**World Economics & Finance Bulletin (WEFB)**
**Available Online at:** https://www.scholarexpress.net
Vol. 17, December 2022
**ISSN: 2749-3628,**

# EVALUATING THE FINANCIAL PERFORMANCE OF QASSIM GREEN UNIVERSITY

**Ilham Abdulhussein AbdulMahdi (1), Assist. Prof. Dr. Karrar Abdulellah Azeez (2)**
(1) Master. Student. Faculty of Administration and Economics, Department of Accounting / University of Kufa, Najaf, Iraq.
(2) Faculty of Administration and Economics, Department of Accounting / University of Kufa, Najaf, Iraq.
(1) aaaaccccvvvvv1234@gmail.com , (2) karara.alkhaldy@uokufa.edu.iq

**Article history:**

**Received:** 18th October 2022
**Accepted:** 18th November 2022
**Published:** 28th December 2022

**Abstract:**

The research aims to assess the financial performance of Al-Qasim Green University through the use of some financial evaluation indicators, which included liquidity and profitability indicators, and presentation of data for the period 8 201-2019, as well as identifying the role of other financial indicators in the evaluation. The research reached a group of Recommendations, the most important of which is the need for the university to rely on the financial performance evaluation process in order to reach all of its strengths and weaknesses in order to improve its future performance.

**Keywords:** Evaluating the financial performance

## INTRODUCTION

Given the importance of the financial performance evaluation process in many economic units of various types, but some of these units do not perform the financial performance evaluation process, especially self-financed government units because of their lack of resources, whether human or financial for the evaluation process, so it was They are obliged to adopt a financial method that achieves their strategic goals. It is expected that these units will be exposed to financial risk, especially in the process of distributing financial allocations. Many of these units expose their employees to administrative penalties due to the lack of financial allocations or their enforcement of some budget items due to the lack of financial and administrative expertise for these units.

Educational institutions play an important role in the process of achieving growth and development, whether at the social, economic or cultural level for countries around the world, and the financial analysis process is one of the most important ways and methods in determining the efficiency of the performance of institutions in all sectors, which works to measure the institution's ability to continue And the expansion of its activities, by concentrating efforts in order to enhance strengths and address weaknesses in order to achieve the highest efficiency of financial performance, through the successful use of all available resources to the institution, whether human or financial, and that the use of financial evaluation methods is one of the important indicators to measure the performance of those institutions in a way general, and as one of the monitoring tools that are being exercised. To measure the areas of performance and to detect weaknesses and strengths, as well as to consider them as general indicators to determine the extent of development and growth and to determine its directions in the organization.

### Financial performance evaluation

The process of evaluating the performance of economic units as a set of studies that aim to determine the extent of the economic unit's ability and efficiency in managing its activities from various financial, administrative, production, marketing and other aspects, during a specific period and the extent of its skill in converting inputs and resources into outputs of the required quality, quantity and quality **(Ammar, 2011: 19 ).** Al-Ghani knew that the concept of performance appraisal is the process of measuring the results that have been achieved according to the plans set by the economic unit in the light of predetermined criteria to determine the measurement process, and then to what extent strategic objectives are achieved, the level of effectiveness, and the determination of results **(Al-Ghani, 2006:40)** .

As for financial performance, it is a tool to motivate investment decisions and direct them to a successful economic unit, because it works to motivate investors to go towards economic units or stocks whose financial standards reflect progress and success more than others **(Batchimeg B, 2017: 122 ).** It is a tool used to determine the activities of the economic unit in order to measure the results obtained and compare them with the pre-determined goals to identify imbalances and their causes with an attempt to prevent them in the future. The comparison is usually made at the end of a

World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 17, December 2022
ISSN: 2749-3628,

specific time period, which is usually one year **(Rose & Hudgins, 2013: 163).**

It is the ability of an economic unit to use its available resources in an optimal way to achieve its specified goals.

