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Investor Financial Risk Assessing Based on Accounting Information for Economic Units Listed on Iraq's Stock Exchange (Analytical Study)

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Abstract

The current study focuses on the theoretical framework of accounting information and its primary and secondary characteristics. The current study is based on a key premise that investors can evaluate the financial risks of the economic units listed in the Iraq Stock Exchange based on accounting information published in the official financial reports, in addition to highlighting the risks of various types, particularly the financial risks to the economic units listed in the Iraqi Stock Exchange's securities market. The use of the model (1993 Altman:), which relies on several variables and yields a determination of the extent of the Unit's financial risks, has been made to fulfill the study's findings. The study ultimately came to several conclusions, the most significant of which was the demand for accurate and accessible information so that investors could determine the degree of risk to which the economic unit is revealed.

Keywords: *Accounting information, Risk assessment, and Financial Risks.*

1. Introduction

1.1The Problem of the Study

The most significant aim of the study problem is to demonstrate how crucial accounting information can be in identifying and evaluating the financial risks that economic units deal with. Accounting information is crucial to many decision-making processes, notably financial decision-making, and its value in assessing and controlling risk cannot be emphasized. To improve the efficient use of accounting information to analyze financial risks, however, gaps or limitations in current processes may need to be addressed. The following questions can be used to define the problem of the current study:

Does the accounting information offered by the businesses listed on the Iraq Stock Exchange contribute to identifying and evaluating financial risk?

1.2 Aims of the Study

The current study aims to achieve the following :

1. Enhanced awareness of the significance of accounting information in classifying and evaluating financial risks

2. Explain how economic units can use accounting information to identify risks efficiently.

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3. Focus on the impact of timely "accounting information" on how economic units manage financial risks.

4. Identifying effective accounting metrics and indicators for evaluating and predicting financial risks.

5. Identify the significance of different categories of risks to economic units.

1.3 Hypothesis of the Study

Based on the accounting information presented in the accounting statements, investors can evaluate and estimate the financial risks associated with the economic units listed on the Iraq Stock Exchange.

1.4 The Importance of the Study

The emphasis of the current study is on the accounting information included in the financial lists of businesses listed on the Iraq Stock Exchange, and consumers can use that in general and investors in particular to predict the financial risks to which these businesses may be exposed. Predicting financial risk is crucial to many organizations' decisions, including those of investors, lenders, and regulators. As a result, the importance of this study lies in improving both the way it is presented and the use of the Altman financial risk prediction model, as well as the scientific contribution related to financial risk prediction.

1.5 Sample of the Study

The economic entities that exist listed on the Iraqi stock exchange constituents of the study sample, which is specifically chosen to include a range of industries, including the service, financial, and industrial sectors, which each represented the following:

1. Karakh Games City.
2. Baghdad Bank.
3. Iraqi Carpet and Furniture Company.

2. Accounting Information

1) Accounting information

Accounting information is all information (quantity and non-quantity) related to the Unit's economic events, processed and reported through accounting information systems in external reports and financial statements (Al-Habiti, Saqqa, 2003:25).

Some argue that accounting information, in its most basic form, is data processed through an accounting information system phase. It serves as a means of communication between those who must set clear targets and who expect the information to be effective, efficient, and useful for decision-making. Accounting information is valuable knowledge from different operations and serves specific purposes. It manifests as final results or outputs supporting decision-making and activities, benefiting those concerned (Hilali and Amran, 2016:35). Others knew that the accounting information referred to financial statements and records created by the Unit's accounting system. They include much financial information, such as financial position, income disclosure data, cash flow list data, and supporting documents such as invoices. The accounting information provides a comprehensive overview of the Unit's financial functioning, position, and cash flows, enabling users to make appropriate investment decisions, operations, and resource allocation (Weygandt, et, al, 2018:155).

Accounting information is very valuable in financial markets because of its direct impact on equity prices. Financial markets rely heavily on this information to scientifically evaluate the stock's real value. This valuation is made through the use of various measurement and accounting options. (Al-Hussein Abu Bakr, 2012:116).

In light of the above, the accounting information results from operational activities on the accounting statements. This information is used by internal and external users associated with the Economic Unit and seeks to reap benefits from its use.

