Financial derivatives and their role in financial decision An analytical study of the views of managers in a sample of private sector banks in the city of Erbil

Assist. Prof. Dr. Mahabat Nori Abdullah
College of Administration and Economics
Salahaddin University/Erbil

Researcher: Hevi Mohammed Qader
College of Administration and Economics
Salahaddin University/Erbil

Abstract:

The purpose: The research aims to know the role of financial derivatives of all kinds (options contracts, futures contracts, and swap contracts) in making financial decisions of all kinds (investment decisions, financing decisions and profit distribution decisions). The research problem was defined by asking questions centered on the nature of the relationship, influence and clustering between the research variables. A hypothesis scheme was designed for the research, and the main and subsidiary hypotheses emerged from it. The research followed a (descriptive - analytical) approach to achieve the research objectives. The research used the questionnaire form as a means to obtain the data. The research sample consists of managers in private banks in the city of Erbil, whose number is (127) managers in (46) banks in the field of research. The questionnaire form was distributed to (127) managers, and (110) valid forms were retrieved for analysis. In order to verify the validity of the hypotheses, it was subjected to multiple tests using the SPSS-V.22 statistical program. The research reached several conclusions, the most important of which is the existence of a positive and very good level of moral relationship between financial derivatives at the macro and partial level, as the stronger relationship between swap contracts and financial decisions. This indicates that the more private banks researched relied on financial derivatives, this led to improved levels of financial decisions. And among the most important suggestions is the necessity for the management of private banks to invent other financial tools that support their financial decision-making, and the research suggests the necessity to maintain the management of private banks on their financial position without collapsing and confusion.

Keywords: Financial derivatives, Financial decision, Private Banks.

المشتقات المالية ودورها في القرارات المالية/دراسة تحليليه لآراء المديرين في عينه من المصارف القطاع الخاص في مدينة اربيل

أ.م.د. مهابات نوري عبدالله
كلية الإدارة والاقتصاد
جامعة صلاح الدين/أربيل
mahabat.abdullah@su.edu.krd

الباحثة: هيفي محمد قادر
كلية الإدارة والاقتصاد
جامعة صلاح الدين/أربيل
Hevi.m.q@gmail.com

المستخلص:

الغرض: يهدف البحث الى معرفه دور المشتقات المالية بأنواعها (عقود الخيارات، عقود المستقبلية، وعقود المبادلات) في اتخاذ القرارات المالية بأنواعها (قرارات الاستثمار، قرارات

التمويل وقرارات توزيع الارباح). وتم تحديد مشكلة البحث من خلال طرح تساؤلات تمحورت حول طبيعة العلاقة والتأثير والتعنقد بين المتغيرات البحث. وتم تصميم مخطط فرضي للبحث وانبثق منه الفرضيات الرئيسة والفرعية. وانتهج البحث المنهج (الوصفي-التحليلي) لتحقيق اهداف البحث. واستخدم البحث استمارة الاستبانة كوسيلة لحصول على البيانات. وتكونت عينة البحث من المديرين في المصارف الاهلية في مدينة اربيل والبالغ عددهم (127) مديراً في (46) مصرفاً ميدنا للبحث. وتم توزيع استمارة الاستبانة على (127) مديرً، تم استرجاع (110) استمارة صالحة للتحليل. ولأجل التأكد من صحة الفرضيات خضعت لاختبارات متعددة من خلال استخدام البرنامج الاحصائي SPSS-V.22. ووصل البحث الى عدة استنتاجات اهمها وجود علاقه معنوية موجبه وبمستوى جيد جدا بين المشتقات المالية على المستوى الكلي والجزئي حيث كانت اقوى علاقه بين عقود المبادلات والقرارات المالية، وهذا يدل على انه كلما زاد اعتماد المصارف الخاصة المبحوثة على المشتقات المالية ادى ذلك الى تحسين مستويات القرارات المالية، ومن اهم المقترحات ضرورة قيام ادارة المصارف الخاصة بابتكار ادوات مالية اخرى التي تساند اتخاذ قرارها المالي، وتقترح الدراسة ضرورة المحافظة ادارة المصارف الخاصة على وضعها المالي من عدم الانهار والارتباك.

الكلمات المفتاحية: المشتقات المالية، القرارات المالية، المصارف الخاصة.

1. Introduction:

The success of economic institutions especially financial institutions depends on making strategic decisions specifically financial decisions that directly affect them by giving them understanding importance and an effective economic role. Its success is also related to the extent to which it has taken sound financial decisions in the area of finance, investments and divided distribution. The success of financial decisions is found to be in important indicators on the success of organizations. These decisions cannot be rational and more effective unless they are taken based on a clear understanding of the financial instruments that are affected by them and thus achieving their primary goals. Financial derivatives are financial instruments that play a fundamental role in serving the contemporary economy and the success of financial organizations especially the current private banks that need these tools as they are in financial innovations that are used for many purposes including financing and investments. Financial derivatives include a wide range of financial contracts that vary according to their nature, risks and deadline.

The study is composed of four chapters the first of which deals with previous studies besides general framework and study method. The second chapter includes the theoretical framework while the third chapter includes the field side of the study. The last chapter deals with the most important

findings of the study which stand for points related to the conclusions and suggestions.

1-1. Related Literature review: This topic aims at reviewing a number of literature review related to the current research topic variables regardless of their being Arabic or foreign:

A. (Al-Slehat, et al., 2018): "The Factors Affecting the Use of Financial Derivatives' Instruments an Applied Study on the Jordanian Commercial Banking Sector":

The study aims at identifying the factors affecting the use of instruments of financial derivatives such as (administrative factors, financial and accounting factors, and legal factors) in the Jordanian commercial banking sector. The community of the study consists of all Jordanian commercial banks operating in the Jordanian economy and listed on the Amman Stock Exchange that are 13 commercial banks. This thesis used the questionnaire as a tool to collect information and the data which were collected from primary sources. That is, the study relied on the questionnaire as a main tool to obtain data from the sample of the study. (100) questionnaires were distributed on the samples of the study. 94 of the total number of responses was retrieved. Likewise, secondary sources of the study were based on books and periodicals, the web and previous literature. Respondents samples indicated that there are financial and accounting factors affecting the use of financial derivatives instruments. The most important point of these is that the liquidation of the derivative contract is accompanied by the cost and time incurred by the bank. The banking sector is motivated to use financial derivatives instruments with providing all the requirements it needs.

B. (Huan, 2019): "Financial derivatives and bank risk: Evidence from eighteen developed markets"

The objective of studying Bank Scope besides the collected data from Bank Scope in addition to the 555 banks in eighteen countries in our sample is to show that 387 banks are derivatives users'. The data used for the thesis Data Stream indicate that our main findings suggest that banks use of financial derivatives increased their risk. We find an overall positive relationship between banks' ex-ante use of derivatives and ex-post risk suggesting that banks generally increase risk by using derivatives.

C.(Santos, et al., 2018): "The importance to financial information in the decision-making process in company's family structure."

The aims to determine whether these enterprises assign importance to financial information in the decision-making process.

