



THE IMPACT OF THE QUALITY OF ACCOUNTING REPORTS ON MAKING AN INVESTMENT DECISION IN JOINT STOCK COMPANIES

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Abstract:

This study aimed to identify the effect of the quality of accounting reports on the decision to invest in joint-stock companies. The descriptive approach was obtained, and 50 investors in joint-stock companies in Baghdad were assigned as the sample of the study. An 18-items questionnaire was used as tool for data collection. The questionnaire was divided into three sections. The results of the study indicated that investors in joint-stock companies in Baghdad have been impacted significantly by the quality of accounting reports in making their decisions regarding buying and selling shares in joint stock companies. Hence, the quality of accounting reports greatly affects investors' investment decisions. Furthermore, the findings revealed that investors in joint stock companies in Baghdad reported that the quality of accounting reports is clear, understandable and sufficient for making investment decisions. Moreover, the study showed that investors in joint-stock companies in Baghdad rely on accounting reports when making their investment decisions. Finally, the investors in joint stock companies in Baghdad indicated that the accounting reports are widely available, appropriate and sufficient for them. The study recommended the need to continuously improve the quality of the accounting reports published by the joint stock companies in Baghdad and to make them accessible to all investors who need them. The study also indicates to raise the awareness among investors in joint stock companies on the importance of accounting reports when they make investment decisions.

Keywords: Accounting reports, decision making, investment, joint-stock companies, quality.

INTRODUCTION

Accounting is one of the branches of knowledge specialized in preparing information to measure the results of economic units and depicting their financial positions on a specific date. Moreover, accounting provides financial information in appropriate ways to meet the needs of the beneficiaries or users, whether they are lenders, investors, auditors, or government agencies to use it in making many investment-decisions.

Likely, accounting is a tool for measuring and transacting financial information that reflects the performance of companies and their financial positions. Accounting reports and the included

information production are considered important accounting practices that have been affected by developments in the accounting profession as a result of economic, scientific and technological developments (Abdul Ghaffar, 2020).

The financial and accounting disclosure of joint stock companies (JSC) is one of the foundations for the market existence and the continuity of activity. This is represented in the accounting reports and periodic bulletins published by these companies. They explain the growth of the company, its development and future trends. Accordingly, the financial markets are required to make such reports accessible to all investors in order to provide them with confidence and



encourage them to continue investing their money in the JSC. Investors are in need of accounting information that enables them to estimate future financial flows that are expected to be achieved in the future (Mahmoud & Dabash, 2017).

The accounting reports, which represent the outputs of the accounting system, are of great importance to the management of economic units. They show the extent of success or failure in exploiting the number of economic resources at their disposal. They also represent one of the sources of information that provides the necessary accounting information for making various economic and financial decisions. Getting familiarity with knowledge and accounting information is important for the parties concerned with investment. Furthermore, this information becomes essential and necessary to reach the appropriate investment point in the subsequent periods of investment activity (Al-Buhaisi, 2006).

The published accounting reports for companies are considered an important means for the main disclosure. They can disclose for the joint stock companies and show the results of their operations during the financial period and their financial position at the end of the same period. It is commonly known that all users, whether they are internal or external, rely heavily on these accounting reports while making their various investment decisions. They also use the accounting reports to build their future expectations about the future of companies and their results. Therefore, these reports play a major and essential role in the decisions of all investors. The investors are considered one of the important users of financial reports. Therefore, various efforts have been focused on these party, because the decisions of investors have a significant impact on the movement and activity of the economy in general (Hamad, 2010).

Investors use financial reports while selling a property, continuing to buy it or acquiring it. Therefore, current and future investors use the financial information included in the lists of the company to obtain the results that meet their needs (Bahaj, 2018).

The investment decision is one of the most complex and most dangerous decisions that can be taken. The complexity stems from the risks associated with this type of decisions as well as the difficulty of amending or reversing it. Accordingly, these decisions must be based on the quality of accounting information as well as on practical and scientific bases. Therefore, valid investment decision requires an analysis of the financial position and business result. Investors care about the ability of the company to achieve a strong

financial position, as well as to generate revenues that enable a positive business result (Abdul Hakim, 2020). Investment decisions are found to be among the most important decisions taken by the management or by the investor. Hence, they greatly affect the continuity and survival of the company; they are also one of the most important economic tasks due to the goals that the investment decision tried to achieve (Shahira, 2019).

