



INVESTIGATION OF THE IMPACT OF ACCOUNTING INFORMATION ON MARKET VALUE OF SHARES: AN APPLIED STUDY IN A SAMPLE OF COMPANIES LISTED ON THE IRAQ STOCK EXCHANGE

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Article history:	Abstract:
<p>Received: 6th May 2023 Accepted: 10th June 2023 Published: 7th July 2023</p>	<p>The current study aims to show the impact of accounting information on the market value of shares in companies listed on the Iraq Stock Exchange. Using a set of measures represented by (changes in book value per share, changes in return on assets, changes in asset turnover, changes in operating cash flow per share, and changes in earnings per share) and the market value of companies' shares through the share price in the market, and to achieve the goal of this study, we selected a sample of 25 companies for four sectors that included services, industry, hotels and agriculture for the financial period (2014-2020), where the hypotheses were tested through the statistical program (STATA) at a level of significance (0.05), and the results of the study indicate a relationship. Statistically significant between the changes in the book value of each share and the changes in the price of each share of the shares of companies listed on the Iraq Stock Exchange, which means that there is an impact of accounting information on the market value of shares, and there is no statistically significant relationship between changes in return on assets, changes in asset turnover, changes in operating cash flow per share, and changes in earnings per share on the price of they are in the market. As for the restrictions, they included the lack of timely accounting information for companies due to the political and economic conditions of the country, and the crises it is going through, the most important of which was the ISIS and Corona crisis, which led to the majority of companies disclosing their financial reports in separate years, the most important recommendations that came in our study on companies The need to provide accounting information in a timely manner by disclosing it in the financial reports listed on the stock market because this will enhance investor confidence, which leads to Attracting them to further investment, as well as the availability of timely information helps in the use of other financial indicators and the expansion of this study.</p>

Keywords: accounting information, market capitalization, changes in book value per share, changes in return on assets, changes in asset turnover, changes in operating cash flow per share, changes in earnings per share, share price.

INTRODUCTION:

With the development of societies and the expansion of global markets, capital markets are one of the most important economic sectors, as economic decision-making requires comprehensive and timely information that helps them be the best way to allocate resources for which the capital market will be responsible. As the share price is one of the most important variables to evaluate the performance of the stock market on the

one hand, and investment development attracts efficient capital and led it to the productive sectors of the economy. On the other hand, companies and business units have therefore accounted for a large share of the economy. In other words, by improving and changing the conditions of corporate governance, they sought to attract more capital to the company. In fact, they came to the conclusion that they need to attract capital to continue their activities. Therefore,



companies seek to improve their performance and increase their market value to attract more capital, and according to agency theory, a company is a set of agreements agreed upon between agents (directors) and owners (shareholders). As representatives of owners, managers pursue their interests to gain wealth for themselves. In such cases, owners need information so that they can measure the performance of the manager and then the performance of the company, and since accounting information is a useful and complete reference for investors and creditors, companies try to provide appropriate information. To reduce agency problems. In Iraq, as a developing country, companies face challenges in increasing value and share price. Therefore, the purpose of this study is to find out whether the provision of information by companies can affect the market value of companies, in other words, reduce or increase it? By analyzing the data extracted from the financial reports of companies listed on the Iraq Stock Exchange.

STUDY PROBLEM

The stock market is one of the most important markets globally in our time, as it plays a vital role in the economic prosperity that supports the increase of capital and economic growth of any country, as the stock market has become a popular topic among the public, especially among investors as well as academic researchers. They are particularly concerned about the predictability of stock prices and associated variables. Financial analysis is the process of determining the operational and financial characteristics of a company from the accounting information it contains. Financial reports. Financial reports contain a wealth of information, which, if properly analyzed and interpreted, can provide valuable insights into a company's performance. This information provides investors with basic information that helps them evaluate their investment decisions. Therefore, this research study was conducted to investigate the impact and relationship between the content of accounting information in companies' annual reports and the market value of shares by asking the following question:

To what extent does the content of accounting information in the annual reports of companies affect the market value of shares listed on the Iraq Stock Exchange?"

Study hypotheses

Depending on the problem of the current study, the study assumes some hypotheses that will be tested and analyzed to reach conclusions. The hypotheses were formulated as follows:

H1: There is a statistically significant relationship between the changes in the book value of each share

and the changes in the price of each share of companies listed on the Iraq Stock Exchange.

H2: There is a statistically significant relationship between changes in asset returns and changes in the price of each share of companies listed on the Iraq Stock Exchange.

H3: There is a statistically significant relationship between changes in asset turnover and changes in the price of each share of companies listed on the Iraq Stock Exchange.

H4: There is a statistically significant relationship between changes in operating cash flows and changes in the price of each share of companies listed on the Iraq Stock Exchange.

