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A study of the impact of accounting disclosure on improving the efficiency of financial markets and enhancing their market value – An analytical study in Iraqi industrial companies.

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Abstract : The study aims to demonstrate the impact of the relationship between accounting disclosure on improving the efficiency of financial markets and enhancing the value of industrial companies in Iraq, highlighting the importance of accounting disclosure in financial reports and its role in improving them. The study population consists of a sample of Iraqi industrial companies listed exclusively on the Iraq Stock Exchange, namely (Baghdad Soft Drinks Company - Iraqi Engineering Works Company - Ready-Made Garments Production Company) within the scope of the study for the years 2022 and 2023. The study concluded that there is a positive and statistically significant relationship between accounting disclosure and the value of industrial companies at a statistical significance level of 0.05, as increasing accounting disclosure and the value of industrial companies by one unit leads to an improvement of (0.760). The results also indicated the significance of the impact relationship with a value of (T) of (14.222), and the stability of the regression coefficients with a value of (F) of (102.444), which contributed to explaining (0.230) of the permissible variance in accounting disclosure and the value of industrial companies at a significance level of 0.05. The study recommended improving the level of accounting disclosure in financial reports through concerted efforts by participating companies, auditors, and the Securities Commission. It also recommended developing legislation to keep pace with new developments and improve the information disclosure process to meet investor needs and simplify their decisions, as well as addressing the causes of the lack of information disclosure by companies listed on the Iraq Stock Exchange.

Keywords: accounting disclosure - financial markets - market efficiency - company value

INTRODUCTION: The requirements for accounting disclosure work to narrow the gap of distrust between users, and their role is highlighted by the reliability (credibility) they confer, as well as the improvement in the clarity and transparency of accounting information. Therefore, financial reports are truthful and reflective of the true content of the financial events they present, which increases the confidence of all internal and external stakeholders in the framework of delivering this information in a way that serves all parties uniformly, free from any gaps that could disrupt this communication, by preparing them in accordance with international accounting standards to serve as a guide in determining the appropriate methods for measuring and presenting financial events. The collapse of many economic units is considered a result of the failure to apply accounting principles, lack of disclosure and transparency, and the failure to present true data and information. One of the most prominent aspects that has been focused on in the context of establishing international accounting standards is the preparation of financial statements and reports, emphasizing both their form and content, as well as the aspect of accounting disclosure as the primary means and effective tool for delivering financial statements and reports to the entities that need them to support investment and financing areas.

The study's problem was: Are Iraqi industrial companies obligated to disclose accounting information? To what extent does this contribute to improving the efficiency of financial markets and enhancing their value? Is there a significant relationship between accounting disclosure in industrial companies and enhancing their market value?

The study holds importance in presenting the commitment of industrial company administrations in the Iraqi Stock Market to the requirements of accounting disclosure in financial reports and the preparations made by management, as it addresses a topic of great significance in economic institutions due to the profound impact of investment decisions on achieving the objectives set by them in their financial reports, through the optimal use of high-quality financial statements and reports that are transparently disclosed by the institution, which contributes to enhancing its market value .

To achieve the study's objective, it was divided into four sections: The first section presents the study methodology and previous studies, the second section presents the theoretical literature of the study, the third section presents the practical framework (methodology and procedures), and the fourth section presents the conclusions and recommendations.

Section One: Methodology of the Study and Previous Studies

1-1:Problem of the Study :

It is well known that the main objective of accounting disclosure is to satisfy the needs of users of financial statements and accounting reports for accounting data and information. Consequently, the actions of these users will be influenced by the quantity and quality of the accounting data and information that has been disclosed. For external parties (i.e., users of accounting information outside the organization), the rationality of their economic decisions related to investment and granting credit to organizations will be affected. Regarding the management of organizations, their economic actions will impact the financial and economic performance of the organizations in general. As a result, the authors raise the following two questions :

1. Are Iraqi industrial companies required to disclose accounting information? What is its contribution to improving the efficiency of financial markets and enhancing their value ?

2. Is there an impact relationship between accounting disclosure in industrial companies and the enhancement of their market value?

1- 2 Importance of the Study:

The importance derived from the study is to highlight the commitment of some industrial company administrations in the Iraqi Stock Market to the requirements of accounting disclosure in financial reports and the preparations made by management, as it addresses a topic of great significance in economic institutions due to the profound impact of investment decisions in achieving the objectives set by them in their financial reports, through the optimal use of high-quality financial statements and reports that are transparently disclosed by the institution, which contributes to enhancing its market value.

1-3Objectives of the Study:

The study aims to demonstrate the impact of the relationship between accounting disclosure in improving the efficiency of financial markets and enhancing their value in Iraqi industrial companies, and to clarify the importance of accounting disclosure in financial reports and its role in improving them, as well as the role of accounting disclosure in increasing the company's value in financial markets.