As far as Companies belonging to the APEF in Portugal is concerned, the population corresponds to the CF associated the APEF which is registered at Portugal. So, the population to be considered for this study is 272 companies, and the sample is composed of 66 Portuguese CF that are not representative of the population. The questionnaire used for this research also comes to conclude that financial information is primarily used to assess the financial impact, support the current management and investment decisions and comply with tax obligations. Naturally, some of these limitations can be minimized or even eliminated in future researches through taking into account that as future research lines suggest: an analysis of the mode of operation of reward systems administrators-managers in these companies and their respective penalizations.

D.(Alzahraa, et al., 2019): "The role of accounting information systems in making financial decisions"

The study aims at identifying the role of the accounting information system in making financial decisions. The statistical community consists of a group of individuals working in the commercial banks of each of Ain Temouchent and its agencies, and the multiplicity of banks were distributed as follows: Agricultural and Rural Development Bank BADR, Local Development Bank BDL, National Bank of Algeria BNA, National Bank of Foreign Affairs BEA, Loan of Algerian People's Bank CPA, Bank Algerian Gulf AGB, CNP, and SOCIETE GENERAL. The sample members also consist of the director, deputy director, head of the authority, in charge of banking operations, employees and even the disputes department. Hereby, we distributed forty forms in which we adopted in some cases direct delivery of the questionnaire form in addition to the use of friends in the process of distribution to institutions where we distributed 40 questionnaires and retrieved 32 valid forms.

The financial statements and reports are considered as one of the most important pitfalls of accounting information systems on which the Foundation relies heavily on expressing opinions and making financial decisions. The necessity of banks to rely more on the information is

provided by the accounting information system because it is of great importance and helps bankers in making the right decisions.

The field of benefit from previous studies and what distinguished the current study from previous studies: Previous studies are reviewed to identify the research aspects related to the topic of the current study. Notably, the researcher made use of such studies in order to enrich the theoretical framework of the research, interpret the findings of the current research and rely on a number of research phrases during the preparation of the questionnaire form.

1-2.The general framework of the study and its methodology:

1-2-1.The study problem: Banks play an important role in financing economic and social development plans, as they are a major tool for managing financial resources in all societies. Banking activities and operations started facing many challenges represented by economic fluctuations and the complex changes in the environment. Accordingly, financial engineering scientists have created a mechanism to reduce the risks of these fluctuations and made continuous financial decisions on environmental assurance by dealing with derivative financial instruments or (financial derivatives) because it is necessary to rely on the types of contracts of financial derivatives as an effective tool in making financial decisions.

Accordingly, the study problem can be embodied by raising the following questions:

- Do the research banks rely on financial derivatives to make financial decisions, which the current study adopted in its scheme?
- Are there correlations and effects between the two study variables financial derivatives and financial decision?

1-2-2.The importance of the study: The importance of the study is embodied in two aspects, which can be reviewed as follows:

❖ **Academic importance:**

- The importance of the study is stemmed from the vital importance of its variable as vital topics in financial sciences.
- The importance of the study stems from the vital importance of the variable of financial derivatives as one of the contemporary topics in financial management.

- The study acquires its importance in its combining financial derivatives and financial decisions in an attempt to build a theoretical framework for each of them and contributes to the enrichment of the two topics and finds a link between their types.

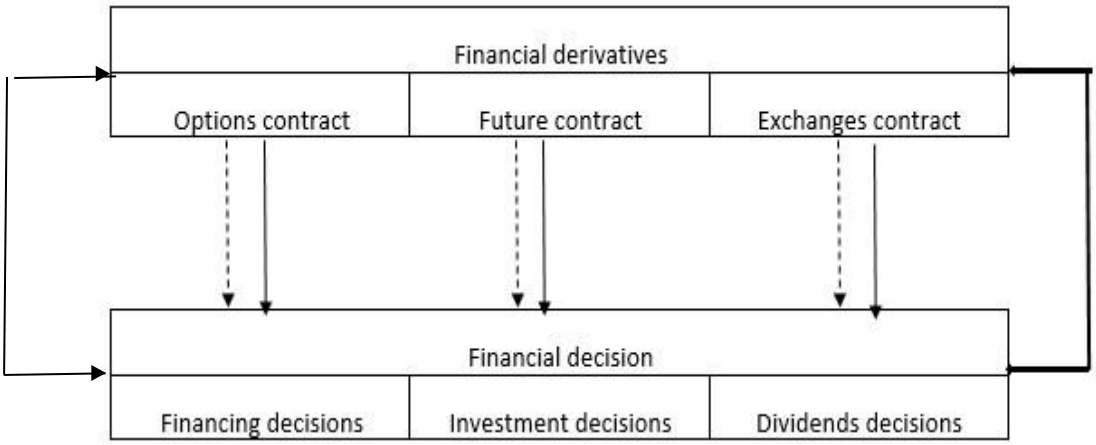
❖ **Field importance:**

- The field significance of the study comes through the application of its subjects in private sector banks in the city of Erbil, where banks represent the vital sector in supporting the economic sector.
- Providing results and suggestions to private banks that can contribute to enhancing their ability to make responsible financial decisions.
- Directing the attentions of the banks departments that enable the financial decisions to help distinguishing them from competing banks and achieving their goals in maximizing their market value.

1-2-3.The objectives of the study:

- Disclosure of levels of agreement between the opinions of respondents regarding the two study variables
- Knowledge of any of the financial derivative contracts has more influence on financial decisions
- Identifying the level of presence of the study variables in the total banks.
- Knowing the levels of losing the types of the two variables according to their similarities.
- Identifying the nature of relationships and influence between the two study variables.

1-2-4.The plan of the study: In light of the problem of the study, its aims, and the relationships between its variables, then designing a hypothesis for the study and Figure (1) illustrates this plan. Figure (1)



A hypothesis of the study

1-2-5.The hypothesis of the study: The researcher formulated a number of hypotheses to achieve the goals of the current study, as follows:

- The first main hypothesis: the opinions of respondents in the private banks discussed differ regarding the description of the variables of the current study.
- The second main hypothesis: The variables of the study and their types are clustered in certain groups according to the characteristics of the similarity between them.
- The third main hypothesis: There is a significant relationship of statistical significance between the types of financial derivatives combined and separately and between financial decisions combined and individually.
- The fourth main hypothesis: -There is a significant statistically important effect of the types of financial derivatives in financial decisions.

2. Theoretical:

2-1. concept of financial derivatives: Derivatives take their name from the fact that they derive their value or derive their value from a value. A reference that is, in fact, the value of a classic investment instrument such as a common stock or a bond. If the prices of those shares or bonds are appropriate from the standpoint of the contract holder, then they become of full value, but if those prices are inappropriate from his point of view, the contract becomes worthless, and it may result. About losses. Financial derivatives are contracts that give one party the right to a specific asset, on a specific date, and obliges the other to respect a similar obligation. The contract may relate to a financial asset, an amount of currency, or a quantity of raw materials, as well as an index of indicators. The contract may link the two parties in a binding way or give one of them the possibility to implement the contract or not to implement it, and the market price of the derivatives depends on the price of the contracted asset since the inception of the contract. (Khalida, 2015: 26).

