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THE RELATIONSHIP BETWEEN FINANCIAL FLEXIBILITY AND COMMON STOCK RETURN: APPLIED RESEARCH IN THE IRAQ STOCK EXCHANGE

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Abstract:

The research aims at an applied study in the nature of the relationship and impact of financial flexibility and returns on ordinary shares of some companies in the banking and industrial sector. The research dealt with the theoretical concepts related to both financial flexibility and ordinary stock returns, and financial measures were used in the applied aspect of financial flexibility represented (leverage ratios, liquidity ratio) on the basis of the sector, as well as returns on ordinary stocks represented (return on assets, return on equity), As the research community is represented by the Iraq Stock Exchange, the research community included (4) joint stock companies in the banking sector, and (4) joint stock companies in the industrial sector, for a period of 6 years (2015-2020), and the research was based on the hypothesis that "there is an effect Statistically significant for the measured financial flexibility (leverage ratios, liquidity ratio) in stock returns (return on assets, return on equity. Using the (spss 20) program, the hypothesis was tested using the multiple regression analysis tool, the results of the statistical analysis showed that there is a significant effect Statistical significance of the measured financial flexibility (total liabilities to total assets, liquidity ratios) in the return on equity, while there is no statistically significant effect of measured financial flexibility (total liabilities to equity) in the world. Return on the right of ownership. The results of the statistical analysis showed that there is a statistically significant effect of the measured financial flexibility (total liabilities to total assets, liquidity ratios) on the return on equity, while there is no statistically significant effect of measured financial flexibility (total liabilities to equity) on the return on equity. Property. The research came to the most important recommendations: the need for the sector (banking and industrial) to pay attention to the application of indicators (total liabilities to total assets, total liabilities to equity, liquidity ratio, return on assets ROA, return on equity ROE) to know the profits achieved by the research sample companies

Keywords: Financial flexibility, leverage, liquidity ratio, return on assets (ROA), return on equity (ROE)

INTRODUCTION

Financial flexibility is one of the relatively recent concepts in financial management, and it has received great attention, especially in recent years, and financial managers consider it one of the important factors that affect the economic unit, and some studies indicate that financial flexibility is part of the business strategy of the economic unit, which affects the decisions of the unit. As it plays a major role through its basic components and the extent of the interaction of those components such as liquidity and cash flows, and the extent of the impact of this interaction depends on the returns of the shares of the economic unit, and the joint stock companies in the sectors (banking and industrial) have witnessed variation in their financial performance as a result of real and catastrophic problems after the financial crisis Since 2014, therefore, it requires knowledge of its financial position through the analysis of financial statements (statement of financial position, income statement), as well as measures of financial flexibility represented by (leverage ratios, liquidity ratio) The research consisted of four sections, the first topic dealt with the research methodology and some previous studies, while the second topic dealt with the theoretical side, including first the concept of financial flexibility, second: returns on ordinary shares, and the third topic included the practical side, while the fourth topic dealt with conclusions and recommendations.

