



THE IMPACT OF THE COMPANY'S LIFE CYCLE ON THE ACCOUNTING CONSERVATISM AND ITS REFLECTION ON THE ECONOMIC DECISIONS OF INVESTORS / A STUDY IN A SAMPLE OF IRAQI BANKS LISTED IN THE IRAQI STOCK EXCHANGE

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Article history:	Abstract:
<p>Received: 6th September 2022 Accepted: 6th October 2022 Published: 7th November 2022</p>	<p>The current research aimed to analyze the intellectual and applied impact in each of the life stages of the company in both the accounting conservatism and the economic decisions of investors, by applying to 130 views (company / year) in the Iraqi banks listed in the Iraq Stock Exchange for the period from 2011-2020.</p> <p>The variables of this study were measured quantitatively, as the company's life cycle was measured through the cash flow index from operating, investing and financing activities, and the profit torsion scale was used to measure the conditional accounting conservatism, and to measure the unconditional accounting conservatism, the accruals model was used, and the economic decisions of investors were measured Through the volume of shares trading,. Among the most important findings of the research: that the stages (growth, maturity, volatility) have a direct and significant individual effect on the accounting conservatism, while the starting phase had no significant effect on the accounting conservatism, and the regression phase had the opposite effect on the accounting conservatism, and the growth phase is The only stage that has a moral effect on investors' decisions, the accounting conservatism mediates completely the impact of the company's life cycle on investors' decisions. Based on the previous results, the research recommends: Bank managements review the objectives set and develop new strategies that comply with the current economic conditions to prevent them from falling into the stage of decay. The company's management should also work on the optimal utilization of the company's resources, as well as studying the environment surrounding the company to stay as long as possible in the growth stage, as this has the greatest impact on investors'</p>

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INTRODUCTION

Usually, since its inception, the company passes through several different stages, represented in the stage of the company's launch, growth, maturity, and finally its disappearance and disappearance. new to ensure its survival and continuity and to avoid the transition to the stage of deterioration and decline. Each stage of the company's life cycle is accompanied by characteristics that distinguish it from the rest of the stages, as for each stage there are special financial needs imposed by the financial situation and the restrictions of the financial and commercial environment.

Accounting reservation also raises a lot of controversy, in terms of being an advantage for the economic unit in terms of the reliability of the accounting number or in terms of manipulating accounting numbers, and it has gained an interesting space by professional organizations in preparing accounting standards, and the issue of accounting reservation is still the focus of many contemporary research from In terms of measurement, the level of accounting conservatism may vary in light of the variation in the size of the economic unit, its age, cash flows and other factors determining the stages of its life cycle. This resulted in huge losses borne by the stakeholders in these economic units as a result of the opportunistic



practices carried out by the management of these economic units, including profit management practices, and off-budget financing. Also, the investment decision is one of the most difficult and most important decisions taken by investors, the decision-making process depends on many The ingredients and principles, so the information is very important, and when applying the accounting conservatism, this will reduce the inconsistency Such information helps investors in evaluating the future trends of the company in predicting the profitability of the investment, the risk and the trade-off between alternatives.

The study Problem

The right economic decisions of investors depend on the appropriate information for decision-making purposes, and there is no doubt that bad decisions result in a loss of the investors' wealth, so it is necessary to study and analyze the life cycle of the invested companies (currently or in the future), as companies go through several distinct stages and for each stage Different stages of the life cycle have different financial characteristics and different management requires different skills, priorities and strategies, and this is what necessitates the management of companies to exercise different levels of accounting conservatism to suit the type of age stage their companies are going through. The research problem can be highlighted in the following question:

- Does accounting conservatism mediate the impact of the company's life cycle on investors' decisions?