Accounting information requirements arise due to a lack of knowledge and a lack of necessary emphasis on economic activities. However, it is important to note that operational activities do not necessarily need to convert accounting data into information, as one or both of the following conditions must be verified (Al-Habiti, Saqqa, 2003:25):

1) By minimizing the possibilities accessible, the information supplied should try to lower the decision-makers level of uncertainty.

2) The ensuing knowledge must improve the decision maker's understanding even if the first criterion is unmet. Future choices can be made with this new information. However, the outcome of data operations cannot be regarded as information if this objective is not met. Alternatively, they can be categorized as "structured data" that can be saved and utilized repeatedly as system inputs.

2) Accounting information and its importance

One of the fundamental objectives of the accountant is to provide accounting information to internal and external consumers. It is the exclusive communication process between economic entities and the outside world. The accountants in the units give users information so they may evaluate how well these units are operating and take any necessary action are provided with information by the units so they may assess the functioning of these units and take required measures. Al-Abadi (2012):167 cites Ghazal. Accounting information must be beneficial in decision-making in order to be profitable. Reliability and relevance are the two basic requirements for usefulness (Al-Shamri, 2003: 33), but it is important to emphasize that the quality of information is not entirely based on the subjective attributes of the material itself. Additionally, it depends on the qualities of the decision-makers who use this information. These qualities include the decision-making process itself, the information consumers need—not the quantity or quality of that information—and its nature, the decision-maker's capacity to analyze that information effectively, and the decision-makers level of awareness (Shirazi, 1990:195)

Accounting information is one of the most important elements investors rely on in making their investment decisions. Moreover, accounting information plays an important role in assessing stock and bond prices and predicting future indicators for financial markets. The provision of accounting information, coupled with the ability to analyze it thoroughly and use the analysis results to formulate new investment decisions, significantly impacts investment flows. It also affects the volatility of securities prices and the measurement of risk rates, thus reflecting the decision-making process. Financial markets can do their part efficiently and effectively only with a good information system that is the basis on which the user will base all decisions.

3) The difference between data and information

Data is defined as random, unregulated preliminary facts, and to make them valuable, it requires processing by converting data to information, while "Information" is defined as structured data, processed and presented in a particular context, and is useful for humans. Some of these data are confirmed to be modular, containing raw materials that are of no use. Their nature is that they are symbols, numbers, texts, etc. For information, they are a combined set of data with logical meanings; they are repetitive data https://uomus.edu.iq/2022.

Data are facts representing specific events and transmitted through symbols, letters, numbers, or charts. The objective is to process such data as usable information by conducting and organizing related processes. There is a range of types of data that can be classified into the following two main groups (Pelvic, Saqqa, 2003:25):

The "financial statements," economic events in the economic Unit that will result in a measurable financial impact, include the following main events:

A. Financing events: Events related to obtaining funds for operations; this can be achieved through contributions from owners to capital or through long-term or short-term borrowing.

B. Capital events are how to acquire, consume and dispose of fixed assets such as sale or replacement.

C. Revenue Events: These events are associated with generating profits from operating operations which will be reflected in profits for the Unit's current activity.

Conversely, non-financial statements refer to events within the Unit that do not have a direct financial impact and are classified into two types:

A - Quantitative data: data that can be expressed in digital terms, for example (number of employees, hours worked, shares, etc.).

B - Non-quantitative data: This type of data cannot be easily expressed numerically and is often described descriptively due to its difficulty quantifying. Examples include the effectiveness of workers' training programs or consumers' preferences.

Conversely, information can be defined as the output obtained through the operations of the operational Unit that applies to the data. "Hussein: 1997" refers to distinguishing between data and information. The data are an isolated set of unhelpful facts in the decision-making process. The information is data prepared to allow an opinion to be built or the decision to be taken accordingly. Identifying and defining the qualities that make information useful in decision-making is necessary. This information is described below (Hussein, 1997:25):

A- Appropriate: The relationship between accounting information and the purpose for which it was prepared.

B- Reliability and accuracy of information

C - Impartiality, comparability, timeliness, and completeness of information. The following are examples of management decision-making and decision-making based on accounting information (Dahir, 2002:4) Decisions on investing funds in a particular enterprise and management decisions on exercising different administrative functions. Decision-making is one of the main functions of the Unit's management and can be regarded as one of the most difficult and complex tasks to be exercised by the Department because the more difficult decision-making and decision-making, the more alternatives are available. Accounting information is used as costs, revenues, and others for decision-making, such as management. The company's management must distinguish between costs, income, and other relevant accounting information (Dahir, 2002:349).