1-4Study Hypotheses: The study is based on the following hypotheses:

First Hypothesis: Iraqi industrial companies in the Iraq Stock Exchange are required to disclose accounting information in accordance with international standards.

Second Hypothesis: **"**There is a significant impact relationship between accounting disclosure and the value of industrial companies at a significance level of 5%".

1 -5 Previous Studies

- **The study (Abdul-Baqi, 2025)** aims, according to the nature of the research problem, to demonstrate the impact of tax planning on the value of non-financial companies listed on the Egyptian Stock Exchange. The study population consists of non-financial companies registered on the Egyptian Stock Exchange, and the researcher reached a set of results through the statistical analysis of the data from the applied study. One of the most important findings is that there is a significant positive correlation between tax planning and the value of non-financial companies listed on the Egyptian Stock Exchange. There is also a significant positive effect of tax planning on the value of non-financial companies listed on the Egyptian Stock Exchange at a significance level of (5%). This indicates that tax planning leads to an improvement in the company's value, as a result of increased after-tax profits for non-financial companies listed on the Egyptian Stock Exchange. The study results showed that tax planning, measured by the effective accounting tax rate, ranks first in terms of positive impact on the company's value, while tax planning measured by book tax differences ranks second in terms of positive impact on the company's value. Tax planning measured by the effective cash tax rate ranks third in terms of positive impact on the company's value. This result is explained by the fact that non-financial Egyptian companies listed on the stock exchange rely on the effective accounting tax rate as an indicator for tax planning to improve the company's value through managing income tax expenses relative to pre-tax profits.
- **The study (Metwally et al., 2024)** primarily aims to investigate and test the impact of disclosure of research and development activities on the value of companies in Egyptian joint-stock companies. The researcher used the market value to book value ratio to measure the company's value and established an index to measure the level of disclosure regarding research and development activities. The sample of the study consists of Egyptian joint-stock companies

listed on the Egyptian stock exchange during the period from 2015 to 2019. The researcher selected companies that disclose research and development activities from various sectors, totaling 21 companies, and took a convenience sample of companies that do not disclose research and development activities for comparison with those that do. The findings revealed that there are significant differences in the company's value attributed to the disclosure of research and development activities, that financial disclosure of research and development activities positively affects the company's value, that non-financial disclosure of research and development activities does not affect the company's value, and that both financial and non-financial disclosure of research and development activities positively influences the company's value.

- **The study (Hasan et al, 2024)** considers sustainable accounting disclosure as a vital part of providing financial and non-financial information. This information enhances the importance and understanding of financial instruments and how financial markets deal with them. It also supports the selection of appropriate accounting rules, risk management, and the application of these tools in well-considered options. By providing relevant data, sustainable accounting disclosure further assists investors. To maximize benefits for users, the principle of disclosure requires the provision of comprehensive accounting data and information. The subjective concept of disclosure highlights the value of financial data as a decision-making tool, particularly concerning investments. It is essential to recognize that disclosure is a tool to help all stakeholders make informed decisions, not an end in itself. The hypothesis was tested in the study using Pearson correlation coefficient, and the results showed a statistically significant relationship between investor success and the level of sustainable disclosure options of joint-stock companies. According to the results, the significance level is less than 0.05, at 0.000. The correlation coefficient value is also 0.896.
- **The study (Karima, 2023)** attempts to examine the issues of measurement and accounting disclosure of intellectual assets, the attempts to address them, and the impact of their measurement and disclosure on the value of the company. The researcher conducted a field and applied study on a number of telecommunications and information technology companies listed on the Egyptian stock exchange. The researcher relied on the (Sveiby, 98) scale to estimate intellectual assets, while the dependent variable was represented by the company's value, which was calculated using the Tobin's Q model. The results indicated that the absence of a mandatory element is a primary reason for the lack of interest by company management in measuring and disclosing intellectual assets, despite the results confirming a significant relationship between intellectual assets and company value. When studying the nature of the relationship between the two variables through calculating the Odds ratio, it was found that as intellectual assets increased, the likelihood of an increase in the company's value by a specific amount also increased. The study recommended that professional organizations responsible for setting international standards and regulations should provide a clear mandatory framework for measuring and reporting on intellectual assets and to overcome any obstacles faced in this regard.
- **The study (Abdulaali,2021)** aims to clarify the role of accounting disclosure in improving stock prices and maximizing the market value of the company, while demonstrating the role of accounting information in financial decision-making for users, whether they are from within the company or outside it. The research sample consisted of a group of accountants, managers, and auditors working in these companies for the data of the year 2020. A questionnaire was designed and distributed to the research sample individuals, and a set of statistical methods was used to analyze the data. The research reached a number of conclusions, the most important of which is that the limits of accounting disclosure help improve stock prices, thereby increasing the market value of the company in line with various environmental variables.
- **The study (Milegi, 2015)** aims to examine the level and content of accounting disclosure (volume, quality of disclosure) regarding sustainable development practices (economic, social, environmental, and governance) and the factors affecting it on one hand, and its impact on the quality of accounting profits of companies listed on the Saudi stock exchange on the other hand. The results indicate a low level of accounting disclosure regarding sustainable development practices for the studied Saudi companies; in addition, there is a positive and significant relationship between the level of this disclosure and each of the company's size, profitability, research and development expenses, board size, the independence of its members, and the quality of audit committees.