The importance of studying

It has been noticed that researchers have increased interest in the theory of the company life cycle in recent times, because companies during their life cycle will differ in their financial characteristics, which in turn will affect the importance of the value of accounting information for external parties. In determining the economic decisions of investors to invest or not, and thus we summarize the importance of the study as follows:

1. The importance of studying the life cycle of the company in its various stages (start-up, growth, maturity, fluctuation, decline) so that future plans can be developed that will enable it to move from one stage to another.
2. The importance of studying the accounting conservatism because it is one of the main factors in evaluating the performance of companies.
3. The importance of studying the company's life cycle and accounting conservatism because of its

great importance to investors for the purposes of making their decisions to invest or not.

OBJECTIVES OF THE STUDY

The research seeks to achieve a set of goals, most notably the following: -

- A. statement of the concept of the company's life cycle and the characteristics of each of its life stages.
- B. Study the motives and justifications for accounting reservation and its types.
- C. Analyzing the intellectual and practical impact between each stage of the company's life cycle and the accounting conservatism.
- D. Studying the intellectual and applied impact of accounting conservatism in the economic decisions of investors.
- E. Statement of the intellectual and practical impact of the life stage the company is going through on the economic decisions of the investors.

RESEARCH ASSUMES

For the purpose of achieving the objectives of the research and answering the questions raised in the research problem, the following hypothesis was formulated:

- Accounting conservatism mediates the impact of the company's life cycle on investors' decisions.

The concept of the company life cycle

The concept of the company life cycle is an extension of the concept of the company life cycle, as it is similar to the individual product during its transition through a series of distinct stages in its life cycle. (Dickinson) pointed to the concept of the company life cycle as a series of distinct and identifiable stages, through which the company moves from its inception to its end, which results from changes in internal factors such as (strategic choices, financial resources, and managerial ability) and external factors such as (the competitive environment). and macroeconomic factors) (Dickinson, 2011: 1969). It is also considered a unique body of variables related to the organizational and strategic structure of the company (Madhani, 2012:33) that the company life cycle is an important determinant of many corporate decisions due to the difference in organizational behavior in the different stages of the life cycle, it is also expected that the behavior of financial reporting will vary at different stages Organizational Life Cycle (Abdullah & Saleh, 2014:18).



As (Habib, 2019:4-5& Hasan) pointed out that the company life cycle has a valuable impact on management and business strategy, so the life cycle stages are the main determinant of organizational competitiveness, as they are closely related to the company's "real" decisions and results, such as the acquisition of Corporate cash, net investment in facilities, property and equipment, debt and equity, acquisitions, diversification decisions, corporate financial disclosures, and tax avoidance.

The researcher believes that the life cycle of the company is a series of transitional stages that the company may not pass all of it, for example, the company may move from the stage of growth to decline without going through the stage of maturity, due to internal or external factors that prevented the company from continuing, so the company must have The ability to seize opportunities, face challenges and threats, strive for the development and continuity of the company, and avoid the transition to the stage of decline.

Stages of the company life cycle

The life cycle of the company is divided into many stages, starting from the stage of establishing the company and then its growth and maturity until it ends. The company from 3 to 11 stages, the researcher found that there was a kind of overlap between them, but most of these models have gained acceptance and agreement among most of the contemporary accounting literature, which is adopted by the current study is the (Dickinson) model, which is based on dividing the company's life cycle into five main stages (It begins with the stage of establishment or launch, passing through the stages of growth and maturity, up to the stage of fluctuation and decline) and each stage is distinguished from the other by a set of accounting and financial characteristics. The following is a statement for each stage of the company's life cycle:

1- Starting stage: It is the stage that represents the company's entry into the market for the first time. At this stage, the company tries to innovate and take advantage of new marketing methods and a more efficient organization. Usually, the ownership structure of the owner is dominant at this stage, and the organizational structure is simple and informal. This stage is called by several names, such as the first stage, the stage of innovation, the stage of entrepreneurship or existence (finlay, 2015: 107-108), and this stage is characterized by low asset size (company size), liquidity from active operations and low profitability and companies need to A high rate of liquidity to support it financially and look for

opportunities to seize it in order to grow. The distributable profit ratio in such firms is usually zero or ten percent maximum (Moradi et al, 2013:3) The managerial focus is on developing effective strategies to gain competitive advantage and market share (Hasan et al, 2015:6).