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First: Research Methodology
1 -The problem of searching
Companies in the banking and industrial sector suffer from real and catastrophic problems after the financial crisis since 2014, through liquidity rates, declining investments and profitability ratios, as well as the decline in their stock prices.
The research problem is embodied in the following set of questions:
A- The extent of the impact of financial flexibility ratios on the returns of ordinary shares in the banking and industrial sectors.
B- The extent of the difference in the impact of financial flexibility (leverage ratios, liquidity ratio) in both (return on equity and return on assets) for the banking and industrial sectors.
C- The extent to which the financial flexibility ratios contribute to affecting the returns of shares in the banking and commercial sectors.
2 -The importance of research
Research indicates that financial flexibility is of great interest in economic units, as financial flexibility gives units the ability to exploit opportunities by expanding investment decisions, and the importance of research is reflected in focusing on the banking and industrial sectors and the role it plays in building the national economy.
3 -Research objectives
The research seeks to achieve a set of goals, including the following:
A - The research aims, in the theoretical aspect, to clarify the research variables and the basic concepts related to financial flexibility and returns on ordinary shares.
B - The research seeks to study the relationship between financial flexibility and returns on ordinary shares for some banking and industrial sector companies.
C - The research aims to study the effect of financial flexibility (leverage ratios, liquidity ratio) on the returns of ordinary shares.
D- The research seeks to reach scientific facts by analyzing financial data and information for some banking and industrial sector companies in the Iraqi Stock Exchange to reach a set of conclusions and recommendations that contribute in one way or another to the high returns of ordinary shares.
4 -Research Hypotheses
The research is based on the assumptions that:
1 -The first hypothesis (there is a statistically significant effect of the measured financial flexibility (financial leverage, liquidity) on the return on assets).
2 -The second hypothesis (there is a statistically significant effect of the measured financial flexibility (financial leverage, liquidity) on the return on equity).
5 -Research community and sample
The research community is represented by the Iraq Stock Exchange, the research community included (4) joint stock companies in the banking sector out of (44) companies, which include (Mansour Bank, Commercial Bank of Iraq, Bank of Baghdad, Trans-Iraq Bank), and (4) joint stock companies In the industrial sector out of (25), which includes (Baghdad for the manufacture of packaging materials, Baghdad for soft drinks, Al-Iraqiya for carpets and furniture, and Al-Kindi for the production of veterinary vaccines). For a period of 4 years (2016-2019), and the justifications for selecting the research sample on the basis of the trading activity of those companies.
Second: ordinary stock returns
1 -The concept of ordinary shares
Gitman referred to the return as the ratio of the total profit or loss on the investment of common stock holders during a certain period of time, and it is calculated by dividing the cash dividends of the asset during the period (Gitman, 2012:311). It was defined as the reward that the investor receives in compensation for the waiting period and the potential risks to the investor's capital (Al-Nuaimi and Al-Tamimi, 2009: 90).
2 -Common stock dividend ratings
There are three rates of return:
A- Realized Rate of Return, Rj
The ratio of the net income resulting from the investment to the total funds invested, that is, the achieved rate of return represents the actual rate of return resulting from the investment, usually in the form of a percentage, and the return is calculated monthly and quarterly, and the rate of return on investment achieved by economic units represents the rate of return The realization of the unit is calculated by dividing the unit's net income by its total invested funds, including owned and borrowed, meaning that the unit's annual rate of return is equal to its annual net income divided by its total assets (Al-Amri, 2015: 361) (Mohammed et al., 2015: 124-125)
A- Return on Total Assets (ROA) measures the profitability of the economic unit's short and long-term investments. If the ratio is low, it reflects the weak profitability resulting from the investments of the unit, but if the ratio is high, it indicates the efficiency of the investment and operational policies of the unit.
B - Return on Equity (ROE) measures the return achieved by shareholders on their money invested in the unit's capital. Issue premiums, reserves, and retained earnings.

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b- The expected rate of return, ERj, Expected Rate of Raturn
It is defined as the expected value of the returns likely to occur when investing in the project, and it is also known as the rate of return that investors expect to obtain in the future. The required return is a positive and acceptable investment.
c- RR Required Rated Raturn,
The rate of return required by investors when investing their money, in compensation for the current postponement of the consumption of these funds, and the risk associated with that investment.
3 -Ordinary equity risk
When the investor invests, he bears a risk against his expectations to obtain the desired return, so the risk is an important element when investing, and the investor aims to achieve the greatest return in return for bearing a degree of risk (Bilami and Ammar, 2019: 56), and the risk represents the uncertainty of the return. Expected (Kedawi,2009:200)
Ordinary equity risks are classified into: Gitman & Zutter, 2012: 330
A- Systemic risk: It occurs as a result of returns volatility that is due to factors that affect all assets, including factors (purchasing power risks, interest rate risks, tax risks, exchange rate risks, international risks).
B - Irregular risks: are generated by the factors specific to a particular unit, so it is unique to it without other units. This risk is called by various names: (Al-Amri, 2015: 367-368).
•Diversifiable risk
The risk that can be avoided
•Non-market risk

practical side

First: Discussion and analysis of the financial leverage ratios for the research sample for the period(2015-2020)
1 -Discussing and analyzing the ratio of total liabilities to total assets for the research sample for the period (2020-2015)

