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The Impact of Accounting Disclosure in the Financial Statements on Investment Efficiency, An Analytical Study of Commercial Banks Listed in the Iraq Stock Exchange

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Abstract

This study aimed to identify the relationship between the accounting disclosure of the financial statements and its impact on investment efficiency and rationalization of the investment decision of investors with commercial banks listed in the Iraqi Stock Exchange. In the first stage, the researcher used the deductive approach, which is based mainly on information obtained from books, periodicals, publications and previous studies that dealt with accounting disclosure and financial reports for joint stock companies, the study sample. The study population consisted of (50) questionnaires, of which (40) were recovered, i.e. with a recovery rate of (80%). The study community consists of commercial bank departments, financial managers, investors in the Iraqi Stock Exchange and auditors outside those banks listed in the Iraqi market, and the data was analyzed to test the hypothesis The study using the statistical program (SPSS) and the results of the study showed that there is a statistically significant relationship between the accounting disclosure in the financial statements issued by those banks and the investment efficiency, and that there is a strong impact of the content of the disclosure of financial forecasts on the investment decision of the investor. The study recommended a set of recommendations the most important of which is working on increasing the quality of accounting disclosure in the financial statements and raising investor awareness Reign of the importance of financial forecasts disclosed by commercial banks and how to use them in rationalizing their investment decisions through holding seminars and issuing awareness bulletins.

Keywords: Accounting Disclosure, Investment Efficiency, Commercial Banks, Iraqi Stock Exchange, Financial Statements.

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Introduction

Financial statements are the main outputs of the existing accounting system in commercial banks, The information and data contained in these lists and the statements attached to them are important to decision makers, This is because it is a summary of those events and financial operations that took place during a certain period in banks, Which must be prepared in accordance with the requirements of the accounting disclosure principle as stated in the basic statement of accounting theory issued by the American Accountants Association (AAA). "Accounting information is the primary means of reducing uncertainty among external users, in addition to being an essential means of reporting on practice. The information contained in the financial reports and the attached statements that show the details of the operations included in those statements shall be considered valuable and useful if obtained from high quality financial reports (Nurcholisah, 2016). Accounting disclosure means showing all the information that may affect the position of the users of the financial statements in an understandable language without ambiguity or misleading, which helps investors in making their rational decisions to continue investing. Which increases the investment efficiency of those projects and companies as a whole. Given this importance, this study comes to show the extent of the impact of the accounting disclosure of commercial banks and listed in the Iraqi Stock Exchange on their accounting information on investment efficiency.

Research Problem

The problem of the research lies in the importance of accounting disclosure in the financial statements and its impact on capital investment decisions, since it is related to achieving the goals of banks in the long term, as investment decisions are characterized by efficiency whenever the amount of actual investment in a particular year is equal to the amount of investment expected in this year. The research problem can be posed in the following main question: (What is the effect of accounting disclosure in the financial statements in rationalizing investment decisions in commercial banks listed in the Iraq Stock Exchange). The following questions arise from it:

- Does the content of accounting disclosure in financial statements affect the rationalization of investors' investment decisions?
- Is there a statistically significant relationship between the accounting disclosure in the financial statements and the investment efficiency of those commercial banks?

Research Objective

The research aims at the following:

1. To identify the impact of accounting disclosure in the financial statements on the efficiency of investment in commercial banks listed in the Iraqi capital market.
2. Knowing the extent to which commercial banks are committed to disclosing their financial information in the text of the financial statements and the attached statements and their impact on the investment decisions of investors in the market.

Research Importance

The importance of the research is that it deals with one of the important topics, which is the issue of accounting disclosure in the financial statements of commercial banks and its impact on investment efficiency, which is considered one of the important and modern topics in the current era, as historical financial information is not sufficient to rationalize investors' decisions, the investor needs to know the future conditions of companies In order to increase the degree of confidence they have, and help them on how to build investment decisions and distinguish between high-quality financial statements and low-quality financial statements.

Search Hypothesis: Main Premise

(There is a statistically significant relationship between the accounting disclosure feature in the financial statements and the investment efficiency according to the disclosure applicable in the Iraqi Stock Exchange).

Search Manner

The scientific method will be adopted as a method of research, in the first stage of the research will be based on data and theoretical information directly derived from books, periodicals and previous studies from theses and university theses in the field of accounting disclosure in financial statements (the independent variable) and investment efficiency (the dependent variable), or in the stage Second, a questionnaire was designed and distributed to all employees working in the accounts department in commercial banks, the research sample, financial managers, audit managers, and some auditors affiliated to the Board of Audit and Control Profession, who audit the financial

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statements of those commercial banks and some dealers with those companies. Results related to the research hypothesis.

