

The influence of accounting info value on financial performance for improving a firm sustainability: (applied study on a sample of companies listed in the Iraq Stock Exchange)

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Abstract

The study goals to understand the credibility and appropriateness of the value of the accounting info for the financial performance of these companies, and whether the explanatory power of the appropriateness of the value of the accounting info will change in light of the ownership structure and to determine the direction of that change, as well as to study the ability of the appropriateness of the value of the accounting info to stock prices in interpreting and categorizing the possibility of continuity of companies The study sample in the performance of its activity, as the study problem was represented by asking what is the effect of the appropriateness of the value of accounting info to the prices of the companies' shares, the sample of the study in enhancing the continuity of companies. The concept of suitability of the value of accounting info is one of the concepts through which the numbers contained in the financial reports can be used in order to assist in the process of rational economic decision-making by current and prospective financiers in a well-timed manner, through the ability of the price model to explain and explain the changes in stock prices. The banks listed on the Iraq Stock Exchange have a sample of the study, and accordingly, it is recommended to To examine the necessity of adopting different methods by those interested in the field of info for the economic units listed in the Iraqi Stock Exchange in order to determine the appropriateness of the value of accounting info because it has an impact on making rational and rational decisions by current and prospective investors, and the need to reveal info and pointers that would upsurge the ability of Those interested in the economic units listed in "the Iraq Stock Exchange" are more likely to predict the continuity of economic units or not in general, especially banks.

Introduction

The financial market is the basis for the mobilization and availability of savings for the purpose of achieving appropriate investment opportunities efficiently and effectively. However, this process is often complicated due to the inconsistency and symmetry of info between the companies that disclose their financial reports and the users of those reports, as companies often have the ability to obtain Info is better than that available to investors about the value of business investment opportunities, and that overcoming this challenge is necessary for every economy to ensure its success and effectiveness. In financial reports, and when there is no appropriateness of the values of the accounting info and its ability to interpret stock prices, that info will not be useful in making decisions and will not reflect the company's performance and its ability to ensure its continuity.

The management's adoption of appropriate strategies to confront and avoid the

possibility of companies' exposure to financial failure is positively reflected in enhancing investors' confidence in those companies and thus their evaluation of them well, which causes a rise in the prices of their shares in the financial market. In light of the developments and developments in the environment surrounding the companies, the accounting info is no longer sufficient and capable on its own, the availability of future forecasts with a high degree of accuracy, which indicates the need for the presence of other variables used alongside accounting info to enhance continuity and the possibility of predicting the financial failure of companies with a higher degree of predictive accuracy. The reasons for the financial failure of companies, so it was important to direct one aspect of the study towards the appropriateness of the value of accounting info in developing and strengthening the early warning model and predicting the ability of companies to continue, in addition to the accounting info that, when it is of appropriate values for stock prices, can support and enhance the ability of companies to continuity

First Axis: Study methodology and previous studies

First: the study problem

The weakness of the credibility of the accounting info disclosed by the companies and its relevance of its value to stock prices will have negative effects on its market performance and thus will cause it to suffer financial stumbling and its weak ability to continue, and on the contrary, whenever there is a consensus in the interests of the parties, it will support the credibility of the reported accounting info It is reported by those companies and their ability to explain the variation and change in their stock prices in the long run and will support their market value and future performance and will enhance their ability to continue, and based on what has been presented, the study problem can be formulated in the following question:

- What is the effect of the relevance of the value of accounting info to the stock prices of the study sample companies in enhancing the continuity of companies.

Second: the importance of study

The study in the field of appropriateness of the value of accounting info is essential for the financial market, management of companies and investors, as it provides empirical evidence for the evaluative evidence of accounting variables.

Moreover, the results obtained will contribute to explaining the value of the company, its ability to continue and the possibility of strengthening it in the local environment, especially as it has an emerging financial market, which calls for the need for an empirical study in this context because it will have important dimensions for several parties, such as current and prospective investors. Management of companies, financial analysts, auditors and others

Third: the objective of the study

This study seeks to achieve the following objectives:

- 1- Enhance the understanding of the suitability of value and empirically investigate the suitability of the value of accounting info for a sample of companies listed in the Iraq Stock Exchange.
- 2- The ability of the appropriateness of the value of the accounting info to affect the sustainability and continuity of the company

Fourth: Study hypotheses

In order to achieve the objectives of the study, the following hypothesis was formulated:

1- There is a significant effect of the appropriateness of the value of accounting info in enhancing the sustainability of the continuity of the study sample companies.

