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THE ACCOUNTING INFORMATION QUALITY UNDER THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AND COMPANIES' FINANCIAL PERFORMANCE

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Abstract:
The application of the international financial reporting standards is no longer a luxury because of the international context which is characterized by the dismantling of the economic barriers, the monetary operations' globalization and financial movements liquidity, but in fact, it has become an increasingly continuous necessity for the producing entities at the local and global levels. In this context, the primary goal of IFRS aims to provide a useful accounting and financial information for making investment and credit decisions. Thus, this research and by using the statistical analysis on the SPSS program, aims to highlight and evaluate the correlation that exists between the quality of provided accounting information in accordance with the international financial reporting standards and financial performance (in the short and medium term) for the companies that announce prepared brief accounting statements in accordance with the International Financial Reporting Standards. This quantitative study, which uses a Likert-type questionnaire rated from 1 to 5, and according to the responses collected from a sample of (74) individuals (the sample that covers the executive managers and accountants in the institutions, besides the professors and doctoral students for the international financial reporting standards) with the aim of proving and statistically verifying the correlation and interconnectedness between the qualitative characteristics of an accounting information and entities' financial performance. The results obtained from the data analysis software showed that there is a presence of a negative correlation sign "in the short term" between the components of the distinct variables and a positive correlation between the same variables "in the medium and long term". The positive result of the correlation between the prepared accounting information quality in accordance with the international financial reporting standards and financial performance in the medium and long term, with the expectation that it will be confirmed later through a confirmatory study, may be a motivating factor that encourages companies to adopt the international accounting standards despite the costs that are incurred by this transformation.

Keywords: return, risk, investment portfolio, Iraq Stock Exchange.

INTRODUCTION:

The financial scandals context at the global level (money laundering, tax fraud, corruption, other kinds of the fraud, etc.) and investor's confidence loss in the organizations' management leads to further questions and in-depth dialogue among the stakeholders about the quality of information, announced accounting and financial figures by the economic units. The idea of the accounting information quality has caused much ink to use and has not been unanimously accepted in the scientific community. Many authors and theorists have tried to write correct definitions and quantitative measurement indicators that have a single criterion and multi-dimensionality, in order to evaluate the quality of the accounting and financial information, but the standard's setter did not formally define the characteristics of the accounting information and merely mentioned some characteristics that are considered basic, such as (relevance and reliability). On the contrary, and at the international level, the American Financial Accounting

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Standards Board (FASB) attempted to define, in a better written conceptual framework, the comprehensiveness of the qualitative characteristics of the accounting and financial information. The Financial Accounting Standards Board (FASB) proposed a classification of two separate groups of the mentioned characteristics. , the first group that shows the basic qualitative characteristics (relevance and faithful representation) and the second category presents the qualities that are considered as an improving accounting information such as (the comparability, the verifiability, the speed, and clarity).

The outlined accounting information characteristics in the research conceptual framework and (reported in accordance with IFRS) ensure the reliability and transparency of the information and facilitate comparability. The complex financial performance concept, which forms of the measurement are differed by the researchers and practitioners, remains one of the basic goals that must be improved and first goal to maximize for any company that chooses to declare the accounting accounts in accordance with the requirements of the international standards. At the level of Iraq, since the reporting under the international financial reporting standards is imposed only on the financial institutions and companies. This study will attempt to shed light on the impact of the accounting information quality (announced in accordance with the international financial reporting standards) on the financial performance of the Iraqi companies.

The first topic:

Research Methodology:

First: - Research problem:

As some believe that the transitioning process for applying the international financial reporting standards is neither easy nor simple ,as it is fraught with many difficulties, problems and additional costs, and is followed by many unexpected effects, perhaps the most important of which is the financial impact since the companies aim to achieve the profit and maximize the shareholder wealth. This effect is evident through watching the two most important elements in the institution's accounts: the result and private funds, which constitute an important financial ratio, which is the financial return, where it is the focus of parties' attention who are benefiting from this information, for it represents a strength in the institution's financial performance, and therefore it directly affects the decisions of the parties who have an interest in it, and these decisions determine whether the continuity of the institution's activity is happened or not. Therefore, the following problem is raised: -

1. What is the impact of applying the prepared financial information quality in accordance with the international financial reporting standards on evaluating the companies' financial performance of companies which are listed in the Iraqi Stock Exchange?
2. Does the use of the international financial reporting standards by the Iraqi companies lead to improve the quality of accounting information and increase transparency in the financial statements by giving credible indicators, which affects the financial performance of those companies?