Previous Studies

1. Study (Al-Rushed: 2012)

The study entitled "The Value of Accounting Disclosure: Investors' Perceptions".

The aim of this study was to identify the importance of accounting disclosure elements to investors in particular and to users of financial statements in general in the State of Kuwait. The results showed that the annual reports are of tangible benefit, and that there is some relationship between the size of financial companies, the quality of accounting disclosure and the nature of the financial information included in these reports, The study recommended that attention should be paid to these reports, with the inclusion of some financial indicators related to the performance of financial companies listed on the stock market in the State of Kuwait, According to the accounting standards with the requirement of chartered accountants to examine the extent to which the annual reports of financial companies comply with the requirements of those standards.

2. Study (Mohammadi: 2014)

The study entitled "The Relationship between Financial Reporting Quantity and Investment Efficiency in Tehran Stock Exchange".

This study aimed to identify the nature of the relationship between the quality of financial reports and investment efficiency, and to identify the most important factors that affect the quality of financial reports for companies listed on the Tehran Stock Exchange. Among the findings of the study is the existence of a direct relationship between the quality of financial reports and investment efficiency. And the absence of a relationship between monetary assets on the one hand, investment efficiency and the quality of financial reports on the other. The study recommended the necessity of conducting future studies on the quality of financial reports in commercial companies and their relationship to investment efficiency and the use of the net present value of investments as an indicator of investment efficiency.

3. Study (Sayegh and Abdel Madjid: 2015)

The study entitled "Measuring the impact of the quality of financial reports on the efficiency of investment decisions of Egyptian joint stock companies".

This study aimed to measure the impact of the quality of financial reports on the efficiency of investment decisions. In addition to studying the factors affecting the relationship between them (finance from banks and cash flow), where the quantitative approach was used in data collection, and standards and indicators were relied on to measure the quality of financial reports and to measure the efficiency of investment decisions.

The results of the study include a decrease in the quality of financial reports for Egyptian companies, a decrease in the efficiency of investment decisions, and an inverse relationship between the quality of financial reports and the inefficiency of investment decisions. The study recommended more future studies dealing with the issue of the relationship between the quality of financial reports and investment efficiency.

Through the foregoing, the researchers see that the current study was complementary to previous studies, especially the study (Al-Rasheed, 2012), which is to identify the importance of accounting disclosure elements for the decisions of investors in Iraqi commercial banks, and it was found that there is a strong direct relationship with statistical significance between the quantity and quality of accounting disclosure in the financial statements. l and investment efficiency, and the study recommended more future studies that deal with the issue of the relationship between disclosure and investment efficiency in accordance with international accounting standards with the commitment of commercial banks to the requirements of those standards.

Theoretical Framework for Research Accounting Disclosure

1. Emergence of Accounting Disclosure

Accounting disclosure appeared with the emergence of joint stock companies, including commercial banks, as well as a result of the separation of ownership from management and the obligation of corporate laws in most countries to issue financial reports for these companies before the annual meeting of the General Assembly (Jerboa, 2018). As companies always seek to obtain capital, achieve a large amount of cash and maximize profits, Therefore, it was necessary for the administration to disclose the important and necessary data that users need through the financial

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statements and the explanations attached to them in order to attract sufficient investments to finance the expansion of companies' activities and gain the confidence of investors, This is what is now called transparency of accounting information that reflects the financial position of these companies (Meter and Al-Suite, 2016).

2. Definition of Accounting Disclosure

Disclosure means showing all information that affects the position of the users of the financial statements and making a particular decision regarding the accounting unit. (Meter and Al-Suite, 2016), The principle of accounting disclosure requires that all events and circumstances that lead to a discrepancy in information among investors be disclosed. Investors who lost their money in Enron due to a lack of quantity and quality of accounting disclosure (adequate disclosure) about the company's operations, which led to a misleading occurrence in the financial statements (Weygandt et al., 2004).

3. Accounting Disclosure Concept

With many of those predetermined definitions of accounting disclosure, their significance is that the concepts of disclosure are multiplied according to their purpose, but the incompatibility and uniformity of the interests of the different parties with respect to the form and content of the financial lists has led to a different angle from which they view these lists, The view of the party responsible for preparing the financial statements regarding the level of disclosure may not necessarily coincide with the view of those expressing an opinion on these statements, nor with the view of investors and other beneficiaries who use them, which led to saying that there are different concepts of disclosure for different purposes (Hanan, 2015), The content of the accounting disclosure has gradually expanded. Two new lists have been added to the income statement and the statement of financial position, namely, the statement of cash flows to disclose information related to cash and the statement of changes in equity to disclose changes in shareholders' equity (Belkaoui, 2004).