Research problem

The problem of the study emerged from the widespread controversy about the role of accounting reports in the decisions taken by investors in Iraq. A prevailing belief is still to this day that investors make investment decisions based on data and information other than the information contained in the accounting reports of the JSC. Furthermore, it is also believed that the role of accounting reports is narrow and has limited implications for investment decisions. Accordingly, the current study detects the extent to which the quality of accounting reports affects investment decisions in JSC in Iraq from the point of view of investors.

Research questions

This study seeks to answer the following questions:

1. To what extent does the quality of accounting reports affect the investment decisions in joint-stock companies in Iraq from the point of view of investors?
2. Are the accounting reports accessible in an appropriate and sufficient way for all investors in joint stock companies in Iraq?
3. Are investors aware of the information contained in the accounting reports?

Research objectives

The study aims to:

1. Identify the effect of the quality of accounting reports on making investment decisions in joint stock companies in Iraq from the point of view of investors.
2. Explore the extent to which accounting reports are adequately and adequately available to all investors in joint stock companies in Iraq.
3. Identify the extent to which investors are aware of the information contained in accounting reports?

Significant of study

The current study gets its importance from the witnessed development in the economic sector in our time. It becomes obvious that the investors should get evidence that proves the quality and credibility of the accounting information before entering into the company's investments and financing. It is considered that the accounting information as the only tool that



proves the financial position of the company. Furthermore, this study derives its importance from the significant role played by investment, as it provides important opportunities for the company to grow, develop and face competition.

The importance of the study also emerges from the paucity of studies that dealt with the impact of the quality of accounting reports on making investment decisions in JSC. Thus, the study attempts to provide an important academic contribution to accounting studies related to the quality of accounting reports. It also contributes to enriching the Iraqi and Arab accounting library with new evidence from the reality of the Iraqi stock finance market.

In the same vein, this study participates providing the management of the financial market with information about the impact of accounting reports for joint stock companies in Iraq on the investment decisions. It, thus participates to the preparation of instructions and regulations for disclosing in the financial market.

Defining of the study terms

Investment decision: It is defined as the resolution that is based on choosing the appropriate alternative from the available ones. It is the most dangerous decision because of its great financial connection. Likely, it is considered one of the important financial decisions that can be taken in the company, aiming to achieve a revenue during successive years. Furthermore, the researcher defines the investment decision operationally as the choice taken by investors in Iraq related to buying shares of joint stock companies, increasing the number of shares in existing companies, or selling shares in the existed companies.

The quality of accounting reports: The quality of financial reports is defined as the accuracy of the financial reports' delivery of information on the operations of the organization in general and the expected cash flows in particular to investors (Rizk, 2008).

Moreover, the researcher defines *the quality of accounting reports* operationally as the means of delivering information to investors in JSC in Iraq. So, these reports include an annual financial report for the company with its budget, final and general accounts, in order to compare and reveal cash flows in addition to data related to the JSC.

Limits of the study

Time limits: The current study was conducted in 2021

Spatial boundaries: The current study was applied on joint stock companies in Iraq.

Human limits: the current study was limited to investors in joint stock companies in Iraq

Literature review

The quality of financial reports

The quality of accounting information reflects the quality of financial reports. Likely, it is all the credibility of the information and the benefits that are achieved for users. Furthermore, such report should be free from shadowing and distortion; they should be prepared in light of a set of professional, control and legal standards to achieve the goal of its use. Preparing good financial reports is done through applying some procedures, strategies and mechanisms that contribute in the process of preparing financial reports in terms of presenting the content of those reports (Al-Tayeb, 2017).

Investors need a high degree of quality in financial reports which leads to achieving the required efficiency for the investors. Similarly, the quality of financial reports provides significant information to investors and creditors, especially about the quantity and timing of future cash flows. Furthermore, the non-manipulation of profits leads to ensuring a minimum amount of the quality of accounting information. The higher the quality of the financial reports is, the lower the investment risk significantly becomes like what is happening in developed financial markets of the United States of America, the United Kingdom, Japan, Canada, Australia, France and Germany (Abdul Wahab, 2013).

General objectives of financial reports

Bahaj (2018) stated that the financial reports provide the necessary information to:

1. Rationalize the investment and credit decisions, as the information contained in the financial reports benefits lenders and investors in rationalizing the investment and credit decisions.
2. Determine the future cash flows because the investors, lenders and others who make economic decisions related to the facility, they usually get benefit from the information contained in the financial reports that compares between current and future cultures.
3. Determine the degree of exchange, security and cash flows that benefit users from the reports, by recognizing the sources from which the facility obtains funds and identifying the possibility of dispositions in those resources.