Many scholars have provided a variety of differences between information and data through the following: https://uomus.edu.iq/img/lectures21/MUCLecture_2023_1639137.pdf:

1- The difference between information and data in terms of clarity:

In terms of clarity, data does not make sense as information does, as information helps to understand and reduces uncertainty. When data are processed into information, it becomes completely devoid of unnecessary details, making it more reliable than data.

2- The difference between information and data by source:

The data are based on notes and records stored on the computer. Information is obtained from various sources such as the Internet, newspapers, people, television, books, etc.

3- The difference between information and data in terms of autonomy:

In comparing data and information about autonomy, data do not rely on information, and the adverse situation is that information depends on data, as information cannot be obtained without data processing.

4) Types of accounting information:

Accounting information is classified as follows (Al-Habiti and Al-Saqqa, 2003:145):

1- Financial Information Historical:

Historical information is competent to document each economic event resulting from economic activities in the Unit. Its purpose is to ascertain and measure the outcome of the activity for a limited period, such as profit or loss and presentation of financial position. This makes it factual information directly linked to actual economic events. Mainly serves external users. While recognizing the importance of such information, it would be preferable to inform the matter in advance so that the decision could be taken before it became late, which was useful work that the accountant could do due to the inability to change the past. Furthermore, historical information is the Department's valuable resource, enabling them to make periodic comparisons and identify any deviations that may arise when compared with predefined planning information.

2- Information on "Planning and oversight."

This information concerns departmental focus on areas and opportunities to improve performance. It also helps in the diagnosis and identification of inefficient areas. In addition, it provides insight into the Unit's financial position. Furthermore, it serves the purposes of monitoring and evaluating performance and identifying individual accountability. This includes aspects such as cost analysis, allocation, and identification of additional expenditures.

5) The role of accounting information in decision-making:

According to Ayub: 1997, information is the key material in decision-making. The effectiveness of the decision depends on the reliability and accuracy of this orientation, as well as the methods used to regulate, secure, store, and transfer it to the necessary centers. It is noted that the success and integrity of decisions depend on the accuracy and effectiveness of the communications system, which transmits data and information to decision-making centers, and on the distance between information centers and decision-making centers (Ayub, 1997: 194-193). In a related context, Zamel indicates that the decision-making and decision-making process is a continuous process that does not stop with the mere adoption of a particular decision but may result in positions requiring other new decisions. The decision-making process at each stage depends on the information available to the decision maker, bearing in mind that the quality of the information available to the decision maker significantly impacts the quality of the decision maker's decision. In order to ensure optimal decision-making, the Department needs to constantly seek information more relevant to the objectives and expected outcomes of various alternative actions. Information plays an important role in enhancing decision-maker knowledge and reducing the severity of risks facing decision-making (Zamel, 2000: 44-42)

6) Qualitative basic characteristics of information:

1- Appropriate:

An appropriate feature is one of the first to be developed by bodies and organizations to describe useful accounting information consistent in all intellectual frameworks issued over the years. It has not been changed, as appropriate accounting information characteristics have been identified before. (Al-Hamid, 2009:115) is an active tool that assists the beneficiary in decision-making, whether about the past, the present, or the future, a characteristic that influences a change in the decision's direction. In his view (Shaheen, 2011:112), the concept of appropriateness indicates that information can influence the process of making and making decisions for certain users in a way that would not have been achieved without prior knowledge of that information. He considers (Saqqa, 2011:36) that the concept of suitability includes understanding the extent to which information is used by decision-makers and decision-makers, specifically when accounting information helps to narrow alternatives on the one hand and helps to choose the optimal alternative that is compatible with the decision put forward on the other. Within the wider intellectual context. The Financial Accounting Standards Board (FASB) has identified three elements that constitute the convenience: https://www.fasb.org/home):

1- Confirmation and predictive value of information: One element of information suitability is its ability to predict the entity's future performance and to assist decision-makers in making accurate predictions. The Financial Accounting Standards Board (FASB) defines predictive value as an information feature that enhances users' ability to predict all current and future events accurately.