Chapter Two: The Knowledge Literature of the Study

2.1Accounting Disclosure

Accounting disclosure involves presenting all necessary information that is relevant to stakeholders, helping them make decisions and reducing uncertainty regarding future economic events (Al-Basri and Jassim, 2017: 216). The concept of disclosure in accounting generally refers to providing information to users in a correct and appropriate manner to assist them in decision-making (Hanan, 2001: 298). Disclosure is defined as "the process of revealing and presenting essential information about economic units to parties with current or future interests in those economic units, which also means that information is presented in financial statements and reports in a language understandable to the informed reader without ambiguity or deception" (Rahmoun, 2019: 120)

In a broader sense, it can be said that "the presentation and disclosure of information is of utmost importance for users of financial data in order to provide them with necessary information for their decision-making. Therefore, international accounting standards have adopted two positions regarding presentation and disclosure. The first relates to general issues, where a set of general standards was issued focusing on the disclosure of accounting policies, the types of information presented in financial statements, and how to present current assets and liabilities. The second relates to the issuance of more specific standards concerning, for example, reporting on cash flows, disclosing fundamental errors and changes in accounting principles, preparing reports on branches and departments, and disclosing related parties and transactions with them. The common denominator in all these standards is the tension between being available to those entitled to access the institution's information and maintaining the confidentiality of business information that grants the institution its competitive advantage. (Roberts et al, 2005:52) The researcher views disclosure as the presentation of information in financial statements in accordance with generally accepted accounting principles, which necessitates the availability of appropriate disclosure elements in these statements regarding all material matters."

2.2 The Importance of Accounting Disclosure in Financial Reports and Its Role in Improving Them

The goal of preparing financial reports is to provide information about the financial position of the economic unit, the results of its activities, and the changes in its equity. Disclosure in financial reports is ensured and guaranteed through full disclosure by preparing a fair presentation of useful and necessary information for the economic decision-making process across a wide range of users (Lotfy, 2006: 507). Therefore, disclosure should be one of the fundamental objectives of accounting and reporting, and the financial statements for the tax authority or other entities in a manner that ensures these reports, with their accounting information, meet the requirements of the tax authority or other entities, making them rely on that information, which leads to productive interactions between accounting applications (Al-Tamimi, 2007: 109). Since the credibility of the taxpayer is reflected through the fair presentation of that informational content via the function of accounting disclosure, it is considered a significant factor in achieving fair examination. Accounting information is merely a message directed towards the future and carries within it the actual translation of the activities of the economic unit, explaining the accounting treatments of those activities through the faithful and neutral presentation of the informational content of financial reports.

Given the importance of the credibility of information in achieving benefits for users of financial reports of all types, including the tax authority, its significance increases for the latter as it is an important factor in improving the relationship between the taxpayer and the tax auditor. The credibility of accounting information in the financial reports attached to the tax decision, which reflects the credibility of companies, will greatly assist in the success of the tax audit process, and it is considered a fundamental condition for tax accountability based on regular accounting records in accordance with tax law (Hamad, 2007:14)

On the other hand, the lack of credibility of the accounting information provided to the tax authority leads to the loss of one of the most important factors for the success of any developed tax system, which is the characteristic of trust between the two parties in the tax accountability process. The tax auditor is responsible for measuring and determining the value of the tax base based on the results of the disclosure and presentation of accounting information through financial reports. Thus, the role of accounting disclosure in determining the tax base becomes clear, which is required to be within the framework of accounting standards and rules, in order to enhance the credibility of accounting information to strengthen the tax accountability relationship between the taxpayer and the tax auditor .

As tax accounting thinkers call for comprehensive tax reform, the credibility of the taxpayer through complete accounting disclosure (transparency) is a significantly influential factor in this reform system. This credibility is only expressed through the informational content of financial reports as attachments that support the validity or invalidity of the tax declaration. The higher the degree of credibility of the taxpayer when presenting the accounting information contained in their financial reports as attachments to the tax declaration, the greater the quality achieved in the tax audit. And it enhanced the role of accounting disclosure in the fair determination of the tax base value (Al-Ghanimi,2009: 66).