Table (1) shows the ratio of total liabilities to total assets for the (banking and industrial) sectors for the period (2015-2020), as we find that the general average of the banking sector amounted to (0.513), while the general average of the industrial sector was (0.122), which means an increase in the percentage of total liabilities To the total assets of the banking sector, and that the high percentage is an indication that most of the banking sector assets were financed by borrower financing relative to the owned financing, while Al-Mansour Bank achieved the highest percentage, amounting to (0.774), and the lowest percentage belonged to Baghdad Company for Packaging Materials Industry, amounting to.(0.048)

Table (1) shows the ratio of total liabilities to total assets as % for the research sample

overall average	average	2020	2019	2018	2017	2016	2015	companies / years
0.513	0.774	0.777	0.809	0.808	0.780	0.737	0.732	Al-Mansour Bank
	0.383	0.501	0.395	0.361	0.366	0.335	0.339	Commercial Bank of Iraq
	0.654	0.804	0.758	0.760	0.756	0.764	0.083	Baghdad Bank
	0.239	0.217	0.230	0.165	0.211	0.335	0.277	Bank across Iraq
0.122	0.048	0.016	0.069	0.066	0.094	0.035	0.005	Baghdad for packaging materials industry
	0.071	0.108	0.076	0.049	0.048	0.099	0.045	Baghdad for soft drinks
	0.315	0.333	0.300	0.220	0.432	0.315	0.287	Iraqi carpets and furnishings
	0.052	0.048	0.048	0.096	0.071	0.026	0.022	Al-Kindi for the production

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								of veterinary vaccines
		0.351	0.336	0.317	0.345	0.331	0.224	average

1 -Discussing and analyzing the ratio of total liabilities to equity for the research sample for the period(2020-2015)

Table (2) shows the ratio of total liabilities to property rights for the (banking and industrial) sectors for the period (2015-2020), as we find that the general average of the banking sector amounted to (1.907), while the general average of the industrial sector amounted to (0.218), which means an increase in the percentage of total liabilities To the right of ownership of the banking sector, and that the high percentage is an indication that the banking sector depends on debt in the formation of the capital structure and its inability to borrow long-term, while Al-Mansour Bank achieved the highest percentage, amounting to (3.506), and the lowest percentage belonged to the Baghdad Company for Packaging Materials Industry and amounting to(0.048).

Table (2) shows the ratio of total liabilities to equity % for the research sample

overall average	Average	2020	2019	2018	2017	2016	2015	السنوات / الشركات
1.907	3.506	3.493	4.226	4.215	3.538	2.840	2.726	Al-Mansour Bank
	0.551	1.005	0.566	0.654	0.578	0.503	0.051	Commercial Bank of Iraq
	3.249	4.098	3.096	1.190	3.096	3.244	4.771	Baghdad Bank
	0.321	0.277	0.299	0.198	0.267	0.504	0.382	Bank across Iraq
0.218	0.048	0.016	0.072	0.063	0.093	0.037	0.005	Baghdad for packaging materials industry
	0.073	0.121	0.082	0.052	0.005	0.110	0.047	Baghdad for soft drinks
	0.697	0.499	1.853	0.463	0.496	0.460	0.411	Iraqi carpets and furnishings
	0.055	0.051	0.051	0.106	0.077	0.022	0.022	Al-Kindi for the production of veterinary vaccines
		1.195	1.281	0.984	1.019	0.965	1.052	average