Fifth: Society and study sample

The study community consists of joint stock companies whose shares are listed in the Iraq Stock Exchange, and a sample of private banks whose shares are listed in the Iraq Stock Exchange and whose financial reports are available for the period from 2007-2017 will be selected, and the reason for choosing this sector is as one of the financial sectors, as well as The studyer depends on the companies that continue to trade their shares throughout the study period to represent the study sample.

Sixth: Previous studies

The studyer was able to review some of the previous studies and their results, despite the few that dealt with the issue of the appropriateness of the value of accounting info and their impact on enhancing continuity, which showed some aspects related to the topic of study, which will have a major role in enriching it, and the following is a brief presentation of a number of previous Arab studies And foreign, according to their chronological order.

1): Arabic Studies

- ***Study (Zinni, 2013) entitled "Enhancing the predictive ability of accounting info using corporate governance variables" Master of Accountancy / University of Kufa.***

This study aimed to formulate a proposed model that integrates accounting info and corporate governance variables and evaluate the ability of this model to enhance prediction of financial failure by identifying and studying the explanatory variables used in previous studies dealing with the issue of financial failure. The predictive ability of accounting info for a sample of (20) companies listed on the Iraqi Stock Exchange for the mixed and private industrial sector for the period from (2011-2004), and reached a proposed model and emphasized the need to use the quantitative models developed as an effective scientific tool for measuring and predicting failure and working on the use of info Accounting and corporate governance variables for the purpose of developing quantitative models so that companies can know the current situation and predict the future to take appropriate measures to avoid failure (Leppänen, Toiviainen, & Kankaanranta, 2020; Makin & Bowers, 2020; Miró-Llinares, Drew, & Townsley, 2020).

2): foreign studies

Nayri& et.al. ,2012

Factors Affecting the Value Relevance of Accounting Info"

This paper examines the factors that affect the appropriateness of the value of accounting info for investors in the Tehran Stock Exchange during a period of six years. And represented in this study the influence of four factors, including Being profitable or loss-making, the size of the company, the stability of profits, and the growth of the company depend on the appropriateness of value to accounting info. For this purpose, the Olson model and cumulative regression analysis were used in order to study the hypotheses and as a basis for data analysis T-test by regression coefficient analysis was used. The results confirm that these factors affect the appropriateness of the value of accounting info for investors in the Tehran Stock Exchange. Based on this study, it can be concluded that the accounting info of profitable companies, small companies, companies with stable high profits and companies with high growth rate are more suitable for value in Tehran stock market, these results are more useful for Iranian investors in making investment decisions.

- ***Eugenio,et.al ,2019***

The importance of financial reports depends on the importance of accounting info. In

accounting, info is of value only when used by investors to reflect stock valuation. It takes confidence from users of financial reports, and the high volatility in markets during periods of financial crisis or crisis raises the inevitability of determining the appropriateness of the info value. During these periods, the great recession of 2008 also swept East Asia, and the established strategies were affected by the resulting economic shocks and crises, so this study sought to determine how the relevance of the value of accounting info varies before, during and after the global financial crisis of 2008, as the data was used to cover info Selected accounting and market assessment data for non-financial companies listed in the financial markets of East Asian countries that were exposed to financial crises and for the years from 2000 to 2016. Through the use of regression analysis, the study reached several results, including the presence of inconsistencies in the suitability of the relative value of the sample Asian companies during that period, i.e. Before, during and after the crisis.

The Second axis: the theoretical side

Accounting info and its link to financial performance in enhancing corporate sustainability.

First: The impact of the value of the credibility of accounting info and its relevance to financial performance in enhancing the sustainability of companies.

The term appropriateness of value consists of two words: value and appropriateness, where the value of a thing means its price, capacity, or weight expressed in a quantitative manner, and that involves the measurement process. The appropriateness of the value of the accounting info means determining the weight, capacity and importance of the accounting info within the framework of the decision taken or the decision required to be taken. , or its returns and reactions of market participants regarding the dissemination of accounting info (Shanshul, 2019: 29).