H5: There is a statistically significant relationship between changes in earnings per share and changes in the share price of companies listed on the Iraq Stock Exchange

THE IMPORTANCE OF THE STUDY

The economic wheel in today's society plays the most important role in companies, as this regulatory role of companies is due to their importance, so investors who represent the main pyramid of the company seek to maximize the value of the company and maximize wealth, which is sometimes ideal, with the existence of agency theory, so that the financial statements and the information contained therein can determine the role of the market value of companies listed on the Iraq Stock Exchange and be an opportunity for investors to achieve their goals

OBJECTIVES OF THE STUDY

The current study aims to find out the extent of the impact of accounting information on the market value of the shares of companies listed on the Iraq Stock Exchange. Through the following:

- Statement of concept of accounting information, stock market and market value of shares
- Clarify the relationship between accounting information and market value and the importance of accounting information for investors.
- Conducting an analytical study to show the impact of accounting information on the market value of shares in listed companies through the use of independent and dependent variables in addition to the regulatory variables (governance)
- Reaching the most important conclusions and recommendations that lead to increasing the level of disclosure of accounting information in financial reports and encouraging investors to invest in stocks through the use of various financial indicators.

Study Sample



The spatial scope of this study included the financial reports of the companies listed on the Iraq Stock Exchange for four sectors (services, industry, hotels, agriculture) and the 25 companies, while the time range included the financial period (2014-2020)..

Study Methodology

The dimensions and aspects of the current study were determined by collecting previous studies related to the current study and knowing them to understand the relationship between accounting information and the market value of shares in addition to the variables that were actually used. The study adopts the analytical approach that aims to obtain data and facts about the current study problem to explain and know it well.

Accounting Information

Financial reports and figures contained in financial reports are key factors in the decision-making process for investors and creditors and provide information that can realistically express the company's activities and operations, thus assisting investors and financial analysts in the decision-making process (Lin&Stahl,2019).

Accounting information can be seen as the result of accounting systems that routinely measure audited quantitative information and disclose it in relation to the financial position and performance of a company. The balance sheet, income statement, cash flow, along with supporting disclosures, form the basis for financial accounting reporting to investors and a wide range of users of accounting information. In order to be the accounting information that has been disclosed They must be useful, they must be appropriate and faithfully represent what they are intended to represent. The usefulness of accounting information is enhanced if it is comparable, verifiable, timely and understandable (Conceptual Framework, 2010). Accounting information therefore provides a key quantitative representation of individual companies that support a wide range of contractual relationships. According to the American Institute of Chartered Certified Accountants (AICPA. 2005), financial reports should correctly and clearly reflect the financial and economic reality of the company, so that users are not urged to make decisions when the information is misleading.

Accounting information is a set of accounting data that is processed and presented in an organized and useful manner, in order to provide external reports to external parties such as shareholders, investors, creditors, government agencies, etc. For financial reporting to be effective, accounting information must be completed as appropriate and reliable (Hendricks, 1976). The primary purpose of accounting information is to provide information about the company's

performance in order to make better decisions to attract investors (Germon & Meek, 2001). Quoting from (Innocent,et al.,2020)

In other words, accounting information is valuable if that information increases investors' expectations of companies' future cash flows, and ultimately leads to a change in the share price, and although investors use non-financial information in order to make investment decisions, traditional investors still attach more importance to financial information. The main purpose of accounting is to provide investors with information relevant to their investment decisions. According to the Boston College study (2007), 62% of respondents preferred Financial information and only 38% prefer to use non-financial information in investment decisions. (Delkhosh&poorkazem,2016)

Market Value of Shares:

Market capitalization is the cost of buying a security in the financial market. Which is affected by several factors including fluctuations in the market, current economic conditions and the company's reputation (Innocent, et al., 2020), in other words, as the market value of shares refers to the closing price of the company's shares at the end of the financial period (Arab Monetary Fund, 2003) as YeshaThus, it can be considered one of the most important indicators to measure the efficiency of the market and the development of its activity (Roos, 1996), this indicator has found acceptance by many analysts and financial controllers as well as residents, as the high market value of the share shows the efficiency of companies on the one hand and the increase in the volume of transactions in the financial markets, the number of listed companies and the efficiency of the financial market on the other hand. Market capitalization can be classified into three categories as follows: Quoted in (Al-Hamdani and Al-Juwaijati, 2007)

- Market value of the share: It shows the closing price of the company's share at the end of the period.
- Market Value of Shares Listed on the Market: It shows the number of accepted shares multiplied by the closing price of the Company's shares at the end of the period.
- Market Value of Companies Listed on the Stock Exchange: It represents the total market value of shares subscribed by listed companies in the Exchange.

