



International Journal of Research in Finance and Management

P-ISSN: 2617-5754
E-ISSN: 2617-5762
IJRFM 2023; 6(1): 123-136
www.allfinancejournal.com
Received: 09-12-2022
Accepted: 20-01-2023

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The effect of fair market value to innovative decision-making (An applied study in a sample of banks listed in the Iraq Stock Exchange)

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DOI: <https://doi.org/10.33545/26175754.2023.v6.i1b.205>

Abstract

Economic conditions are characterized by dynamic, ever-changing and fluctuating movement, and the purchasing power of the monetary unit changes with the change of these conditions in different cases. Therefore, the financial statements according to the historical cost became insufficient to show the financial situation, business results, cash flows, and a description of the economic facts of the economic unit, which almost lost this the data is important, given that the financial information in it is not based on economic data related to financial instruments (financial assets). As a result, it was necessary for accounting to search for a better alternative that fits and changes these conditions. From here, the fair market value appeared that helps economic decision-makers in evaluating the financial position. And actions carried out by economic units, and the importance of disclosure has increased as a result of the issuance of legislation to guarantee the rights of current and prospective investors. Therefore, disclosure should be sufficient for the fair market value so that it is appropriate for current and prospective investors, as there are several methods of disclosure, and the method of notes and attached tables will be chosen. And users of financial information ask about the extent to which they can rely and trust this information, as many of them have become aware that financial information is based on concepts and principles that may be tainted by many defects and estimates, which make it less reliable, so they have tended to use the fair market value.

Keywords: Fair market, innovative decision-making

Introduction

The economic developments that the world witnessed in the wake of the industrial revolution led to the emergence of giant corporations and economic institutions, which in turn affected the form and content of financial reports on the one hand, and the ability of these reports to achieve benefit for their users and the accounting information they contain that helps them in making the best decision. On the other hand, users are interested in analyzing the information contained in the annual financial reports in order to make decisions, while accounting aims to provide appropriate information about the economic activities practiced by these units to these users by presenting this information in financial reports that summarize the work of these economic units.

Appropriate, reliable and reliable financial information is one of the most important things that users of this information depend on, especially the investor, as he relies in making his decisions related to buying or selling his investments on the availability of information as close to the truth as possible, in addition to taking into account the time dimension by being keen to provide information in a timely manner so that that information is relevant to decision making. The impact of the fair market value in making investment decisions through the use of the periodic financial statements to provide accounting information for short periods of time to meet the continuous need for accounting information and thus taking into account the provision of accounting information in a timely manner in order to be appropriate for decision-making.

Research Methodology

Research Problem

The economic and financial changes taking place in business organizations have cast a negative shadow on the realism and soundness of accounting measurement and disclosure in light of the lack of application of the concept of the historical cost approach as a result of the phenomenon of changing prices, which leads to the lack of usefulness of the information provided by the financial reports, which is not suitable for its users in various decision-making. Therefore, the problem revolves around the search for an alternative to the measurement method that was and still dominates the accounting convention, which is the historical cost method, to a relatively recent measurement method, which is the fair market value method.

Research Importance

The importance of the research stems from the importance of the international trend to replace the historical cost with the measurement based on the fair market value, as this trend has implications for the quality of the companies' financial reports and thus brings about a change in the direction of the decision of its users. Therefore, the importance of this research is highlighted in shedding light on the proposals made by professional organizations regarding the measurement of fair market value, which aim to strengthen weaknesses and fill existing gaps in accounting frameworks, and how professional publications contribute to improving financial reporting information. In addition, the importance of the research lies in the fact that it deals with a contemporary topic. The fair market value is one of the concepts used for the values of different assets. This concept still needs clarification, especially when applied in different economic, social and political environments.

Research Objectives

1. Shedding light on the measurement problems based on the historical cost, as it paves the way for the need to move towards the fair market value approach.
2. Statement of the requirements for measuring the fair market value of financial assets through an analytical study of accounting standards that dealt with the concept of fair market value.
3. A statement of the characteristics that the fair market value can add to the information and the extent to which it affects decisions.
4. Identify the financial performance indicators that are affected by the application of the fair market value in financial institutions.

Research Hypothesis

Based on the problem that this research seeks to answer a question, the researchers formulated the hypothesis: ((The use of the fair market value positively affects the rationalization of innovative decisions)).

The second topic: The fair market value

The concept of fair market value

Under current United States (US) Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS), net income and comprehensive

income includes unrealized fair market value gains and losses on some financial instruments but excludes them on the majority of financial instruments. In recent years, US and international accounting rule makers have debated whether to require income recognition for fair market value gains and losses on a more complete set of financial instruments and derivatives.