As current and prospective investors use financial reports to assess the economic value of the economic unit by assuming that there is a relationship between the accounting numbers and the market values of the economic unit, and this is what is known as the appropriateness of the value of accounting info, and its ability to interpret and predict the market price or the return of securities, as it assumes the appropriateness of the value of the accounting info That the financial markets be somewhat efficient, that is, they do not require that this efficiency be absolute, that is, the markets reflect most of the info available in the market through the price or return of securities (Uwuigbe, et .al, 2017:1-3)

And based on that relationship to the above accounting figures, which determines the appropriateness of the value of accounting info in providing info to its users, especially investors among them, in multiple ways that facilitate the appropriate decision-making process, which is reflected in the continuity of the economic unit, which the studyer sees the importance of delusion in the accounting literature to show the most important other variables that appear In the body of the financial statements or in their appendices to determine the extent of their impact on the appropriateness of the value of accounting info and its reflection on the continuity of the economic unit through the following.

Share prices, returns and financial reports.

(Zinni) determined the appropriateness of the value of accounting info as “the usefulness of accounting info for making decisions by current and potential investors, to invest or keep their investments in the shares of the economic unit, and this feature arises as a result of the relationship between info for financial reports and stock prices or returns” (Zinni, 2020: 65).

1- Earnings, book value, cash flows and stock prices.

(Nelwan, et.al) emphasized that the disclosure of info of appropriate value that reflects the quality of accounting profits, which in turn is reflected on the continuity of the economic unit, assuming that profits are a condition of continuity, that is, if there are profits that lead to the continuity of the economic unit, as This study confirmed that there is an impact for each of the profits, book value and cash flows on stock prices and the value of the economic unit, which represents the appropriateness of the value to the accounting info, and whether this impact has a reflection on the quality of profits, which in turn is reflected in the continuity of the economic unit through that investors always seek to Continuous units in achieving profits and the output from the continuity of activity, as the Jones model was used for a sample consisting of 98 industrial economic units contributing in 2014. The results of this study showed that there is a clear impact of profits, cash flows and book value of shares of the economic unit on stock prices Engines for the continuity of the economic unit through the reflection of the quality of profits on it, so the availability of info should be a source of concern for the tide economic units A shake in the stock market with regard to the goal of obtaining capital from investors, i.e. obtaining appropriate financing for the continuity of the activity of the economic unit, so the financial statements are part of the info that must be submitted to the market, in addition to that the financial statements play a role Basically as a form of administrative accountability over the resources that are managed, especially the info from the financial statements, which is necessary for investors in order to push them to make investment decisions and that are useful to decision makers, and therefore it must be one of the features or an integral part of the financial statements that contain info It should possess adequate value of accounting info (Nelwan, et.al, 2020: 321).

Therefore, (He,2020) study discussed the impact of investor sentiment on the relevance of the value of accounting info that linked the accounting variables that are profits, book value of shares and cash flows with stock prices. Its informatics through the last assumption and that the accounting info must have an appropriate value that is disclosed in the financial markets. Therefore, this study confirmed that the appropriateness of the value of the accounting info in its variables leads to a collective decline in periods of high sentiment, that is, in other words, profits, cash flows and value The book value of the shareholders' rights associated with the stock prices if they combined lead to a decrease in the morale of the investors, but if they are studied separately, each of them has a different effect, for example, profits and stock prices lead to high morale, and cash flows and stock prices also lead to high morale, but the book value of shares and their prices lead To low morale for investors and in any case, whether the impact was high And low on investor morale resulting from the appropriateness of the value of the accounting info has a reflection on the continuity of the economic unit through investors, that is, by making investment decisions, which is one of the sources of funding for the economic unit that affects the continuity of the economic unit, as this study indicated, as it can be Investors' morale is based on the mood of the investors and not on scientific grounds, in addition to the fact that there may be a strong impact on investor sentiment and rumors on investor sentiment (He,2020:2).

2- *Competitive advantage and resource efficiency.*

(Ryu & Won, 2018) discussed the relationship between competitive advantage and the appropriateness of the value of accounting info, as it distinguished the economic unit from its competitors through a term known as relative efficiency in transforming the tools of the main success factors in maximizing the profitability of the economic unit, which in turn is reflected in the continuity of the economic unit, if you know Competitive advantage is a classification and clarification of public observations about the economic unit at any stage of the life cycle, as well as measuring the efficiency of resource use, as the findings of this study indicate that the efficiency of resource use, which is one of the indicators of continuity of the economic unit,

has a positive relationship in prices. The shares of the economic unit, and that the appropriate decrease or increase in the book value per share or earnings per share is due to the efficiency of resource use. On the value of the economic unit, which in turn is reflected in its continuity through the rise in its share prices and access to the resources of the economy to invest, increase the market value and others (Ryu&Won,2018,119).