In general, the researcher believes that the financial derivatives can be contracts - they are settled on a specific date - they need a small initial amount compared to the value of the contract - their value is derived from the value of the asset that is the subject of the contract.

2-2. Types of financial derivatives:

2-2-1.Options contracts: Nour (2013, 180) says A financial derivative that represents a contract sold by one party (option writer) to another party

(option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). This would hedge against the risk of asset prices changes with (Abdulla, 2019: 169).

2-2-2.Future contracts: (Morgan, 2013: 4) sees that Futures are exchange-traded standard contracts for a pre-determined asset to be delivered at a pre-agreed point in the future at a price agreed today. The buyer makes margin payments reflect the value of the transaction. The buyer is said to have gone long and the seller to have gone short. Counterparties can exit a commitment by taking an equal but offsetting position with the exchange so that the net position can be nil and the only delivery will be a cash flow for profit or loss. Futures coverage includes currencies, bonds, agricultural and other commodities such as gold.

2-2-3. Swap contracts: Swap contracts in futures contracts are considered to have a specificity that distinguishes them from other contracts, for example, interest rate swap contracts and other instruments, which are part of the package of financial derivatives, that the swaps are in fact a forward contract that has gained its importance in the financial markets considering that it is an agreement between two parties on the exchange of a type of assets against another at a later future date with the aim of transferring risk from one party to another, whether it is with the intention of hedging first or not, the reason for speculation. (Hassan, 2018: 144).

2-3. Financial decisions:

2-3-1. The concept of financial decisions and their definitions: Financial decisions are the means of financial management to manage and direct its resources and achieve its goals in accordance with its approach that is logically and controlled in every element of profitability and risk, which directly affect the financial activity within the business organization. The essence of the work of financial management according to the modern approach can be based on decision-making, as it is the starting point for all activities within the organization. The fact that these financial decisions are overridden with great importance, because they mean the financial situation of the institution (Sohaila, 2019: 42).

For (Abdulshakour, 2020: 9) the whole process of taking the steps, steps and foundations followed in an accurate scientific way that ensures

the flow of information and analysis to form possible alternatives in order to achieve a particular goal or solve a particular problem so that the process can include the optimal alternative, a decision that achieves efficiency and effectiveness

The researcher believes that the financial decision is a fateful decision that affects the success and failure of the company. The financial manager takes the financial decisions of how the company is in by collecting the necessary data and then analyzing and verifying them in order to obtain the correct decision for financial management, and affect investment decisions, financing decisions, and profit distribution decisions.

2-3-2. Types of financial decisions:

A. **Investment decisions:** (Hammad, 2018: 39), it can be said that the investment decision is the decision which is based on choosing the investment alternative that gives the largest return on investment from two or more alternatives.

(Abdulshakour, 2020: 10) Points out that the investment decision is one of the most important and difficult decisions taken by management in the institution, as these decisions aim to determine the optimal structure of the size of investment, and affect the survival and continuity of the institution.

B. **Financing decisions:** are the decisions related to obtaining the necessary funds for investments and for managing and financing the daily periodic operations? Will we be satisfied with the funds or revenues that we will obtain from selling the commodity? or will we get the money from outside sources? (waed, 2018: 64).

C. **Profit distribution decisions:** the profit distribution decision is a decision related to a part of the profits that will be distributed to the shareholders, and the part that will be reinvested, and this decision results from the investment and financing decisions (Samira, 2019: 59).

3. Field Study Topic one a sample description and study variables: In the current topic we deal with a description of each of the personal characteristics of the individuals of the study sample as well as a description of the dimensions of the study variables, according to the following paragraphs:

3-1. Description of the characteristics of the sample: The results mentioned in table (1) represent a description of the personal characteristics

of the sample members in the responding private banks, which can be reviewed according to the following paragraphs:

A. **Gender:** The results of the distribution of the sample members according to gender attribute indicate that the majority of individuals are males, whose percentage was (65.5%), while the percentage of females was (34.5%) of the sample members. This indicates that the majority of managers in the responding private banks are male.

B. **Age:** It was found that the managers in the responding private banks were from the age group (31-40 years), which recorded the highest percentage (50.9%), and each of the two age groups (21-30 years) and (4150 years) came in second place. Their percentage was (19.1%), and the age group (51years and over) came last, with (10.9%) of the study sample size. These results reflect that the majority of the sample members are of Median age groups and have intellectual and cognitive maturity.

C. **Academic qualification:** The results of the sample description indicate that the distribution of the respondents according to the attribute of the scientific qualification showed that the holders of a bachelor's degree formed the majority of the sample at rates of (69.1%), while the holders of a higher diploma and a master's had the same percentage which came in the second place. You reached (10%), then the holders of a doctorate degree came at a rate of (1.8%), while the category of middle school diploma holders came last with rates of (0.9%) which indicates that the distribution of the sample members according to this feature indicates that the majority of individuals have sufficient academic and academic qualifications to perform leadership tasks in the responding private banks.

D. **Scientific Specialization:** It was found that the majority of managers in the responding private banks are those with scientific specialization (financial and banking) at a rate of (34.5%), followed by individuals with a specialization (accounting) at close rate of (21.8%), while the managers came with (other) specializations took the third position with a percentage of (14.5%). Meanwhile, individuals with a scientific specialty (administration) ranked fourth with a rate of (12.7%). Then, came individuals with a scientific specialty (economy) at a rate of (10%), while individuals with a specialization Scientific (law, and computers) taking the last position with a percentage of (6.4%), which concludes from it that

there are various scientific specializations among managers in the responding private banks.

E. **Total years of service:** The results of the analysis according to the feature of the total years of service in the responding private banks reveals that the majority of managers in the sample were in the category (11-15 years) whose percentage was (41.8%) followed by the service category (6-10 years) with a percentage of (24.5%). Then came the category (16-20 years) which reached (13.6%) while the categories (20 years and over) and (1-5 years) came last with a percentage of (12.7%) and (7.3%), respectively. This indicates that the majority of managers in the responding private banks have work experience in the job due to their having acceptable years of service.

F. **Years of banking service:** The category of managers with years of banking service (1-5 years) came first with a percentage of (50.9%) followed by the category of years of banking service (6-10 years) with a percentage of (31.8%) of the size of the respondent sample while the other three categories were represented by each of (11-15 years), (16-20 years), and (20 years and over) and with rates equal to (10%), (6.4%), and (0.9%) which indicates the good experience of managers in the banking business.