Stock Market

The stock market is a place where it is easy for companies to raise their nominal capital, increase the level of economic growth and maintain liquidity for shareholders who invest in these shares for the purpose of earning more capital. On the other hand, the main objective of accounting information is to



provide information about the company's economy to various users inside and outside the company (Smith, 2006). The share price is one of the most obvious and important criteria for determining the value of a company. Therefore, maximizing stock prices is the most important goal for most companies to maintain their economic growth and credibility in the minds of investors. To answer the question what determines stock prices? The answer is that it depends on the company's ability to generate cash flow at the moment and has the ability to generate it in the future. During investing, investors compare the value of a company determined by stock prices (Brigham, 2001 & Ehrhart, citing Delkhosh & Poorkazem, 2016)

The relationship between accounting information and the market value of shares

In the absence of adequate accounting information, investors will not be in a position to make rational investment decisions, as it will be difficult to distinguish between potentially appropriate and inappropriate businesses (Sharma, 2014). Current and potential stock investors often use accounting information to make investment decisions. Accounting information for companies to see how financially sound and operating profitability they are. This provides for whether investing in a company's equity stake is a wise investment decision. Investors' decisions to buy or not to buy are based on the accounting information contained in the financial reports of companies, and the more investors use accounting information, the more this leads to rational and sound decisions (Shehzaad & Ismail, 2014). Quoting (Innocent, et al., 2020) In other words, in such cases, investors are looking for business units that can be a safe place for their investments (2006, Chung).

Economists believe that the price of a commodity is determined by the forces of supply and demand in the free market, and even if we accept this view of economists, what factors really affect supply and demand behavior? One of the most important possible factors is the stock price in the market. But not all the time. So there are certainly other factors. In the stock market, whether primary or minor, the stock price is influenced by several factors, including book value (company), dividends per share, and profit. The accumulation of the stock, the price-to-earnings ratio, and the profit coverage ratio, and the most important basic factors that affect stock prices are the elements of supply and demand. If investors buy more shares, the share price should rise, and if more shares are sold, the share price should fall. Government policies, performance, and potential capabilities of industry and companies significantly influence investor demand behavior in financial markets. (Russell et al., 2009).

Ball & Brown (1968) presented a study entitled The relationship between accounting information and the market value of a stock. After empirically studying the relationship between annual report earnings data and the share price, they found that the company has excess profits and investors can get an abnormal return. Beaver emphasized from another perspective that the company's financial reports and accounting information can affect the share price. It was found that investors used the declared accounting information when trading stocks, quoted (Delkhosh & Poorkazem, 2016).

In his study, Al-Tamimi (2007) examined macroeconomic and intrinsic factors of the company and the role of these factors in the market value of companies in the UAE stock market, which have the greatest impact on prices among the local indicators of dividends and operating cash flows. Among economic indicators, inflation and GDP affect stock prices.

Diaz (2009) studied the relationship between inflation (CPI), dividend and dividend per share in Spain. It was found that there is an impact of inflation on corporate stock yields and dividends per share based on potential overlapping factors such as risk-free interest rates, future growth projections and risk premiums. It was also found that there is a statistically significant positive relationship between inflation, stock return and dividends per share.

While (Rasel et al., 2009) tracked the factors that affect the value of the company, among the internal and external factors that affect earnings per share, and GDP as the most important internal and external factors on the value of the company in African companies, the results showed: GDP and earnings per share are both positively correlated with the value of the company.

Al-Tamimi (2011) took into account some internal factors such as earnings per share, book value and other factors related to the company's performance. The most important internal factors affecting the market value of the company are earnings per common share (EPS) and dividends per share (DPS)

Altalbe, Ba'kadah, 2011) referred to macroeconomic and priority factors in the Saudi market, which addressed all the influencing factors and the ranking of these factors in member companies in the Saudi stock market. In this study, 431 companies were examined in this company for five years. The results of this study showed that government policies play the largest role in the value of the company and that other factors such as inflation and positive and negative news do not affect the value of the company.

Sindhu et al. (2014) also presented a study titled The Priority of Factors Affecting Stock Prices on the Dhaka



Stock Exchange, in which researchers tried to identify factors among all the controllable and uncontrollable factors that are among the uncontrollable factors that affect the value of the company. Government rumors and stock price rumors have the biggest influence and rank first and are the most controllable factors that determine the value of a company in relation to earnings per share.

Sarifudeen, 2016 examined the impact of accounting information on the stock prices of companies listed on the Sri Lanka stock market, as the main objective of this study was to explore the relationship between stock price, dividends and net assets. Looking at the impact of earnings per share (EPS), dividends per share (DPS), and net asset value per share (NAVPS) on the share prices of a sample of 65 companies listed on the Colombo Stock Exchange (CSE) during the financial period (2010-2014), the results indicated that the combined explanatory power of the above variables in the composition of stock prices increases over time. Dividends are the most commonly used accounting information for investment decisions in Sri Lanka, followed by dividends and net book value. Therefore, the study suggests that companies should improve the quality of profits as rigged profits have a significant impact on stock prices.