Net income, comprehensive income, and "full fair market value income" (FFV income) can portray company performance and risk differently for companies with significant exposure to changes in the fair market value of financial instruments. (Hodder & *et al.*, 2006: 1) ^[10].

According to (Wallison, 2008:1) ^[21], fair market value accounting is based on two basic concepts:

1. Asset ratings should be applied consistently across industries so that companies can be compared more easily
2. When there is a market price for the asset, it must be executed under normal circumstances on the company's balance sheet at this price.

The American Standard issued in 2006 defines the fair market value as "the price that can be used in exchange for selling the asset or that must be paid to settle an obligation in an orderly transaction." among market dealers on the measurement date (Al-Sayyad, 288: 2011) ^[2].

Parbonetti & *et al.*, 2011:5) ^[15] consider fair market value to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is assumed that the parties to the transaction are willing and familiar with various information in the market which includes the financial statements of commercial banks accounting and, some assets and liabilities are measured and reported directly in the balance sheet on the basis of the fair market value. However, their impact on the income statement depends on the initial classification by management on the one hand. Debt and equity securities that are purchased and held primarily for the purpose of selling in the near term are classified as trading securities with unrealized gains and losses flowing directly to reported earnings and from On the other hand, debt and equity securities that are not considered as held-to-maturity (long-term) or trading (short-term) securities are recorded as available-for-sale securities on the balance sheet at fair market value, but unrealized gains and losses are excluded from these securities. Financial income from earnings and is recorded in a separate component of shareholder's equity (other comprehensive income).

Objectives of using the fair market value

The use of the fair market value is one of the most important goals that companies seek to reach in order to know the price of their shares and thus invest in these shares or not. So what are the most important goals that organizations seek to achieve are the following:

1. If the assets and liabilities are valued on the basis of the fair market value, then they reflect the economic position because the market prices are taken into consideration.
2. The application of the fair market value is consistent with the concept of capital preservation. (Al-Sabri, Mardan, 2012: 229) ^[11].

Fair market value measurement Models Discount Dividend

According to (Stephen & *et al.*, 2005:17) ^[22] using the different estimated costs of equity, we deduct the actual future dividends and the final price to get the expected price of the share, and this assumes that investors have reasonable expectations and therefore can accurately predict the real future dividend payments. And DDM seems to do a reasonable job of explaining pricing across the entire term. There are persistent periods of mispricing, but this is not systematic overpricing or underpricing. It seems that there is a rise in prices compared to expected prices. This is consistent with the market's tendency to view equity as more bond-like and therefore less risky (i.e. at a higher price) than our models predicted at the time. The dividend discount model is as follows:

$$E_t = [P_t] = \sum E_t [D_t] / (1 + R_t)^{t-T} \quad (1)$$

Where (E_t) is the real value or the price that we expect to pay for the share in the year (T), either (D_t) is the nominal annual dividend that we expect to pay on the share at the time (I) and (R_t) is the discount rate that investors demand at the time determined. The first stage is based on the value for how long we have the actual dividend information and the second is the final value - the last price. (Foerster & Sapp, 2005: 5) ^[7].

The most important assumptions of the cash dividend discount model were as follows: (Sutjipto & *et al.*, 2020: 1844) ^[20].

- The company continues to infinity.
- Continuing the distribution of profits at a fixed interest rate, and this means that the distribution policy is set for the company with a certain amount so that we can predict correctly.
- The required rate of return on a stock or discount rate "K" in the model remains constant because the discount rate depends on the market for investment execution and is likely to change significantly over time.
- This model requires the availability of financial market efficiency.

Discounted Cash Flow Model

This discounted cash flow approach is the basis for all company valuation calculations. This approach attempts to estimate the fair market value of an asset based on its fundamentals. Damodaran used discounted cash flow to value the equity in the business and the company as a whole. This method is used by most individuals around the world because it represents added value in the short term rather than profits. (Sutjipto & *et al.*, 2020: 1844) ^[20].

It introduces the DCF model designed to predict the customer's choice of specific product options. And the individual demographic data, which is taken into account when each customer chooses a product, and in the usage scenario is included in the form of parameters; The cash flow function can be generated based on the usage scenario and characteristics of a particular product option. The discounted cash flow analysis converts the future amount of the cash flow stream into the present value by considering TVM; Thus, it estimates the benefit that the consumer will get from the investment. The discount rate, also known as

the "opportunity cost of capital", reflects investment risk and uncertainty about future cash flow and is therefore responsible for discounting future cash flow in discounted cash flow analysis. Further, in NPV, the net profit subtracts the required investment from the present value of all future cash flows; It can be calculated by analyzing the discounted cash flows to measure the attractiveness of investors:

$$\pi_{ij} = \sum_{t=1}^N \frac{Cft(Z_j, S_i)}{(1 + ri)^t} - p_j \quad (2)$$

Whereas

π_{ij} is the NPV of the product.