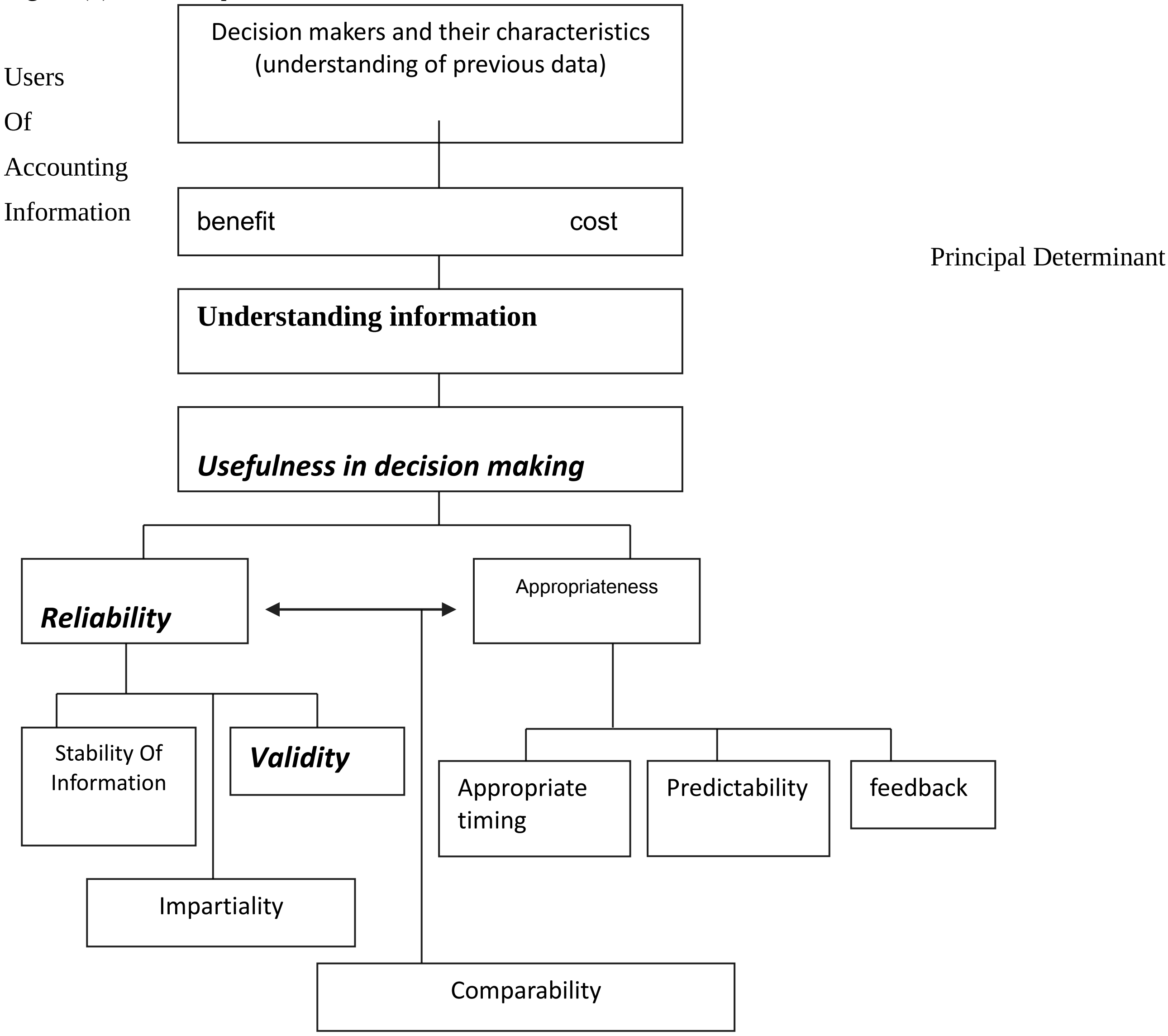
2- Timing: Information should be provided and provided to users on time to be relied upon in the decision-making process.