2.3 Concept of Financial Markets

The concept of financial markets is derived from the concept of a market in general. It allows for the management of money and supply and demand through various financial instruments (stocks and bonds). Entities in need of money issue these instruments and sell them to entities with surplus funds, thus obtaining their financial needs in exchange for these instruments. In other words, the financial market aims to attract and aggregate the savings of individuals and the financial surplus of companies and others, expressed in surplus units, to make it available to entities that need it, expressed in deficit units or financial needs, such as companies wishing to obtain financing to develop their projects. Therefore, financial markets form a relatively integrated system that allows for financial transactions that lead to the formation of financial assets and liabilities and the transfer of ownership. The more integrated this system is, the more developed the market and its impact on its environment. (Mohamed and Abbas, 2014: 135). He sees (Qandouz, 2021:

8) in financial markets that what is traded in global financial markets are securities and financial instruments, such as debt instruments (bonds), equity instruments (stocks), mortgage loans, and others. (Al-Tamimi, Azmi, 2004: 101) sees the framework that brings together saving units wishing to invest and deficit units in need of funds for investment through specialized categories operating in marketing, provided that effective communication channels are available. (Amina, 2023: 4) refers to the area through which communication occurs between surplus units and deficit units. Given the numerous and varied objectives of economic units, the financial institution is the one capable of meeting and achieving the goals of different economic units. (Hoshhar, 2003: 68) sees it as a market that brings together sellers of securities and buyers of those securities, regardless of the management through which this gathering is achieved or the place where it occurs. The researcher believes that this belonging mechanism can mobilize, aggregate, direct, and distribute the savings of companies, governments, and individuals to various productive and non-productive uses.

2.4 Efficiency of Financial Markets

Financial markets derive their concept from the general concept of a market, as financial markets provide the ability to trade money based on supply and demand through various financial instruments (stocks and bonds). Entities in need of funds issue such instruments and sell them to entities with surplus funds, thereby obtaining their financial needs in exchange for these instruments. The financial market works to attract and gather individual savings and surplus funds from businesses and others, referred to as "units with surplus funds," and makes them available to those in need, referred to as "units with financial deficits or needs," such as companies wishing to obtain funds to develop their projects. Therefore, financial markets are a relatively integrated system that facilitates financial transactions leading to the creation of financial assets and liabilities and the transfer of ownership. The more integrated this system becomes, the more developed the market is, and it becomes more influential in its surrounding environment (Mohamed and Abbas, 2014: 135). It can be defined as "institutions concerned with the investment in securities through issuance and trading. Within this framework, the buying and selling of securities such as stocks and bonds take place, and its operations entail returns and risks (Madura, 2008: 20)."

2 .4 The Basic Factors for the Success of Financial Markets

Several factors contribute to the success of financial markets, including (Sultan, 2015: 18-19):

First: Objective factors, including :

- Establishing a national securities market to provide sufficient liquidity for savers and investors .
- Regulating financial markets, including specific government oversight: which involves not providing information to investors to maintain price stability in financial markets, thus ensuring fair values for stocks. Regulating commercial transactions by instilling a degree of confidence in financial markets. Regulating various aspects of financial institutions by ensuring their compliance with regulations and laws .
- Making saving optional rather than mandatory .
- Obtaining a reasonable return for the investor, allowing them to receive the return on offered bonds without tax exemption.

Second: Formal Factors: The success of financial markets is not limited to objective factors; the following formal factors must also be present:

1. Conscious growth of savings and a high savings rate among individuals.
2. Ease of access to public services (wired and wireless transportation, housing, etc)
3. Absence of restrictions on foreign exchange controls.
4. Presence of a large number of banks, financial institutions, and local and foreign investment companies.
5. The geographical location of the country, its proximity to other financial markets, and its moderate climate.
6. A minimum level of political and social stability in the country.
7. The existence of an acceptable tax system, with reasonable rates and equations.

2.6 Concept of Company Value

The value of a company refers to the sum of its current and expected cash flows. The above determines the aspects of the company that reduce its true value: its assets and cash flows. In fact, the company's assets have significant economic potential, which can be translated into its value. Therefore, this value, present or future, is embodied in the stock price. The company's value often reflects its stock price, as an increase in the stock price affects investors' perception of it. This means that the stock's performance, in terms of upward fluctuations, enhances the company's value. Furthermore, the company's value also reflects the market value of its liabilities. Thus, the company's value reflects its past, present, or future performance as perceived by its investors. (Ogundajo, et.al 2022: 183) The value of an enterprise is also defined as "the amount that an investor is willing to pay to purchase a company in order to acquire a specific asset (share) or a stake in the company" (Al-Ma'ini, Ziad, 2016: 202). It is defined as the fair cash amount reached by a specialized expert, where this amount is generally accepted among various stakeholders at every stage of its measurement request, reflecting the fair value of all the company's resources utilized in its ongoing enterprise, in light of the concept of business continuity. (Mufida, 2020: 15) Since the value of the enterprise is an important indicator of the financial performance of the unit, short-term profitability is an indicator of management efficiency in utilizing its resources and the goal of maximizing the company's market value. However, in the long term, maximizing market value and profitability can be somewhat ambiguous; it is impossible to know how much capital the unit should invest. (Ting, 2012: 2) defined)Sahrul & Novita, 2020: 226) the value of the firm as the value contributed by the shareholders in the company. The value of the firm is also an important concept for investors as a tool or indicator used to evaluate the company as a whole (Husain et al., 2020: 16). The researcher views the value of the company as the present value of future cash flows discounted from investment projects.