### The importance of financial performance

The importance of financial performance comes because of its important role in the optimal use of the economic unit's resources and their optimal distribution, as well as urging the administration to plan for the future, and to give a clear and complete picture of the different administrative levels. In performing the economic unit and enhancing its role in the national economy. In order for management to be able to identify the strengths and available investment opportunities or the deficit and threats facing the institution, it was necessary to evaluate its performance, especially the financial aspect, which lies in the management with information and data. This helps her to make the right investment decisions, and to bypass the obstacles she may face in the future. It is also important in terms of evaluating the ability of the enterprise to utilize its available resources to the maximum extent with the aim of maximizing wealth, since it is important to compare the results of achieving its planned goals with the results actually achieved. The importance of financial performance can be summed up in the following points: **(Shehab, 2019: 54), (Mwangi, M. 98: 2018).**

- ❖ The financial performance process clarifies the strategic position of the institution within the framework of the environment in which it operates and the strengthening of this position through development and some changes.
- ❖ It is considered an important measure of the success of the economic unit through its quest to continue its activity in order to achieve its goals.
- ❖ Achieving coordination between all aspects of the organization's activities and all departments and levels.
- ❖ Disclosing the levels of wasteful use of funds, as well as the formalities of work, and in contravention of the rules and sound foundations of public performance.
- ❖ After a measure of the extent to which the institution succeeds in achieving its goals.
- ❖ Works to find weaknesses in the company by diagnosing and addressing them, as well as strengths and strengthening them.
- ❖ Preparing a suitable ground for making appropriate decisions.
- ❖ A practical means of persuading creditors to provide appropriate financing methods and on appropriate terms.

### Financial performance goals

**Several goals can be achieved when evaluating financial performance, which are as follows:- (Al-Asadi, Zina: 72: 2019), (Bareilly et al,2018:775)**

- ❖ The financial performance evaluation process contributes to making decisions within the company, as well as knowing the performance of the company's employees.
- ❖ Helps direct the company's funds between projects that achieve limited objectives.
- ❖ Determining the company's ability to comply with its obligations through an assessment of the company's financial position.
- ❖ Determining the opportunities available to the company that can be invested.
- ❖ Forecasting the financial failure that the company may face.
- ❖ Knowing the investment value of the company, determining the profitability rate, and making sure that the net profit is sufficient to cover and recover the invested money

### Financial performance indicators

Measurement indicators are: Means of measuring performance or progress towards operational objectives of agencies and organizations. Indicators allow an organization to measure performance by identifying a practical way of describing what is considered adequate performance and what is not. Characterization is also used as a measure of employee reward, and when selecting indicators, they should be linked to key factors that help the organization achieve its goals (Aguinis, 2009).

The importance of performance indicators lies in that they are an effective tool for verifying the extent to which the goals are achieved, and one of the techniques for measuring the success of the departments' performance used with quality and organizational development programs for modern departments, and through which the management's ability to achieve its specific goals through its strategy is recognized, and performance indicators are measured and determined based on On criteria determined by the nature of the tasks and activities of the various departments (equipment, technology, buildings, administrative, supervisory, etc.), and measuring these indicators uses several technical, administrative and technical methods to determine these indicators in measuring the performance and work of these departments (Kassab, 2021:202) .

World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 17, December 2022
ISSN: 2749-3628,

1. The rate of return on assets
2. Rate of service cost reduction and target cost achievement
3. Actual expenditure rate for calculating supplies of goods
4. Growth rate of customized services offered
5. Actual expenditure rate for utility requirements
6. Ratio of actual maintenance expenditure to total maintenance expenditure
7. Ratio of the building maintenance allocation to the maintenance allocation
8. Funding growth rate

## ANALYSIS AND RESULTS

Focuses on financial success in order to achieve a sustainable economic unit. There is a difference in goals between government and private and financial goals in the private sector in general in the long term on maximizing net profit, while success in government is measured by the effectiveness and efficiency of these institutions in meeting the needs of the university at the lowest possible cost and at In the shortest possible time, their economic income should increase, Thus, obtaining resources that improve working conditions and the quality of faculty members, as they constitute the largest percentage of the staff, and therefore a strategic plan must be built to increase income. This dimension measures the financial position of the university and the financial changes that occur to it, as well as determines ways to ensure effective use for the resources, Such as increasing the university's allocations for scientific research, diversifying sources of income on knowledge investment and publications, and therefore the financial dimension is concerned with how to effectively manage the resources of educational institutions, in the end, aiming to maintain the continuity of its activities by maintaining the presence of sufficient resources, it is possible to identify indicators for assessing The market performance is as follows:

1. The rate of return on assets: It is characterized as an indicator of voluntary strength, as it measures profitability at the level of the economic unit as a whole.