Second: - Research objectives:

1. This study aims to analyze the relationship between the accounting information characteristics and companies' financial performance that publish financial statements consistent with the international financial reporting.
2. It also aims primarily to detail the relationship between the characteristics of the accounting information determined by the conceptual framework that was developed by the International Accounting Standards Board and International Financial Reporting Standards Board (basic qualitative characteristics and qualitative characteristics to improve the financial information), on the one hand, and, and on the other hand, the financial performance whether it is in the short, medium and long term.

Third: - Research Hypotheses:

The research seeks to test the following hypotheses:-

1. There is a significant correlation between the international financial reporting standards and accounting information quality.
2. There is a significant correlation between the companies' financial performance and accounting information quality.
3. There is a significant effect between the international financial reporting standards and the quality of the accounting information.

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4. There is a significant effect between the financial performance of the companies and accounting information quality.

The second topic

Research theoretical framework

The accounting information and accounting information characteristics

First: the accounting information and economic theories:

The organization appears as a legal fiction, which is a set of implicit or explicit contracts, which are governing the relationships, on the one hand, between the organization's internal agents and, on the other hand, between the entity and third parties. It is a complex system in equilibrium, which consists contracts that are concluded between a group of the individuals who have divergent goals and seek to maximize their utility function. From this standpoint, the company that is issuing the accounting and financial information is bound by contractual or ethical obligations with any reader who is familiar with the disclosed accounting statements and financial numbers.

: 1. Accounting information, communication and information theories

An information is defined as "a signal capable of modifying the person's behavior who receives it" (Torte, 2003: 52). In the 1940s, C.E. Shannon developed a mathematical theory called "information theory" that describes the fundamental aspects of communications systems. In his article, Shannon (1948) proposes a numerical estimate of the "amount of information" contained in a message using a unit of measurement called "entropy." More precisely, it is the amount of information contained in all the signals that are likely to be sent. Antoine Chambert-Loyer noted that "The mathematical theory of the communication aims to study mathematically under what conditions we can transmit data, in particular speed and reliability,". But (Degos, 2005: p. 17), said that "Managers need numbers and quantitative information to justify, support and rationalize their decisions." He also believes that "until now, there has been no information system as useful, in this sense, as the accounting information system, and even if it is necessary to find in this reference system, it will not be the truthful image, but the degree of definition of the image that does not give the user with an information that is not necessary and does not deprive him of the basic information.

2. Accounting information and authorization theory.

The agency relationship was first defined by Jensen et al. (1976) as "a contract under which one or more people (the principal) engages another person (the agent) to perform on his behalf some tasks that involve an authorization that gives to the agent a certain authority enabling him to take a decision." We generally talk about an agency relationship when a company entrusts the management of its interests partially or completely to a third party. The authorization theory highlights the relationships between the principal (owner) and agent (manager) on the assumption that there is an inconsistency information between the two parties. This idea of the information asymmetry is expressed through the gap and lag that may exist between the information bearers (managers) and their recipients (owners and shareholders). The difference of interests between the manger and agent is the root of moral hazard (or it is moral hazard itself) and conflicts that lead to authorizations costs will reduce the potential gains from the cooperation between two of the participating contractors. By reading a vat amount of definitions formulated by several authors, we note that the authorization theory fundamentally favors the "investor" approach, i.e. the relationship between the authorization of the shareholder and manager. Otherwise, when other stakeholders are also interested in the reported accounting information quality by firms, and to take these other agents into account. The work initiated by Hill et al. (1992) would extend authorization theory to include all stakeholders in relation to the firm (which in this case is absorbed by the contracts problem). In general, with reference to extended authorization theory (or partnership theory), we can conclude that the stakeholders often face situations of information asymmetry, situations of an adverse selection and moral hazard, and bear authorization costs that is resulting from the differing interests between the stakeholders, and agents who are responsible for producing the necessary accounting and financial information.