3- *Governance and the appropriateness of accounting info.*

Almujamed & Alfraih dealt with the relationship between corporate governance and the appropriateness of the value of accounting info that was applied to a sample of 178 economic units listed on the Kuwait Stock Exchange during 2013. Corporate governance was measured through its variables represented by the board of directors. There is a strong impact of this board on the appropriateness of the value of accounting info It was measured by the price model and by analyzing the relationship between profits, book value and cash flows with stock prices. Reducing agency costs as well as the existence of an inverse relationship between the board of executive directors with the value of the company, so this study provides a supporting basis that the board of directors is improving the appropriateness of the value of accounting info (Almujamed & Alfraih, 2020, 249-253).

4- *Profits and predictability in accordance with International Financial Reporting Standards (IFRs).*

Both (Desoky & Mousa) referred to a discussion of some earnings contributions (for the value of relevance and predictability) for the accounting info provided in accordance with the International Financial Reporting Standards (IFRs) at the Bahrain Stock Exchange (BHB) and the Muscat Securities Market (MSM), in which a number of observations were used that 280 views if this study targeted 40 different economic units listed on the Bahrain Stock Exchange, and 203 views consisted of 29 different economic units listed on the Muscat Securities Market that covered the period from 2005-2011 (i.e. 40 economic units for 7 years, 29 economic units for 11 years) as this study showed that when adopting international financial reporting standards, this leads to an improvement in the appropriateness of the value of accounting info that is related to financial reports, in addition to that standards strengthen the ability of accounting info to predict the continuity of economic units listed on the Bahrain Stock Exchange (BSE) Bahrain i.e., the appropriateness of the value of the accounting info is better in the case of adopting international financial reporting standards than not adopting them, and in the same case when it was applied in the economic units listed in S The Muscat Securities Market, as the adoption of international financial reporting standards improves the ability of the appropriateness of the value of accounting info in predicting the continuity of economic units listed on the Muscat Securities Market.

The third axis: the practical side of the study

First: The Iraqi Stock Exchange: A brief history of the market.

The Iraq Stock Exchange was established under the temporary law No. 74 on April 18, 2004 and started its activity in its first trading session on June 24, 2004. The Board of Governors was formed in 2004 according to the temporary securities law and its members were named by the Iraqi Governing Council and published in the Iraqi Gazette in the numbered number 3983 issued in April 2004, and they had the main role in establishing and opening the market and continuing to perform its work after obtaining the approval of the Securities Commission on the license to practice the activity, and the members of the board are appointed by secret ballot every year and it consists of nine members and their main task is to organize the market and formulate its general policy and supervising its activities.

As the Board of Governors took over the management of the market according to the

temporary law of the Iraqi Stock Exchange, provided that there are no financial and legal obligations on the Iraqi market for securities resulting from the Baghdad Stock Exchange. In it, money moves between institutions, individuals and various sectors in a way that leads to increased investment development in Iraq. It is a public benefit institution that does not aim to make a profit in its business.

Second: Description of the study community and sample.

The study community consists of the Iraqi private banks listed in the Iraq Stock Exchange, as the number of banks listed in the market during the years of study that extended from 2007-2017 ranged from 20 to 24 banks, where a deliberate sample of those banks was selected, which was 14 banks, which represents a percentage of 70% of the banking sector, in which the selected banks were a deliberate sample of the banks whose shares were traded during the study period from 2007 to 2017, also has a diversity of ownership structure to suit one of the study variables, in addition to that this sample constitutes 16% of the total companies listed in the market. The number of 86 companies during the study period and the following tables show the banks of the study sample and the excluded banks.

Table (1) shows the names of the banks that were selected as a sample for the study, and which were excluded from the sample.

T The names of the banks that were selected as the study sample	T The names of the banks that were excluded from the study sample
Iraqi commercial	Iraqi credit
Ashur International	Iraqi Islamic
Iraqi investment	Dar es Salaam Investment
Commercial gulf	Economy
Al Shamal Finance and Investment	Iraqi Federation
United Investment	Bank name
Iraqi Middle East Investment	Tigris and Euphrates
Bank name	Islamic Elaf
Al-Mansour Investment	Islamic National
Mosul for Development and Investment	Islamic country
Babylon	Jihan
Baghdad	
Sumer Commercial	
Kurdistan International for Investment and	
Development	
Al-Ahly of Iraq	

Source: Prepared by the studyer

• Reasons for excluding banks from the study sample.