Jabarin, et al, 2019) examined the economic factors affecting member banks of the Palestine Exchange by analyzing a range of indicators such as the consumer price index to the return of the Palestinian market index. The results showed that the exchange rate and inflation in the Bank of Palestine index have a significant negative impact on the GDP and market value of Palestinian companies..

In a study (Saputro, 2019) that aimed to know the effect of the variable return on assets on stock prices, earnings per share on stock prices, and book value per share on stock prices, the sample included 45 companies listed in the stock market - Indonesia for the period (2014-2017), using ROA, EPS, BVPS and stock prices. The results showed that return on assets, earnings per share, book value per share have a positive and significant impact on stock prices, and at the same time return on assets, earnings per share and book value per share have a significant impact on stock prices, which means that it can be interpreted that the variables ROA, EPS and BVPS affect stock prices.

(Innocent, et al., 2020) studied the relationship between accounting information and the market value of companies listed on the stock exchange - Nigeria. The general objective of this study was to investigate whether accounting information has an impact on the market value of listed companies, as the sample

included 23 companies listed in the market and using indicators of return per share, return on equity, dividends per share. There is a statistically significant relationship between accounting information and the market value of listed companies. The study recommends that corporate management should formulate a dividend policy that enhances the market value of companies. In addition, corporate strategies should be directed towards internal and external factors that affect earnings per share.

Zahan & Rana, 2020), which examined the impact of dividends on the market value of companies on the Bangladesh Stock Exchange in a study entitled Dividends and their impact on the capital market. The results showed that the value of the company can be maximized at the stage of dividends.

In addition, a study (Hossain, 2021) examined the impact of accounting information on the share prices of pharmaceutical companies listed on the Dhaka Stock Exchange in Bangladesh for the years 2017 to 2019. The results revealed a correlation between net operating cash flow and net asset value per share with the market value of shares and also There is a statistically significant inverse relationship between earnings per share and the market value of shares as well as between these two variables. The results also supported a weak but positive correlation between the market value of shares and cash dividends per share. This shows that the information generated by accounting systems is essential for decision-making and value-relevant. This study suggests that in order to make effective and successful investment decisions, current and potential investors must use accounting information.

Finally, the study of Apete, et al., 2022) aimed to determine the relationship between the share prices of Nigerian manufacturing companies and accounting information, the sample included 21 manufacturing and consumer goods companies listed on the Nigerian Stock Exchange for the period (2012-2020), and their results showed that there is a statistically significant negative relationship between the book value of equity per share and the share price, and that earnings per share have a significant positive relationship with the share price of manufacturing companies listed on the stock exchange. Nigerian.

In today's competitive world, creating value and wealth creation for shareholders is one of the main objectives of investment firms. Investors want to increase and maximize their capital day by day, so they look for investment opportunities that will generate the most wealth for them. To achieve this goal, they need tools and metrics to identify and measure the potential value of each investment



opportunity. These standards must be reliable enough so that investors can make decisions based on them and invest their capital in trading activities. According to the current circumstances, accounting information affects the market value of securities, because the more information in the financial reports of companies listed on the Iraqi stock market, the more realistic and honest the purchasing power of shares will be, and the amount of supply and demand will increase, which certainly increases the value of shares in the stock market based on this accurate information. According to previous studies, it can be concluded that there are various factors that can affect the value of the stock market because despite the wide competition between businesses, investors are looking for a safe

and secure market. A place that increases investment ratios. Therefore, they can use different information to achieve this goal..

Therefore, to complete the previous literature and address the research gap in this field, we try in this study to search for the impact of accounting information on the market value in companies listed on the Iraq Stock Exchange because there is a lot of information in the financial statements of companies, as the more realistic and truthful the accounting information, the greater the purchasing power of shares and the ability of shareholders and investors to rely on this information in addition to the increase in supply and demand, which will certainly increase in the stock market based on this accurate information.

Study variables:

Table (1): Study variables

Independent variables: accounting information		
t	Variable	Concept
1	Book Value per share:(Book value per share - BVPS)	It is a ratio used to compare equity to the number of shares outstanding. In other words, this ratio is used to see how much money shareholders will receive in the event of a company liquidation, or how much money shareholders can receive if all of the company's assets are sold at their book value. It can be used for investors to evaluate the fair price of the company per share and this variable is the result of dividing by changes in equity (Saputro,2019)
2.	Return on Assets :(ROA)	It is a measure of a company's profitability that reflects a company's ability to make profits using the total assets (wealth) owned by the company after adjusting costs to distinguish these assets. By knowing the value of this ratio, we can see the prospects for the development of a company. A high return on assets means that a company can manage its assets well so that it continues to grow faster. That is, the value of the company increases. In this study, it is calculated by the percentage of changes in operating profit divided by total assets. (Company. Saputro,2019) (Titman & Wessels, 1984) Irman etal.,2020) (Raj, Abdul,2020)
3.	Asset turnover (AT):	Each sale resulting from all assets can be evaluated. The higher the value of total asset turnover, the better the company manages its assets. In other words, if the company's financial performance is good, the company will be able to optimize the use of assets in sales and investment while still having a high total asset turnover and return on assets. It is reached by dividing the percentage of changes in net sales by the company's total assets (Irman etal.,2020)
4.	Cash flow from operating activities (CFO)	Changes in Operating Cash Flow at YearEnd (Abdul& Raj,2020)
5.	EPS):	This indicator indicates that earnings per share is the profit that can be given to shareholders from each share owned and can be calculated by dividing changes in the distribution of net profit after tax by the number of common shares at the end of the year. In



		other words, earnings per share is a ratio that can reflect a company's ability to generate dividends per outstanding share. According to investors, a higher EPS can allow for larger dividends, depending on the company's management policies. (Saputro,2019) (Titman & Wessels, 1984).
Dependent variables: Market capitalization of shares:		
	Stock price	Change in the value of the stock market at the end of the year (Avdalovi ć& Milenkovi ć,2017)
t	Control variables: include the following:	
1.	Consumer Price Index (CPI):	The CPI measures the change in products and services purchased by customers. CPI is defined by the U.S. Department of Labor Statistics as: CPI is a measure to measure average variability In other words, the changes in the inflation index that are calculated using the percentage of changes in the general consumer price index in the current year compared to the previous year. (Khodamoradi&Saadatmand,2012)
2.	Gross Domestic Product (GNP):	It is the claimed state profits from the production and sale of goods and services and investment abroad. Therefore, GNI measures income received or produced only by citizens of a particular country, regardless of their location, i.e. both domestically and internationally. In other words, it is the total changes in the value added of the total final products produced by the economic units residing in the country in a given period of time (called annually or seasonally GDP) Bristy & Bose, 2017).
3.	Previous year's share price (Pit-1):	is the closing market price of the stock for the previous year. (Taneem, Yuce,2011)
4.	Company size	This variable has been extensively studied in previous studies and it has been shown that larger companies often have higher value, which can be explained by their experience and efficiency due to their large economy, ability to hire skilled managers, and ability to reach a wider range. Customer scale and diversification of their operations. The total assets of the company extracted from the balance sheet and to reduce and equivalently numbers are represented in the logarithmic model (Amin&Hamdan, 2018).
5.	Company Age	The age of the company is linked to the distribution of shareholders as companies with older ages have entered many business cycles and have a larger shareholder distribution. It is calculated by taking the date of incorporation instead of the date of listing the shares on the market (Amin&Hamdan, 2018)

Study Data Analysis Model:

For the purpose of testing the hypotheses of the study, a sample of (25) companies was selected from the companies listed on the Iraq Stock Exchange that included four sectors of services, industry, hotels, and agriculture during the financial period (2014-2020), where information related to the study variables was obtained from the **ISE** website of the Iraq Stock Exchange.

In order to test the hypotheses of the study sample and according to the theoretical foundations and background of the study, the following comprehensive model was used to test each of the hypotheses from 1 to 5 and to examine the relationship between accounting information on the market value of shares as shown in the following model:

$$\Delta Price_{it} = \beta_0 + \beta_1 \Delta BVS_{it} + \beta_2 \Delta ROA_{it} + \beta_3 \Delta AT_{it} + \beta_4 \Delta CFO_{it} + \beta_5 \Delta EPS_{it} + \beta_6 P_{it-1} + \beta_7 Size_{it} + \beta_8 Age_{it} + \beta_9 CPI + \beta_{10} GDP + \sum_{i=1}^n ind + \sum_{2015}^{2020} year + \epsilon$$



Whereas:

- Price : Changes in the price of each share
- BVS : Changes in Book Value per Share
- ROA : Changes in Return on Assets
- AT : Changes in asset turnover
- CFO : Changes in Cash Flow
- EPS: Changes in earnings per share.
- PIT-1 Previous Year's Stock Price
- Size: Company size
- Age: Company age
- CPI: a key economic indicator used to track the inflation rate
- GNP Gross National Product

Model: 0,β 1,β 2,β 3,β 4,β 5

The null hypothesis (H0) was chosen at a significant level of 5% and for the purpose of testing the null hypothesis for the study sample, this is done through the calculated F value and compared with the tabular F value, if the calculated F value is greater than the tabular F value, the null hypothesis is rejected and the hypothesis is accepted. . H1

Table (2) Results of Model Synthesis and Analysis of Variance According to ANOVA Test