Second: - Accounting information beneficiaries

In this research, the accounting information users occupy a fundamental place, since they essentially constitute our study sample, and because they represent the base of the population that will respond to our developed questionnaires. The function of the internal information and external information is clearly covered at a wide range of recipients: the company itself, its direct partners: such as the suppliers, the customers, the employees, the bankers, the lenders, the partners and shareholders, who represent the public authorities both at the financial level or at economic and financial level.

The authors (Clarkson - 1995, Lipino - 2003, SADI - 2009, Djongo - 2015) have attempted to provide a classification of the stakeholders, and in this research, we attempt to identify the comprehensive list of accounting information users to the following recipients: -

1. The state (public authorities): is responsible for disclosing accounting information, and is particularly represented in:

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* Tax Administration: the government authorities is responsible for collecting and auditing the taxes. These departments are more concerned with the reliability of the announced accounting numbers and provided financial statements.
* Statistical offices: These are public or private institutes, which are responsible for conducting the censuses and surveys and issuing the necessary statistical figures.
2. The managers and owners: According to Lacombe-Sapoli (1994), the business managers occupy the function of both the producer and user of the accounting and financial information. The accounting figures and financial indicators reflect the company's performance and economic profitability and illustrate the efforts made by the managers to enhance the company's competitiveness and ensure the company's long-term sustainability.
This accounting information is also used as a database in order to make financial analyzes that allow to diagnose the company's general condition, detect the gaps between the expectations and achievements and suggest the corrective and preventive actions, if necessary.
3. The commercial banks and lenders: They are more concerned with analyzing the liquidity, debt ratios, and solvency status in order to grant the company short-term credits and financing loans medium-term and long-term.
* Customers: They seem to be more attracted to any useful information to analyze the prospects of business continuity and sustainability of the company.
* Suppliers like the credit organizations: the suppliers are interested more in the financial numbers that estimate the ability to repay and which evaluate the company's overall solvency.
* Partners, shareholders and investors: They are attracted by the ratios and analyzes that evaluate and forecast the financial profitability, and associated risks with the activity and distribution of the profits policy.
* Employees and Unions: Both of these elements search for the accounting information and see the financial analyzes that calculate a company's stability, that make it possible to avoid the economic layoffs, and that encourage the managers to increase the average level of salaries.
* Other audience: the researcher refers mainly to the research students who are preparing for a career in the accounting and finance fields ; the competing companies, and companies that adopt the benchmarking strategies and policies, the public interest associations; and political organizations, the press and anyone else interested in collecting and analyzing the financial and economic information.

Third: - International Financial Reporting Standards:

They are considered one of the modern works that establish and interpret the framework for preparing and presenting the financial statements in an advanced manner with the aim of providing high-quality financial information and reports, in light of adopting a different approach based on standards based on the principles (Yurisand & Puspitasari, 2015, 644), so many companies prefer IFRS as a result of the significant impact of those standards on the users of the financial reports and various parties who are working in contact with the application of those standards, as their effects can be explained compared to other standards as follows (Investopedla, 2013, 322-330) (Collins & Pasewark, 2012, 681-682):
1. In terms of their impact on the companies: the companies benefit from the standards and practices that apply to all countries and are followed around the world. The presence of such standards contributes to reduce the cost for the companies in preparing the information and financial statements that have different economic activities in different countries to prepare their information and financial statements by using one standard, in addition to giving its employees (accountants) more ability to move. The difference poses many difficulties for THE international companies, especially with regard to prepare their consolidated financial statements for the operating various branches in different regions of the world.
2. In terms of the impact on investors: The differences existence between IFRS and other standards creates the discrepancies in the financial reports, and this problem becomes more common for the investors in their attempt to determine the differences in the standards and financial reports when they are wanting to invest in the international companies that are searching for a capital and that follow the accounting standards in the country in which it does business. There are complexities and contradictions that arise as a result of the inconsistency and lack of unified the accounting standards in preparing the information and financial reports, and therefore the investors must be able to read and understand the accounting information and reports according to IFRS and other standards at the same time, and to settle to one of the two sets of standards, which will contribute to provide credibility in the information.
3. In terms of the impact on the financial markets: the financial markets are affected by the differences between IFRS and other standards, as the difference in standards will have greater costs for the companies that conduct the foreign exchanges. Therefore, the existence of the unified standards contributes to reduce these costs. Moreover, the difference in the standards will affect, in one way or another, the international flow of the capital.