- 1) Most of these banks are Islamic banks and their activities differ from the activities of the sample banks.
- 2) Most of these banks' shares are not traded in the Iraq Stock Exchange during the study period.
- 3) Most of these banks are not listed in the Iraq Stock Exchange during the study period.
- 4) Most of these banks do not have a diversified ownership structure, which is one of the independent study variables.

Third: measuring the study variables

• Measuring the appropriateness of the value of accounting info

The appropriateness of the value of the accounting info for the banks in the study sample and listed in the Iraqi Stock Exchange can be measured using the Price Model and according to the following formulas:

This model is used to test the relationship between:

- Share price and accounting profits using the following formula:
- 1) $P_t = \beta_1 + \beta_2 E_t / S_t + e_t$
 - 2) Share price and operating cash flow using the following formula:
 - 3) $P_t = \beta_1 + \beta_2 CF_t / S_t + e_t$
 - 4) Share price and book value of equity using the following formula: $P_t = \beta_1 + \beta_2 BV_{t-1} / S_t + e_t$
 - 5) Share price, book value of equity, operating cash flow and accounting profit together using the following formula:
 - 6) $P_t = \beta_1 + \beta_2 E_t / S_t + \beta_3 CF_t / S_t + \beta_4 BV_{t-1} / S_t + e_t$

whereas:

P_t : the share price of the economic unit three months after the end of the financial period t .

BV_{t-1} : the carrying amount of equity at the end of term $t-1$.

E_t : the accounting profit at the end of the period t .

CF_t : cash flows at the end of the period t .

S_t : the number of shares issued at the end of the term t .

e_t : measurement error.

B : coefficients of variables.

t : The duration of the event.

Therefore, the above equations will be applied sequentially using the SPSS statistical program and based on the info available in the financial statements of each of the banks of the study sample during the years from 2007 to 2017.

Through the application of the above equations, it is possible to summarize the measurement of the appropriateness of the value of the accounting info for the banks in the study sample in Table (2).

Table (2) shows a summary of the results of the adequacy of profit, cash flows and book value of stock prices at the level of each bank.

T	the bank	R	R Square	Sig	profit	B flows	carrying	The result	ranking
1	The Middle East	0.966	0.933	0.000	1.691	-0.215	3.404	There is a fit	1
2	Sumer Commercial	0.891	0.795	0.008	5.692	0.144	-3.277	There is a fit	2
3	Ashur International	0.863	0.744	0.018	1.876	0.132	2.114	There is a fit	3
4	Iraqi investment	0.841	0.708	0.028	1.744	108.459	-4.362	There is a fit	4
5	Commercial gulf	0.801	0.641	0.055	2.677	192.915	-1.290	No match	-
6	Babylon	0.789	0.622	0.065	5.472	-0.063	-0.282	No match	-
7	Baghdad	0.770	0.593	0.083	2.546	-0.094	4.230	No match	-
8	United Investment	0.747	0.558	0.108	-0.954	1.973	5.983	No match	-
9	Mosul	0.742	0.551	0.144	2.020	-0.013	0.300	No match	-
10	North	0.701	0.492	0.169	9.425	1.859	-4.563	No match	-
11	Iraqi commercial	0.699	0.488	0.173	-0.156	191.367	1.760	No match	-
12	Al-Mansour Investment	0.676	0.457	0.209	4.433	-0.308	-2.572	No match	-
13	Al-Ahly of Iraq	0.605	0.366	0.335	3.909	-0.280	-1.010	No match	-
14	Kurdistan	0.238	0.057	0.933	1.689	-0.129	-0.634	No match	-

Source: Prepared by the studier

Table (2) shows that the highest fit of profit, cash flows, and book value of stock prices was for the Iraqi Middle East Bank for Investment, as the correlation coefficient R was 0.966, the coefficient of determination R Square was 0.933, and the level of significance of the Sig

test was 0.000. One that leads to an increase of 1.691% in the share price, as well as the B factor shows that any increase in the cash flows of the bank's shares by one degree leads to a decrease of 0.215% in the share price, in addition to that the B parameter shows that any increase in the book value of the bank's shares by one degree One leads to an increase of 3.404% in the share price with all other variables held constant, while the least appropriateness of profit, cash flows and book value of stock prices was for the Investment Bank of Iraq, as the correlation coefficient R was 0.841, the coefficient of determination was R Square 0.708, and the level of significance of the Sig test was 0.028 and between the coefficient of B that any increase in the profit for the bank's shares by one degree leads to an increase of 1.744% in the share price, and the B coefficient also shows that any increase in the cash flows of the bank's shares by One degree leads to an increase of 108.459% in the share price, in addition to that the B coefficient shows that any increase in the book value of the bank's shares by one degree leads to a decrease of 4.362% in the share price with the stability of all other variables, and we note from Table (2) that Only four banks have appropriate value of accounting info for bank stock prices, but the rest of the bank does not provide adequate value of accounting info for bank stock prices.