Cft: is the cash flow function.

Z_j : product characteristics.

S_i : Cyanour investor use.

P_j : the price (or initial investment cost) of product J. (Lee & *et al.*, 2020: 4) ^[14].

The third topic: innovative decisions

The whole system for preparing innovative decisions should be based on the clearly articulated innovative strategy of the company and fit into the company's strategy. The process of preparing innovative decisions begins with creating an updated field of information regarding the innovations that are implemented and that can be implemented in all operating sectors of the company.

According to (Tsankova & Doneva, 2011:112) ^[23], innovative decisions relate to the following:

1. Access to the national e-government portal as a common point for services.
2. Electronic signature as a security tool.
3. Interoperability methods.
4. Unified methods such as standardization and classification.

While (Klaukien, 2011: 6) ^[13] believes that the innovative decision depends on perception, which is the mental process through which knowledge is reached. It includes aspects such as awareness, perception, reasoning, and judgment and defines how individuals perceive, understand, diagnose, and solve problems in their environment. Individuals cannot be aware of all aspects in their environment. Individuals differ in allocating their attention in a complex environment and tend to use empirical methods to deal with this complexity and thus inference, which is the simplification of the rules of thumb in judgment and decision-making describes common inference in judgment such as representation, availability and anchoring.

The innovative concept of Max Weber

The innovative concept of Max Weber means actions that are subject to scientific and logical analysis, which ultimately leads to a sound decision. From the point of view of the decision-maker, the expression "innovative" means that the decision expresses the best alternatives that provide the best ways to achieve the goal for which the decision was taken. Max Weber distinguished between two basic types of inventiveness, which are value rational actions, according to which the goal of the action itself is, taking into account the

availability of certain values that express the degree of innovation in behavior. And rational and instrumental actions, where these actions are rational in light of the steps followed in implementation, that is, they are rational because they used successive rational means in order to reach the goal (Aqili, 2017: 201) ^[3].

Simon's innovative concept

Simon believes that innovation is a set of behavioral reactions, talents of each individual, values and goals that he believes in, motivations and personal knowledge of the available information. With these characteristics, the decision-maker faces many factors that he cannot control or the ability to predict. Based on this concept, the administrative man is characterized by his inability to obtain an ideal alternative due to the lack of sufficient information, so he is looking for an acceptable alternative within what is available to him. information, that is, he makes his decision based on the limited inventiveness, and on the possibilities available in choosing a satisfactory alternative that secures less benefit than the alternative that achieves the maximum benefit. Simon emphasized the adoption of the qualitative criterion in addition to the economic criterion in the concept of inventiveness, and what is meant by that is to add a qualitative criterion when using the concept of inventiveness to reduce the degree of complexity of this concept and make it more realistic and simple, and for this it is a difference in the concept of innovation in terms of the behavior of individuals and the concept of innovation in terms of organization and also distinguished between the types of behavior. (Simon, 2010: 4) ^[19].

The concept of innovation according to Paul Dysink

One of the most prominent studies in analyzing the topic of innovation is the study presented by Paul Disink, who added the types of social, legal and political values and goals to the concept of decision-making, as he explained that the content of the goal and the criteria for achieving innovation differ for each of them. It also constitutes criteria for evaluation and organizational analysis, and the concepts of innovation that have been devised according to those criteria are technical innovation, which is innovation in which scientific methods are compatible, and economic innovation, and it is represented in achieving the maximum limit of the sum of multiple goals, and social innovation, and it is expressed through the level of relationship between members of the organization. And prevailing values and legal innovation, which is also known as guiding rules and procedures. Although these types of innovative concepts complement each other, there are many situations in which the main standards of these concepts may conflict, and from this it is concluded that the innovative concept is not defined in dimensions and meaning and is linked to the party that dependent on the field of meaning.

Gross' concept of innovation

Gross saw that the work of an administrator in any organization requires him to be characterized by two types of innovative behavior, administrative innovation, which is behavior that depends on the use of the best methods in directing the work of individuals in the organization, and technical innovation, which is behavior carried out by

administrators to develop technical, scientific and engineering knowledge and use them in the organization (2018 Gross, 550-553).