Type variables of	Variables	Correlation Coefficient	SE	T- Test	p-value Probability	Variance Inflation Factor (VIF)
	(y-Intercept)	12/388	18/896	0/656	0/514	-
Independent variables	ROA	-0/010	0/006	-1/537	0/128	17/1
	AT	-0/028	0/026	-1/045	0/299	17/1
	CFO	-0/001	0/003	-0/290	0/772	05/1
	.EPS	-0/002	0/003	-0/790	0/432	22/1
Dependent variable	BVS1	0/202	0/073	2/781	0/007	1/1
Regulatory variables (Governor)	Pit	1/022	0/037	27/318	0001/0>	21/1
	Size	0/015	0/009	1/732	0/087	02/1
	Age	-0/003	0/002	-1/835	0/070	1/3
	Cpi	2/200	3/290	0/669	0/505	05/1
	GNP	42/451	64/179	0/661	0/510	13/1
control (in statistics)						
F-test(p-value)	WATSON Camera statistics		R squared		Adjusted R Square	
59/37	17/2		92/0		9/0	
Sig (000/0)						

*At a morale level of 0.05

* The source is prepared by the researcher based on the statistical program STATA



Before testing the hypotheses of the study and based on the results obtained in Table (2), the validity of the results must be ascertained. For this purpose, the F test was used to assess the importance of the entire model. According to the calculated F probability (0.000), we conclude that the regression model is appropriate. According to the adjusted coefficient of determination of the equipped model, it can be said that 90% of the changes in the dependent variable are explained by independent variables and control variables. Given that the variance amplification factor

for each variable is less than 5%, there is no variation between the variables of the studied sample..

Descriptive statistics of the variables of the study sample:

After determining the variables and collecting the data, the descriptive statistics were calculated by the statistical program (STATA). For the variables used in this study during the period (2014-2020) for a sample of (25) companies listed in the Iraqi Stock Exchange and as shown below in Table (3)

Table (3): Descriptive statistics of the variables of the study sample, which included four sectors

Variable type	Variables	Mean	Median	Minimum	Maximum	Std. Deviation
independent	BVS	0/072	0/048	-0/290	0/710	0/190
	ROA	-0/261	-0/167	-8/077	8/284	9/1
	AT	0/036	-0/058	-0/989	2/970	0/600
	CFO	-1/235	-0/528	-29/750	10/815	4/974
	.EPS	0/652	-0/126	-8/693	34/504	5/235
dependent	Price	0/057	0/000	-0/929	1/923	0/395
Governing variables	Pit.1	0/037	0/000	-0/929	1/923	0/396
	Size	22/787	22/723	19/347	26/895	1/486
	Age	31/589	29/000	21/000	73/000	10/350
	Cpi	-0/736	-0/619	-3/850	1/056	1/259
	GNP	-0/015	0/011	-0/276	0/168	0/146

* Changes in price per share (price), changes in book value per share (BVS), changes in return on assets (ROA), changes in asset turnover (AT), changes in operating cash flow (CFO), and changes in earnings per share (EPS), Previous year's stock price (Pit.1), Company Size (Size), Company age (Age), An economic indicator that is used to track inflation rate (GNP)

In addition, to give a clearer picture of the nature of the studied data, we found the standard arithmetic mean values of the variables by sectors as in Table (4):

Table No. (4) Arithmetic average of variables by sector in companies listed on the Iraq Stock Exchange

Variable type	Variables	Sector Type			
		Services	Industry	Hotels	Agriculture
Independent variables	BVS1	0/0741	0/0361	0/1668	0/0411
	ROA	0/0887	-1/2387	-0/2374	-0/5063
	AT	-0/0643	0/1036	-0/0011	0/0344
	CFO	-0/469	-1/359	-1/8369	-1/0251
	.EPS	1/0975	0/4422	0/5925	0/7256
Dependent variable	Price	-0/0510	0/1618	-0/0043	0/0276
Governing variables	Pit.1	-0/1070	0/1612	-0/0188	-0/0070
	Size	22/5262	23/0270	23/1155	22/2921
	Age	28/6842	36/5778	30/0345	27/5806

Where the arithmetic average of changes in the share price in industrial companies was (0.16), which is higher compared to other industries in the study sample. The highest rate of change in book value per share is related to the hotel sector by 0.166. The period of activity of companies in the industrial sector was longer compared to the rest of the sectors in the study sample. There is little difference between different industries in terms of company size.