Discussion and analysis of the liquidity ratio of the research sample for the period(2020-2015)

Table (3) shows the liquidity ratio of the (banking and industrial) sectors for the period (2015-2020), as we find that the general average of the banking sector amounted to (2.43) while the general average of the industrial sector reached (14.49), which means a decrease in the liquidity ratio of the banking sector, and that the decrease The ratio is an indication of the weakness of the banking sector to pay its short-term obligations through its assets, while the Baghdad Company for the manufacture of packaging materials achieved the highest percentage, amounting to (30.73), and the lowest percentage belonged to the Bank of Baghdad, amounting to(1.17.)

Table (3) shows the percentage of liquidity for the research sample

overall average	Average	2020	2019	2018	2017	2016	2015	السنوات / الشركات
2.43	1.25	1.24	1.12	1.20	1.26	1.32	1.35	Al-Mansour Bank

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	2.99	1.96	2.47	2.72	4.90	2.95	2.94	Commercial Bank of Iraq
	1.17	1.18	1.10	1.23	1.18	1.14	1.16	Baghdad Bank
	4.31	4.62	4.28	5.89	4.61	2.91	3.53	Bank across Iraq
14.49	30.73	15.00	15.00	73.45	5.90	7.53	67.48	Baghdad for packaging materials industry
	6.12	4.66	4.40	6.93	6.13	3.06	11.53	Baghdad for soft drinks
	3.09	2.95	3.08	3.09	2.94	3.07	3.38	Iraqi carpets and furnishings
	18.02	15.20	14.90	2.62	8.79	34.25	32.36	Al-Kindi for the production of veterinary vaccines
		5.85	5.79	12.14	4.46	7.03	15.47	average

Second: Discussion and analysis of the returns of ordinary shares for the research sample for the period (2020-2015)
1. Discussing and analyzing the return on the total assets of the research sample for the period (2020-2015)

Table (4) shows the return on the total assets of the (banking and industrial) sectors for the period (2015-2020), as we find that the general average of the banking sector amounted to (0.016), while the general average of the industrial sector was (0.146), which means a decrease in the rate of return on total assets for the banking sector, and the low percentage is an indication of the weakness of the banking sector to achieve returns from its total investments from assets, while Baghdad Company for Packaging Materials Industry achieved the highest percentage, amounting to (0.326), and the lowest percentage belonged to the Bank of Baghdad, amounting to (0.009)

Table (4) shows the return on total assets % for the research sample

overall average	average	2020	2019	2018	2017	2016	2015	السنوات / الشركات
0.016	0.011	0.005	0.006	0.014	0.011	0.013	0.018	Al-Mansour Bank
	0.024	0.057	0.015	0.024	0.012	0.018	0.017	Commercial Bank of Iraq
	0.009	0.014	0.006	0.004	0.006	0.017	0.009	Baghdad Bank
	0.021	0.009	0.004	0.020	0.029	0.036	0.029	Bank across Iraq
0.146	0.326	0.006	0.021	1.920	0.004	0.004	0.000	Baghdad for packaging materials industry
	0.130	0.128	0.137	0.140	0.130	0.127	0.118	Baghdad for soft drinks
	0.097	0.062	0.203	0.112	0.073	0.059	0.070	Iraqi carpets and furnishings
	0.029	0.003	0.113	0.010	0.031	0.007	0.008	Al-Kindi for the production of

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								veterinary vaccines
		0.036	0.063	0.281	0.037	0.035	0.034	average

1 -Discussion and analysis of the return on equity of the research sample for the period (2015-2020)

Table (5) shows the return on equity for the (banking and industrial) sectors for the period (2015-2020), as we find that the general average of the banking sector amounted to (0.041), while the general average of the industrial sector was (0.177), which means a decrease in the rate of return on equity For the banking sector, and that the low percentage is an indication of the weakness of the banking sector to invest the owners' money, while the Baghdad Company for the manufacture of packaging materials achieved the highest percentage, amounting to (0.382), and the lowest percentage belonged to a bank across Iraq, amounting to (0.029)