Table (1): Personal characteristics of the sample members

Personality	Categories	The number	percentage
Gender	Male	72	65.5
	Female	38	34.5
Age	21-30	21	19.1
	31-40	56	50.9
	41-50	21	19.1
	Over 50 years old	12	10.9
Academic qualification	PhD	2	1.8
	Master	11	10
	Higher Diploma	11	10
	Bachelor	76	69.1
	Diploma	9	8.2
	Preparatory	1	0.9

Personality	Categories	The number	percentage
Scientific Specialization	Management	14	12.7
	Accounting	24	21.8
	Economics	11	10
	Banking and finance	38	34.5
	Any other	16	14.5
	Computer law may be specialized ... etc	7	6.4
Total years of service	1-5	8	7.3
	6-10	27	24.5
	11-15	46	41.8
	16-20	15	13.6
	20 years or more	14	12.7
Years of banking service	1-5	56	50.9
	6-10	35	31.8
	11-15	11	10
	16-20	7	6.4
	20 years or more	1	0.9
Total		110	100%

Source: the researcher's preparation from the results of the statistical analysis

3-2. Description of the study variables: The current paragraph is devoted to describing the variables and their dimensions according to the opinions of responding members of the sample in private banks, and based on the results of statistical analysis and through descriptive measures, which were represented by each of the percentage, frequencies, arithmetic mean, standard deviation, and response rate. In order to determine the description levels according to the values of the five Likert scale adopted by the current study, the categories of those levels were calculated based on the calculation of the range for the weights of that scale, as it was found that the range is equal to (0.80), and thus the standard levels for describing the variables are as shown in the table (2).

Table (2): Standard levels to describe variables.

N	The category is for the mean	Appreciation
1	1-1.79	Very poor standard
2	1.80-2.59	Weak level
3	2.60-3.39	Acceptable level
4	3.40-4.19	good level
5	4.20-5	Very good standard

Source: Prepared by the researcher's.

The following are the results of the description and diagnosis analysis of the study variables and their dimensions, as follows:

❖ **Description of the financial derivative variable:** The results of the description and diagnosis of this variable and its dimensions are as follows:

A. **Description of the dimension of options contracts:** The results of the description of this dimension which are mentioned in the table (3) Indicate that the percentage of agreement for the opinions of the sample members towards the expressions (X6-X1), which were used in its measurement, indicates that they tend to agree by (75.61%) and according to the overall index while the percentage of disagreement was (5.30%). In fact, these values that came with an arithmetic mean (4.01) besides a standard deviation (0.866), as well as the response rate of (80.21%) indicate the levels of importance for this dimension from the point of view of the individuals in the sample, as the closer the response percentage Of the percentage (100%), this indicates the severity of the agreement and its importance among the respondent sample members and vice versa, which indicates that the sample members agree, at good levels, upon that private banks implying the availability of good levels for the options contracts in the banks studied.

In order to know the details of the phrases that contributed to the increase or decrease in the levels of agreement towards the dimension of options contracts, it was found that the phrase (X1) contributed the highest percentage of agreement which was counted as (86.18%) and with a mean of (4.31) and a standard deviation (0.701) indicating the distribution of management of the bank which is the accumulated risk of financial instruments and it manages each type separately. Meanwhile the phrase (X3) had the least level of contribution to strengthening the level of

agreement on the level of this dimension, as it came with an agreement rate of (72.55%) and an arithmetic mean (3.63) and a standard deviation (1.132), which indicates the bank's interest in providing investment opportunities for speculation.

Table (3): Description of the option contracts dimension

Phrases	Strongly Agree 5		Agree 4		Neutral 3		Disagree 2		Strongly Disagree 1		Arit hematic mean	Stand and deviation	The percentage of agreement (%)
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%			
X1	47	42.73	52	47.27	9	8.18	2	1.82	0	0.00	4.31	0.701	86.18
X2	41	37.27	60	54.55	5	4.55	4	3.64	0	0.00	4.25	0.710	85.09
X3	27	24.55	38	34.55	29	26.36	9	8.18	7	6.36	3.63	1.132	72.55
X4	39	35.45	43	39.09	25	22.73	3	2.73	0	0.00	4.07	0.832	81.45
X5	28	25.45	41	37.27	38	34.55	2	1.82	1	0.91	3.85	0.859	76.91
X6	33	30.00	50	45.45	20	18.18	3	2.73	4	3.64	3.95	0.962	79.09
The aver age	32.58		43.03		19.09		3.48		1.82		4.01	0.866	80.21
	75.61						5.30						

Source: The researcher's prepared from the results of the statistical analysis.

B. **Description of the future contract dimension:** The results of the description of this dimension, which are mentioned in the table (4), Indicate that the percentage of agreement for the opinions of the sample members towards the expressions (X12-X7), which were used in its measurement, indicates that they tend to agree by (84.39%) and according to the overall index, while The percentage of disagreement was (2.58%).These values that came with an arithmetic mean (4.25) and a standard deviation (0.790), and the response rate of (54.97%) indicates the levels of importance for this dimension from the point of view of the individuals in the sample, as the closer the response percentage of the percentage (100%) indicates the severity of the agreement and its importance among the respondent sample members and vice versa, which indicates the availability of very good levels for options contracts in the banks studied.

In order to know the details of the expressions that contributed to the increase or decrease in the levels of agreement towards the future contracts dimension, it was found that the phrase (X7) was found to contribute to the highest percentage of agreement which was counted as (88.73%) and with a mean of (4.44) and a standard deviation (0.962), which indicates interest Bank management to provide the best opportunity to plan cash flows.

Meanwhile, the phrase (X10) had the least level of contribution to strengthening the level of agreement on the level of this dimension, as it came with an agreement rate of (79.45%) and an arithmetic mean (3.97) and a standard deviation (0.808), which indicates that the bank's management is interested in expanding its financial position through Leverage with low initial margin.

Table (4): Description of the future contract dimension

Phrases	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Arithmetic mean	Standard deviate on	The percentage of agreement (%)
	5		4		3		2		1				
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%			
X7	61	55.45	36	32.73	13	11.82	0	0.00	0	0.00	4.44	0.962	88.73
X8	47	42.73	53	48.18	6	5.45	4	3.64	0	0.00	4.30	0.698	86.00
X9	52	47.27	44	40.00	9	8.18	5	4.55	0	0.00	4.30	0.736	86.00
X10	30	27.27	49	44.55	29	26.36	2	1.82	0	0.00	3.97	0.808	79.45
X11	41	37.27	53	48.18	13	11.82	3	2.73	0	0.00	4.20	0.784	84.00
X12	55	50.00	36	32.73	16	14.55	1	0.91	2	1.82	4.28	0.752	85.64
The average	43.33		41.06		13.03		2.27		0.30		4.25	0.790	84.97
	84.39						2.58						

Source: The researcher's prepared from the results of the statistical analysis.

C. **Description of the dimension of the swap contracts:** The results of the description of this dimension and which are mentioned in the table (5) Indicate that the percentage of agreement for the opinions of the sample members towards the expressions (X18-X13), which were used in its measurement, indicates that they tend to agree by (80.45%) and according to the overall indicator, while The percentage of disagreement was (2.88%). Actually, these values that came with an arithmetic mean (4.07) and a standard deviation (0.760), and the response rate of (81.48%) indicates the levels of importance for this dimension from the point of view of the individuals in the sample, as the closer the response percentage Of the ratio (100%), this indicates the severity of the agreement and its importance among the respondent sample members and vice versa, which indicates the availability of good levels for the number of exchanges contracts in the banks studied.