2- Growth stage: This stage is characterized by gradual growth in the market with the presence of competitors, and the company in this stage will be medium-sized and older, and the ownership structure will move from the owner-manager to a number of owners, and here some authority will be delegated to managers, and the organizational structure will be more complex And formal from the starting stage, and this stage is also known by several names, including the second stage, rapid growth and the stage of survival (finlay, 2015: 108-109), and similar to the stage of the previous life cycle, it is still expected that the cash flows of investment activities will be negative, requiring companies in This stage is usually more external financing to maintain a high investment capacity (Drobetz et al, 2015:6) Companies at this stage witness increased monitoring of analysts, which reduces information asymmetry and the high level of accounting disclosure due to the importance of obtaining financing and continuing to attract new investors At this point, companies may submit more quality annual reports (Bakarich & Hossain, 2017:13).

3- Maturity stage: The company in this stage is large in size compared to the rest of the stages and has multiple levels of ownership and is becoming more formal in the organizational structure. Managers at this stage focus on strategy and planning, while the day-to-day operational decisions are usually delegated to middle management. Information processing and decision-making are similar in nature to the growth stage, in the maturity stage the level of innovation slows down and is more conservative in nature unlike the growth stage. (finlay, 2015: 109) and also the cash flow from operating activities is positive other than the cash flow from financing and investment activities, and the increase in sales growth (Michalkova, 2020:4) and the achievement of high profits compared to the growth and decline stages (Krishnan et al, 2021:7) and usually The ratio of distributable profits between 50% to 100% due to the increase in liquidity and the decrease in dependence on financing from abroad (Moradi et al, 2013:3, as well as the low level of innovations and the high level of efficiency of operations (Bakarich et al, 2017: 14)

4- Volatility stage: companies in this stage have low or negative growth rates, which leads to a decrease in prices, which affects the cash flows of operational



activities a negative impact. At this stage, the company resorts to liquidating most assets to pay its current obligations and support operations, which leads to the ambiguity with regard to the cash flows from investment activities, they are either positive or negative, and this does not prevent that it is possible for the company to remain able to distribute profits to shareholders, but it relies on external financing to cover its deficit. Positive or negative (Drobetz et al, 2015:7).

5- Decline stage: This stage is considered the last stage of the company's life cycle. The company is very similar in age, size and ownership to those in the maturity stage. The organizational structure at this stage is formal. The company suffers from a decline in all the financial characteristics of the company (sales and profits). and cash flows); Cash flow from operating activities is negative and stock prices are gradually declining (Michalkova, 2020:4). Investment cash flows are expected to be positive. Companies at this stage lack appropriate investment opportunities, but are likely to liquidate assets to support operations and pay off their current obligations, resulting in positive cash flows to investing activities (Drobetz et al, 2015:7).

The concept of accounting conservatism

The emergence of accounting conservatism was due to the uncertainties spread in accounting practices, and the concept of conservatism continued to be one of the influential concepts in the field of accounting. Although there were attempts by scholars and setters of accounting standards to provide a generally accepted definition of accounting conservatism, it was difficult to define a concept that could Its adoption He defined accounting conservatism as "does not expect any profits but expects all losses." This definition is constructive but very simple (Zhong, 2016:2).

And (A. Nasr&G Ntim, 2017:6) pointed out in his study that accounting conservatism is "the tendency towards using policies and methods to reduce the value of net assets in relation to their net economic value. The researcher believes that there is agreement in the content of accounting conservatism that it is very necessary to confront the surrounding uncertainty. The company, despite the differences by the pioneers in defining its concept, and it can be defined by the researcher as "the possibility of recognizing gains in the event of extreme certainty instead of recognizing losses).