Table (5) shows the return on equity for the research sample

overall average	average	2020	2019	2018	2017	2016	2015	السنوات الشركات
0.041	0.049	0.024	0.030	0.071	0.051	0.050	0.068	Al-Mansour Bank
	0.044	0.115	0.024	0.038	0.034	0.027	0.026	Commercial Bank of Iraq
	0.043	0.073	0.027	0.016	0.022	0.072	0.049	Baghdad Bank
	0.029	0.012	0.005	0.024	0.037	0.054	0.041	Bank across Iraq
0.177	0.382	0.007	0.221	2.056	0.004	0.004	0.000	Baghdad for packaging materials industry
	0.140	0.143	0.149	0.147	0.137	0.141	0.123	Baghdad for soft drinks
	0.157	0.187	0.298	0.164	0.109	0.086	0.098	Iraqi carpets and furnishings
	0.030	0.003	0.119	0.011	0.033	0.007	0.008	Al-Kindi for the production of veterinary vaccines
		0.071	0.109	0.316	0.053	0.055	0.052	Average

Third: To test the effect of the measured financial flexibility (financial leverage, liquidity) on the returns of ordinary shares:

1- Test the first hypothesis

Table (6) shows the results of the first hypothesis test, as we find that the results of the statistical analysis showed that the correlation coefficient reached (0.906), and this indicates a strong relationship between financial flexibility and the return on assets for the research sample companies, while the coefficient of determination indicates that the return on assets It explains (82%) of the financial flexibility of the banking and industrial sectors. As for the regression coefficient, we find that the highest change in financial flexibility is due to total liabilities to total assets, which amounted to (3.801), which indicates that a change in financial flexibility by one unit leads to a change in the return on Findings with a percentage of (3.801), and when testing the significance of the parameter, we find that the calculated t amounted to (8.406) and the calculated f that tests the morality of the model reached (30.428) with a probability of (0.000) and this is less than the level of significance of 0.05, while the probability of the liquidity ratio reached (0.000) , which indicates that the financial flexibility of the banking and industrial sectors in relation to (total liabilities to total assets, liquidity) has a statistically significant effect on the return on assets, while the financial flexibility of the banking and industrial sectors with respect to total liabilities To the right of ownership does not affect significantly the probability (0.666), and this is greater than the level of significance 0.05, which indicates acceptance of the hypothesis that (there is a statistically significant effect of the measured financial flexibility (total liabilities to total assets, liquidity ratios) on the return on assets and

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rejecting the hypothesis that there is A statistically significant effect of the measured financial flexibility (total liabilities to equity) on the return on assets.

1- Testing the second hypothesis

Table (7) shows the results of the second hypothesis test, as we find that the results of the statistical analysis showed that the correlation coefficient reached (0.905), and this indicates a strong relationship between financial flexibility and the return on equity for the research sample companies, while the coefficient of determination indicates that the return on The right of ownership explains (81.9%) of the financial flexibility of the banking and industrial sectors, and with regard to the regression coefficient, we find that the highest change in financial flexibility is due to total liabilities to total assets, it reached (4.160), which indicates that the change in financial flexibility by one unit leads to

The change in the return on equity is (4.160), and when testing the significance of the parameter, we find that the calculated t amounted to (8.749) and the calculated f, which tests the significance of the model, amounted to (30.168) with a probability of (0.000) and this is less than the level of significance of 0.05, while the probability of Liquidity ratio (0.000), which indicates that the financial flexibility of the banking and industrial sectors in relation to (total liabilities to total assets, liquidity) has a statistically significant effect on the return on equity, while the financial flexibility of the banking and industrial sectors in relation to total liabilities to equity does not. Significantly affect the probability of (0.151), and this is greater than the level of significance of 0.05, which indicates acceptance of the hypothesis that (there is a statistically significant effect of the measured financial flexibility (total liabilities to total assets, liquidity ratios) on the return on equity, and rejecting the hypothesis that there is a significant effect Statistical significance of the measured financial flexibility (total liabilities to equity) in the return on equity.