4. Importance of Accounting Disclosure

Accounting disclosure is of great importance in the financial statements of commercial banks, as it works to provide the necessary financial information to help users rationalize their appropriate investment decisions in evaluating the financial position of the banks and the results of their work (Al-Khatib, 2012). Where accounting disclosure achieves the following benefits:

- Achieving justice between investors and other users of financial information regarding investment and their willingness to invest their money where the information is available and available to everyone (Gruning, 2006).
- It helps users of accounting information in the optimal use of economic resources by making the optimal decision based on the disclosed information (Al-Dahrawi and Hilal, 2008).
- It provides transparent and useful information about the dealers in the money market and their transactions is essential for the establishment and management of efficient capital markets, and helps in maintaining the stability of stock prices (Hanan, 2014).

From the above it is clear that disclosure is clarity and full disclosure of the accounting information in the financial statements, accompanied by clarifications, notes and management analyzes of past events and their future predictions as final products of financial accounting work that benefit the concerned parties in making decisions. Disclosure in general is providing data and information to users in a secure manner. It is valid and appropriate to assist them in making decisions and therefore includes both internal users and external users.

Financial Statements

1. Responsibility for Preparing the Financial Statements

The outputs of the banks are represented in the form of a set of financial statements and the accompanying explanations, notes and explanatory statements. The application of the accounting disclosure principle requires that all appropriate and necessary information of interest to readers, especially investors, who always seek to know the amount of cash they expect to obtain in the future as a result of their investments in Commercial Banks (Al-Sayed, 2017). And that the responsibility of preparing the financial statements is the responsibility of the management of the bank, and accordingly, it has exercised accuracy and completeness in its preparation and that it represents the financial reality of the bank, or the result of the work, or the cash flows in and out of the bank (Jerboa, 2018).

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2. Qualitative Characteristics of Financial Statement

In order for accounting information to achieve the desired benefit from its users, there is a set of characteristics (features or qualities) that accounting information must have, these characteristics relate to qualitative criteria through which it is possible to judge the extent to which the benefit of accounting information is achieved. The International Accounting Standards Board (IASB) has issued a list of concepts (2) titled the qualitative characteristics of accounting information, through which he clarified a set of main characteristics of accounting information (Al-Qadi and Hamdan, 2011). They are (comprehensiveness, accuracy, relevance, clarity, objectivity, quantification, stability and reliability).

3. Objectives of the Financial Statements

The International Accounting Standards Committee (IASC) indicated that the objectives of the financial statements are not static, but are affected by a number of economic, legal and political factors to suit the society in which these statements are prepared (Arab Society of Certified Public Accountants, 2012).

- Providing appropriate information to current and potential investors and creditors for use in making investment decisions and granting financial loans to them.
- Providing useful information to investors and creditors for the purposes of forecasting, comparing and evaluating the expected cash flows for them in terms of the amount, timing and uncertainty related to these flows (cash flow statement).
- It should explain how resources are obtained, how they are used in the form of various assets, and any information that is useful in evaluating performance and forecasting future profits.

It is clear from this that the International Accounting Standards Committee (IASC) has given importance to investors and creditors first and then to other groups benefiting from accounting information, and alerted accountants to the importance of the statement of cash flows as an accounting report that beneficiaries care about when they make their rational decisions as well as the income statement and the statement of financial position. The International Accounting Standard (1) stipulates that a financial audit should be provided outside the financial statements that make up the financial statements, describing and clarifying the main features of the financial performance and financial position of the project, and the most important clarifications are: (Al-Waqad, 2011).

- An indication of the change in one of the accounting principles followed by the establishment and the reasons that led to this change.
- Reference is made to the establishment's methods of evaluating its commodity inventory and short-term investments.
- A clarification of the events that took place after the date of preparing the financial statements and that materially affect the financial position and results of the business, and the disclosure of comparative information.

4. Financial Market Requirements

Joint stock companies, including commercial banks, during the fiscal year send their reports to the financial market, which include all financial information that may affect the bank's activity and the beneficiaries of those reports, as well as useful in financial forecasts for the beneficiaries to make rational economic decisions, and the most important market requirements are the following: (Adwan, and Houari, 2015).

- Disclosure of essential and necessary matters, significant events and accounting standards.
- Disclosure of the inclusion of the name of commercial banks in the financial market, as well as financial intermediation companies.
- International and local auditing standards, and the conditions to be met by auditors.