And because it is not possible to achieve ideal behavior or to determine the degree of satisfaction that he desires in his behavior, the administrator must work to develop a method commensurate with his own philosophy in management and his organizational behavior during the decision-making process.

Second: the requirements of the innovative decision

If the decision-making process is to choose one alternative from among two or more possible alternatives based on a set of criteria for the purpose of achieving the goal, then the decision is a mediator between thinking and action because it is like a bridge that crosses us to the real action, and with this we can sort out three main elements or pillars for the rational decision, it is the choice, and the set of alternatives in addition to the goals and motives. Considering that the decision-maker must have sufficient freedom to choose, otherwise if he is forced to choose a specific alternative, he will not be a decision-maker, and this is the case when alternatives are not available and the matter is limited to one alternative. These requirements will be dealt with in some detail.

The conscious choice

The existence of the innovative decision requires the conscious choice of one of the available alternatives, and this requires that the action in choosing the alternative be conscious, that is, conscious and aware and after study and thinking. Bernard is the best person to provide an analysis of the conscious and unconscious behaviors in the field of decision-making, when he emphasized that there are two main elements that must be noted when making any conscious decision, namely, the goal to be achieved, and the means that should be used, The behaviors that come as a result of contemplation, calculation and thinking represent an emotional behavior, which is one of the basic elements of a rational decision. As for the actions that are automatic responses or a direct reaction to internal and external conditions, they are unconscious actions that depart from the concept of an innovative decision. (G.Ferry, 2014: 229) ^[8].

Although the element of choice derives its presence implicitly when talking about the decision, the process of choosing the innovative decision itself is a relative process, as the decision-maker may have wide freedom of choice in some circumstances, and this freedom may be completely absent in other circumstances, and even when it is available to the decision-maker A wide degree of freedom of choice, this freedom is still restricted by environmental conditions and personal factors. This means that every choice process that the individual makes is affected by the pressures of the situations, as it starts from a place where there is no freedom, to situations in which he has the maximum degree of freedom.

The different degrees of freedom of choice are among the important issues in management, because the decision maker has to make a decision in environmental conditions that are a mixture of human, technical, and economic constraints, regardless of his administrative level. The supervisor of the workers has to make his decisions within

specific constraints, such as the policies, procedures, and schedules set by the senior management, and the chairman of the board of directors has to make his decisions under legal, social, or economic constraints, and the more we move to the higher levels in the organizational structure, the greater the restrictions on freedom of choice and vice versa correct. (Nigro, 2016: 174) ^[16].

Available alternatives

The decision-making process is to choose an alternative from the available alternatives, so it is necessary to have more than one alternative available for disposal, as the existence of one alternative means that there is no problem, and then there is no selection or trade-off process, and therefore there is no need for decision-making, as it should. The alternatives are likely to occur because the conditions of certainty make the selection process formal. Hence, the essence of the decision-making process is not achieved, and if decision-making requires a comparison between a group of alternatives, then this requires intellectual and objective mental activity that seeks to choose the most appropriate alternative for the problem based on a set of scientific steps used by the decision-maker in order to reach the selection of the most appropriate and best decision.

The administrative decision, from the point of view of management scholars, is when the decision-maker finds himself in a specific situation in which there is more than one way or more than one way to confront it, and he must choose one of them, and these ways or ways are called alternatives, while the innovative decision is when a choice is made. The correct path or the optimal alternative from these alternatives that is feasible and achieves the highest desired results compared to the rest of the alternatives. Assuming that the common cases that confront the decision-maker and require him to make decisions are cases that include a large number of alternatives, and the decision-maker in such cases must take the optimal decision by reducing the number of these alternatives to the lowest possible level.

Innovative decision-making is the process of evaluating all available alternatives without exception, excluding alternatives that do not meet the required criteria, and often adding new alternatives according to new data and variables. We find that many management problems are viewed as binary alternatives. However, it is possible for a problem to have one way to address it, such a problem does not need a decision-making process, although there are those who believe that the claim that the problem has only one solution, this is either usually due to insufficient analysis or the inability to form alternatives (Kanaan, 2007: 84) ^[4].

Objectives and motives

The third pillar that characterizes rational decisions is goals and motives. The importance of this element comes from the need to use a specific criterion for selecting and distinguishing decisions. The goals and motives define this criterion. Rational administrative decisions must contribute to the achievement of real goals effectively and efficiently. Every rational decision has a specific motive, as the results of decisions depend on the importance and strength of the motives that drive behavior. One motive achieves more than

one goal, so the strength of motivation determines the relative importance of the desired goal, and it may sometimes be difficult to explain or justify each decision using directly specific goals or motives or results that ultimately lead to achieving specific goals. (Nigro, 2016: 170) ^[16].