3- Feedback: The information plays an important role in the user's decision or correction of previous decisions, that is, to assist him by making a new decision or correcting an earlier decision in the investment. Therefore, verifying expectations helps the user with the validity of his estimates. Feedback thus allows learning from and following up on previous decisions to ascertain whether they are correct or need to be amended. Feedback is based on the idea of comparing the plan and forecasting with the scheme and the actual one to determine the deviation between them (Advice, 2020:19). He emphasizes (Habiti and Saqa, 2010:45) that there are factors contributing to adequacy:

a. " Timeliness: Accounting information must be provided within an appropriate time frame consistent with the user's decision-making process (decision maker). This ensures that the information retains its value and its ability to influence the decision.

b. Predictive value: Accounting information should have the potential to be used in the decision-making and decision-making process, especially concerning forecasts of future events. www.infotechaccountants.com/phpBB2/index.ph:

Figure (1) Users of qualitative information and characteristics



Shirazi , Abbas Mahdi " Accounting Theory" Kuwait' 1990. P. (194-195)

2- Accurate representation

Financial information should accurately reflect financial transactions and other business-related events. Assuring information without exaggeration, omission, distortion, or personal prejudice, information must accurately depict pertinent phenomena and be representative of reality. Ja 'arat (2012: 207). Accounting information must fulfill three essential criteria for accurate representation: it must be complete, unbiased, and free from material influences. (Zakari, Amarf, 2018:340).

7) Secondary characteristics of accounting information:

Comparability and consistency are two categories of secondary characteristics. Users can find actual performance similarities and contrasts between the Unit under study and other units during a given time frame using the current and prior roster comparison features. The performance of the same organization throughout several periods can also be compared. Similarities or discrepancies in measuring or detection procedures do not reflect similarities or differences. Therefore, consistent measurement techniques and disclosure procedures for comparable occurrences increase the value of accounting information (Atta El Sayed, 2119:112).

3. Financial Risks

1) The concept of financial risks

Risk plays an important role in maintaining the competitive advantage of units and leads to further economic growth in a competitive environment in return. Companies pursue different strategies to increase their market share. Choosing each strategy requires accepting a different level of risk and affecting the risks to the company differently. Risk is an integral part of all activities of the Unit. The risk is generally defined as the potential material loss of the economic Unit of income or the head of money because of a series of accidents or accidents. In general, every future event or event threatens the Unit's management in achieving its objectives. In contrast, risk is considered to be a term associated with danger because it refers to the risk scale governed by a set of axioms (Fatiha, 2022:3):

- There are no activities without risk, which is inherent in the activity.
- Risk-taking is an integral part of the decision-making process

2) Types of financial risks:

Financial Risks are divided into the following types (Alnahla, 2022:8)

1- Risk Rate Interest: The Bank's primary source of profit is the interest margin, which is the difference between interest received from credit facilities and various loans and interest paid. Hence, we can note that changing interest rates in the market will affect the interest received and paid and, therefore, the interest margin's direct impact.

2- Risk Credit: Credit risk refers to the risk resulting from debtors' failure to perform and repay their debts due to bankruptcy or other reasons and is a common risk that the Bank focuses on because of its impact on the quality of its assets.

3- Liquidity risk: These risks indicate banks' inability to pay their obligations to creditors on maturity. A bank that cannot pay the liabilities will be the beginning of the fiscal deficit. If the deficit persists, it will result in bankruptcy.

4- Capital adequacy risk (Risk Adequacy Capital): Capital adequacy risk reflects the extent to which the value of the Unit's assets falls before this affects the rights of depositors. For example, a bank whose capital is 10% of the assets it owns is more able to cope with the decline and depreciation of the assets than a bank whose capital is 5%.

5- Risk Financing: These risks reflect the Bank's inability to attract depositors and the reluctance of other banks to deposit their funds with them for reasons related to the integrity of its financial position. In order to avoid such risks, the Bank must promote customer confidence by improving and strengthening the Bank's financial position and trying to increase its optional reserves.

6- Risk Price: Risk Price is the risk that the market value of any financial instrument will decline over time due to a decrease in the exchange rate and interest rate, and such risk occurs when exchange rates and interest rates change, as this change results in an asset's value change. Since the Bank invests in portfolios, it is highly vulnerable to the depreciation of these securities, thus realizing a loss, and this risk differs from the credit risk. It is concerned with the change in the price that can arise, regardless of the debtor's financial position.

7- Risk Inflation: This risk results from a general rise in prices and a decline in the currency's purchasing power.

8- Risk rate exchange: These risks are caused by foreign currency transactions and currency price fluctuations.

On the other hand, there are certain that there are risks called investment risks, which he classified as follows (Al Amiri, 2010:37):

1- Systemic risk: These risks result from factors common to the economy as a whole, affecting all economic units, as well as being unavoidable but adjustable, part operational and the other financial.