Table (3) shows a summary of the results of the adequacy of profits, cash flows and book value of stock prices for banks during the years from 2007-2017.

t	the bank	commercial	Ashur	Investing	the gulf	the north	the united	Middle east	Al Mansour	Mosul	Babel	Baghdad	Sumer	Kurdistan	Al-Ahly
1	2007	0.6210	0.0640	0.0350	0.3671	1.6170	0.9430	0.1490	0.1970	0.0930	0.0440	0.3090	0.0200	0.1060	0.133
2	2008	0.3700	0.1120	0.0030	0.2700	0.7430	0.1810	0.1670	0.0470	0.1770	0.2650	0.4330	0.0580	0.0590	0.011
3	2009	0.0740	0.1810	0.3190	0.3290	0.0370	0.1810	0.2510	0.0040	0.2480	0.4990	0.0830	0.0020	0.0850	0.101
4	2010	0.1310	0.0060	0.1520	0.0190	0.3050	0.3140	0.1190	0.2880	0.1400	0.1620	0.0480	0.0370	0.2470	0.081
5	2011	0.0490	0.1930	0.1480	0.1870	0.4380	0.6330	0.2080	0.0790	0.4840	0.1061	1.2650	0.0130	0.7480	0.103
6	2012	0.0830	0.0740	0.1320	0.0651	1.3810	0.0760	0.2150	0.0590	0.0780	0.1700	0.2890	0.0320	0.4050	0.062
7	2013	0.1850	0.1120	0.0640	0.0220	0.0480	0.3050	0.0740	0.4530	0.1500	0.0670	0.5510	0.0430	0.4990	0.101
8	2014	0.0270	0.3530	0.1020	0.0030	0.5860	0.2520	0.2600	0.2990	0.1330	0.1680	0.0050	0.0060	0.0500	0.019
9	2015	0.3320	0.1910	0.0290	0.1780	0.4550	0.8400	0.0380	0.0990	0.2430	0.2070	0.1460	0.0100	0.3650	0.144
10	2016	0.2690	0.0900	0.0100	0.2880	0.8930	0.1600	0.2190	0.0440	0.0450	0.2440	0.6060	0.0390	0.4980	0.411
11	2017	0.3480	0.2040	0.2160	0.2130	0.0010	0.6480	0.2240	0.0070	0.2150	0.1630	0.5710	0.0290	0.3420	0.036

Table (4) shows that the highest appropriate value of profit and cash flows and the book value of equity for stock prices was at Al Shamal Bank during the year 2007, and the lowest appropriate value of profit and cash flows and the book value of equity for stock prices was at Al Shamal Bank during the year 2017.

• *Measuring corporate continuity*

One of the most common models in measuring the continuity of companies, or what is known as financial failure models, is the model that was identified in Altman's study in 1968, which was applied to industrial companies by choosing five ratios out of 22 accounting ratios, which several are the best accounting ratios in predicting financial failure (company continuity). After that, the model was developed several times until a model applied to financial companies (banks) was reached, which is known as the Altman model in 2002, the second generation, by deleting the fifth ratio from the model and as follows:

$$Z=6.56X1+3.26X2+6.72X3+1.05X4$$

where it indicates:

- = X1 net working capital (current assets - current liabilities) to total assets
- X2 = Retained earnings to total assets
- X3 = Operating profit before interest and taxes to total assets
- X4 = book value of shareholders' equity to total liabilities
- Z = continuity index (predicting default and financial failure)

As for the (coefficients) (1.05, 6.72, 3.26, 6.56) they represent the weights of the function variables and express the relative importance of each variable. According to this model, establishments are classified into three categories according to their ability to continue according to the value of (Z), either as a failed company, meaning non-continuous, or non-failed, meaning continuous.