2.7 The Role of Accounting Disclosure in Increasing Company Value in Financial Markets

Disclosure of financial reports is the process of transmitting information from within listed companies to external parties. Its main objective is to inform external investors about the company's performance and governance. This communication is not limited to shareholders and investors analyzing the suitability of their investments, but also includes other stakeholders, especially to obtain information about the company's social and environmental policies (Farvaque, et.al, 2011: 8)

Many studies have addressed the extent to which companies voluntarily disclose their information, particularly large companies. Therefore, companies play an important role in accounting disclosure to clarify their financial policies by presenting their expenses and profits over a specific period, in order to explain their accounting policies to current and future investors, as well as potential investors. Full disclosure refers to all relevant and necessary information to understand the company's financial statements, allowing financial analysts who read them to comprehend the methods used in evaluating assets, liabilities, and inventories (Kareem, 2022: 74). In addition, it includes the method of depreciation and how it is calculated, among other important information for understanding financial statements. This study aims to overcome the aforementioned limitations of previous studies and enhance the understanding of the impact of accounting disclosure on financial statements in a new context. In most cases, voluntary disclosure related to corporate governance, financial statistics, and social responsibility activities reveals a significant positive correlation with company value. At the same time, company information and accounting policies show mixed effects between voluntary disclosure and company value (Qamruzzaman, et.al, 2021: 672).

There are 7 principles in disclosing company information through integrated reports, which are: (Marita et.al, 2020: 491)

- Strategic orientation and future direction. The integrated report should include information about the entity's strategy and how these strategies can create value in the short, medium, and long term. It should also display the impact of their application on the company's resources.
- Disclosure. The integrated report should provide a comprehensive picture of the interconnections and factors influencing the value creation of the institution or company.
- Stakeholder relationships. The integrated report should provide insights into the nature and quality of the company's relationships with key stakeholders, including how well the company understands their needs and meets their interests.
- Relevance. The integrated report should provide information about the important elements that significantly affect the company's value creation process in the short, medium, and long term.
- Accuracy. The integrated report should be presented concisely and provide sufficient context to facilitate understanding of the company's strategy, governance, performance, and expectations, without burdening it with unnecessary information.
- Reliability and completeness. The integrated report should be complete, or include all material information, and be free from material errors.
- Consistency and comparability: The information contained in integrated reports should be consistent and comparable with information from other reports and entities.

Chapter Three: Practical Framework (Method and Procedures)

3-1Study Sample :

The study population consisted of a sample of Iraqi industrial companies listed exclusively on the Iraq Stock Exchange, namely Baghdad Soft Drinks Company, Iraqi Engineering Works Company, and Ready-Made Garments Production Company, covering the years 2022 and 2023 .

3-2Measuring the Level of Accounting Disclosure

To measure accounting disclosure in the Iraqi business environment for the industrial sector, we assign the number (1) if the company applies accounting disclosure; if it does not apply, it is given (0). In cases where the company partially applies and conceals part of it, it is given (0.5). The results of the analysis can be presented in the following table :

Table No. (1) Measuring the Level of Disclosure in Baghdad Soft Drinks for the Years 2022-2023.

the details	Year 2022	Year 2023	Total commitment points	arithmetic mean
Disclosure of general information and indicators governing the company's performance, both financial and non-financial indicators.	1	1	2	1
Disclosure of the statement of financial position and disclosures related to each item in it and their measurement methods.	1	1	2	1
Disclosure of the accounting basis used in preparing the financial statements and the primary method used for valuation (historical cost or others).	1	1	2	1
Disclosure of fixed assets and projects under construction and their details.	1	1	2	1
Disclosure of inventory and pricing methods, as well as work in progress, completion percentages, revenue recognition, and loss treatment on contracts.	1	1	2	1
Disclosure of receivables and payables and their details (long-term - short-term).	1	1	2	1
Disclosure of financial investments and related ownership percentages or other company shares or bonds.	1	1	2	1
Disclosure of debtors, creditors, notes receivable, and notes payable, along with related sub-disclosures.	1	1	2	1
Disclosure of cash and amounts in the cash box, permanent advances, and suspended amounts based on their location.	0.5	0.5	1	0.5
Disclosure of capital (issued - paid - and demanded but unpaid) and capital movement during the year.	0.5	0.5	1	0.5
Disclosure of reserves and their details by type, usage method, and movement for each reserve during the year.	1	1	2	1
Disclosure of other liabilities and their data such as (taxes - accrued and deferred interest - and details of advances received from customers and employers).	0.5	0.5	1	0.5
Disclosure of revenues according to their details, sources, and the method used for revenue recognition.	1	1	2	1
Disclosure of expenses according to their types (rent expenses, interest expenses, tax expenses) independently, in addition to significant losses resulting from fixed purchase commitments.	1	1	2	1
Disclosure of the cash flow statement, which includes (operating activities - investing activities - and financing activities).	1	1	2	1
Disclosure of the statement of equity, which includes (owners' equity at the beginning and end of the period and any changes during the period, whether the change is in capital, reserves, retained earnings, or distributions).	1	1	2	1