Trying to know the details of the expressions that contributed to the increase or decrease in the levels of agreement towards the dimension of the swap contracts, it was found that the phrase (X16) is seen to contribute to the highest percentage of agreement, which is counted as (87.09%) and

with a mean of (4.35) and a standard deviation (0.592), which indicates interest Bank management of exchange rate fluctuations.

Meanwhile, the two expressions (X17) and (X18) had a lesser level of contribution to strengthening the percentage of agreement on the level of this dimension, as they came with an agreement rate of (76.36%) and a mean of (3.82) and a standard deviation (0.599) and (0.744) respectively. They refer to the banks management in terms of activating the dealings on the underlying assets of the contract, and the interest of the bank's management to quickly implement investment strategies.

Table (5): Description of the swap contracts dimension

Phrases	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Arithmetic Mean	Standard deviation	The percentage of agreement (%)
	5		4		3		2		1				
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%			
X13	38	34.55	48	43.64	11	10.00	9	8.18	4	3.64	3.97	0.879	79.45
X14	35	31.82	58	52.73	16	14.55	1	0.91	0	0.00	4.15	1.053	83.09
X15	43	39.09	60	54.55	7	6.36	0	0.00	0	0.00	4.33	0.693	86.55
X16	46	41.82	57	51.82	7	6.36	0	0.00	0	0.00	4.35	0.592	87.09
X17	19	17.27	55	50.00	33	30.00	3	2.73	0	0.00	3.82	0.599	76.36
X18	20	18.18	52	47.27	36	32.73	2	1.82	0	0.00	3.82	0.744	76.36
The verge	30.45		50.00		16.67		2.27		0.61		4.07	0.760	81.48
	80.45						2.88						

Source: The researcher's prepared from the results of the statistical analysis

❖ **Description of the financial decisions variable:** The results of the description and diagnosis of this variable and its dimensions are as follows:

A. **Description of the funding approval dimension:** The results of the description of this dimension, which are mentioned in the table (6), Indicate that the percentage of agreement for the opinions of the sample members towards the phrases (Y6-Y1), which were used in its measurement, indicate that they tend to agree by (84.39%) and according to the overall indicator, while The percentage of disagreement was (3.03%). As a matter of fact these values came with an arithmetic mean (4.27) and a standard deviation (0.731), and the response rate of (85.48%) indicates the levels of importance for this dimension from the point of view of the individuals in the sample, as the closer the response percentage of the percentage (100%), this indicates the severity of the agreement and its importance among the respondent sample members and vice versa, which indicates the availability of good levels of financial decisions dimension in the banks studied.

Trying to find out the details of the phrases that contributed to the increase or decrease in the levels of agreement towards the dimension of financial decisions, the phrase (Y5) is found to contribute to the highest percentage of agreement which is measured to be (89.45%) with a mean of (4.47) and a standard deviation (1.028) which stands for the interest of managing the bank to be kept from collapsing and its financial confusion. Meanwhile, the phrase (Y4) had the least level of contribution to strengthening the level of agreement on the level of this dimension, and this goes to its coming with an agreement rate of (78.18%) with an arithmetic mean (3.91) and a standard deviation (0.745) which indicates the attempt of the banks management to form its financing structure that helps to achieve more profits by expanding the use of debt.

Table (6): Description of the funding approval dimension

Phrases	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Arithmetic mean	Standard deviation	The percentage of Agreement (%)
	5		4		3		2		1				
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%			
Y1	50	45.45	54	49.09	6	5.45	0	0.00	0	0.00	4.40	0.744	88.00
Y2	56	50.91	47	42.73	6	5.45	1	0.91	0	0.00	4.44	0.594	88.73
Y3	55	50.00	37	33.64	18	16.36	0	0.00	0	0.00	4.34	0.643	86.73
Y4	38	34.55	39	35.45	18	16.36	15	13.64	0	0.00	3.91	0.745	78.18
Y5	60	54.55	42	38.18	8	7.27	0	0.00	0	0.00	4.47	1.028	89.45
Y6	46	41.82	33	30.00	27	24.55	3	2.73	1	0.91	4.09	0.631	81.82
The average	46.21		38.18		12.58		2.88		0.15		4.27	0.731	85.48
	84.39						3.03						

Source: The researcher's prepared from the results of the statistical analysis.

B. **Description of the dimension of the investment decision:** The results of the description of this dimension that are mentioned in the table (7) show the percentage of agreement for the opinions of the sample members towards the phrases (Y12-Y7) which were used in its measurement which indicate that they tend to agree by (81.36%) and according to the overall index, while The percentage of disagreement was (2.27%). These values that came with an arithmetic mean (4.14) and a standard deviation (0.797), and the response rate of (82.88%) indicates the levels of importance for this dimension from the point of view of the individuals in the sample, as the closer the response percentage of the ratio (100%) indicates the severity of the agreement and its importance to the respondent sample members and vice versa which indicates the availability of good levels of the investment

decision dimension in the banks studied. Aiming at knowing the details of the expressions that contributed to the increase or decrease in the levels of agreement towards the dimension of the investment decision, the phrase (Y8) is found to participate in the highest percentage of agreement the contribution of which is counted as (86%) with a mean of (4.30) and a standard deviation (0.760) which indicates that the concentration of The banks management is on the comparison between risk and return.

Meanwhile, the two expressions (X9) or (X10) had a lesser level of contribution to enhance the percentage of agreement on the level of this dimension as they came with an agreement rate of (80.91%) and a mean of (4.05) and a standard deviation (0.685) and (0.828) respectively which refers to the interest of banks management in reducing investment risk by distributing its resources among selected types of investments, and the focus of banks management on creating new possibilities through the investment decision.

Table (7): Description of the investment decision dimension

Phrases	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Arithmetic mean	Standard deviation	The percentage of agreement (%)
	5		4		3		2		1				
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%			
Y7	42	38.18	49	44.55	17	15.45	2	1.82	0	0.00	4.19	0.924	83.82
Y8	45	40.91	55	50.00	8	7.27	2	1.82	0	0.00	4.30	0.760	86.00
Y9	37	33.64	44	40.00	26	23.64	3	2.73	0	0.00	4.05	0.685	80.91
Y10	35	31.82	47	42.73	26	23.64	2	1.82	0	0.00	4.05	0.828	80.91
Y11	40	36.36	57	51.82	10	9.09	1	0.91	2	1.82	4.20	0.794	84.00
Y12	36	32.73	50	45.45	21	19.09	3	2.73	0	0.00	4.08	0.788	81.64
The average	35.61		45.76		16.36		1.97		0.30		4.14	0.797	82.88
	81.36						2.27						

Source: The researcher's prepared from the results of the statistical analysis.