Table No. (5) Correlation coefficient between the variables of the study sample

Var.	Price	BVS	ROA	AT	CFO	.EPS	Pit1	Size	Age	CPI	GNP
Price	1										



BVS	0.074	1									
ROA	-0.003	0.027	1								
AT	0.113	0.047	-0.037	1							
CFO	0.047	0.114	0.058	0.125	1						
.EPS	0.087	0.159	-0.023	.297**	0.011	1					
Pit1	.946**	0.014	0.002	0.159	0.085	0.087	1				
Size	0.060	0.020	0.070	-0.012	-0.10	-0.045	0.021	1			
Age	.220*	-0.130	-0.089	0.123	0.070	-0.032	.271**	-0.017	1		
Cpi	-0.100	0.145	0.095	0.015	-0.007	0.048	-0.127	0.002	0.010	1	
GNP	0.140	0.039	0.059	.220*	0.154	.238**	.225*	0.026	0.107	0.028	1

From Table (5) above, it can be seen that there is no statistically significant correlation between any of the independent variables and changes in the price of each share. There is also a positive and significant correlation between the price of each share last year and the changes in the price of each share. There is also a positive and significant correlation between the duration of the activity (the life of the company) and the changes in the price of each share.

Fourth: Hypothesis Test Results:

The results of the first hypothesis test in Table (6) show that the potential value of changes in the book

value of each share is less than 0.05 and its estimated coefficient is 0.007, which indicates a statistically significant positive relationship between the changes in the book value of each share and the changes in the price of each share of the shares of companies listed on the Iraq Stock Exchange. That is, by increasing the book value of each share, the change in the price of each share increases, which shows a positive and important correlation between the book value of shares and the market value during the period of study between companies. As shown in the table below

Table (6) Results of the first hypothesis test

Variables	Correlation Coefficient	THE AVENUE	(T-test)	p-value	Decision base
(Intercept)	10/575	17/698	0/598	0/551	Acceptance of hypothesis H1
BVS	0/170	0/062	2/727	0/007	
Pit.1	0/998	0/032	30/732	001/0>	
Size	0/016	0/008	2/014	0/047	
Age	-0/002	0/001	-1/297	0/198	
Cpi	1/889	3/081	0/613	0/541	
GNP	36/489	60/111	0/607	0/545	

*significant at 0.05 level

While the results of the second hypothesis test in Table (7) showed that the probability value of the return on assets variable (0.473) exceeds 0.05, which indicates that there is no statistically significant relationship between the changes in the return on assets and changes in the price of each share of

companies listed on the Iraq Stock Exchange. The second hypothesis was rejected and the null hypothesis **H₀** which states that there is no statistically significant relationship between the two variables was accepted as in the table below:

Table No. (7) Second Hypothesis Test Results

Variables	Correlation Coefficient	Std. Error	(T-test)	p-value	Decision base
(Intercept)	10/604	17/826	0/595	0/553	Rejection of hypothesis H2
BVS1	0/169	0/063	2/693	0/008	
ROA	-0/002	0/003	-0/721	0/473	
Pit.1	1/000	0/033	30/431	001/0>	
Size	0/016	0/008	2/050	0/043	
Age	-0/002	0/001	-1/333	0/185	



Cpi	1/896	3/103	0/611	0/543	
GNP	36/613	60/545	0/605	0/547	

*significant at 0.05 level

As for the third hypothesis, it can be seen that the p-value of the asset turnover variable (0.201) is more than 0.05. This means that there is no statistically significant relationship between changes in asset turnover and their reflection in stock price changes, so the third hypothesis was rejected and the null hypothesis was accepted, as in Table (8).

Table No. (8) Results of the Third Hypothesis Test

Variables	Correlation Coefficient	Std. Error	(T-test)	p-value	Decision base
(Intercept)	11/443	17/983	0/636	0/526	Rejection of hypothesis H3
BVS1	0/179	0/066	2/716	0/008	
AT	-0/027	0/021	-1/289	0/201	
Pit.1.win	1/008	0/033	30/116	001/0>	
Size	0/015	0/008	1/786	0/077	
Age	-0/002	0/001	-1/421	0/158	
Cpi	2/037	3/130	0/651	0/517	
I won't. GNP	39/313	61/071	0/644	0/521	

*significant at 0.05 level

While the fourth hypothesis indicated that the probability value of the variable changes in operating cash flow amounted to (0.556), which is more than 0.05, which also indicates that there is no statistically significant relationship between changes in operating cash flow and changes in the price of each share of Iraqi companies, as a result, the fourth hypothesis was rejected and the null hypothesis was accepted. As shown in Table 9(:

Table No. (9) Fourth hypothesis test results

Variables	Correlation Coefficient	Std. Error	(T-test)	p-value	Decision base
(Intercept)	11/485	18/426	0/623	0/535	Rejection of hypothesis H4
BVS1	0/174	0/066	2/646	0/010	
CFO	-0/002	0/003	-0/590	0/556	
Pit.1	1/001	0/035	28/802	001/0>	
Size	0/016	0/008	1/915	0/059	
Age	-0/002	0/001	-1/385	0/169	
Cpi	2/047	3/208	0/638	0/525	
GNP	39/555	62/588	0/632	0/529	