Table No. (2) Measurement of the level of disclosure in the Iraqi Engineering Company for the years 2022-2023.

the details	Year 2022	Year 2023	Total commitment points	arithmetic mean
Disclosure of general information and indicators governing the company's performance, both financial and non-financial indicators.	0.5	0.5	1	0.5
Disclosure of the statement of financial position and disclosures related to each item in it and their measurement methods.	1	1	2	1
Disclosure of the accounting basis used in preparing the financial statements and the primary method used for valuation (historical cost or others).	0.5	0.5	1	0.5
Disclosure of fixed assets and projects under construction and their details.	1	1	2	1
Disclosure of inventory and pricing methods, as well as work in progress, completion percentages, revenue recognition, and loss treatment on contracts.	0.5	0.5	1	0.5

Disclosure of receivables and payables and their details (long-term - short-term).	0.5	0.5	1	0.5
Disclosure of financial investments and related ownership percentages or other company shares or bonds.	0.5	0.5	1	0.5
Disclosure of debtors, creditors, notes receivable, and notes payable, along with related sub-disclosures.	0.5	0.5	1	0.5
Disclosure of cash and amounts in the cash box, permanent advances, and suspended amounts based on their location.	0.5	0.5	1	0.5
Disclosure of capital (issued - paid - and demanded but unpaid) and capital movement during the year.	1	1	2	1
Disclosure of reserves and their details by type, usage method, and movement for each reserve during the year.	1	1	2	1
Disclosure of other liabilities and their data such as (taxes - accrued and deferred interest - and details of advances received from customers and employers).	0.5	0.5	1	0.5
Disclosure of revenues according to their details, sources, and the method used for revenue recognition.	1	1	2	1
Disclosure of expenses according to their types (rent expenses, interest expenses, tax expenses) independently, in addition to significant losses resulting from fixed purchase commitments.	1	1	2	1
Disclosure of the cash flow statement, which includes (operating activities - investing activities - and financing activities).	1	1	2	1
Disclosure of the statement of equity, which includes (owners' equity at the beginning and end of the period and any changes during the period, whether the change is in capital, reserves, retained earnings, or distributions).	1	1	2	1

Table No. (3) Measurement of the Disclosure Level in the Ready-Made Garments Company for the Years 2022-2023

the details	Year 2022	Year 2023	Total commitment points	arithmetic mean
Disclosure of general information and indicators governing the company's performance, both financial and non-financial indicators.	0.5	0.5	1	0.5
Disclosure of the statement of financial position and disclosures related to each item in it and their measurement methods.	1	1	2	1
Disclosure of the accounting basis used in preparing the financial statements and the primary method used for valuation (historical cost or others).	0.5	0.5	1	0.5
Disclosure of fixed assets and projects under construction and their details.	1	1	2	1
Disclosure of inventory and pricing methods, as well as work in progress, completion percentages, revenue recognition, and loss treatment on contracts.	0.5	0.5	1	0.5
Disclosure of receivables and payables and their details (long-term - short-term).	0.5	0.5	1	0.5
Disclosure of financial investments and related ownership percentages or other company shares or bonds.	0.5	0.5	1	0.5
Disclosure of debtors, creditors, notes receivable, and notes payable, along with related sub-disclosures.	0.5	0.5	1	0.5
Disclosure of cash and amounts in the cash box, permanent advances, and suspended amounts based on their location.	0.5	0.5	1	0.5
Disclosure of capital (issued - paid - and demanded but unpaid) and capital movement during the year.	1	1	2	1
Disclosure of reserves and their details by type, usage method, and movement for each reserve during the year.	1	1	2	1
Disclosure of other liabilities and their data such as (taxes - accrued and deferred interest - and details of advances received from customers and employers).	0.5	0.5	1	0.5
Disclosure of revenues according to their details, sources, and the method used for revenue recognition.	1	1	2	1
Disclosure of expenses according to their types (rent expenses, interest expenses, tax expenses) independently, in addition to significant losses resulting from fixed purchase commitments.	1	1	2	1

Disclosure of the cash flow statement, which includes (operating activities - investing activities - and financing activities).	1	1	2	1
Disclosure of the statement of equity, which includes (owners' equity at the beginning and end of the period and any changes during the period, whether the change is in capital, reserves, retained earnings, or distributions).	1	1	2	1

We conclude from tables (1-3) the following :

A. companies disclosed its fixed assets in total at book value in the balance sheet, while the details were presented in a supplementary statement called the Fixed Assets and Depreciation Statement, which shows the historical cost of each fixed asset at the beginning of the year, the adjustments during the year, and the depreciation during the year, leading to its value at the end of the financial year. The presentation of fixed assets was in accordance with paragraph (66) of the International Accounting Standard No. "1" (revised) on the presentation of financial statements and the local accounting rule No. "6 ."