C. **Description of the dimension of the profit distribution decision:** The results of the description of this dimension that are mentioned in the table (8) indicate that the percentage of agreement for the opinions of the sample members towards the statements (Y18-Y13) which were used in its measurement indicates that they tend to agree by (90.76%) according to the overall index while the percentage of disagreement was (0.30%). These values that came with an arithmetic mean (4.25) and a standard deviation (0.680), and the response rate of (87.30%) indicates the levels of importance for this dimension from the point of view of the individuals in the sample as the closer percentage response (100%) indicates the severity

of the agreement and its importance among respondent sample members and vice versa which indicates the availability of good levels for the profit distribution decision in the researched banks. Trying to know the details of the expressions that contributed to the increase or decrease in the levels of agreement towards the profit distribution decision, the phrase (Y13) is seen to participate in the highest percentage of agreement which is assumed to be (88.91%) with a mean of (4.45) and a standard deviation (0.791) which indicates the interest of managing the bank in the soundness of its financial position. Meanwhile, the phrase (Y18) had the least level of contribution to strengthening the level of agreement on the level of this dimension as it came at an agreement rate of (85.09%) with an arithmetic mean (4.25) and a standard deviation (0.690) which indicates the interest of banks management in the availability of liquidity necessary to distribute profits. It does not affect its cash commitments on time.

Table (8): Description of the dimension of the profit distribution decision

Phrases	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Arithmetic Mean	Standard deviation	The percentage of agreement (%)
	5		4		3		2		1				
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%			
Y13	56	50.91	47	42.73	7	6.36	0	0.00	0	0.00	4.45	0.791	88.91
Y14	56	50.91	42	38.18	11	10.00	0	0.00	1	0.91	4.38	0.615	87.64
Y15	47	42.73	59	53.64	4	3.64	0	0.00	0	0.00	4.39	0.742	87.82
Y16	55	50.00	45	40.91	9	8.18	1	0.91	0	0.00	4.40	0.560	88.00
Y17	49	44.55	47	42.73	14	12.73	0	0.00	0	0.00	4.32	0.680	86.36
Y18	42	38.18	54	49.09	14	12.73	0	0.00	0	0.00	4.25	0.690	85.09
The average	46.21		44.55		8.94		0.15		0.15		4.37	0.680	87.30
	90.76						0.30						

Source: The researcher's prepared from the results of the statistical analysis.

The statistical data on the dimensions of the study variables indicates acceptance of the first main hypothesis, which states that "the opinions of the sample individuals in the private banks researched differ regarding the description of the current study variables."

3-3.The third main hypothesis test: In the current paragraph, we review the results of the analysis of correlations at the overall and partial level between the financial derivative variable and the financial decision variable and their dimensions, the results of which were presented in the table (9), As follows:

- **Overall correlation:** It was found that there is a significant and positive correlation between the financial derivative variable and the financial decisions variable, as the value of the correlation coefficient between them that reached (0.835**), and at a significant level (0.01), indicates that there are significant levels of positive correlation between financial derivatives and between Financial decisions in responding private banks, that is, the more the responding private banks rely on financial derivatives, the more they leads to improving their levels of financial decisions.
- **Partial correlation:** It was found that there are significant and positive correlations between the dimensions of the financial derivative variable and the financial decisions variable in which the results were as follows:

A. It was found that the values of the correlation coefficient between the dimensions of the financial derivative variable represented by each of the options contracts, futures contracts, swap contracts, and between the financial decision variable are assumed to be (0.694), (0.801), (0.678), respectively and at a significant level (0.01) which indicates that there are significant levels of positive correlation between the dimensions of the financial derivative variable represented by each of the options contracts, futures contracts, swap contracts, and between the variable of financial decisions in the responding private banks, which indicates that the greater the reliance of the responding private banks is on each of the options contracts Futures contracts, swap contracts, whenever this improves their financial decision levels.

B. It was found that the values of the correlation coefficient between the variable of financial derivatives and the dimensions of the variable of financial decisions represented by each of the financing decision, investment decision, and profit distribution decision that reached (0.735), (0.766), (0.613), and respectively at a significant level (0.01), Which indicates that there are significant levels of positive correlation between the financial derivative variable and the financial decision variable dimensions represented by each of the financing decision, investment decision, and profit distribution decision in the responding private banks which show that the more private banks responding depends on the derivative variable Financial whenever this leads to improvement in the levels of each of the financing decision, investment decision, decision to distribute profits for it.

C. It was found that the highest value of the correlation coefficient between the dimensions of the financial derivative variable and the dimensions of the financial decision variable was between the dimension of the swaps contracts and the dimension of the investment decision, which was (0.694) and at a significant level (0.01), while the lowest value of the coefficient of correlation between the dimension of options contracts and the dimension of the profit distribution decision was (0.420) and at the level of significance (0.01) whereas the correlation values for the other dimensions and for these two variables ranged between those two values.

Table (9): the link between financial derivatives and financial decisions and their dimensions

Variables	Options contracts	Futures contract	Swaps contracts	Financing decision	Investment decision	Dividend decision	financial derivatives	financial decisions
Options contracts	1	.685**	.578**	.671**	.660**	.420**	.878**	.694**
Futures contracts	.685**	1	.620**	.664**	.681**	.694**	.887**	.801**
Swaps contracts	.578**	.620**	1	.572**	.653**	.487**	.835**	.678**
Financing decision	.671**	.664**	.572**	1	.725**	.518**	.735**	.883**
Investment decision	.660**	.681**	.653**	.725**	1	.478**	.766**	.882**
Dividend decision	.420**	.694**	.487**	.518**	.478**	1	.613**	.772**
financial derivatives	.878**	.887**	.835**	.735**	.766**	.613**	1	.835**
financial decisions	.694**	.801**	.678**	.883**	.882**	.772**	.835**	1

**. Correlation is significant at the 0.01 level (2-tailed).

Source: the researcher's prepared from the results of statistical analysis.

Based on the results of the correlation analysis between financial derivatives and financial decisions at the overall and partial level, the fourth main hypothesis is correct, which states that (there is a significant and statistically significant correlation at 0.05 level between financial derivatives and financial decisions in the responding private banks, on the overall and partial levels).

3-4. Examining the fourth Main Hypothesis: This paragraph was devoted to testing the fifth hypothesis aimed at identifying the direct effect of financial derivatives on the variable of financial decisions, as follows:

❖ The effect on the overall level: The simple regression coefficient (Regression Coefficient) and the method of input (Enter) have been used to

test the direct effect of financial derivatives on the variable of financial decisions. This is based on the calculated value of (F) which is expected to reach (249.079) which is higher than the tabular value of (F) of (3.929) with degrees of freedom (1, 108). The default morale of the study is (0.05) as shown by the parameters of this analysis at the overall level. What follows are results:

A. In light of the regression equation, the value of (B0) indicates that there is an appearance of financial decisions through its dimensions with a value of (0.314) during the value of financial derivatives and through its dimensions which are equal to zero, and which indicates that the financial decisions in the responding private banks derive part of their characteristics from derivatives financial and its dimensions which were adopted by the current study. Thus, we conclude that the more private banks are responding to employing financial derivatives in their operations, the more these banks will be able to improve their levels of financial decisions.

