments, Copenhagen, Denmark: Lecture notes.
- Melicher, R. W., & Norton, E. A., (2017). Introduction to finance: Markets, investments, and financial management, John Wiley & Sons.
- McMenamin, J., (2005). Financial management an introduction.
- Miller, R. A., (2009). The weighted average cost of capital is not quite right, The Quarterly Review of Economics and Finance, 49(1), 128-138.
- Mahdi, Muhammad Fawzi, (2014). The impact of indirect foreign investment on some indicators of the Iraqi stock market / Analytical study for the period 2007-2013, Master's thesis in Business Administration, College of Administration and Economics, Al-Mustansiriya University, Baghdad.
- Onyali, C. I., & Okafor, T., (2014). Foreign direct investment and the Nigerian economy: Vision 2020 mission, International Journal of Business and Finance Management Research, 2, 8-16.
- Ordu-Akkaya, B. M., & Soytaş, U., (2020). Does foreign portfolio investment strengthen stock-commodity markets connection?. Resources Policy, 65, 101536.
- Parashar, S., (2020). FOREIGN PORTFOLIO INVESTMENT (FPI): AN OPPORTUNISTIC APPROACH FOR INDIA.
- Pavel, Z., (2018). The impact of cash flows and weighted average cost of capital to enterprise value in the oil and gas sector, Journal of Reviews on Global Economics, 7, 138-145.
- Ross, S. A., Westerfield, R., & Jaffe, J. F., (2003). Corporate finance, Sixth Edition, Irwin/McGraw-Hill.
- Ross, S. A., Westerfield, R. W., & Jordan, B. D., (2017). Essentials of corporate finance , McGraw-Hill/Irwin.
- Shabbir, M. S., & Muhammad, I., (2019). The dynamic impact of foreign portfolio investment on stock prices in Pakistan, Transnational Corporations Review, 11(2), 166-178.
- Subramanyam, K. R., & Venkatachalam, M., (2007). Earnings, cash flows, and ex post intrinsic value of equity, The Accounting Review, 82(2), 457-481.
- Sudharto, S. V., & Salim, S., (2021). Efek Firm Size, Profitability, Gearing Ratio, Dan Public Ownership Terhadap Risk Disclosure. Jurnal Ekonomi, 125-143.
- Saleh, Muftah and Ali, Bu Abdullah, (2013). The reality of foreign investment in the Arab stock markets, economic and administrative research 65-86.
- Thapa, C., & Poshakwale, S. S. (2012). Country-specific equity market characteristics and foreign equity portfolio allocation, Journal of International Money and Finance, 31(2), 189-211.
- Taonezvi, Lovemore, (2019). elasticity of the south African economy towards portfolio investments in brics countries, doctor of philosophy (economics), faculty of business and economic sciences, department of economics, nelson Mandela university.
- Wanaguru, N. D., (2020). Effectiveness of Foreign Portfolio Investment with regard to Multinational Corporations in the Long Run.