Fourth: To test the difference in the impact of financial flexibility of the banking and industrial sectors on the return on

Table (8) shows the extent of the difference in the financial flexibility of the banking and industrial sectors to influence the return on assets, as the test results showed that the financial flexibility of the Iraqi Carpet and Furniture Company for the total liabilities to the right of ownership affects significantly in a strong way, as we find that the correlation coefficient has reached (0.970) This indicates a strong relationship between the financial flexibility and the return on assets for the Iraqi Company for Carpets and Furniture in comparison with the companies (Al-Mansour Bank, Commercial Bank of Iraq, Bank of Baghdad, Bank across Iraq, Baghdad for the manufacture of packaging materials, Baghdad for soft drinks, Al-Kindi for the production of veterinary vaccines). The coefficient of determination indicates that the return on assets explains (94.1%) of the financial flexibility of the Iraqi Company for Carpets and Furniture, and with regard to the regression coefficient, we find that the highest change in financial flexibility is due to the total liabilities to the right of ownership, which amounted to (0.091), which indicates that the change in financial flexibility by One unit leads to a change in the return on assets by (0.091), and when testing the significance of the parameter, we find that the calculated t amounted to (17.185) and the calculated f which tests the significance of the number. The model has reached (107.170) with a probability of (0.000), which is less than the significance level of 0.05. While the test results showed that the financial flexibility of Al-Kindi Company for the production of veterinary vaccines affects the liquidity ratio significantly in a weak way, as we find that the correlation coefficient has reached (0.571), and this indicates a weak relationship between the financial flexibility and the return on assets for the Al-Kindi Company for the production of veterinary vaccines, while the coefficient of determination indicates The return on assets explains (32.6%) of the financial flexibility of the Al-Kindi Company for the production of veterinary vaccines. As for the regression coefficient, we find that the highest change in the financial flexibility is due to the total liabilities to the total assets, which amounted to (3.582), which indicates that the change in the financial flexibility by a unit One leads to a change in the return on assets by (3.582), and when testing the parameter's significance, we find that the calculated t amounted to (0.551), and the calculated f, which tests the significance of the model, reached (3.228) with a probability of (0.588), and this is greater than the level of significance of 0.05.

Table (8)testst the difference in the impact of the financial flexibility of the banking and industrial sectors on the return on assets

	p-value	f	t	b1	R^2	R		

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Significant	0.000	37.469	-6.125	-0.778	0.849	0.921	Total Liabilities to Total Assets	Al-Mansour Bank
Significant	0.000		7.076	0.051			Total liabilities on equity	
Significant	0.000		7.669	0.117			Liquidity Ratio	
Significant	0.000	30.348	4.161	0.198	0.820	0.905	Total Liabilities to Total Assets	Commercial Bank of Iraq
Insignificant	0.408		0.845	0.007			Total liabilities on equity	
Significant	0.000		-2.020	-0.004			Liquidity Ratio	
Significant	0.003	5.596	3.394	0.014	0.456	0.676	Total Liabilities to Total Assets	Baghdad Bank
Significant	0.001		3.754	0.004			Total liabilities on equity	
Insignificant	0.506		0.677	0.014			Liquidity Ratio	
Insignificant	0.561	4.289	-0.591	-1.377	0.391	0.626	Total Liabilities to Total Assets	Bank across Iraq
Insignificant	0.457		0.758	0.729			Total liabilities on equity	
Insignificant	0.800		-0.257	-0.009			Liquidity Ratio	
Significant	0.033	13.620	2.293	126.514	0.671	0.819	Total Liabilities to Total Assets	Baghdad for packaging materials industry
Significant	0.047		-2.118	-118.596			Total liabilities on equity	
Significant	0.007		3.005	0.013			Liquidity Ratio	
Significant	0.000		-5.573	-0.614			Total Liabilities to Total Assets	Baghdad for soft drinks