Fourth: Definitions and indicators to measure financial performance:

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1. Financial performance concepts:

Basically, the financial performance is the result of the various actions that were performed and the company's ability to create a value with the financial resources provided to it. It is a process of synthesizing between the “accounting” result that was obtained and implemented financial means.

The performance concept has long been reduced to the financial dimension of achieving the profitability required by shareholders in terms of the turnover and market share (Dohou and Berland, 2007).

According to Cochran and Wood (1984), the definition of the companies' financial performance has not been discussed in the literature and this lack of discussion has led to the disagreements about how to measure this phenomenon. The company performance is the type of the information for which the accounting institutions must demonstrate an accountability (Gasparetto, 2004).

However, the companies' financial performance is divided into two general categories: the first relates to the return on investment; the second relates to the accounting performance and profits (Cochran & Wood, 1984). McGuire, Sundgren, and Schneeweiss (1988) argue that the firms' financial performance uses both the accounting variables and financial indicators related to the capital market.From the point of view of Assaf Netto (2003), analyzing the company's financial performance is made possible through the financial indicators and indicators, taking into the account financial statements as sources of the data and information, which also provide the reports and forecasts of the company's historical performance in the future, and in turn, the performance indicators can highlight the strengths and weaknesses of the companies, thus making it possible to implement the corrective and proactive actions (Trentin, 2009). Orlitzky, Schmidt, and Reness (2003) used a literature review to find that the financial performance of firms was represented in three ways: the first addresses the market measures that reflect the level of shareholder satisfaction, the second describes the level of firm efficiency through the accounting measures, and the third refers to estimates of the financial performance.

2. The relationship between the accounting information quality and improving the financial performance

*** The financial statements role in improving the financial performance**

The financial performance evaluation depends mainly on the financial statements, which are considered one of the generally accepted accounting principles. They provide an information having a quality that helps in analyzing the organization’s position. The financial statements derive their importance from meeting the common needs of their users. This is due to the fact that the majority of the users make economic decisions from the examples of the same economic decisions(Madawaki.A 2012).

1. Making a decision regarding the timing of buying, holding or selling the equity investments.
2. Evaluating management’s performance and the extent to which it fulfills its responsibilities towards the shareholders.
3. Evaluating the company’s ability to pay the employees’ dues.
4. Evaluating the degree of the security related to the borrowed funds by the company.
5. Implementing the tax policies and determining the distributable profits.

*** The impact of the international financial reporting standards on evaluating the financial performance:**

In addition to the role of the international financial reporting standards in unifying the language of the accounting in the world, which had an impact on the evaluation of financial performance, there are new standards that have made the accounting statements acceptable without making the amendments, as well as the professional bodies have recommended that the financial reports include the following (Hillier. D et al 2016):-

1. The financial and non-financial data, which include the relevant accounting disclosures.
2. The management analyzes the reasons of the changes in the financial statements and performance evaluation.
3. The future information about the available opportunities and potential risks. 4. The objectives and general strategy of the organization are defined as well as an activity must be described.

1. The importance of the prepared accounting information quality in accordance with the international financial reporting standards in evaluating the financial performance:

The choice to adopt the international accounting and financial reporting standards results from the desire of various economic and political performers who want to read easily the prepared financial reports by institutions based in various global markets. Therefore, it is expected that the transition to the international financial reporting standards will have a clear impact on the institution’s accounts and on the quality of accounting information in terms of the form and content. This is due to the differences that will appear on the accounting information upon an application between the international financial reporting standards and approved accounting methods previously and especially with regard to the conceptual framework, the accounting recording rules, and measurement and evaluation methods, which are supposed to have a significant financial impact on the result and private funds (Habib A., Jiang H &, 2015).