The importance of quality of financial reports

The main objective of financial reports is to provide high-quality financial information about the companies, and the importance of information quality stems from the important role it plays. Granof *et al.* (2021) identified the importance of the quality of financial reports as:



1. They lead to the efficient allocation of capital for high-value uses, as the quality of information about companies and their competitors contributes to both investors and managers in evaluating investment opportunities.
2. They contribute to reducing the cost of capital by reducing information asymmetry between large and small investors, and reducing information asymmetry between managers and investors.
3. They help in providing facts and high-quality information to anticipate the occurrence of financial crises by identifying and extrapolating risks, as well as saving effort, time and speed of performance during a financial crisis if it occurs.
4. They play an important role in enabling the members of the Board of Directors to improve shareholders' values and provide the capacity chain of contractual variables that determine financial returns and outcomes.

Users of financial reports

One of the complex issues in accounting is to provide the needs of financial statements users to accounting information. These users have a wide and conflicting range of interests. Furthermore, the need and type of information varies according to the choices made by users of this information. Likely, each beneficiary has certain objectives of interpreting and analyzing the financial statements and information. Hence, there are beneficiary who aim to know and determine the results of the actions that took place in the past (Helweh, 2000).

The users of financial reports are the managers, lenders, owners, investors, investment guarantors, those responsible for financial stock exchanges, tax authorities, financial newspapers, reporting agencies, trade groupings, and business researchers. However, the interest accruing to the parties varies, some of them have a direct benefit like the owners and management, and others receive indirect benefits such as investors. Furthermore, investors are interested in the financial information directly related to the facility that generates good cash flows (Bahaj, 2018).

Investment decisions

The investment decision is the process of linking and allocating a certain amount of money and resources specialized to the facility. It requires sacrificing at the present time. Moreover, the investment decision is based on a rational approach applied before the analysis and division in order to achieve or reach appropriate benefits that are expected to occur over certain relatively long periods of time (Al-Jaarat, 2007). Moreover, it is a decision that focuses its attention on how to use the money obtained, i.e., the

best utilization of money in order to obtain the appropriate financial revenues for the level of risk to which those revenues are exposed when they are employed (Al-Ghaly, 2013; Shahira, 2019).

Objectives of investment decisions

The administrative decisions are among the important topics to those who specialize in financial and banking work. Likely, this interest came from the standpoint of the quantitative goals that the investment decision seeks to achieve. The objectives of the investment decision according to Shahira (2019) are as follows:

1. Achieving appropriate returns and profitability which guarantee for the continuity of the project.
2. Thinking constantly about choosing the investment alternatives that ensure the continuity of the income flow and its increase.
3. Finding ways to preserve the original capital from decrease and erosion through the investment process.
4. Ensuring the necessary liquidity to meet the emergency conditions and the obligations arising from the investment decision.

Principles underlying the investment decision

Being able to perform the differentiation process between the available investment alternatives, the investor must take into account a set of principles. They are represented by Abdul Hakim, (2020) as follows:

Principle of choice: The rational investor is looking for multiple investment opportunities to make the appropriate choice among the available opportunities instead of employing them in the first available opportunities.

Principle of comparison: This means making comparison between the available alternatives in order to choose the most appropriate one. The comparison is made using the essential and basic analysis of each alternative and the results of this analysis are compared in order to choose the best alternative.

Principle of suitability: Each investor chooses from among the investment fields and their tools what suits his desires and tendencies, which are determined by his income, work, age, as well as his social status.

Principle of diversification: Investors are expected to diversifying their investments and increasing returns due to the different assets in terms of the degree of risk and the returns that are achieved.

Principle of expertise and efficiency: Making a rational investment decision requires experience and know-how. Such competence is not available to all types of investors. So, it is better for the investor to



have a degree of experience and competence to choose from the offered alternatives.

Types of investment decisions

Investors encounter three situations that require them to make a decision whose nature depends on the nature of the relationship between the price of investment performance from one hand and its value on the other hand. Accordingly, Abu Nasser (2008) classified investor's decisions into three types, namely:

Purchase decision: The investors make purchase decision when their market price is less than the value of the investment performance. Such decision creates an incentive for them to buy that performance in order to achieve its capital gains from a rise from its future market price.

Non-trading decision: It occurs due to the purchasing pressures resulted from the purchase decision. Hence, the market mechanism responds to these pressures. Therefore, the price continues to rise to a point where the market price becomes equal to the value, and in such situation, the market becomes in a state of balance, i.e., the investment decision is in the case of non-trading.