- a. If the Z-value is greater or equal to 2.60, the firms are considered successful or viable.
- b. If the Z-value is less than 1.1, the companies are considered failed, because their performance is low.
- c. If the value of Z is greater than 1.1 and less than 2.60, it is known as the gray area, in which it is difficult to determine the status of the facility, and therefore subject to a detailed study, because it is difficult to predict conclusively the failure or not, so many studies have shown interest in the debt ratio as a useful tool for predicting the continuity of companies, as This ratio gives more accurate indications about the long-term financial position. It also shows the company's ability to pay its long-term obligations and that this ratio can be used if the company falls into the gray area, so if the debt ratio is greater than 50%, this indicates that the risk is high. It can be said that the company is not continuous, because the obligations are high compared to the assets, and if the debt ratio is less than 50%, this indicates that the risk is low. Tables showing the continuity of the study sample banks during the years from 2007-2017, in addition to extracting the values of the function (net working capital, retained earnings to total assets, operating profits before Interest and taxes, book values of shareholders' equity to total liabilities) from the financial statements of the banks will be reviewed in the appendices of the study.

Table (4) notation of the independent variable and the dependent variable used in the study

Variable type	variable name	variable name	code
the independent variable	Convenience	Appropriate info	I.RELV
		profit fit	E. RELV
		cash flow adequacy	F. RELV
dependent variable		Appropriate book value	B. RELV
		continuity	GC

•Descriptive statistics and hypothesis testing

Linear interference

Also, it was confirmed that there is no problem of linear interference between the independent variables, through the Test Multicollinearity, or what is known as the Diagnostics Collinearity scale, guided by two indicators, the Inflation Factor (VIF) Factor Inflationary Variance, the Tolerance Factor, and using the SPSS statistical analysis program. The results were as follows: -

Table No. (5): Interference test between variable data

variants	Collinearity Statistics	
	Tolerance	VIF
E.Relv	.141	7.099
F.Relv	.355	2.820
B.Relv	.175	5.719
I.relv	.215	4.660

Table (5) shows that all values of the variance inflation factor (VIF) are less than 10, and that all values of the tolerance factor are greater than 0.1, and this indicates that there is no problem of linear interference between the independent variables and the control variables of the study, which is a condition of conducting a regression analysis multi linear.

• **normal distribution test**

Also, the One-Sample Kolmogorov-Smirnov Test was conducted to find out the normal distribution of the data, and the results were as follows:

Table (6) Normal distribution test for independent and dependent variables

One-Sample Kolmogorov-Smirnov Test						
variants		E.Relv	F.Relv	B.Relv	I.relv	GC
N		154	154	154	154	154
Normal Parameters ^{a,b}	Mean	.27730	.33027	.28436	.22766	1.26961
	Std. Deviation	.27507	.35978	.30576	.25754	.744861
Most Extreme Differences	Absolute	.158	.182	.177	.190	.225
	Positive	.158	.156	.177	.169	.225
	Negative	-.157	-.182	-.177	-.190	-.221
Kolmogorov-Smirnov Z		1.960	2.264	2.197	2.355	2.794

Although the results indicate that the sign of some variables is less than 0.05, which initially means that their data are not close to the normal distribution but based on the theory that if the sample size exceeds 30 observations, then it is distributed normally and valid for statistical analysis. The data satisfied the normal distribution test because the size of the observations adopted in the study amounted to 154 views (Sekaran & Bougie, 2013).

After making sure that the condition of non-linear overlap is passed and confirming the weakness of the autocorrelation and the normal distribution, it is now time to conduct a regression analysis using the (panel data) method - because the data belong to several companies for several years - for the purpose of testing hypotheses using the Eviews program and my agencies:

Hypothesis test

There is a significant effect of the appropriateness of the value of accounting info in enhancing the continuity of companies.

This hypothesis will be tested according to the following regression equation model:

$$GC_{it} = B_{0it} + B_1 T-RELV_{it} + B_2 Age_{it} + B_3 Lev_{it} + B_4 MR_{it} + B_5 Size_{it} + B_6 TU_{it} + B_7 ROE_{it} + B_8 ROA_{it} + B_9 FG_{it} + \varepsilon_{it}$$

Using

the program Eviews and using the panel data method to perform the regression, the results were as follows: -

Table No. (7) Hypothesis Test Results

Sample: 2007 2017
 Periods included: 11
 Cross-sections included: 14
 Total panel (balanced) observations: 154