   **Return on assets** = net profit after taxes / total assets * 100
2. Growth rate of revenue from services provided to others: It is the annual rate of change in revenues, where annual changes and their growth rate appear. It represents the development and growth of revenues generated from one year to another, which reflects the financial health of the economic unit on the one hand and the achievement of what the god of the economic unit plans on the one hand. Other, and this ratio is used to measure the performance of economic units and is calculated by subtracting the revenues of the previous year from the revenues of the current year and then dividing the result by the revenues of the previous year and then multiplying the result by the number 100 to obtain it as a percentage. , and the increase is calculated as follows:

Growth rate of revenue from services provided to others = previous to the year provided Services revenue - current for the year provided Services revenue / previous to the year provided Services Revenue * 100

3- Revenue profitability: The economic unit obtains the net profit after covering the costs of its revenues, expenses, interests and loans. The economic unit always aims to increase its profitability from revenues. The profitability is calculated according to the following equation:

Revenue profitability = taxes after net profits / net revenue * 100

The increase is done by:

* Increasing service revenue
* Reducing expenses to a minimum

4- Rate of improvement in productivity rates: It means reducing costs, improving productivity, trying to reduce the direct cost of products and services, and allocating public or joint resources to the various units or sectors in the organization.

Productivity improvement rate = total expenditures / total revenue * 100

5-The rate of reducing service costs and achieving the target cost: the intensification of competition as a result of the great changes in technology made the economic unit work to achieve competitive advantages based on the cost factor through cost reduction and continuous improvement in work, which leads to a continuous rise in profits and this indicator is Determined by the percentage of net profit that the company achieves from one year to the next

The rate of reducing service costs and achieving the target cost = career cadres costs / realized total income * 100

6- - Actual expenditure rate for calculating commodity requirements: an indicator that measures the total actual expenditures for calculating commodity needs to the financial allocations for calculating commodity needs, which include (stationery and publications, books and systematic magazines, water and sanitation fees,

World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 17, December 2022
ISSN: 2749-3628,

electricity fees, fuel, workers clothes, Surveillance and protection materials, materials, laboratory supplies, medical supplies, school supplies, industrial supplies, agricultural supplies and other supplies, textbooks, medicines, sports supplies, animal feed, documentaries, calculators, printers, and photocopiers) as follows:

The rate of actual expenditures for calculating commodity requirements = Merchandise requirements for calculating the actual expenditures / Merchandise requirements for allocations total *100

7- Average actual expenditures for calculating service requirements: An indicator that measures the total actual expenditures for calculating service requirements into the financial allocations for calculating service requirements, which include (night allocations, transportation fees, travel expenses, assignments and sending expenses, publishing expenses, media expenses, newspaper subscription allowance Rent of buildings, rent of machinery and equipment, rent of means of transportation, hospitality and delegations, celebrations, postage fees, telephone calls fees, installation and transfer of communications equipment, information network service, lawyers' fees, conferences and seminars, printing expenses, course subscription fees, cleaning Section, research and support expenses, banking services, various other services) as follows:

The rate of actual expenditures for calculating service requirements = service requirements for calculating actual expenditures / service requirements for allocations total *100

8- Growth rate Allocation of services provided: An indicator that measures the growth in the allocation of service and commodity requirements for the purpose of development and continuity towards providing the best services.

Growth rate Allocation of services provided = prior to the year, commodity services, requirements, current allocations, for the year, commodity services, requirements, allotment / For the previous year and service, commodity requirements, allotment * 100

9- Actual expenditure rate on maintenance: a cursor that measures the ratio of the actual expenditures of the maintenance account to the financial allocations for the maintenance account, which includes (maintenance of roads and bridges, maintenance of water and electricity facilities, maintenance of work cars, transportation and salon, home maintenance, projects, furniture maintenance, maintenance Buildings, equipment maintenance, garden maintenance, maintenance and complexity of archaeological sites, book maintenance, records maintenance) are as follows