Types of accounting reservation

There are many types of accounting reservation, but most studies focused on two types, namely,

conditional reservation and unconditional reservation, and both of them will be clarified:

1. The Conditional Reservation

Conditional discretion in some studies is called news-dependent, ex post, or income-conservative. Gains from the "good news" are recognized immediately in the book value of the assets but are recognized pending realization (XUEQING, 2019: 13).

While (Banker et al, 2014: 5) sees that the conditional reservation is the highest degree of certainty that is used to recognize the good news as profits, compared to the bad news as losses with the least degree of certainty, that is, there is a difference in recognizing profits in the case of good news and unpleasant news.

Accounting conservatism benefits its use in producing more transparent information and loyalty to investors, without exaggerating optimism. The asymmetric requirement for recognizing gains and losses from practice benefits users of accounting data, and is necessary to mitigate a manager's opportunistic habits (Wronski, &Klann,2020:347).

2. Unconditional Reservation:

Unconditional conservatism, also referred to as balance sheet conservatism, embodies the idea that an asset is listed on the balance sheet at a value below its market value. The meaning of the word (unconditional) is that this reservation is not related to negative or positive news (Mora, Walker, 2015: 623). It was also defined as the reservation that occurs from the application of generally accepted accounting principles (GAAP) that results in the reduction of profits independently of current economic news, that is, without taking into account information or events (Al-Mashhadani, Hamid, 2014: 364).

It is clear from the above that both types are accounting reservation and lead to the same results in terms of a decrease in profit and the book value of the right of ownership. While the last reservation leads to an accounting bias that is not specialized in the new information, the second difference is that the reservation precedes the conditional reservation in its identification, because the unconditional reservation will be determined in the timing of the existence of assets and liabilities, while the conditional changes the costs of assets and private liabilities since the start of the activity of a company (the soldier , 2020: 65).

As for the third difference referred to by (W. Ruch, Taylor, 2015: 20), the conditions that lead to the emergence of the conditional reservation from those of the unconditional reservation. For example, (examines the existence of an unconditional and conditional



reservation in each of the four interpretations of a reservation)—contracting, litigation, taxation, and regulation—we find that a conditional reservation arises in circumstances where the costs of contracting and litigation are high, while an unconditional reservation arises in circumstances where the costs of contracting and litigation are high. Where the costs of litigation, regulation and taxes are high.

Economic decisions for investors

Investment decisions are considered long-term decisions, so when choosing projects that need these decisions, managers balance as much as possible between short-term considerations such as accounting profit as well as long-term considerations, and managers are also required to take into account when making their decisions the company's goals, strategies and all cash flows (Bhimani, et al, 2015:387), and to consider investment decisions as one of the main and important decisions, managers have incentives to make investment decisions based on reliable and sufficient information (Bae, et al, 2017:19).

Investment decisions are also considered a set of financial resources that are expected or decided to be spent in order to obtain a set of desired capital resources in a time and place and to provide the possibility of exploiting them for the purpose or purposes for which they were allocated. (Ali, Abdullah, 2017: 240) as indicated (Thuhoeye, 2017:11) to the decision-making process, identifying alternatives, and choosing the best alternative according to the criteria and preferences of the decision maker. This will be a practical result no less important than the final choice. Investment decisions are also defined as the process of choosing the most appropriate alternative from the available investment alternatives, and good investment decisions are based on comprehensive information about investment that investors collect from various sources such as television, the Internet and other means (Mumtaz, 2018:3). As indicated by (Brealey, et al, 2020: 2) that investment decisions include managing the current assets owned by the company and determining the appropriate time to abandon them, when they are not profitable well. Basically on the expected return and the degree of risk, which play an important and very important role in the decision-making process because investors will seek to maximize the benefit they achieve for a certain level of risk or reduce the risks to a certain level of profit.