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9.168117	7.546927	1.214815	0.2264
I_RELV	14.47698	0.803399	18.01967	0.0000
AGE	0.001367	0.003297	0.414705	0.6790
LEV	0.326517	1.523515	0.214318	0.8306
MR	0.001419	0.001570	0.903986	0.3675
SIZE	-0.544149	0.684529	-0.794925	0.4280
TU	1.72E-11	5.16E-12	3.330633	0.0011
ROE	-0.817197	4.222392	-0.193539	0.8468
ROA	-25.21075	13.26655	-1.900325	0.0594
FG	-0.095809	0.267681	-0.357921	0.7209
R-squared	0.763229	Mean dependent var	6.052092	
Adjusted R-squared	0.748430	S.D. dependent var	4.619073	
S.E. of regression	2.316775	Akaike info criterion	4.580960	
Sum squared resid	772.9122	Schwarz criterion	4.778165	
Log likelihood	-342.7339	Hannan-Quinn criter.	4.661064	
F-statistic	51.57575	Durbin-Watson stat	1.747219	
Prob(F-statistic)	0.000000			

Table (7) shows that the R Square coefficient of determination was 0.7632, which represents the explanatory power of the model used, that is, 76.32% of the change in the dependent variable (continuity) is caused by the change in the independent variable (suitability of info) and the control variables, and the standard deviation of the estimation error is S. The E. of regression was 2.316, which is a low number, and the lower this type of error, the better it is from a statistical point of view.

The table also shows that the coefficients of the regression function are the effect of the independent variable (appropriateness of info) on the dependent variable (continuity), as any increase in (appropriateness of info) by one degree leads to an increase of 1447.69% in the dependent variable (continuity) with the stability of all variables. The other independent means that the appropriateness of the value of the accounting info directly affects the continuity of the company, and that the value of the probability (prob) is 0.00, which is statistically significant because it is less than 0.05, and based on that, the study hypothesis can be accepted to prove the effect statistically.

The table also shows that the calculated F value amounted to 51.575, which is undoubtedly higher than its tabular value because its prob(f-statistic) level was very high, amounting to 0.0000, which is much less than the value of the accepted error in social sciences determined in advance by 0.05, which indicates the appropriateness of the model. The statistic used for the test.

Fourth Axis: Conclusions and Recommendations

First: the conclusions

- 1) Through the theoretical and applied study of the study, a set of conclusions and results were reached, the most important of which are the following:
- 2) The concept of appropriateness of the value of accounting info is one of the concepts through which the numbers contained in the financial reports can be used in order to assist in the process of making rational economic decisions by current and prospective investors in a timely manner, through the ability of the price model to explain and

- explain the changes in prices Stocks of banks listed on the Iraq Stock Exchange, the study sample.
- 3) The assessment of the continuity of the study sample banks should not be limited to the extent of benefiting from the financial indicators extracted from the financial reports and statements of the study sample banks, but rather the non-financial indicators that take into account the indicators related to the environment of the internal and external study sample banks.
 - 4) The lack of guidance and info through which we can judge the bank objectively of its continuity or not, which are available to anyone interested in those instructions and info about the bank from stakeholders and other current and prospective investors.
 - 5) The occurrence of discontinuity is not suddenly, but is the result of many behaviors, factors and incorrect decisions of the owners of the ownership structure, and the discovery of these factors and indicators contributes to avoiding the state of discontinuity of the study sample banks.
 - 6) 5-The existence of real efforts by external parties (auditors, other property owners) to search for indicators that support the continuity of banks or not, which should be disclosed in the bank's reports in order to make rational and rational decisions by property owners and other current and prospective investors.
 - 7) *Second: Recommendations*
 - 8) Through the conclusions reached by the studyer, the studyer recommends the following:
 - 9) The need to adopt different methods by those interested in the field of info for the economic units listed in the Iraqi Stock Exchange in order to determine the appropriateness of the value of the accounting info because it has an impact on making rational and rational decisions by current and prospective investors.
 - 10) The necessity of disclosing info and indicators that would increase the ability of those interested in the economic units listed in the Iraqi Stock Exchange to predict more closely with respect to the continuity of economic units in general, especially banks.
 - 11) The auditors should give clear-cut indications in their reports and express their opinions clearly and explicitly with regard to imposing continuity for the economic units listed in the Iraq Stock Exchange.
 - 12) Those in charge of managing the economic units listed in the Iraq Stock Exchange should show info and indicators related to continuity in a fair and equitable manner in order to help those interested in making rational decisions through approved and specified measurement models for continuity, as well as using more than one measurement model in order to provide appropriate info for various the parties.
 - 13) 5-Those in charge of managing the Iraqi Stock Exchange should work to raise its efficiency because the market's poor efficiency leads studyers to reach results in study that do not match with studyers in different environments.

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