Actual expenditure rate on maintenance = maintenance for the actual expense / maintenance allocation total * 100

10- Funding growth rate: - an indicator that measures the growth rate in obtaining sufficient funds to finance services

Finance growth rate = current year finance - previous year finance / previous year finance *100

| | **Pointer** | 2018 % | 2019 % | Notes |
|---|---|---|---|---|
| 1 | **return on assets rate** | **3** | **3** | **stabilit** |
| 2 | **Revenue growth rate from services rendered to others** | **11** | **13-** | **Drops** |
| 3 | **Revenue Profitability Ratio** | **3** | **3** | **stability** |
| 4 | **Productivity Improvement Rate** | **96.7** | **96.9** | **Rise** |
| 5 | **Rate of service cost reduction and target cost achievement** | **89** | **85** | **Drops** |
| 6 | **Actual expenditure rate for calculating supplies of goods** | **73** | **50** | **Drops** |
| 7 | **Growth rate of customized services offered** | **8-** | **22** | **Rise** |

World Economics & Finance Bulletin (WEFB)
Available Online at: https://www.scholarexpress.net
Vol. 17, December 2022
ISSN: 2749-3628,

| | | | | |
|---|---|---|---|---|
| 8 | Actual expenditure rate for utility requirements | 73 | 89 | Rise |
| 9 | Ratio of actual maintenance expenditure to total maintenance expenditure | 86 | 80 | Drops |
| 10 | Funding growth rate | 5 | 15 | Rise |

**PREPARED BY RESEARCHERS**

From the above table, we note the indicators of the financial performance of Al-Qasim University, All ratios indicate that there is a fluctuation in the financial performance between negative and positive, and that the university is working to raise its capabilities to improve financial performance, as the return on assets index remained the same as in 2019 due to the lack of funding and an increase Costs either service and commodity, The service revenue index decreased due to the conditions in the country and the disruption of working hours, as most of the services provided and the absence of auditors led to a decline in revenues It is a not-for-profit economic unit, In addition, it is evident through the productivity index a significant improvement in performance from (96.7-96.9), i.e. a positive difference of (0.2). As for the growth rate of the allocation of commodity and service requirements, it decreased compared to 2018, where it is a negative indicator in improving services and making them sustainable. The actual costs rate indicates a positive indicator in terms of expenditure, and this is related to building maintenance and gardens maintenance and making them environmentally friendly. As for the financing growth indicator, it increased by (0.10), which is a positive indicator in supporting efforts to improve sustainable performance.

## REFERENCE

1. Al-Asadi, Zina Jihad (2016), **Evaluating the financial performance using the financial ratios of the Asia Cell Communications Company) for the years (2014-2016)**, Iraqi University Journal, Volume (44) Issue - (1)
2. Al-Ghani, Dadan Ard, 2006, **he read it in the financial performance and value in the economic institutions**, Moula Al-Rahim, the next issue, Al-Wazir
3. Amer Rashid Aneed, 4012, **Using the financial analysis method in evaluating the performance of investment activity, applied research in the Iraqi / General Insurance Company**, Tikrit Journal of Administrative and Economic Sciences, Volume 1, Issue 21.
4. Batchimeg, B. (2017). **Financial performance determinants of organizations: The case of Mongolian companies**. Journal of competitiveness, 9(3), 22-33.
5. Brealey, R. A., Myers, S. C., Allen, F., & Mohanty, P. (2018). **Principles of corporate finance**, 12/e (Vol. 12). McGraw-Hill Education.
6. Kassab, A. (2021**). Functional and institutional performance indicators between theory and practice (practical models**). The Arab Journal of Literature and Human Studies, 5(16), 191-224.
7. Mwangi, M. (2018). **The Effect of Size on Financial Performance of Commercial Banks in Kenya**. European Scientific Journal, 14(7), 373-385.
8. Rose, P. S., & Hudgins, S. C. (2013). **Bank management & financial services**. McGraw-Hill.
9. Shehab, Samira Fawzy, **Financial Performance Assessment in Islamic Banks / An Applied Study on Elaf Islamic Bank in Iraq,** Tikrit Journal of Administrative and Economic Sciences, Volume 16, Issue (52), C1/2019.