5. Auditor's Responsibility for Adequate Disclosure in Financial Statements

Preparing the financial statements is the task of the bank’s management, and in order for these financial statements to reflect the financial position and the result of the work in a correct and honest way from the side of the beneficiaries, There must be ratification of these financial statements by another party characterized by impartiality and independence, which is the external auditor, who expresses his neutral technical opinion about the truthfulness and fairness of these statements in his report at the end of the audit process. Through the auditor's report, users of the financial statements, including investors, can make rational economic decisions based on these financial statements. (Hammad, 2014). Accordingly, the auditor’s report affects the appropriateness, reliability and extent of utilization of the accounting information contained in the financial reports, and the extent to which it is affected by the adequacy

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of the investment, which is reflected on the quality of these reports through a commitment to the application of generally accepted accounting standards (Hanan, 2014). Therefore, it is the duties of the auditor to conduct an independent examination of the financial statements presented by the bank. If the auditor is convinced that the financial statements faithfully represent the financial position, business results and cash flows of the bank fairly and in accordance with generally accepted accounting principles, he expresses a positive, un conservative opinion.

Investment

Investment Definition

Investment is defined as the process of investing money in assets that results in periodic and non-periodic future returns, i.e. investing capital expenditures of banks in the form of assets that enable them to carry out their various activities and projects with the aim of maximizing the expected return (Musa, et al., 2014), (Alwan, 2013) believes that investment is the use of money in production, either directly by purchasing machinery and raw materials, or indirectly, such as buying stocks and bonds. What is meant by investment in its administrative and accounting meaning is to invest money in various assets, and investment in its economic meaning is to invest money in economic, social and cultural projects with the aim of achieving new cumulative capital and raising capacity and productivity or renewing and compensating the old capital (Muhammad, 2010). Achieving and developing profits is the general goal behind any investment process, whether it is investing in the field of securities (stocks and bonds) or investing in capital and productive assets, such as investing in a new production line, replacing new machines with old ones, or expanding production capacity (Kallapur & Ttombley, 2001).

Investment Concept

Investing in its general concept is to sacrifice a current benefit that can be achieved from satisfying current consumption, in order to obtain a greater future benefit that can be achieved from satisfying future consumption (Moses, et al., 2014). Investing is an individual or collective activity involving the use of savings in order to preserve the value of financial assets as well as an ongoing financial return on these assets (Ali, 2015). On the other hand, investment means the facility's harnessing of its available resources to obtain the means of production through optimal exploitation of the resources available on the various types of assets in a fair and equal manner, so that there is a balance in the allocation of funds to each element of production without resulting in a deficit or surplus due to Loss of invested money (Aql, 2009).

The Importance of Investment

The importance of investment appears at the national level as well as at the individual level (Moussa et al., 2014):

1. Increasing production and productivity, which leads to an increase in national income and an increase in the average per capita share of it, and thus leads to an improvement in the standard of living for all citizens.
2. Exporting surplus goods and services abroad, which saves foreign currencies for the purchase of fixed assets, increases the state's capital formation rates and supports the economic development process.
3. Helps the investor protect his wealth from different types of risks, whether they are regular or irregular risks.

Investment Types

There are different types of investment according to the investment tool that the investor chooses, and the types of investments can be differentiated according to several criteria (Abu Al-Fotouh, 2013).

- Investments related to the financial wealth of the facility, as it constitutes the main base for the activity of the producer. An annual amount of money is allocated to it, and it includes tangible fixed assets such as machinery and equipment.
- Financial investments related to investing in securities such as stocks, bonds, certificates of deposit and others, and it is called long-term investment.
- Investing in the exploitation of the available energies of human resources, including recruitment and rehabilitation processes, and the improvement of working conditions.
- Investing in fixed capital is intended to invest in the establishment and construction of enterprises with capital assets, such as equipment and machinery for the production of goods and the provision of various services.

Investment Efficiency

There will be a distinction between types of investment, where two main types of efficient investment are distinguished: (Mahilimi, 2016).

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The First Type: Investing in various assets and financial instruments (financial investment).

Securities are one of the most prominent types of investments available, due to the flexibility and advantages they enjoy, as they are characterized by being easily converted into cash. Securities are of two types, including ownership tools such as stocks of all kinds, and the second is called debt instruments such as bonds of all kinds. Stocks usually change their returns with changes in production and profits, and therefore it is characterized by a higher degree of risk compared to bonds, while bonds have a fixed income and are characterized by being less risky than stocks, and this difference provides the investor with the choice of the appropriate tool or diversification of the investment portfolio.

The Second Type: Investment in one of the means of production (capital assets).