B. companies disclosed cash in total in the balance sheet, while the details of the cash account were disclosed in a supplementary statement called the Cash Statement, which is in accordance with the revised International Standard No. "1" and the requirements of paragraph (66) and consistent with Annex No. (1) of the accounting rule No. "6 ."

C. companies disclosed accounts receivable in total in the balance sheet, while the details were disclosed in a supplementary statement in the financial statements called the Debtors Statement, which includes all details of debtors. This is in accordance with the revised International Accounting Standard No. "1" and meets the requirements of paragraph (66) of the same standard, and is consistent with Annex No. (1) of the accounting rule No. "6 ."

D. companies disclosed inventory in total in the balance sheet, while the details of the inventory amount were disclosed in a supplementary statement in the financial statements called the Inventory Statement, which is in accordance with the revised International Accounting Standard No. "1" in paragraph No. (5), and consistent with Annex No. (1) of the accounting rule No. "6.".

E. companies disclosed the paid nominal capital in the budget, while its details were disclosed in a supplementary statement called the capital statement, which is in accordance with International Standard No. "1" as amended and in accordance with paragraph (74), and consistent with Appendix No. (1) of Accounting Rule No. "6".

F. companies disclosed the reserves in aggregate in the budget, while the details were disclosed in a supplementary statement to the financial statements called the reserves statement, which is in accordance with the amended International Accounting Standard No. "1" and complies with the requirements of paragraph (74-b), and consistent with Appendix No. (1) of Accounting Rule No. "6".

G. companies disclosed the receivables and other payables in aggregate in the budget, while their details were disclosed in a supplementary statement to the financial statements called the creditors statement and the other payable balances statement, which is in accordance with International Standard No. "1" and meets the requirements of paragraph (66-h) of the same standard, and consistent with Appendix No. (1) of Accounting Rule No. "6".

H. Revenue items were presented in the profit and loss account in accordance with the amended International Accounting Standard No. "1" and according to paragraph (75) of the same standard, while their details were disclosed in a detailed statement in a supplementary statement to the financial statements, and consistent with Appendix No. (1) of Accounting Rule No. "6".

I. Expenses (by nature) were presented in the profit and loss account, which is in accordance with the requirements of paragraph (77) of the amended International Standard No. "1" and paragraph (83) of the same standard, and consistent with Appendix No. (1) of Accounting Rule No. "6".

J. The net profit or loss has been presented in the income statement, and this presentation is in accordance with paragraph (75) of the amended International Standard No. "1" and the requirements of paragraph (86) of the same standard and paragraph (12) of the local accounting rule No. "6".

It is evident from the previous analyses the commitment of the management of industrial companies in the Iraq Stock Exchange to the requirements of accounting disclosure in financial reports and the preparations made by management, as they present their financial statements and items for investment decisions, which has a significant impact on achieving the goals set by them in their financial reports, through the optimal use of high-quality financial statements and reports that are disclosed transparently, which contributes to enhancing their market value. This serves as evidence for the study's hypothesis, which states that "Iraqi industrial companies in the Iraq Stock Exchange are required to disclose accounting information in accordance with international standards."

3.3 Measuring the Value of Insurance Companies in the Study Sample

Based on numerous previous studies that used company value as one of the main research variables, we will rely on the adjusted (Tobin's Q) measure to assess company value (Aguir & Aguir, 2020). The value of insurance companies is calculated according to this measure by dividing the sum of the market value of equity and the book value of debt by the book value of total assets. The equation details how to calculate company value according to the adjusted (Tobin's) measure as follows:

Tobin's $Q_{it} = \frac{(\mathbf{NSO\ it \times MPSit + TLit})}{\mathbf{TAit}}$

Where:

Tobin's Qit: represents the value of firm A three months after the end of fiscal year t.
NSOit: represents the number of shares issued by firm A in year t.
MPSit: represents the market price of firm A's stock three months after the end of fiscal year t.
TLit: represents firm A's total liabilities in year t.
TAit: represents firm A's total assets in year t.