Selling decision: The price becomes equal to the value, because of the state of equilibrium that passes in the market. Hence, the market dynamic creates additional desires to buy that instrument from a new investor. Similarly, within the scope of his own model, the investor sees that the market price at that moment is still less than the value of the investment instrument.

Previous studies

Clement *et al.*, (2003) conducted a study to test the relationship between the voluntary disclosure of financial forecasts and uncertainty among investors related to future profits. Moreover, they also detected the effect of disclosing financial forecasts on stock prices. The sample included 2700 companies registered in the stock market. Results showed that the disclosure of earnings forecasts have a positive reaction on stock prices. Moreover, the impact of stock prices by disclosing earnings forecasts is greater in small-sized economic units than in large-sized economic units.

Similarly, Hirst *et al.* (1999) investigated the investors' reaction to the management's predictions of profits. The study also detected the effect of the interaction of each of the forecasting method and their credibility on the investors' decisions. The study obtained an experimental design recruiting 126 graduate students enrolled in the department of Business Administration. The results of the study revealed that there is a direct relationship between the investor's decisions and the

accuracy of the management's forecasts. Furthermore, the study showed that the management forecasting methods do not differ in their impact on the investors' decisions, whether they are in the form of a specific number or a certain extent.

Furthermore, Al-Zubaidi's (2010) study aimed to identify the effect of the accounting information contained in financial reports on making investment decisions in terms of buying and selling shares of companies registered in the Iraqi stock exchange. A questionnaire was prepared to measure the extent to which investors understand the accounting information, its adequacy, and the investors' awareness of the importance of this information among other available sources of information, and the extent to which they use them when making their investment decisions. The findings showed that investors realize the importance of accounting information in the investment decision-making process, especially the results of accounts and the statement of financial position. The findings also revealed that investors were aware that other non-financial information has an impact on their investment decisions, especially in favor of brokers and market bulletins.

In the same vein, Hamad (2010) aimed to identify the attitudes of the investors on the role of the published financial reports by the stock-companies for improving the investors' decisions in the Iraqi stock exchange. The study obtained questionnaire to collect attitudes from 62 joint stock companies.

The results concluded that there is a medium-importance role for the financial reports issued by the JSC in the decisions of the investors. Likely, the results showed that the financial reports are available and the investors could access them in the market to a medium degree. Finally, the study pointed out and that the investors were sufficiently aware of the information contained in the financial reports.

Anaja and Onoja (2015) aimed to highlight the role that financial information plays in decision-making, especially investment decisions. The study found that transparency in accounting information had an impact on the investment decision-making process especially users of financial statements. Furthermore, the study showed that investors need the account keeper to express his opinion about the credibility of the published financial statements. This disclosure is very important in making the investment decision. Furthermore, the findings indicated that the analysis of financial statements would enable investors to have a good understanding of them which positively affects their decisions.



Shahira, (2019) explored the extent to which the financial information contributes to improving the quality of investment decisions. The study obtained the descriptive analytical approach to identify the investment decisions and the components of investment decisions including, their stages, objectives, as well as the factors affecting them. Besides, using the questionnaire, the study revealed that the quality of financial information affected positively in the evaluating of the financial performance of the institution and making decisions, as well as it had positive impact on the quality of the financial statements in light of the characteristics of the financial information. Furthermore, the study showed the effect of the quality of the accounting conservatism on the quality of financial reports and investors' decisions.

The study of Abdul Hakim (2020) aimed to highlight the contribution of the quality of accounting information in rationalizing the investment decisions in light of the application of the financial accounting system in the economic institutions. To achieve this goal, the Soidal industrial community (20% of its shares are traded on the Algiers stock exchange) was chosen as a sample of economic institutions in Algeria. The results concluded that the application of the financial accounting system by the Soidal complex strengthened the accounting disclosure process and contributed significantly to enhancing the quality of

accounting information and reflected positively on the process of rationalizing investment decisions.

After reviewing previous studies, it was found that most of them aimed to research the impact of financial and accounting reports, (i.e., Abdul Hakim, 2020; Anaja & Onoja, 2015; Hamad, 2010; Shahira, 2019). Therefore, the current study benefited from previous studies in how to choose the sample, methods of data collection and tools used. However, the current study was distinguished from previous studies in its handling of the variable of the quality of accounting reports, and its application in the Iraqi environment.