2- Irregular risks: These risks arise from factors that are unique to a particular unit, affect the Unit itself, and can be avoided by diversity as well as being part operational and part financial.

According to the source, financial risk is divided into several types: (Fatiha, 2022:10), Nada Salman Habeb Al-azzawi et al.: 2907):

1- Credit risk.

2- Liquidity risk.

3- Commodity hazards.

4- Operational risks.

5- Reputational risks.

3) Stages of financial risk:

The incidence of financial risks in economic units has stages and confirms ((Coelho, 2016:63 quotes Aboud and Jasim, 2020: 188-189), which include the following:

The initial phase involves an unexpected event where the company faces financial trouble. This event puts a significant financial burden on the company's budget once it becomes clear. The neglect of the current situation characterizes the subsequent phase. During this stage, phase 3 is characterized by an escalating risk as management continues to ignore risks. This phase is known as coexistence with the current situation and results in losses to the company.

Phase 4 refers to living with financial failure, where the process is normal, resulting in the Unit's inability to meet its obligations.

The fifth and final phase involves managing the crisis by declaring bankruptcy, liquidating the company's assets, or merging them with other companies. This is the solution to the crisis.

4. Methodology and Data Analysis

1) Sample of The study

To achieve the aims of the current study and to apply the financial risk measurement model, a deliberate sample of different economic units and sectors listed in Iraq's securities market was selected to measure financial risks as follows:

1- Karakh Games City:

Karkh Tourist Games City was founded on 16/3/1989 with a capital of IQD 4,000,000. Its recreational services activity and the company listed its shares in the Iraqi Stock Exchange on 25/7/2004, and its capital was 60,000 dinars. The Bank's current capital is 1,500,000,000 dinars, the nominal value of one dinar.

2- Baghdad Bank:

The Bank of Baghdad was founded on 18 February 1992 with a capital of IQD 100,000,000, its banking activity. The Bank listed its shares in the Iraqi Securities Market on 15 June 2003. The capital at that time was IQD 5,280,000. The Bank's current capital is IQD 250,000,000.

3- Iraqi Carpet and Furniture Company

The Iraqi Company for Carpets and Furnishings was established on 02/10/1989 with a capital of IQD 5,000,000. The company's ground furnishings and carpets production produced various types of filters and mechanical filters.

2) Financial Risk Measurement Model

There are several models for measuring financial distress, including the "1993 Altman" model:) It depends on five separate variables, each representing recognized and dependent financial ratios (Z). These ratios are applied to the company, and the value is calculated as (Z). If the value of (Z) is greater than (2.90), the economic Unit is in critical condition, either as the value is (Z) less than (1.23), the Unit is in a good position, whereas if the value) z) Between (2.90 and 1.23), the Bank is located in the hazardous zone between danger and stability, and these ratios can be explained according to the model as follows: (2006: 42Hotchk & Altman,):

$Z=0.717x1+0.847x2+3.107x3+0.420x4+ 0.998x5$

Z greater than 2.90

Z between 1.23 and 2.90

Z is smaller than 1.23

X represents the following:

Table No. (1) Values (x)

X1	Net capital ÷ total assets.
X2	Retained profits ÷ total assets.
X3	Interest earnings and taxes ÷ total assets.
X4	Market capitalization ÷ accounting (book) value of total liabilities
X5	Sales ÷ total assets.

3) Application of the model to the company's sample study:

Table No. (2) Application Model (2006 Altman:)

Indicators	Karakh Games City	Baghdad Bank	Iraqi Carpet and Furniture Company
X1: Net capital ÷ total assets	325,243,785/1,981,888,868 = 0.1641	251,772,105/1,724,199,578 = 0.146	2,633,575,310/4,045,721,056 =0.64775
X2: Retained profits ÷ total assets.	1,981,888,868/285,441,195 =0.1440	83,976,483/1,724,199,578 =0.0487	1,230,083,384/4,045,721,056 =0.3040
X3 Interest earnings and	234,724,873/1,981,888,868	63,789,805/1,724,199,578	618,525,354/4,045,721,056

taxes ÷ total assets.	= 0.15288	=0.03699	= 0.0355
X4 Market capitalization ÷ accounting (book) value of total liabilities	3,000	1.030	15
X5 Sales ÷ total assets.	394,309,913/4,045,721,056 = 0.09746	80,953,536/1,724,199,578 =0.04659	928,528,000/1,981,888,868 = 0.46685

Application of the model (2006 Altman:) to assess the financial risks of company's sample study

1) Karakh Games City:

Z= 0.717x(0.1641) +0.847(0.1440) +3.107(0.0355) +0.420(3) + 0.998(4.69)

= 2.08

Depending on the result extracted by applying the value (z) to the city of Karkh Tourist Games, which is worth (2.08) and which is between) 2.90 and 1.23), the company is located in the hazardous zone, i.e., medium between danger and stability.