It is an investment that aims to increase production capacity and thus leads to an increase in the gross national income. Therefore, investment in capital assets is in capital goods such as land, buildings, production equipment, raw materials and production supplies (Hardan, 2012), (El Shabeeb, 2009) indicates that investing in assets is characterized by a high degree of safety and a low degree of risk because it is based on economic and technical feasibility studies, and this investment is considered long-term, Thus, this investment is appropriate, as the investing company manages these assets on its own, and it also brings a great benefit to society from this investment, which contributes to the production of goods and services.

Return on Investment

The return is defined as the return that the investor aspires to obtain in the future in return for investing his money with the aim of obtaining the return, developing his wealth and maximizing his property (Alwan, 2013), Or it is the expected increase of the invested amount that meets the investor's desires or the goal that the investor seeks to achieve in an attempt to maximize his wealth as much as he can and reduce the risk associated with the return as much as possible (Brigham and Ehehard, 2015), As defined by (Bodie, et, at., 2007), it is the increase or decrease that occurs in stock prices during the investment period in addition to any distributions in income per share during the period.

The researcher believes that there are methods and criteria for measuring investment efficiency for each type of investment, so a distinction must be made between them, and when determining what is meant by investment efficiency, the appropriate measure of efficiency is determined. There is a trend that sees maximizing the company's total profit is the goal that the company's management should strive to achieve, and this opinion is consistent with real investment (capital assets), under which investment efficiency must be evaluated. Either the other direction sees that the market value of company shares is the indicator or criterion on the basis of which investment decisions are taken, and therefore this opinion is compatible with investing in different assets and financial instruments, i.e. (financial investment in securities), under which the investment efficiency must be evaluated.

Practical Framework for Research

Society of Study and Sample

The study population consists of private commercial banks operating in Iraq, As for the study sample, it consisted of some private banks operating in the Iraqi market for securities (Commercial Bank of Iraq, United Investment Bank, Gulf Commercial Bank and Commercial Investment Bank), The questionnaire was distributed to senior management, financial managers, investors, financial intermediaries, financial analysts, those interested in the financial market and auditors for those banks accredited to the Council for the Practice of the Profession of Monitoring and Auditing in Iraq, and the following is a summary of the number of questionnaires distributed, retrieved and subject to analysis:

Table 1: Target Sample and Actual Response

The ratio	The number	Details
%100	50	Distributed identification
%20	10	Retrieved identification
%80	40	Analyses identification

Methods Used for Analysis

It has been relied on many statistical methods and measures used to analyze the data of the field study and according to the statistical program (SPSS), the most important of which are: (Toma et al., 2014).

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1. Arithmetic mean: It is one of the measures of central tendency so that its direction is positive if the arithmetic mean exceeds the midpoint.
2. Standard deviation: It is one of the measures of dispersion that confirms the correctness of the concentration of the arithmetic mean values and the extent of their dispersion from the mean.
3. Variation coefficient: It is one of the important parameters because it depends on the best measures of tendency and the best measures of dispersion (standard deviation / arithmetic mean) * 100%. If the coefficient is less than (50%), this means that the answers agree, but if the coefficient is greater than (50%) It indicates that the answers do not agree.

Table 2: The Basic Characteristics of the Search Sample Vocabulary

Number	Variable	Category	Frequency	Percent
1	Years of Experience	Less than five years	9	23%
		Five years less than ten	8	20%
		Ten years less than twenty	10	25%
		Twenty years or more	13	32%
2	Scientific qualifications	Diploma	6	15%
		Bachelor	12	30%
		Master	9	22%
		PhD	6	15%
		CPA	7	18%
3	Job	Business management	5	13%
		Banking sciences	8	20%
		Accounting	7	17.5%
		Charter accounting	7	17.5%
		Calculators	6	15%
		Economic	3	7%
		Statistic	4	10%

Source: Preparing researchers based on the results of the field study.

From Table No. (2) it turns out that 30 % of individuals who answered the questionnaire questions carry a bachelor's degree and then followed by 22% holding a master's degree, followed by 18% holders of a charter accounting and this indicates that all members of the sample carry a high scientific qualification that helps them to know the subject search. As for the job variable, the highest percentage of 20% are banking sciences, and this result indicates that individuals who answered the questionnaire questions have a precise accounting specialization that qualifies them to answer the questionnaire questions professionally. With regard to the variable of practical experience, it reached the highest percentage of the category within twenty years or more, which is 32%, and this is a good indication for answering the questionnaire questions, and they are well aware and knowledgeable about the topic of research, as shown in the figure above.

For the purpose of measuring the opinions of the sample members and identifying the extent of interest of commercial banks in the importance of accounting disclosure in the financial statements issued by those banks, it was included in the measurement tool (the questionnaire) within (14) paragraphs, and the answers obtained and the results of their statistical analysis were summarized, The researchers relied on the Likert scale as in Table (3) listed from (1-5) where (5) indicates strongly agree and (1) indicates strongly disagree, It was also classified into three categories according to the arithmetic circles, so that each factor who obtained an arithmetic average of more than (3.5) was considered of high importance, which ranged between (2.5 - 3.5) average importance, and the factor that was less than (2.5) is of little significance.