METHODS

Research design

This study obtained the descriptive analytical approach aiming to answer queries of the study and clarifying the results and recommendations. The selected design aims at gauging the impact of the quality of accounting reports on making investment decisions in joint stock companies in Iraq.

Population and sampling

The study population consisted of investors in joint stock companies in Baghdad for the year 2021. Furthermore, a random sample was selected. It consisted of 50 investors from all the investors in joint stock companies in Baghdad. They are demonstrated in Table 1.

Table 1. Frequencies and percentages of the study sample

		Frequency	Percentage
Gender	Male	35	70.0
	Female	15	30.0
	Total	50	100.0

Instrument

To achieve the objectives of the study, the researcher obtained a self-designed questionnaire consisting of three areas with 18 items, 6 for each area. The first section included 6 items. They aimed to collect information on the impact of the quality of accounting reports on the investor' investment decision. The second field was concerning with the availability of financial reports to the investor and the easiness to access them. Finally, the third section focused on the extent of the investor's awareness of the information

contained in the accounting reports. It included 6 items.

Validity And Reliability

To ensure the validity of the scale, the validity of the content was achieved by presenting the questionnaire to 10 referees specialized in accounting in the faculties of economics and administrative sciences in the Iraqi Universities. The referees wrote their notes on the questionnaire items, so the researcher adopted an agreement percentage (80% and above) from the referees' opinion.



To achieve the reliability of the questionnaire, the internal consistency was calculated using Cronbach's alpha equations for each of the three variables. The ratios were considered appropriate because they were above, 0.80. Table 2 shows these Cronbach's alpha ratio.

Table 2 shows the stability values for each of study variables. It also presents the reliability coefficient for the tool which scored (P =0.89). The P values for the variable ranged between (0.81-0.85). The scores of Cronbach Alpha indicate that the study tool in general has a high stability coefficient and its ability to achieve the purposes of the study.

Table 2. Cronbach's alpha ratio for the three variables

Areas	Cronbach's alpha
The role that the quality of accounting reports can play on the investor' investment decision.	0.84
The availability of financial reports to the investors and the easiness to access them.	0.81
The extent of the investor's awareness of the information contained in the accounting reports	0.85
Total	0.89

RESULTS AND DISCUSSION

Research question, one: To what extent does the quality of accounting reports affect the investment decisions in joint-stock companies in Iraq from the point of view of investors? To answer this question, the mean scores and standard deviations of the impact of the quality of accounting reports on investment decisions in JSC in Iraq were calculated from the investors' point of view, and Table 3 below illustrates them.

Table 3 clearly shows the impact of the quality of accounting reports on making investment decisions in companies jointly in Iraq from the point of view of investors. The participants reported a high positive degree with an average mean score and standard deviation (M= 3.85, Std =.607). As for the items, the

mean scores ranged between (3.74-3.94). Item No. (2), which states "accounting reports are of great benefit in my investment decisions" came the first rank, the participants scored (M= 3.94, Std =. 913). Item No. (3), which states that "accounting reports are extremely important in investment decisions," came in second rank with an average score (M= 3.92, Std= .900). Furthermore, item No. (5) which states that "accounting reports play an effective role in investment decisions" occupied the third rank with an average (M=3.90, Std =.886), whereas item No. (6) which states "most of the investment decisions that are based on accounting reports are successful" received the last rank and with an average (M=3.74, Std =.828)

Table 3. The role that the quality of accounting reports can play on the investor' investment decision.

No	Rank	Statement	M	Std	Degree
1	2	Accounting reports are of great benefit in my investment decisions.	3.94	.913	High
2	3	Accounting reports are extremely important in investment decisions.	3.92	.900	High
3	5	Accounting reports play an effective role in investment decisions.	3.90	.886	High
4	1	I need accounting reports when making investment decisions.	3.80	.926	High
5	4	I can rely on accounting reports when I make a good investment decision.	3.78	.932	High



No	Rank	Statement	M	Std	Degree
1	2	Accounting reports are of great benefit in my investment decisions.	3.94	.913	High
6	6	Most of the investment decisions that are based on accounting reports are successful.	3.74	.828	High
		Average	3.85	.607	High

Research question, two: Are the accounting reports accessible in an appropriate and sufficient way for all investors in joint stock companies in Iraq?