Significant	0.001	21.037	3.684	0.214	0.759	0.871	Total liabilities on equity	
Significant	0.000		-7.943	-0.004			Liquidity Ratio	
Significant	0.003	107.170	-3.395	-0.192	0.941	0.970	Total Liabilities to Total Assets	Iraqi carpets and furnishings
Significant	0.000		17.185	0.091			Total liabilities on equity	
Insignificant	0.735		-0.343	-0.008			Liquidity Ratio	
Insignificant	0.588	3.228	0.551	3.582	0.326	0.571	Total Liabilities to Total Assets	Al-Kindi for the production of veterinary vaccines
Insignificant	0.334		-0.989	-6.011			Total liabilities on equity	
Significant	0.008		-2.972	-0.008			Liquidity Ratio	

Fifth: Testing the difference in the impact of financial flexibility of the banking and industrial sectors on the return on equity

Table (9) shows the extent of the difference in the financial flexibility of the banking and industrial sectors to affect the return on the right of ownership, as the results of the test showed that the financial flexibility of Al-Mansour Bank to the liquidity ratio affects significantly in a strong way, as we find that the correlation coefficient has reached (0.935) and this indicates the presence of A strong relationship between the financial flexibility and the return on equity for Al-Mansour Bank compared to the companies (Commercial Bank of Iraq, Bank of Baghdad, Bank across Iraq, Baghdad for the manufacture of packaging materials, Baghdad for soft drinks, the Iraqi company for carpets and furniture, Al-Kindi for the production of veterinary vaccines), while the coefficient of determination indicates The return on equity explains (87.4%) of the financial flexibility of Al-Mansour Bank, and with regard to the regression coefficient, we find that the highest change in financial flexibility is due to the liquidity ratio, it reached (0.574), which indicates that the change in financial flexibility by one unit leads to a change in the return On the right of ownership with a ratio of (0.574), and when testing the parameter's significance, we find that the calculated t amounted to (10.608) and the calculated f, which tests the significance of the model, reached (46.450) with a probability of (0.000) and this is less than the level of significance of 0.05 . While the test results showed that the financial flexibility of Al-Kindi Company for the production of veterinary vaccines for the total liabilities to the right of ownership does not affect significantly in a weak way, as we find that the correlation coefficient has reached (0.571), and this indicates a weak relationship between the financial flexibility and the return on the right of ownership of the Al-Kindi Company for the production of veterinary vaccines , As for the coefficient of determination, it indicates that the return on equity explains (32.6%) of the financial flexibility of the Al-Kindi Company for the production of veterinary vaccines. As for the regression coefficient, we find that the highest change in financial flexibility is due to the total liabilities to the total assets, which amounted to (3.792), which indicates that The change in financial flexibility by one unit leads to a change in the return on equity by a percentage of (3.792), and when testing the significance of the parameter, we find that the calculated t amounted to (0.553) and the calculated f, which tests the significance of the model, reached (3.222) with a probability of (0.586), and this greater to a significant level of 0.05

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Table (9) test the difference in the impact of financial flexibility of the banking and industrial sectors on the return on equity