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The importance of the prepared accounting information quality in accordance with the international financial reporting standards in evaluating the financial performance can be summarized in the following aspects: (Omokhudu, O & Ibadin, P. 2015):-

1. It provides an entry point for evaluating the performance, which is considered a measure of the extent of institutions' success through their efforts to continue their activities in order to achieve their goals. 2. The performance evaluation system provides various administrative levels with an appropriate information for the purposes of the planning, the control, and decision-making based on the scientific and objective facts, as well as the importance of this information to other parties who are outside companies. 3. It helps to find a kind of a competition between the different departments, managements and companies, and this in turn pushes departments to improve their level of the financial performance.

The third topic

The applicable side

1. questionnaire validity and reliability

It was verified from the validity and reliability of questionnaire of the accounting information quality in light of the international financial reporting standards and companies' financial performance through the honesty and reliability coefficients according to Cronbach's Alpha Coefficient test

Table (1) Cronbach's Alpha

Cronbach's Alpha	N of Items	Variables
0.721	7	Accounting information quality
0.742	7	Applying the international financial reporting standards
0.720	7	Companies financial performance
0.830	21	Entire quationaries

The above table shows that the largest value of the Cronbach's alpha coefficient for the entire questionnaire is (0.830), which is a high percentage in adopting the questionnaire results of this study. It can be concluded from the results of the validity and reliability tests that the questionnaire is accurate in measuring what it was designed to measure, and it is also very stable, which qualifies it to be an appropriate and effective measurement tool for this study and can be applied with a confidence according to (Sekaran & Bougie, 2010).

2. Normal distribution test:

For the purposes of verifying the research results' objectivity, the Kolmogorov-Smirnov Test was conducted to verify that the research data are free of the statistical problems that negatively affect the results of the hypothesis testing. The normal distribution also determines the type of statistical indicators adopted in the analysis. Looking at the results in table (2) at the significance level (less than 5%), it becomes clear that the distribution of all data follows the normal distribution, where the moral significance for all aspects reached greater than (5%). This result is documented that the data follows a normal distribution.

Table (2) Normal distribution test

SIG.	Kolmogorov-Smirnov	Variables
0.171	1.258	Accounting information quality
0.142	1.218	Applying international financial reporting standards
0.193	1.319	Companies 'financial performance

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3. The first main variable is (the accounting information quality): The importance of this aspect is clear, as shown in Table (3), which reflects the sample's answers in terms of the arithmetic mean, the standard deviation, and variation coefficient.

Table (3): Descriptive statistics for the accounting information quality

Variation %coefficient	Standard deviation	Arithmetic mean	Questions	SQ
17.26%	0.688	3.987	Accounting information and contractual theory are a set of implicit or explicit contracts that govern the relationship between company management and beneficial parties.	.1
14.95%	0.61	4.08	The accounting information, the communication and information theories are an information capable of modifying the person's behavior who receives it.	.2
17.45%	0.712	4.08	The agency theory is a company's entrustment of running its interests partly or entirely to a third party.	.3
13.81%	0.569	4.12	The stakeholders, and agents are responsible for producing the necessary accounting and financial information, as well as the authorization costs resulting from the difference of the interests between them.	.4
17.00%	0.687	4.04	The users of the accounting information occupy an essential place in the community, as they are the beneficiaries of this information.	.5
18.04%	0.69	3.824	The appropriateness of the provided accounting information can be assessed in accordance with IFRS.	.6
17.64%	0.715	4.053	IFRS allows for the faithful representation of the accounting information.	.7
10.16%	0.409	4.026	The total arithmetic mean	

Source: Prepared by the researcher based on the outputs of the SPSS program

The table (3) shows the study sample's emphasis on the role played by the accounting information quality in light of the international financial reporting standards and companies' financial performance, where the table indicates that the arithmetic mean is equals to (4.026). This means that there is an agreement on all paragraphs of this variable, and the paragraph (stakeholders and agents who are responsible for producing the necessary accounting and financial information, shall bear the authorization costs resulting from the difference of the interests between them) obtained the highest degree of an agreement, which distributed with an arithmetic mean (4.12) and with a variation coefficient of (13.81). The standard deviation coefficient was recorded at (0.569), while the paragraph (The