Table 4 shows the availability of accounting reports in an appropriate and sufficient manner for all investors in joint-stock companies in Iraq. Table 4 indicates that the participants reported high positive attitudes towards the availability of accounting reports and the easiness to access them with an average mean score and standard deviation (M=4.03, Std =.483). As for the questionnaire items, the mean scores ranged between (3.88-4.16). Beginning with item No. (10) which states that "the process that the joint stock companies obtain for issuing accounting reports occurred quickly" came in the first place, with (M=4.16, Std =.650), and item No. (9), which states "I can get the accounting reports shortly after the end of

the relevant fiscal year" came in second place, with mean score and standard deviation (M= 4.12, Std =.773). Regarding item No. (7), which states that "accounting reports for joint stock companies are available in the financial market" came in third place, with a mean score (4.08) and a standard deviation of (.634). Likely, item No. (8), which states that "I can easily get accounting reports for joint stock companies" came in fourth place, with a mean score (M=3.98, Std =.685) whereas No. (11) stating " I can easily reach accounting reports for joint stock companies" occupied the fifth rank, with (M= 3.96, Std= .807). Finally, item No. (12) stating "I feel that the management of joint stock companies shows all the information in the accounting reports" came in the last rank, with (M= 3.88, Std= .824)

Table 4. The availability of accounting reports to the investors and the easiness to access them.

No	Rank	Statements	M	Std	Degree
10	1	The process that the joint stock companies obtain for issuing accounting reports occurred quickly.	4.16	.650	high
9	2	I can get the accounting reports shortly after the end of the relevant fiscal year.	4.12	.773	high
7	3	Accounting reports for joint stock companies are available in the financial market.	4.08	.634	high
8	4	I can easily get accounting reports for joint stock companies	3.98	.685	high
11	5	I can easily reach accounting reports for joint stock companies	3.96	.807	high
12	6	I feel that the management of joint stock companies shows all the information in the accounting reports.	3.88	.824	high
		Total	4.03	.483	high

Research question, three: Are the investors aware of the information contained in the accounting reports?

Table 5 shows the extent of investors' awareness in understanding the information contained in the accounting reports. The participants showed high degree with total average perceptions (M= 4.00, Std =.582). As for the items, the mean scores ranged between (3.76-4.18). Item No. (15) states that "the

information in the accounting reports is sufficient for me" came in the first place, with (M= 4.18, Std=. 962). Item No. (13) which states that "the information contained in the accounting reports is understandable and clear" came in second place, with a mean score and standard deviation of (M=4.14, Std =.670). Furthermore, item No. (14) which states, "I do not need an explanation and clarification of the numbers contained in the accounting reports" scored in the



third place, (M=4.06, Std=.890), while item No. (17) came with the text "I feel that market management

always strives to provide accounting reports to all investors" ranked last, with (M= 3.76, Std= .847)

Table 5. The extent of investors' awareness of the information contained in the accounting reports

No	Rank	Statements	M	Std	Degree
1	15	The information in the accounting reports is sufficient for me	4.14	.670	High
2	13	The information contained in the accounting reports is understandable and clear	4.14	.670	High
3	14	I do not need an explanation and clarification of the numbers contained in the accounting reports	4.06	.890	High
4	16	I always want to get accounting reports for joint stock companies to benefit from them	4.00	.857	High
5	18	I do not need more additional detailed information than the financial reports	3.86	1.143	High
6	17	I feel that the market management always strives to provide accounting reports to all investors	3.76	.847	High
		Total	4.00	.582	High

CONCLUSION

The study reached the following conclusions:

1. Investors in the joint stock companies in Baghdad get a significant impact on the quality of accounting reports in making their decisions regarding buying and selling shares in JSC. So, the quality of accounting reports greatly affects their investment decisions.
2. Investors in joint stock companies in Baghdad reported that the quality of the accounting reports is clear, understandable and sufficient for making investment decisions.
3. Investors in joint stock companies in Baghdad relied on accounting reports when making their investment decisions.
4. Investors in joint stock companies in Baghdad demonstrated that accounting reports are widely available, appropriate and sufficient for them.

RECOMMENDATIONS

The study recommended the followings:

1. The need to continuously improve the quality of the accounting reports published for joint stock companies in Baghdad and make them accessible to all investors who need them.
2. The need to raise awareness among investors in joint stock companies on the importance of accounting reports when making investment decisions.
3. Encouraging investors in joint stock companies in Baghdad to increase their knowledge of the nature of accounting reports and their impact on investment decisions.

4. The necessity of providing accounting reports in joint stock companies to all investors in an easy and convenient way.
5. The need to overcome all obstacles and difficulties that prevent investors from obtaining the financial reports of joint stock companies in full.

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