*significant at 0.05 level

While the fifth hypothesis showed that the probability value of the variable change in earnings per share (0.612) is greater than 0.05, which indicates that there is no statistically significant relationship between the change in earnings per share and the change in the

share price in Iraqi companies. That is, as the profit of each share increases or decreases, the price of each share does not change. As a result, the fifth hypothesis was rejected and the null hypothesis was accepted, as shown in Table (10) below:

Table No. (10) Results of the Fifth Hypothesis Test

Variables	Correlation Coefficient	Std. Error	(T-test)	p-value	Decision base
(Intercept)	11/090	17/900	0/620	0/537	Rejection of hypothesis H5
BVS	0/180	0/065	2/769	0/007	
.EPS	-0/001	0/002	-0/509	0/612	
Pit1	1/000	0/033	30/060	001/0>	
Size	0/016	0/008	2/028	0/045	
Age	-0/002	0/001	-1/267	0/208	
CPI	1/980	3/116	0/636	0/527	
GNP	38/246	60/798	0/629	0/531	



*significant at 0.05 level

CONCLUSIONS AND RECOMMENDATIONS

Conclusions:

The current study is a first attempt to delve into the disclosure of the impact of accounting information in the market value of listed Iraqi companies, which included four sectors of services, industry, hotels, agriculture through the theoretical and practical side of the study we reached a set of conclusions and the following is a summary of the results of our study are as follows:

1. The results of the study showed a positive relationship of statistical significance between the changes in the book value of each share and the changes in the price of each share of the shares of companies listed on the Iraq Stock Exchange. That is, by increasing the book value of each share, the change in the price of each share increases, as the results of this study correspond to a study (Thompson & Adha 2012). She pointed out that the book value of the share has a positive and important relationship with the share price in cement processing companies listed on the Nigerian Stock Exchange. Quoting (Innocent, et al., 2020), this indicates that with the increase in the book value of each share, the return on the company's shares increases, and the increase in demand for shares positively affects the market price and as a result the share price rises.
2. The absence of a statistically significant relationship between the changes in the return on assets and the changes in the price of each share of the shares of companies listed on the Iraq Stock Exchange. This does not mean that changes in stock prices do not change with the increase or decrease in the return on assets of companies. That is, according to the results, changes in the return on assets do not affect changes in the price of each share. The reasons may be as follows: Most of the listed Iraqi companies are owned by the government, and this may indicate a lack of interest in investors in the variables that affect the performance and investment in companies, which is exactly consistent with the results of the study (Sindhu, 2014). Which indicated that government policies and rumors are mostly reflected in stock prices and that investor behavior is also affected by this problem.
3. The results showed that there is no relationship between changes in the turnover of assets and its reflection in stock price changes, and these results are the result of economic factors governing the companies in the study sample, meaning that most of the company's decisions are affected by economic factors. surrounding

4. The absence of a statistically significant relationship between changes in operating cash flow and changes in the price of each share of Iraqi companies, the results are due to the fact that changes in operating cash flows are not reflected in share price changes, which can be attributed to factors such as not taking advantage of the discount rate to predict future cash flows of Iraqi users in operating cash flows, which led to refraining from predicting the company's future cash flow as a decision-making factor. Information inconsistency affects the relationship between cash flow, operating profit, share price and affects the explanatory power of the share price.
5. The absence of a statistically significant relationship between the change in earnings per share and the change in the share price in Iraqi companies, meaning that with the increase or decrease in the profit of each share, the price of each share does not change, which causes poor performance of accounting information on the one hand, and on the other hand, more than half of Iraqi companies have negative operating profits, which indicates that many companies incur losses every year.
6. There are some restrictions in obtaining information in financial reports due to the political and economic conditions of the country, and the crises it is going through such as the Corona crisis and ISIS. In addition to the level of awareness of people involved in the stock market, supply and demand, the volume of transactions, the prosperity or collapse of the market and other restrictions imposed in the Iraqi reality, which led to the majority of companies disclosing their financial reports for varying years.
7. Despite the multiplicity of financial and non-financial measures and what previous studies dealt with as indicators to measure accounting information and the market value of shares, there are some limitations that most of these measures cannot be used based on what is provided by financial reports for companies.

Recommendations

1. When deciding to invest in the stock market by investors, they should pay attention to the fact that accounting information affects the market value of shares, especially between changes in the book value of each share and changes in the price of each share.
2. Companies should provide accounting information in a timely manner by disclosing it in the financial reports listed on the stock market because this will enhance investor confidence, which leads to attracting them to more investment, in addition to the availability of timely information helps in the use of other financial indicators



3. The need to expand the study and conduct more studies on this subject using other financial indicators such as **ROE, LEV ROI, ROS**, and other emerging indicators that are used in investigating the impact of accounting information in the financial reports of Iraqi companies.

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