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appropriateness of the provided accounting information can be evaluated in accordance with the international financial reporting standards.) was the lowest degree of an agreement, which distributed with an arithmetic mean of (3.824) and a variation coefficient of (18.04%), where the standard deviation coefficient was (0.69). These results justify the function importance of the internal and external information that clearly targets a wide range of recipients and bear the stakeholders and agents responsible for producing the necessary accounting and financial information as well as the authorization costs resulting from the difference of interests between them.

4. The second main variable is (the application of the international financial reporting standards): The importance of the second aspect becomes clear in Table (4), which reflects the sample's answers in terms of the arithmetic mean, thee standard deviation, and coefficient of the variation.

Table (4) Application of the international financial reporting standards

Variation coefficient %	Standard deviation	Arithmetic mean	Questions	SQ
16.93%	0.657	3.88	The standards contribute to reduce the companies' cost in preparing the information and financial statements that have different economic activities in the different countries to prepare their information and financial statements by using one standards.	.1
16.69%	0.692	4.147	The differences existence between IFRS and other standards creates inconsistencies in the financial reports, and this problem becomes more common for the investors who are trying to determine the differences in the standards and financial reports when they have a desire to invest.	.2
19.76%	0.777	3.933	The financial markets are affected by the differences between IFRS and other standards, where the difference in standards will have greater costs for the companies that conduct the external exchanges.	.3
14.54%	0.615	4.227	The existence of unified standards contributes to reducing these costs. Moreover, the difference in standards will affect, in one way or another, the .international flow of capital.	.4
16.59%	0.655	3.947	The complexities and contradictions arise as a result of the inconsistencies and lack of the unified accounting standards in preparing the financial information and reports.	.5
17.94%	0.701	3.907	The process of applying the international financial reporting standards facilitates to understand the accounting information	.6
16.45%	0.658	4.000	IFRS is helping in simplifying the comparability of the accounting information.	.7
12.07%	0.48	3.977	The entire arithmetic mean	

The table (4) shows the study sample's confirmation of the importance of applying the international financial reporting standards, which is one of the modern works that sets and interprets the framework for preparing and presenting the financial statements in an advanced manner with the aim of providing high-quality financial information and reports, as the above table shows the arithmetic mean is (3.977), and this means that there is an agreement on all items of this variable. The item (The existence of the unified standards contributes to reduce these costs, and in addition, the difference in the standards will affect, in one way or another, the international flow of the capital) had the highest degree of an agreement, and with an arithmetic mean of (4.227) and an variation coefficient of (14.54%) as well as the standard deviation coefficient was (0.615), whereas the paragraph (the financial markets are affected by the differences between IFRS and other standards, where the difference in standards will have greater costs for the companies that conduct the foreign exchanges) had the lowest degree of an agreement, and with an arithmetic mean of (3.933), also with a coefficient of the variation of (19.76%), as well as a coefficient of the standard deviation was(0.777). These results justify the importance of having the unified standards that contribute to reduce these costs

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and the companies benefit from the standards and practices that apply to all countries and are followed around the world. The presence of such standards contributes to reduce the cost for the companies in preparing the information and financial statements that have different economic activities in the different countries.

3. The third main variable is (firms' financial performance): The importance of the third aspect becomes clear in Table (5), which reflects the sample's answers in terms of the arithmetic mean, the standard deviation, and coefficient of the variation.