1. Measuring the value of Baghdad Soft Drinks Company:

Company value for the year 2022=(204335333333*0.98)+63061675418÷559513197067
= 0.470

Company value for the year 2023 =(204335333333 204335333333*0.99) +83665425634 ÷ 642617205882
= 0.4449

2 . Measurement of the value of the Iraqi Engineering Works Company:

Company value for the year 2022 =(1500000000*0.77)+26846303÷1005180537
= 1.17

Company value for the year 2023 =(1500000000 *0.5) +26846303 ÷ 923723274
= 0.84

3. Measuring the value of a ready-made clothing production company:

Company value for the year 2022 =(3186600000*0.82)+547274839÷4483631815
= .0 7048

Company value for the year 2023 =(3186600000 *0.80) +338457842 ÷ 4427195440
=0.66

3.4 influence relationship test

H0: There is no significant impact relationship between accounting disclosure and the value of industrial companies at a significance level of 5%.
H1: There is a significant impact relationship between accounting disclosure and the value of industrial companies at a significance level of 5%.
To test the current hypothesis, the impact of accounting disclosure on the value of industrial companies was estimated at a significance level of 5%, as shown in the following table:

Table (4) Regression Equation of the Impact between Accounting Disclosure and the Value of Industrial Companies

Variable	Corporate value						
	regression equation β	T value	Sig.	F value	Sig.	Coefficient of determination R2	M.T. Corrector R2
Accounting Disclosure	0.760	14.222	0.000	102.444	0.000	0.230	**0.238**

Source: Prepared by the researcher based on the outputs of the (SPSS.V.26) program.

It is observed from the results in Table (4) that there is a significant positive relationship between accounting disclosure and the value of industrial companies at a significance level of 0.05. An increase in accounting disclosure and the value of industrial companies by one unit leads to an improvement of (0.760). The results also indicated the significance of the impact relationship with a (T) value of (14.222), and the stability of the regression coefficients with an (F) value of (102.444). This contributed to explaining approximately (0.230) of the permissible variance in accounting disclosure and the value of industrial companies at a significance level of 0.05.

Chapter Four: Conclusions and recommendations

4.1Conclusions

1. The relationship between decisions and predictions is that decisions are made based on expectations; a decision cannot be made without a clear picture of future expectations, which serves as the basis for decision-making. Consequently, the future of the company is predicted based on information and decisions.
2. It is evident from the previous analyses the commitment of the management of industrial companies in the Iraq Stock Exchange to the requirements of accounting disclosure in financial reports and the preparations made by management, as they present their financial statements and items for investment decisions, which has a significant impact on achieving the goals set by them in their financial reports, through the optimal use of high-quality financial statements and reports that are disclosed transparently, which contributes to enhancing their market value. This serves as evidence for the study's hypothesis, which states that "Iraqi industrial companies in the Iraq Stock Exchange are required to disclose accounting information in accordance with international standards."
3. There is a significant positive impact relationship between accounting disclosure and the value of industrial companies at a significance level of 0.05. An increase in accounting disclosure and the value of industrial companies by one unit leads to an improvement of (0.760). The results indicated the significance of the impact relationship with a (T) value of (14.222), and the stability of the regression coefficients with an (F) value of (102.444). This contributed to explaining (0.230) of the allowable variance in accounting disclosure and the value of industrial companies at a significance level of 0.05
4. The company disclosed its fixed assets in total at book value in the balance sheet, while the details were presented in a supplementary statement called the Fixed Assets and Depreciation Statement, which shows the historical cost of each fixed asset at the beginning of the year, the adjustments during the year, and the depreciation during the year, leading to its value at the end of the financial year. The presentation of fixed assets was in accordance with paragraph (66) of the International Accounting Standard No. "1" (revised) on the presentation of financial statements and the local accounting rule No. "6 ."
5. Revenue items were presented in the profit and loss account in accordance with the amended International Accounting Standard No. "1" and according to paragraph (75) of the same standard, while their details were disclosed in a detailed statement in a supplementary statement to the financial statements, and consistent with Appendix No. (1) of Accounting Rule No. "6".
6. Expenses (by nature) were presented in the profit and loss account, which is in accordance with the requirements of paragraph (77) of the amended International Standard No. "1" and paragraph (83) of the same standard, and consistent with Appendix No. (1) of Accounting Rule No. "6".
7. The net profit or loss has been presented in the income statement, and this presentation is in accordance with paragraph (75) of the amended International Standard No. "1" and the requirements of paragraph (86) of the same standard and paragraph (12) of the local accounting rule No. "6".

4.2 Recommendations

1. Work on improving the level of accounting disclosure in financial reports through the concerted efforts of joint-stock companies, auditors, and the Securities Commission, and developing legislation to keep pace with new developments and improve the process of disclosing information to meet the needs of investors, simplify their decisions, and address the reasons for the lack of information disclosure by companies listed in the Iraq Stock Exchange .
2. Companies should expand their disclosure of information contained in financial reports, as this increases investor confidence in them and positively reflects on stock prices in the market, alongside the companies' profitability levels and distributions.
3. The study recommends the necessity of adhering to international disclosure requirements and appropriately presenting them in accordance with what those standards dictate, in order to enhance the company's market value and its significant impact on serving the users of financial statements.
4. It is essential to develop the local accounting standard No. (6) and the accounting standard No. (10) related to presentation and disclosure in accordance with international standards to keep up with the evolving desires of users and its significant impact on increasing the company's value.

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