Types of investment decisions

Investors make the decision based on the nature of the relationship between the value of the investment

instrument and its price. From this point of view, investment decisions are divided into three sections:

1- Purchase decision: when the investor feels that the value of the investment instrument is represented by the present value of the cash flows expected to occur, as they are calculated within the framework of return and risk and are higher than the market price or by other clarification when the market price is less than the value of the investment instrument, as the investor looks at it, due to the formation of The incentive to buy that instrument and achieve capital gains when expecting a rise in the future market price of that instrument (Al-Farraj, 2021: 419).

2- Decision not to trade: This type of investment decision is taken when the investor has a financial asset in which the current market value is equal to the current value of the expected cash flows and not to ignore the risks that accompany these flows, and as long as there are no expected returns by the investor, he does not take any decision either It was the decision to buy or the decision to sell (Abaker, 2017: 47).

3- Selling Decision: This decision is made when the market is going through a state of equilibrium, creating additional desires at the time to buy from a new investor, i.e. when there is an investor, that is, when the market price rises from the current value of the expected cash flows, the investor has an incentive to sell for fear of the risk of a future price drop. (Halaq, 2014: 88).

Stages of making an investment decision

The decision-making process includes a number of stages that decision-makers go through to reach the most appropriate solution, which are:

1- The stage of creating alternatives: It is considered the first stage in the decision-making process in which the investor searches for investment opportunities and then chooses the alternative from among the available investment alternatives in order to avoid the expected risks that exist in the external environment (Maji, 2018: 435).

2- The stage of evaluating the alternatives: the investment alternatives available by the investor are compared based on a set of objectives and criteria, the most important of which is compatibility with the internal environment and the external environment for investment.

3- The stage of comparison between alternatives: in this stage, the best alternative for investment is chosen, where the comparison is the basis for the principle of comparison. The Investor for Return and Risk (Zwain, 2020: 64).



4- Implementation and follow-up phase: It means putting the chosen alternative into practice, following up on the implementation stages, identifying problems during the implementation process and addressing them (Farajallah, 2011: 27-28).

The impact of the company's life cycle on the accounting conservatism and its reflection on the economic decisions of investors

Each stage of the company's life constitutes one of the economic factors that can affect the investment management's decisions to apply the reservation or not. For companies such as cash retention, disclosure and acquisition, quality of financial reports and accounting conservatism.

Given that companies have different characteristics during their life stages, the behavior of management and the behavior of financial reports may differ in each stage from the other and this is due to the difficulty of believing that accounting choices are determined on the basis of the same incentive during the stages of the company's life cycle, and thus life cycle theory reflects the effects of accounting choices Including accounting reservation. And because the accounting conservatism works to give a clear picture of the weaknesses and strengths of the company, it is desired by the investors and helps them in making the decision, and this in turn will be reflected on the investors' confidence in the accounting information in their ability to make the right decision and the reflection of their decision in the stock market by influencing the rise in prices stock returns and increased trading activity.

Therefore, in the stages in which the company achieves high sales, positive operating cash flows and high profits, the company is expected to apply the accounting conservatism to reduce the exaggeration of profits and thus reduce the risk ratio and fluctuations in stock prices, and because the investor seeks to achieve the return with a lower risk, these stages meet the investor's desires, on the contrary The phases in which there is low or declining sales growth.

**Measuring Variables
 The Life Cycle Of The Company**

Stage regression	Stage regression	phase oscillation	phase oscillation	phase oscillation	maturity stage	growth stage	starting phase	net cash flow indication
(-)	(-)	(+)	(-)	(+)	(+)	(+)	(-)	net cash flow from operating activities
(+)	(+)	(+)	(-)	(+)	(-)	(-)	(-)	net cash flow from investing activities