Table 3: Categories of Answers and the Corresponding Score

Categories	Measurement degree	First part	Second part
From 100% - 81%	5	Strongly Agree	Very high
From 80% - 61%	4	Agree	High
From 60% - 41%	3	Neutral	Medium
From 40% - 21%	2	Not agree	Lower
From 20% - 0%	1	Strongly Disagree	Non-existent

The following are the results related to the main research hypothesis (There is a statistically significant relationship between the accounting disclosure feature in the financial statements and the investment efficiency according to the disclosure applicable in the Iraqi Stock Exchange).

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Table 4: Analyzing the Opinions of the Sample Members on the Impact of Accounting Disclosure on Investment Efficiency

No.	Questions	Mean	Standard deviation	Variation coefficient	Ranking	Importance
1	The components of equity are disclosed in commercial banks, which include paid-up capital, reserves, and issue premium**.**	4.25	0.521	12.259	3	Too high
2	Existence of financial and non-financial disclosures that help investors evaluate previously taken economic decisions.	4.38	0.629	14.361	5	Too high
3	Commercial banks are required to prepare a statement of financial position income statement, property rights statement and cash flow statement at the end of the year compared to the previous year.	4,25	0,695	16,352	8	high
4	The financial statements are prepared on the basis that the bank will continue its business in the near future and that there is no intention to liquidate the bank.	4,86	0,480	10,256	2	Too high
5	Commercial banks disclose the number of authorized shares, issued and fully paid shares, as well as fully issued and unpaid shares.	4,19	0,781	18,639	9	high
6	Commercial banks disclose the components of income and expenses in detail in the body of the income statement or in attached statements showing the details of the numbers appearing in the list.	3,92	0,867	22,117	13	high
7	Disclosure of future financial information in the same way as the presentation of historical financial statements, helps investors in rationalizing their investment decisions.	4,40	0,661	15,022	6	high
8	The annual report includes a reference to the main investments that the bank intends to undertake and the risks of those investments.	3,68	0,509	13,832	4	Too high
9	Investors prefer that banks disclose their financial forecasts, such as profits and revenues, in the form of a specific number, percentage, or metadata.	4,86	0,451	9,279	1	Too high
10	Banks are committed to disclosing the accounting policies and methods used, including the recognition standard and the basis for measurement used.	4,18	0,657	15,717	7	high
11	Disclosure of financial forecasts may result in the Bank's accountability if it is not achieved and thus damage the Bank's competitive position in the financial market.	4,47	0,951	21,275	12	high
12	The commercial banks listed in the market shall disclose the results of any studies they conduct about profits or sales expectations and any expected change in the ownership of their shares.	4,80	0,950	19,791	10	high
13	Adherence to International Accounting Standards (IAS) helps to improve the investment decisions of financial roster users and increase the quality of accounting information included in financial statements to increase investment efficiency.	3,67	0,893	24,332	14	high
14	The financial statements published by commercial banks help investors in making their investment decisions in these banks with the presence of multiple investment alternatives	4,13	0,874	21,162	11	high

Source: Preparation of researchers based on the results of the statistical analysis of SPSS.

We note from Table (4) that the highest arithmetic mean is (4.86), which came for paragraph (9), a standard deviation of (0.451) and a coefficient of variation (9.279%), which states: Investors prefer that banks disclose their financial forecasts such as profits and revenues in the form of a number specified, in the form of a percentage, or in the form of metadata, And with an approval rate of 98%, which indicates that the degree of approval for the paragraph is very high. Either the paragraph that follows it came with an arithmetic mean (4.68), standard deviation

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(0,480) and a coefficient of variation (10,256), which states: The financial statements are prepared on the basis that the bank continues its business in the near future and that there is no intention to liquidate the bank.