B. The value of the marginal slope (B1) assumed to be (0.754) explains that the change in financial derivatives by (1) for the responding private banks will be accompanied by a change in financial decisions of (0.754), which is a good percentage that can be relied upon in explaining the influential relationship of financial derivatives in financial decisions.

C. The value of the determination coefficient (R2) which was (0.698) indicates that the change in the financial decisions of the responding private banks which was nearly (69.8%) can be attributed to the variable of financial derivatives, and the remaining percentage (30.2%) came from the change in financial decisions due to other causes that were not adopted in the current study model.

Table (10): the effect of financial derivatives on financial decisions

Form			Financial decision			Sig.
	Beta	R2	F			
			Calculated	Tabular	Degrees of freedom	
Constant B0	0.314	-	-	-	108.1	0.00
Financial derivatives B1	0.754	0.698	249.1	3.929		0.00

Source: the researcher's preparation from the results of the statistical analysis. N=110 $P \leq 0.05$.

❖ **Influencing at the partial level:** to understand the impact of the financial derivative variable in the financial decision's variable, it is necessary to identify the influential levels for each dimension of financial derivatives in financial decisions. So, a simple regression test was applied where the results of this analysis mentioned in the table (11) Indicate the following:

A. It was found that there is a significant impact of each of the dimensions of financial derivatives represented by each of the futures contracts, options contracts, and swaps contracts on the financial decisions variable based on the values of the test factor (t), which is assumed to be (7.670), (7.759) and (5.536) respectively. It is greater than its tabular value of (1.659) and with a degree of freedom (108), and this is confirmed by the values of the calculated (.) Sig coefficients, which were expected to be (0.000) which are less than the default level of significance of the study which were assumed to be (0.05) were equal for each of them.

B. The results of the analysis also showed that the values of (R2) for each of the futures contracts, options contracts, and swap contracts amounted to (0.481), (0.642), (0.460), respectively, and these results indicate that the dimension of future contracts is one of the most important dimensions of derivatives. That is, Financial in its explanatory value affecting the variable of financial decisions, at a rate of (64.2%). The dimensions of options contracts and swap contracts came in lower explanatory rates, respectively. Although the interpretative results of the dimensions were acceptable within the limits of the lower level, we can conclude that the responding private banks focus in their financial decisions on future contracts first and then on the dimensions of options contracts and swaps contracts, respectively.

Table (11): the impact of financial derivative dimensions on financial decisions

Form	value B0	Value B1	value R2	The computed value (t)	Sig value.
Options contracts	0.714	0.515	0.481	6.67	0
Futures contracts	0.643	0.626	0.642	7.759	0
Swap contracts	0.652	0.564	0.46	5.536	0

Tabular T-value (109) = 1.659, N = 110, ($P \leq 0.05$)

Source: The researcher's prepared from the results of the statistical analysis.

Based on the results of the regression analysis of the financial derivative variable and the financial decision variable at the overall and partial level, the fifth main effect hypothesis can be accepted, which states that (there is a significant statistically significant effect at the 0.05 level of the financial derivative variable in financial decisions and at the overall and partial levels in the responding private banks).

4. **Conclusions and Suggestions**: This topic includes two axes the first of which is a presentation of the most important theoretical conclusions based on the intellectual and philosophical frameworks of the study while the second of which is the axis that includes a presentation of the most important field conclusions based on the results of statistical analyzes and the results of the field study.

4-1. Conclusions:

4-1-1. Theoretical conclusions:

- Derivatives received a great deal of attention by financial organizations as one of the financial instruments that play a fundamental role in their service and success.
- Financial derivatives are described as one of the modern concepts dealt with by the financial administration, which has been addressed in its studies, and research, which explains the scarcity of the concept and its types.
- Financial decisions are described from strategic decisions because the success of financial organizations is linked to the extent to which they are properly taken.
- The study found that there are different financial contracts on which the private banks included in the financial derivatives depend.

4-1-2. Field conclusions:

- It was found that the majority of managers in the private banks discussed are males, which is attributed to the reluctance of females to work in the private sector due to official working hours, and that males are more consistent with staying long hours of work in the private sector in general and in banking in particular.
- It was found that the majority of managers in private banks are of the middle age group, which the private sector always wants to deal with.
- The results of the correlation analysis revealed the existence of positive and very good moral relationships between financial derivatives and financial decisions at the macro and micro level, where the strongest relationship

was between the swap contracts and financial decisions, and this indicates that the more private banks researched relied on financial derivatives which led to improvement Levels of financial decisions.

- The study concluded that there is a positive impact of the financial decision variable on financial derivatives, according to what has been produced by the analysis indicators at the macro level, and this indicates that the more the private banks surveyed relied on employing financial derivatives in their operations, the more they were able to take appropriate financial decisions.
- The results of the correlation analysis revealed the existence of positive and very good moral relationships between financial derivatives and financial decisions at the macro and micro level, where the strongest relationship was between the swap contracts and financial decisions, and this indicates that the more private banks researched relied on financial derivatives which led to improvement Levels of financial decisions.

4-2. The Suggestions: This topic deals with the most important proposals that resulted from the study and based on the results of statistical analysis, as follows:

- The study suggests the necessity for the management of private banks to invent other financial instruments that support their financial decision-making.
- The study suggests the necessity of the interest of bank management's interest in providing the investment purpose for speculation.
- The study suggests the necessity of the bank's management's attention to expanding its financial position through financial leverage with a low initial margin.
- The study suggests that the management of private banks should focus on activating dealing with the assets subject of the contract.
- The study suggests the necessity to maintain the management of private banks quickly to implement investment strategies.

References:

1. Abdulshakour, Saddeq T., (2020), Impact of Financial Statements on Financial Decision-Making, Impact of Financial Statements on Financial Decision-Making.
2. Al-Slehat, Zaher Abdel Fattah, Al-Sharif, Bader Mustafa, and Amjad Qwader, (2018), The Factors Affecting the Use of Financial Derivatives' Instruments an Applied Study on the Jordanian Commercial Banking Sector, Accounting and Finance Research, Online Published (URL: https://doi.org/10.5430/afr.v7n3p67).