1. Cash Flows

The Dickione model (2011) is one of the important models for measuring the life cycle of the company, based on the data extracted annually from the cash flow statement (Ibrahim, 2019: 6), as it is a different measure. Consider its ability to move through one stage of the company's life cycle (MR, 2021: 33) by using cash flow from operating activities (OANCF), investing activities (IVNCF) and financing activities (FINCF) to group companies into five stages of the life cycle: ', 'growth', 'maturation', 'oscillation' and 'regression'. The Dickione (2011) model has become a popular measure of the life cycle because of its increasing use in recent research and studies that dealt with the life cycle of accounting. Although Dickione (2011) shows life-cycle classification based on cash flow data and includes implications from various research, and that this life-cycle classification is superior to other available classification schemes, this measure has some limitations, including:

A- Paying attention to the cash flow indication without taking into account the size of these flows, and under certain circumstances the cash flows suffer from some problems in timing and matching, which reduces their ability to reflect the company's performance. In addition, some companies reclassify some elements of the cash flow statement as well as control In their timeliness, which leads to these flows becoming unable to express the stages of the company's life cycle (Meligy, 2020: 11)

B- The cash flows are quick to respond to the various conditions that the company may be exposed to annually, whether due to the macroeconomic situation or the reason being the increase in real profits management practices during the year, and not only in response to the stage in which the company itself lives, and this leads to the cash flows suffering Cash from several fluctuations during one year, and therefore the cash flows in this case will not reflect the stages of the company's life cycle or express fairly the company's performance. (Ibrahim, 2019: 7).

The type of each stage of the company's life cycle can be inferred according to this metric through the cash flow indication, as shown in the following table:



(+)	(-)	(+)	(-)	(-)	(-)	(+)	(+)	Indication of net cash flows from financing activities
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Source: (Dickinson et al, 2018: 6)

Accounting reservation

A. Conditional accounting reservation

Skew model

(Chen et al, 2014:243) pointed out this model on the early recognition of unpleasant events and the postponement of recognition of the pleasant events, and this leads to the distribution of profits with a negative skew compared to the distribution of cash flows, and thus the negative skew of profit distribution is consistent with the conservative report, as well as any increase in skewness Negative earnings are consistent with an increase in the conservative report, and the measurement of skewed earnings and cash flows requires the availability of data for many years. Accordingly, the statistical model is as follows (Muhammad, 2019: 21).

$$\text{Skew it} = (X - \mu) / \sigma^3$$

Skew it: the skew of earnings (net income) or cash flows from the operating activities of company i at t .

X: net income or cash flows from operating activities.

μ/σ : mean and standard deviation of the profits.

B. Unconditional accounting reservation

accruals form

Before we review the accruals model, we must address the concept of accruals, as long as the institutions prepare their annual financial reports, according to the accrual basis, except for the statement of cash flows, which are prepared according to the cash basis. It is not spent, and revenues are also recognized regardless of whether they were received or not (Ben Sheikha, 2020: 29).

The study (Givoly and Hay, 2000:303) presented a conservative measurement model based on receivables, and this model represents the difference between operating cash flows and net profits, when receivables appear with a negative value during a period of time, and this indicates the continuation of annual flows greater than profits, with another explanation The remaining conservative accounting policies result in a reduction in the announced profits of the company, while the cash flows continued due to

the presence of good profits, which were not recognized (Barbach, 2019: 42-43).

The idea of this model crystallizes that the recognition of unrealized economic losses or gains in receivables leads to a positive relationship between accruals and operating cash flows. This is because accounting conservatism requires timely recognition of economic losses, as for unrealized economic gains, accounting practice generally postpones recognition of gains until realization (Ge el at, 2019:11). The model for this scale is as follows (Pasko et al, 2021:7)):

$$\text{CONACC}_{i,t} = (\text{NIO}_{i,t} + \text{DEP}_{i,t} - \text{CFO}_{i,t}) \times (-1)$$

CONACC = indicates the degree of accounting conservatism

NIO = operating profit

DEP = depreciation of fixed assets

CFO = operating cash flow

TA = total assets at the end of the period

The negative value of the degree of accounting conservatism indicates the existence of accounting conservatism, and whenever this value increases, it indicates an increase in the application of accounting conservatism. From the financial market (Abdul-Zahra, 2017: 384).