Table 5: Descriptive Statistics on the Impact of Accounting Disclosure in Commercial Banks

No.	Questions	Mean	Standard deviation	Variation coefficient	The ratio
1	The components of equity are disclosed in commercial banks, which include paid-up capital, reserves, and issue premium.	4.25	0.521	12.259	89%
2	Existence of financial and non-financial disclosures that help investors evaluate previously taken economic decisions.	4.38	0.629	14.361	83%
3	Commercial banks are required to prepare a statement of financial position income statement, property rights statement and cash flow statement at the end of the year compared to the previous year.	4,25	0,695	16,352	81%
4	The financial statements are prepared on the basis that the bank will continue its business in the near future and that there is no intention to liquidate the bank.	4,86	0,480	10,256	91%
5	Commercial banks disclose the number of authorized shares, issued and fully paid shares, as well as fully issued and unpaid shares.	4,19	0,781	18,639	80%
6	Commercial banks disclose the components of income and expenses in detail in the body of the income statement or in attached statements showing the details of the numbers appearing in the list.	3,92	0,867	22,117	76%
7	Disclosure of future financial information in the same way as the presentation of historical financial statements, helps investors in rationalizing their investment decisions.	4,40	0,661	15,022	82%
8	The annual report includes a reference to the main investments that the bank intends to undertake and the risks of those investments.	3,68	0,509	13,832	85%
9	Investors prefer that banks disclose their financial forecasts, such as profits and revenues, in the form of a specific number, percentage, or metadata.	4,86	0,451	9,279	96%
10	Banks are committed to disclosing the accounting policies and methods used, including the recognition standard and the basis for measurement used.	4,18	0,657	15,717	81%
11	Disclosure of financial forecasts may result in the Bank's accountability if it is not achieved and thus damage the Bank's competitive position in the financial market.	4,47	0,951	21,275	76%
12	The commercial banks listed in the market shall disclose the results of any studies they conduct about profits or sales expectations and any expected change in the ownership of their shares.	4,80	0,950	19,791	78%
13	Adherence to International Accounting Standards (IAS) helps to improve the investment decisions of financial roster users and increase the quality of accounting information included in financial statements to increase investment efficiency.	3,67	0,893	24,332	73%
14	The financial statements published by commercial banks help investors in making their investment decisions in these banks with the presence of multiple investment alternatives	4,13	0,874	21,162	77%
		4,28	0,708	16,742	82%

Source: Preparation of researchers based on the results of the statistical analysis of SPSS.

Through the aforementioned statistical table, we note that the highest percentage of support came in paragraph (9) with a percentage of (96%), followed by paragraph (4) and paragraph (1), which stipulated: The financial statements are prepared on the basis that the bank continues in its business in the near future and that there is no intention to

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liquidate the bank. Commercial banks are disclosed about the components of equity, which include paid-up capital, reserves, and issuance premium, the percentage of support, respectively, was (91%) (89%) for both paragraphs. Hence, the hypothesis test was achieved, as the percentage of supporters for it was (82%), with an arithmetic mean (4,28), and a coefficient of difference (16.74%) for all paragraphs.

Table 6: Shows the Result of the Hypothesis Test

No.	Questions	Mean	T calculated	T tabular	The result
1	The components of equity are disclosed in commercial banks, which include paid-up capital, reserves, and issue premium.	4.25	14.420	1.341	Accept
2	Existence of financial and non-financial disclosures that help investors evaluate previously taken economic decisions.	4.38	13.408	1.341	Accept
3	Commercial banks are required to prepare a statement of financial position income statement, property rights statement and cash flow statement at the end of the year compared to the previous year.	4,25	14,234	1.341	Accept
4	The financial statements are prepared on the basis that the bank will continue its business in the near future and that there is no intention to liquidate the bank.	4,86	14,564	1.341	Accept
5	Commercial banks disclose the number of authorized shares, issued and fully paid shares, as well as fully issued and unpaid shares.	4,19	14,124	1.341	Accept
6	Commercial banks disclose the components of income and expenses in detail in the body of the income statement or in attached statements showing the details of the numbers appearing in the list.	3,92	13,896	1.341	Accept
7	Disclosure of future financial information in the same way as the presentation of historical financial statements, helps investors in rationalizing their investment decisions.	4,40	14,354	1.341	Accept
8	The annual report includes a reference to the main investments that the bank intends to undertake and the risks of those investments.	3,68	13,658	1.341	Accept
9	Investors prefer that banks disclose their financial forecasts, such as profits and revenues, in the form of a specific number, percentage, or metadata.	4,86	13,745	1.341	Accept
10	Banks are committed to disclosing the accounting policies and methods used, including the recognition standard and the basis for measurement used.	4,18	14,125	1.341	Accept
11	Disclosure of financial forecasts may result in the Bank's accountability if it is not achieved and thus damage the Bank's competitive position in the financial market.	4,47	14,532	1.341	Accept
12	The commercial banks listed in the market shall disclose the results of any studies they conduct about profits or sales expectations and any expected change in the ownership of their shares.	4,80	15,865	1.341	Accept
13	Adherence to International Accounting Standards (IAS) helps to improve the investment decisions of financial roster users and increase the quality of accounting information included in financial statements to increase investment efficiency.	3,67	12,882	1.341	Accept
14	The financial statements published by commercial banks help investors in making their investment decisions in these banks with the presence of multiple investment alternatives.	4,13	13,875	1.341	Accept
		4,288	14,071	1.341	Accept

Source: Preparation of researchers based on the results of the statistical analysis of SPSS.