2) Baghdad Bank:

Z= 0.717x(0.146) +0.847(0.0487) +3.107(0.03699) +0.420(1.030) + 0.998(0.04659)

=0.742

Based on the result obtained through the application of the value (z) to the Bank of Baghdad, whose value (0.742) is less than 1.23), this company is in good financial condition (i.e., there is financial stability).

3) Iraqi Carpet and Furniture Company:

Z= 0.717x(0.64775) +0.847(0.3040) +3.107(0.15288) +0.420(15) + 0.998(0.09746)

= 4.091

Based on the result obtained through the application of the value (z) to the Iraqi Company for Carpets and Furnishings, whose value (4.091) is greater than 2.90), the company is considered to be in a financially critical condition (i.e., financial risks).

Table No. (3) Application Results (2006 Altman)

Co. Name	(Z) Value	Company Status
Karakh Tourist City	2.08	The value of Z between 1.23 and 2.90 indicates that the company's financial situation is hazy.
Baghdad Bank	0.742	The Z value is less than 1.23; this indicates no financial risk in the company.
Iraqi Carpet and	4.091	The value of Z is greater than 2.90, which shows the

Furniture Company		company's financial risks.

Risk Analysis (Iraqi Carpet and Furniture Company)

Based on the above and to discuss risk analysis, especially financial risks, financial failure is naturally linked to the financial aspect, which leads to an imbalance in the project's funding structure as well as the ineffective utilization of the financial resources available to the economic Unit (Iraqi Carpet and Furniture Company). Other reasons for the financial failure can be attributed to the following:

1- The economic Unit's expansion of borrowing at high costs.

2- Weak financial planning of the Unit's resources and uses.

3- Overexpenditure in expenditure items not commensurate with the actual revenue realization.

4- There are significant irregularities in the project's investment cost by the members of the Unit's Board of Directors.

5- There are also marketing reasons, such as seeking new and good outlets.

6- Technical and productive reasons for the Unit's inability to keep pace with technological developments.

7- Poor production management affects the Unit's profitability and increases its failure.

8- External reasons include competition, lack of funding, exchange rate fluctuations, and higher interest on the Unit's debt.

5. Conclusions and recommendations

1) Conclusions:

The current study reached conclusions of the following importance:

1- An essential aim of accountants is to provide and provide accounting information to users, both internal and external; this serves as a basic means through which an economic unit can communicate with the outside world. Moreover, it is the most effective way to assess risks associated with economic entities.

2- Information serves as a basis for administrative decision-making. The success of these decisions depends on the accuracy and validity of the information, as well as the methods used to organize and process it and then transmit this information to other necessary centers.

3- Accounting information is particularly important in financial markets because it directly affects equity prices. Market participants rely on this information to scientifically determine stocks' true values, using accounting measurement and available valuation alternatives.

4- Risk plays an important role in maintaining the competitive advantages of units and driving economic growth in the competitive environment of these units. Companies adopt various strategies to increase market share, which requires accepting a different level of risk.

5- Accounting information can be used to assess risks, particularly financial risks faced by economic units listed on Iraq's stock exchange; this orientation provides an opportunity to rely on accounting information for risk measurements.

2) Recommendations:

The recommendations are as follows:

1. The need to focus on the information provided by the economic units listed in the Iraqi securities market because of their significant role in making various decisions, particularly investment decisions.

2. Information should be provided fairly, as it is important in administrative decision-making, especially in planning, oversight, and management.

3. There is a need to provide information to users in general and investors in particular, as this information is of great importance, especially about investment decisions. They are also relied upon to determine the real value of stocks in financial markets.

4. Units should adopt diverse risk reduction or mitigation strategies while enhancing their competitive advantage.

5. It is necessary to prioritize the validity and accuracy of financial information provided by the units listed on the Iraqi Stock Exchange, as they play a vital role in assessing risks, especially financial risks.

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