Investment Decisions

Measuring the economic decisions of investors through the volume of shares trading

Trading volume in shares = number of shares traded / total shares of the company

Hypothesis Test Results

Hypothesis: "Accounting conservatism mediates the impact of the company's life cycle on investors' decisions."

After the researcher ascertained the availability of mediation conditions for the accounting conservatism variable, the extent and type of mediation should be tested through the use of Path Analysis, an analysis that takes into account the relationship between the independent variables and the mediator when measuring their impact on the dependent variable and using the Amos statistical program. The results were as in Below:-

Figure (1) The results of the path analysis to test the hypothesis

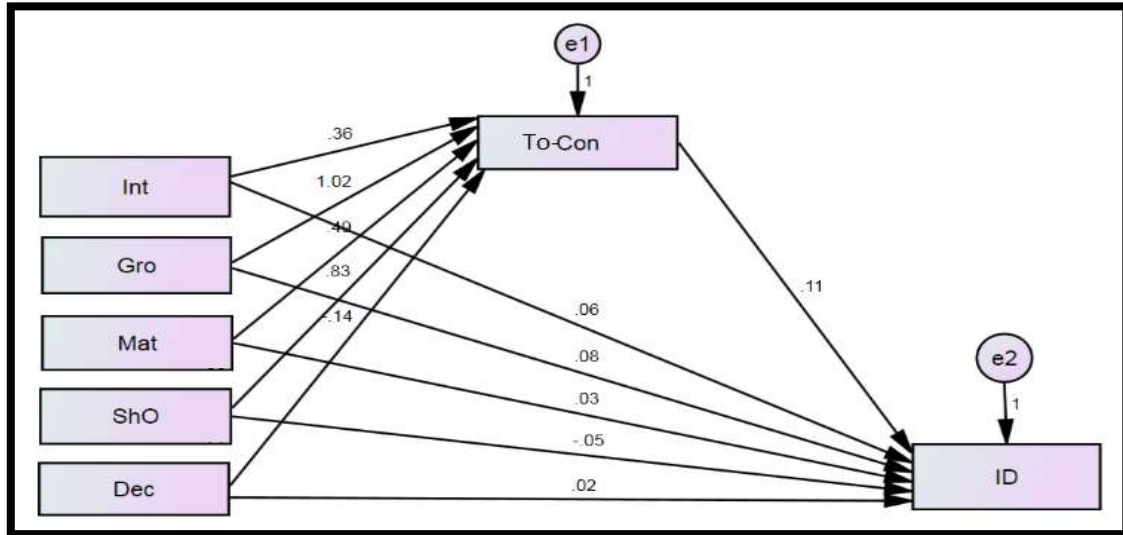


Table (2) Hypothesis Test Results

Path			Estimate	S.E.	C.R.	P
To-Con	<---	Int	.357	.222	1.611	.107
To-Con	<---	Gro	1.020	.163	6.265	.000
To-Con	<---	Mat	.494	.156	3.162	.002
To-Con	<---	ShO	.826	.136	6.056	.000
To-Con	<---	Dec	-.137	.171	-.800	.424
ID	<---	To-Con	.108	.019	5.544	.000
ID	<---	Mat	.034	.036	.962	.336
ID	<---	ShO	-.050	.034	-1.452	.146
ID	<---	Dec	.022	.038	.573	.566
ID	<---	Gro	.075	.041	1.827	.068
ID	<---	Int	.058	.050	1.170	.242