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And by testing the hypothesis according to the T.test (SPSS) system to measure the deviations and the arithmetic mean, The researchers believe that there is a strong impact of accounting disclosure in the financial statements on the efficiency of investment in commercial banks listed on the Iraqi Stock Exchange, Since the calculated value ((14,071) is greater than the tabular value (1,341) under T, SiG (0.000), Since the general rule for hypothesis acceptance, if the calculated value is greater than the tabular value, the validity of the hypothesis that is (There is a statistically significant relationship between the accounting disclosure feature in the financial statements and the investment efficiency according to the disclosure applicable in the Iraqi Stock Exchange).

Table 7: Hypothesis Result

T calculated	T tabular	T SiG	HO Hypothesis result
14,071	1,341	0,000	Accept

Conclusions and Recommendations

Conclusions

The conclusions of the research, through the theoretical and practical study of the research, are as follows:

1. The level of knowledge of the members of the sample about international accounting standards is not in the required form that ensures the preparation of financial statements in a more transparent and objective manner, as the percentage was low on the paragraph that agreed that the financial statements of banks should be prepared in accordance with international accounting standards.
2. Disclosure in the financial statements issued by commercial banks in their current state helps investors make their investment decisions to continue investing in these banks in light of the multiplicity of investment alternatives, but they need complementary clarifications that help in understanding more of their contents.
3. The commitment of commercial banks listed in the Iraqi Stock Exchange to prepare their financial statements in accordance with the system in force in the Iraqi market, and in accordance with the disclosure requirements contained in International Accounting Standard No. (1), so the percentage of support for paragraph (3) was high.
4. There is a positive effect between the accounting disclosure and the quality of the accounting information included in the financial statements, especially the income statement, by making the financial statements comparable to the bank with banks operating in the same activity, as well as with the lists of the same bank during the previous several years, which increases the confidence of investors in those statements.
5. The statement of financial position occupies the first place in importance, followed by the income statement, then the cash flow statement, and in the last place is the statement of changes in equity at the end of the year, and the most users dependent on these statements are external investors and the tax department.
6. Commercial banks are obliged to issue reports indicating the profits generated through their regular, financing and investment activities according to distribution policies, enabling investors to make their rational investment decisions in those banks.
7. The commercial banks of the research sample are committed to the same level of compliance with the accounting principles and assumptions, such as continuity, stability, maturity, and the authorized, issued and paid-up capital, and the nominal value of the share.
8. That the financial reports, especially the management report, do not include information on future investment costs, is a fundamental deficiency in the accounting and administrative function alike, which affects the future performance of the financial reports of commercial banks.

Recommendations

Through the findings of the researchers, they made the following recommendations:

1. The necessity of the commitment of all commercial banks to prepare financial reports in accordance with the accounting disclosure requirements contained in International Accounting Standard No. (1) and the Iraqi Accounting Rule No. (10) to help investors understand more about their contents and benefit from them in the process of making investment decisions.
2. That the Iraqi commercial banks and audit offices increase the knowledge and familiarity of their employees with the international accounting standards to raise their scientific level, which increases the transparency of the financial statements when preparing.

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3. They issue quarterly or semi-annual financial statements for commercial banks within a period not exceeding one month from the date of their preparation, as this has an impact on the process of making sound decisions for investors and thus increasing investment efficiency.
4. Commercial banks should disclose a statement of future cash flows as well as the most certain potential gains and least certain potential losses.
5. The Iraqi Accounting and Regulatory Standards Board and the Auditing and Oversight Profession Council responsible for monitoring joint stock companies, including commercial banks, must take appropriate measures to ensure that banks fully comply with the accounting disclosure requirements in the financial statements and the clarifications complementing those financial statements and audited by a certified auditor.
6. Due to the development and growth of the volume of activity in Iraqi commercial banks significantly during the previous years, and the increase in the number of these banks and the expansion of their activities, they must increase the level of accounting disclosure in the financial statements and thus increase the confidence of investors in those banks.
7. Banks must be committed to disclosing the bank's policies in granting loans and credit facilities or interest rates (debit and credit), although interest of all kinds is considered one of the main vocabularies in preparing the bank's financial statements, thus increasing the efficiency of accounting information and its ability to rationalize investment decisions.
8. Expanding the scope of disclosure of future investments to include future financial statements that the banks listed in the Iraqi Stock Exchange prepare and publish periodically under the supervision of the market.

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