	p-value	f	t	b1	R^2	R	Variables	
Significant	0.000	46.450	-6.566	-2.966	0.874	0.935	Total Liabilities to Total Assets	Al-Mansour Bank
Significant	0.000		8.544	0.217			Total liabilities on equity	
Significant	0.000		10.608	0.574			Liquidity Ratio	
Significant	0.000	35.923	5.541	0.519	0.843	0.918	Total Liabilities to Total Assets	Commercial Bank of Iraq
Insignificant	0.511		0.670	0.011			Total liabilities on equity	
Insignificant	0.945		0.069	0.000			Liquidity Ratio	
Significant	0.003	7.824	3.332	0.059	0.540	0.735	Total Liabilities to Total Assets	Baghdad Bank
Significant	0.000		4.769	0.022			Total liabilities on equity	
Insignificant	0.196		1.337	0.124			Liquidity Ratio	
Insignificant	0.640	7.252	-0.474	-1.458	0.521	0.722	Total Liabilities to Total Assets	Bank across Iraq
Insignificant	0.509		0.673	0.853			Total liabilities on equity	
Insignificant	0.904		-0.122	-0.006			Liquidity Ratio	
Insignificant	0.127	12.564	1.595	94.836	0.653	0.808	Total Liabilities to Total Assets	Baghdad for packaging materials industry
Insignificant	0.175		-1.405	-84.794			Total liabilities on equity	
Significant	0.003		3.347	0.015			Liquidity Ratio	
Significant	0.000		-4.497	-0.516			Total Liabilities	Baghdad for soft drinks

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							to Total Assets	
Significant	0.001	32.523	3.720	0.225	0.830	0.911	Total liabilities on equity	
Significant	0.000		-8.465	-0.004			Liquidity Ratio	
Significant	0.005		-3.157	-0.353			Total Liabilities to Total Assets	Iraqi carpets and furnishings
Significant	0.000	44.312	10.691	0.111	0.869	0.932	Total liabilities on equity	
Significant	0.006		-3.065	-0.142			Liquidity Ratio	
Insignificant	0.586		0.553	3.792			Total Liabilities to Total Assets	Al-Kindi for the production of veterinary vaccines
Insignificant	0.334	3.222	-0.989	-6.340	0.326	0.571	Total liabilities on equity	
Significant	0.008		-2.971	-0.008			Liquidity Ratio	

CONCLUSIONS AND RECOMMENDATIONS

First: the conclusions

1 -The results of the statistical analysis showed that there is a statistically significant effect of the measured financial flexibility (total liabilities to total assets, liquidity ratios) on the return on equity, while there is no statistically significant effect of the measured financial flexibility (total liabilities to equity) on the return. on the right of ownership.

2 -The results of the statistical analysis showed that there is a statistically significant effect of the measured financial flexibility (total liabilities to total assets, liquidity ratios) on the return on equity, while there is no statistically significant effect of measured financial flexibility (total liabilities to equity) on the return. on the right of ownership.

3 -It appeared in the results of the test of Table (8) and (9) that the financial flexibility of the banking and industrial sectors contributes to the increase or decrease in the returns of ordinary shares, and this indicates the strong relationship between financial flexibility and returns on ordinary shares, except for my company (Trans-Iraq Bank, Al-Kindi for Vaccine Production).

4 -There is a significant difference in the impact of financial flexibility measures (total liabilities to total assets, total liabilities to equity, liquidity ratio) for the banking and industrial sectors in the return on assets. And Al-Kindi Company for the production of veterinary vaccines due to the percentage of liquidity has a weak effect compared to other joint-stock companies.

5 -There is a significant difference in the impact of financial flexibility measures (total liabilities to total assets, total liabilities to equity, liquidity ratio) for the banking and industrial sectors in the return on equity. The veterinary level of the total liabilities to the equity does not affect it in a weak way compared to other joint stock companies.

Second: Recommendations

1 -The sector (banking and industrial) should adopt, support and enhance financial flexibility measures (financial leverage, liquidity ratio), as they have a role in facing the financial crisis by increasing assets compared to indebtedness and providing liquidity.

2 -The necessity of the interest of the sector (banking and industrial) to apply indicators (total liabilities to total assets, total liabilities to property right, liquidity ratio, return on assets ROA, return on equity ROE) to know the profits achieved by the research sample companies.

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3 -The joint stock companies (banking and industrial) should keep a part of their most liquid current assets in order to be able to face unexpected future financial crises, and also not to lose confidence by other parties.

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