Table (5)

Variation coefficient %	Standard deviation	Arithmetic mean	Questions	SQ
15.26%	0.600	3.933	The financial performance evaluation depends mainly on the financial statements, which are considered one of the generally accepted accounting principles, for they provide the quality information that helps in analyzing the institution's position.	1.
18.57%	0.733	3.947	The choice to adopt the international accounting and financial reporting standards results from the desire of various economic and political performers to read easily the financial reports prepared by institutions that are based in various global markets.	2.
16.65%	0.668	4.013	The differences that will appear on the accounting information when applied between the international financial reporting standards and previously approved accounting methods are supposed to have a financial impact as well as expressing the result and private funds.	3.
16.31%	0.657	4.027	The quality of the accounting information in accordance with the financial reporting standards helps to find a kind of a competition between the different departments, managements and companies, and this in turn pushes managements to improve the level of their financial performance.	4.
20.16%	0.804	3.987	The quality of the accounting information in accordance with the financial reporting standards provides an entry point for evaluating the performance, which is considered a measure of the extent of the institutions' success through their efforts to continue their activities with the aim of achieving their goals.	5.
15.27%	0.615	4.027	The companies' financial performance that publish the financial statements consistent with the international standards can be evaluated during the first year of adopting IFRS.	6.
14.27%	0.613	4.293	Estimating the medium and long-term financial performance of the companies that publish the compatible financial statements with the international financial reporting standards.	7.
10.39%	0.419	4.032	The entire arithmetic mean	

The table (5) shows the study sample's confirmation of the importance of evaluating the financial performance primarily on the financial statements, which are among the generally accepted accounting principles, as well as the role of the international financial reporting standards in unifying the language of accounting in the world, which has had an impact on the evaluation of financial performance that is considered one of the modern works that establish and interpret the framework for preparing and presenting the financial statements in an advanced manner with the aim of providing high-quality financial information and reports, where the above table shows that the arithmetic mean was (4.032), this means that there is an agreement on all paragraphs of this variable, and the paragraph (estimating the financial performance in the medium and long term for companies that publish the compatible financial statements with the international financial reporting standards) had the highest degree of an agreement, distributed in the middle arithmetic of (4.293) with a variation coefficient of (14.27%) and a standard deviation

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coefficient of (0.613), while the paragraph (the financial performance evaluation depends mainly on the financial statements, which are among the generally accepted accounting principles, as they provide quality information that helps in analyzing the institution's position) had the lowest degree of an agreement, distributed with an arithmetic mean of (3.933), a coefficient of variation of (15.26%), and a standard variation coefficient of (15.26%). These results justify the importance of adopting the international accounting and financial reporting standards, which is the result of the desire of various economic and political performers to read easily the prepared financial reports by institutions based in various global markets, which contribute to evaluate the companies' financial performance that publish the financial statements consistent with the international standards in the first year of adopting the international financial reporting standards.

1. Testing correlation hypotheses: To test the hypotheses validity, the Pearson correlation coefficient was used to measure the correlation between the study variables:

Table (6)
Testing correlation hypotheses

Probability value	Pearson correlation coefficient	Hypotheses
0.000	0.625	There is a significant correlation between the international financial reporting standards and accounting information quality
0.000	0.677	There is a significant correlation between the companies' financial performance and accounting information quality

*The correlation is statistically significant at the significance level (5%)

Table (6) shows the following: -

A. The value of the Pearson correlation coefficient between the variable (International Financial Reporting Standards) and the variable (quality of accounting information) is (0.625), and the probability value is (0.000), which is less than the significance (5%). This indicates that there is an existence of a statistically significant relationship between the accounting information quality and international financial reporting standards.

B. The value of the Pearson correlation coefficient between the variable (financial performance of companies) and the variable (accounting information quality) is (0.677), and the probability value is (0.000), which is less than the significance (5%). This indicates that there is an existence of a statistically significant relationship between the companies' financial performance and accounting information quality.

2. Testing hypotheses of an impact:

Testing the research hypothesis including "the presence of a significant effect of international financial reporting standards on the quality of accounting information".