We note from the above table that the independent variable (company life cycle) still has three stages of it (growth, maturity, volatility) significant statistically in the median variable (accounting conservatism) because its level of significance (P-Value) is less than 0.05. And the median variable is still statistically

influential in the dependent variable (investors' decisions) because its morale level reached 0.000, which is less than 0.05. However, we note that the direct effect of the independent variable (stages of the life cycle) has come out of the circle of statistically significant influence in the dependent variable,



because The level of significance for all stages was greater than 0.05, which means that the accounting conservatism has full mediation, or in other words, the accounting conservatism mediates completely the impact of the company's life cycle on investors' decisions, and therefore the research hypothesis is accepted. This means that the measurement and analysis of accounting conservatism practices should be taken into consideration when studying the impact of the company's life cycle on investor decisions.

CONCLUSIONS

Through what was reviewed in the research, the most important conclusions reached by the researcher can be identified as follows: -

1. The company's life cycle can serve as a diagnostic tool that allows external parties, investors, analysts and observers to feel aware of the company's commercial status.
2. The life cycle of the company allows the company to set the goals that suit it and to monitor the changes that occur with the company's growth and development for the company's continuity and ensuring the success of the company's management
3. The great controversy and criticism about the exclusion of accounting conservatism from accounting practices resulted from the wrong application of accounting conservatism, which in turn is reflected in the financial statements of the economic unit
4. The practice of accounting conservatism results in many benefits and economic benefits such as increasing the credit capacity, reducing the cost of capital and reducing profit practices, and this is reflected positively on the value of the company.
5. The accounting information included in the financial statements and published by companies listed in the stock market greatly affects the process of trading in securities inside or outside the financial market through its impact on investors' decisions by providing them with financial information that helps them in evaluating the future trends of companies and the possibility of predicting their profitability Investment, market risk, and the trade-off between alternatives
6. The stages (growth, maturity, volatility) have an individual direct and significant effect on the accounting conservatism, while the starting phase did not have a significant effect on the accounting conservatism, and the regression phase had the opposite effect on the accounting conservatism, which means that the age stage of the company

necessitates the management Expansion or reduction of accounting conservatism practices in proportion to each stage.

7. The growth stage is the only stage that has a moral impact on investors' decisions, and this indicates the preference of investors to invest in companies that go through that stage over the rest of the stages.
8. There is a direct effect between accounting conservatism and investors' decisions, and this indicates the investors' tendency towards accounting conservatism as it contributes to preserving the company's assets.
9. The accounting conservatism fully mediates the impact of the company's life cycle on investors' decisions.

RECOMMENDATIONS

- 1- The external parties dealing with the company should study its situation in detail when they take decisions and know what stage of its life cycle this company is going through.
- 2- The company's management should study the age stage experienced by the company in charge of its management and use the results of that study in developing plans and projects that are commensurate with the company's objectives.
- 3- The company's management should not neglect the use of accounting conservatism, as well as not overuse it. Rather, it should be thought wisely and wisely to determine the appropriate level of conservatism.
- 4- The management of the Iraqi Stock Exchange should direct the departments of listed companies to report all information related to these companies, because the higher the degree of reporting, the greater the confidence of dealers in the information provided, and thus increasing the accuracy and strengthening of their investment decisions.
- 5- Bank managements should review the objectives set and develop new strategies that are compatible with the current economic conditions to prevent them from falling into the decay stage.
- 6- The company's management should work on optimizing the company's resources, as well as studying the environment surrounding the company to stay as long as possible in the growth stage, as this has the greatest impact on investors' decisions.
- 7- The management of companies should pay attention to the developments of international financial reporting standards, especially those



related to accounting measurement or disclosure, to reduce the asymmetry of accounting information in order to give positive evidence to investors about their financial performance.

- 8- The measurement and analysis of accounting conservatism practices should be taken into consideration when studying the impact of the company's life cycle on investors' decisions
- 9- Given the importance of the topic, the researcher recommends conducting more complementary studies related to the use of other measures of the current research variables applied in the banking sector, or applying the same measures used to other sectors and comparing the results.

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