3. huan, Xing, and Parbonetti, Antonio, (2019), Financial derivatives and bank risk: Evidence from eighteen developed markets, Article in Accounting and Business Research ·
4. Morgan, J.P., (2013), Derivatives and Risk Management Made Simple, e National Association of Pension Funds Limited.
5. Nour, Abdul Naser, AbuSabha, Suleiman, Al Kubeise, Abdul Star, and Nour, Mahmmod Ibrahim, (2013), The Fundamental Issues with Financial Derivatives within the Framework of International Accounting Standard No. (39) and Their Relative Responsibility for the Current Global Financial Crisis, Journal of Business Studies Quarterly.
6. Santos, Joana Patrícia Friães dos, Pires, Amélia Maria Martins, and Fernandes, Paula Odete, (2018), The importance to financial information in the decision-making process in company's family structure, Polytechnic Institute of Bragança; Applied Management Research Unit (UNIAG), Portugal, Contaduría y Administración.
7. Hassan, Abbas Fwad Abbas, (2018), The impact of trading in swap contracts on the derivative markets for the period 2000-2016, Amar Abac is a refereed scientific journal issued by the American Arab Academy for Science and Technology, Volume (9), Issue (28).
8. Hammad, Samir, and Ramili, Youssef (2018), the role of financial analysis in making financial decisions. Case study of the company for the exploitation and operation of the Albarea station-Bouira, The People's Democratic Republic of Algeria, Ministry of Higher Education and Scientific Research, University of Akli Mohand or El Hajj-Bouira, Faculty of Economic, Business and Management Sciences.
9. Khaleida, Belaidi, and Dr. Samir Ait Akash, (2015), The role of financial derivatives in covering financial market risks Analytical study 2012-2014, The People's Democratic Republic of Algeria, the Ministry of Higher Education and Scientific Research, University of Colonel Akli Mohand Oulhaj, University -Bouira K- Faculty of Economic and Business Sciences and Management Sciences.
10. Zahraa, Qaraeen Fatima, Hisham, Kings, Sufyan, Kodid, (2019), The role of accounting information systems in making financial decisions, The Ministry of Higher Education and Scientific Research, University Center Belhadj Bouchaib, Ain Temouchent, Faculty: Economic, Commercial and Management Sciences, Department: Economic and Management Sciences, specialization: Accounting and Tax.
11. Samira, Safia, (2019), The role of financial diagnosis in rationalizing financial decisions, a case study of Al-Zayban Mills Corporation, Al-Qantara-Biskra, People's Democratic Republic of Algeria, Ministry of Higher Education and Scientific Research, Faculty of Economic and Commercial Sciences and Management Sciences Department: Commercial Sciences, a note submitted as part of the requirements for obtaining a master's degree in financial sciences and accounting.
12. Suhaila, Kunduz, (2019), The role of the accounting information system in making financial decisions (a case study of the poultry farming establishment in Al-Nuwaisi)"

Abdelhamid Ben Badis Mostaganem University, Faculty of Economic, Business and Management Sciences, Department of Finance and Accounting.

13. Abdul Ilah, Mqadm, and Alden, Qadal Zain, (2019), the development of the size of the financial derivative markets in the world between 2005 and 2017, Financial and Markets Journal.
14. Wahid, Saqqar, (2017/2018), Commercial banks' use of financial ratios in making financing decisions. Case study: The Bank for Agriculture and Rural Development (BADR)" Memorandum submitted to complete the requirements of obtaining a master's degree in financial and accounting sciences, the People's Democratic Republic of Algeria, the Ministry of Higher Education and Scientific Research, University of Muhammad al-Arabi bin Mahidi - Oum El Bouaghi, Faculty of Economic, Business and Management Sciences, Department of Financial and Accounting Sciences.

Appendix (1)

بسم الله الرحمن الرحيم

Ministry of Higher Education and Scientific Research
Salah Al-Din University - Erbil
Faculty of Administration and Economics
Banking and Financial Sciences Department

S/questionnaire

Respected Directors, ... Kind regards

We put in your hands a questionnaire that includes a set of indicators related to measuring the variables of the tagged study (financial derivatives and their role in financial decisions / an analytical study of the views of managers in a sample of the private sector banks in the city of Erbil) and given your experience and know-how in your field of work and the fact that you are able to The exact answer to your management positions in your banks, hoping for an objective answer to all paragraphs of the questionnaire, is a service for the scientific process.

Thank you for your cooperation in advance.

First. personal information

1. Gender: - Male ☐ Female ☐
2. Age:

(21-30) ☐
(31-40) ☐
(41-50) ☐
(Over 50 years old) ☐

3. Scientific Qualification:

Ph.D. ☐ Master ☐ Higher Diploma ☐

Bachelor ☐ Diploma ☐ Preparatory ☐

4. Scientific specialization: Management ☐

Accounting ☐

Economics ☐ Banking and Finance ☐

5. Total number of years of service:

(1 -5) Year ☐

(6-10) year ☐

(11-15) year ☐

(16 -20) year ☐

(Over 20 years old) year ☐

6. Number of years of banking service as manager:

(1-5) Year ☐

(6-10) year ☐

(11-15) year ☐

(16-20) year ☐

(Over 20 years old) year ☐

Second. study variables:

1. Independent variables (financial derivatives):

N	Paragraphs	Answer alternatives				
		Strongly agree	**Agree**	**Neutral**	**Disagree**	**Strongly disagree**
A. Options contracts						
1	The management of the bank distributes the risks accumulated from the financial instruments and manages each type separately					
2	The bank management is improving its liquidity through new profit opportunities					
3	The management of the bank is concerned with providing investment opportunities for speculation					
4	The bank's management bears the settlement of the responsibility to ensure the deal is executed					
5	Bank management provides the advantage of hedging through freedom of implementation					

N	Paragraphs	Answer alternatives				
		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
6	The management of the bank is concerned with reducing the possibility of ownership and reducing its accompanying cost					
B. Futures contracts						
1	The management of the bank is concerned with providing the best opportunity to plan cash flow					
2	The bank management works to cover the risks associated with its daily activities					
3	The management of the bank is concerned with reducing its transaction costs					
4	The bank's management is concerned with the expansion of its financial position through financial leverage through a low initial margin					
5	The management of the bank creates the conditions necessary for rational decisions					
C. Swaps contracts						
1	The bank's management is interested in expanding its financial investments					
2	Bank management focuses to hedge the risk of fluctuations in interest rates					
3	The bank's management is concerned with protecting its money from increasing costs					
4	The bank's management is concerned with exchange rate fluctuations					
5	Bank management focuses by activating the deal on the assets subject to the contract					
6	The bank's management is concerned with the speedy implementation of investment strategies					

2. Dependent variables (financial decisions):

N	Paragraphs	Answer alternatives				
		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
A. Financing decision						
1	The bank management is trying to overcome the financial needs at the lowest possible costs.					
2	The bank management is trying to reduce financial risks					
3	The bank's management is characterized by its activities diversification of financing sources.					
4	The bank's management is trying to form a financing structure that helps in achieving more profits, expanding the use of debt.					
5	The management of the bank is highly dependent on internal funding sources.					
B. Investment decision						
1	The bank's management is trying to achieve increased rates of return on invested money.					
2	The bank's management focuses on comparing returns and risk.					
3	The bank's management is concerned with reducing investment risk by distributing its resources among selected types of investment.					
4	The bank's management focuses on creating new capabilities through the investment decision.					
5	Bank management focuses on achieving stable returns.					
6	The bank management makes an investment in real investment tools.					
C. Dividend decision						
1	The bank management is concerned with the safety of its financial position.					

N	Paragraphs	Answer alternatives				
		Strongly agree	Agree	Neutral	Disagree	Strongly disagree
2	The management of the bank is concerned with its future expansion.					
3	The bank management considers tax considerations.					
4	The bank's management chooses an ideal dividend policy.					
5	The management of the bank takes into consideration not to harm the interests of shareholders and other parties.					
6	The management of the bank is concerned with the availability of liquidity required for distribution and does not affect its cash obligations on time.					