Table (7)
Simple linear regression analysis of companies' financial performance on the accounting information quality

significant Indication	Probability value	T value	Standard error	Regression coefficient	Independent variable
significant Indication	0.000	3.066	0.334	1.024	Constant
significant Indication	0.000	6.843	0.107	0.733	Companies' financial performance
Testing variance analyze					
0.000	Probability value		0.625	**Correlation coefficient**	
			0.391	**Interpretation coefficient R2**	
0.000	Probability value of the explanation coefficient		46.830	**f test value**	
$Y = 1.024 + 0.733X_1$				**Estimated model**	

Source: Prepared by the researcher, based on the results of statistical analysis

Based on the results shown in Table (7), the following is evident:

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A. The calculated (f) value, which is (46.830), is greater than its tabulated value, which is a strong indicator of the companies' importance of the financial performance in the accounting information quality. It is also an indicator of the validity of the study model in predicting the variable values of the accounting information quality.
B. The value of the regression coefficient was shown that the effect of applying the international financial reporting standards on the accounting information quality was positive at a rate of (0.733), meaning that applying the international financial reporting standards contributes to increase the quality of accounting information by a rate of (73.3%). The significance of this effect is supported by the T test of (6.843), which is greater than its tabular value of (1.984).
C. The interpretation coefficient value was (0.391) and its probability value was (0%), which indicates that the variance percentage that it explains in the quality of accounting information increases by (39.1%).
D. Based on the results shown in the above table, the hypothesis was accepted: "There is an effect of applying the international financial reporting standards on the quality of accounting information."
1. Testing the research hypothesis including "the existence of a significant effect of the companies' financial performance on the quality of accounting information".

Table (8)

Significant indication	Probability value	T value	Standard error	Regression coefficient	Independent variable
Significant indication	0.000	3.459	0.357	1.236	Constant
Significant indication	0.000	7.865	0.088	0.695	Significant according to international financial reporting standards
testing variance Analysis					
0.000	Probability value		0.677	**Correlation coefficient**	
			0.459	**Interpretation coefficient R2**	
0.000	Probability value of the explanation coefficient		61.865	**f test value**	
$Y = 1.236 + 0.695X_1$				**Estimated model**	

Source: Prepared by the researcher, based on the results of the statistical analysis
Based on the results shown in Table (8), the following is evident: -
A. The calculated (f) value, which is (61.865), is greater than its tabulated value, which is a strong indicator of the importance of companies' financial performance in the quality of accounting information. It is also an indicator of the validity of the study model in predicting the values of the variable, quality of accounting information.
D. The value of the interpretation coefficient was (0.459) and its probability value was (0%), which indicates that the percentage of THE variance that it explains in the quality of accounting information increases by (45.9%).
E. Based on the results shown in the above table, the hypothesis was accepted: "There is an effect of companies' financial performance on the quality of accounting information."

The fourth section
Conclusions and recommendations

First: Conclusions: -

1. The results showed a positive impact of applying the international standards and companies' financial performance in enhancing the qualitative characteristics of an accounting information, where the prepared accounting information in accordance with the international standards helps the decision makers to enhance current expectations and the success of institutions through their endeavor to continue their activity with the aim of achieving their goals.
2. The results showed the contribution of companies' financial performance to enhance the quality of accounting information, including the differences that will appear in the accounting information when applying the international financial reporting standards, which in turn allows for the faithful representation of the accounting information.
3. The statistical results showed the amount of direct impact that the application of the international financial reporting standards has, where they are contributing to increase the quality of accounting information by (73.3%).

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4. The statistical results showed the amount of direct impact that the efficiency of the companies' financial performance has, which contributes to increase the quality of accounting information by (69.5%) and improving sufficiently the company's financial performance in the medium and long term.

Second: Recommendations

1. The necessity of a comprehensive approach in order to apply the international financial reporting standards because of their importance in enhancing the quality of accounting information.
2. Directing companies to follow up on the financial performance because of its importance in enhancing the quality of provided accounting information to beneficiary parties.
3. It is recommended to improve the efficiency of companies' financial performance in the medium and long term, as results have shown that it contributes to increase the quality of accounting information. This can be achieved by improving the use of the financial resources, good financial planning, and applying effective strategies to increase the return on the investment.
4. A focus must be placed on increasing the quality of accounting information, as statistical results indicate that the applying of the international standards contributes 73.3% to increase the quality of information, while the corporate performance contributes (69.5%). This can be achieved by improving the processes of preparing and presenting the accounting information, and ensuring the accuracy and reliability in the financial reporting.

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