Fourth: Innovative decision-making methods

Traditional methods of decision making

Two trends have emerged in management thought:

The first trend

Believes that management is an art, and this means that the owners of this trend predominate in the technical side of management over the scientific side, and they believe that management depends, in achieving its goals, on the ability of decision-making managers to be creative and creative in solving problems facing them, and that this ability depends on personal characteristics. Purely, such as intelligence, the ability to imagine, and the correctness of judgment, and that such qualities are what enabled many rulers in the old administrations, those who did not have a scientific background were able to make the right judgments and decisions thanks to their strong personality and insight, and the most prominent example of this is what the old administrations knew thousands of years ago of success in management (Rose, 2005: P25) ^[18].

The second trend: the scientific side of management prevails over the technical side, and the supporters of this trend believe that management is a science that relies in achieving its goals on scientific methods that are based on following the logical steps of thinking that are consistent with the scientific requirements of analysis, comparison and conclusion. (Koontz & O'Donnell, 2018: 55) ^[12].

In view of the foregoing, the methods of decision-making were a reflection of the administrative concepts on which each of the two previous entries was based, while the administrative concepts that dominated the technical side of management reflected non-scientific methods of decision-making based on guesswork, intuition, previous experience, and the natural aptitude of the decision-maker. We find that the administrative concepts that dominate the scientific side of management over the technical side, reflected scientific methods taken from quantitative methods as an approach to decision-making, based on following the logical steps of thinking and following the scientific method in defining the problem, collecting data and information and analyzing them, and subjecting the results to comparison, experiment and conclusion (Ferry, 2014: 132) ^[8].

Based on this, many researchers have sought to classify the methods used by decision-makers to rationalize decisions into two main methods: the traditional method in decision-making that is based on experience, observation and imitation, and the quantitative method that is based on following scientific steps in decision-making. And the use of all modern methods put forward by different schools in the field of decision-making. We will review in some detail here the traditional methods of decision rationalization, and the quantitative approach to decision-making will be explained in the next section, which deals with the methodology of quantitative methods in rationalizing decisions.

Traditional methods mean methods that lack scrutiny and scientific scrutiny, and the roots of these methods go back to the old thought in management in solving administrative problems based entirely on the mere previous experience and personal appreciation of administrators, as they made their decisions based on understanding, logic and insightful knowledge. The following is a presentation of the most important traditional methods In innovative decision making:

Experience

This method relies on the experience of the decision-maker, and is used when the new situation is not much different from previous situations, and therefore the ideas are known and the costs are lower. The roots of this method go back to the experimental school, of which Ernest Dale is considered one of the first pioneers. The thought of this school is based on understanding management through studying and analyzing previous situations and cases, and the decisions that were taken to confront them, and then adopting its own method in carrying out a comparative study (Kirby, 2010: 336) ^[11].

Some decision makers believe that previous experience is the best basis for decision-making. Many simple decisions can be taken based on experience, but this method has drawbacks, including that it is not used in complex problems and issues, and decision-making is sometimes subjective. Because whoever solves the problem in this way often has an indefinite understanding of the problem and does not have a specific approach to addressing it. Despite the drawbacks to this traditional method of decision-making, this does not diminish the importance of this method and other traditional methods. The manager may be guided by the decisions previously taken, by other managers in his organization, or elsewhere, to take similar decisions. Despite this, this method is still common so far, as it is in line with the requirements of quick and simple decision-making.

Conducting experiments

What is certain is that the method of experiments is a procedure that was applied first in the various fields of scientific research, then its application was transferred to the administration to benefit from it in the field of decision-making, so that the decision-maker himself conducts the experiments, taking into account all the tangible and intangible factors, and the probabilities associated with the problem in question, as he reaches through these experiments to choose the best alternative, relying in this choice on his practical experience. One of the advantages of this method is that it helps the decision-maker to choose one of the available alternatives to solve problems, by conducting experiments on this alternative and making changes or modifications to it based on errors and gaps that are discovered during experiments or practical applications. To learn from his mistakes and try to avoid mistakes in the decisions he takes in the future. As for the drawbacks to this method, it is an expensive and costly method, and it consumes a lot of the decision-maker's time and effort. (Rose, 2005: 340) ^[18].

Intuition and personal judgment

In this method, the decision-maker uses his personal judgment and quick intuition in realizing the main important elements of the situations and problems that he is exposed to, and in properly estimating their dimensions, and in examining, analyzing and evaluating the available data and information, and a deep and comprehensive understanding of all its details. The difficulty of using this method seems to be that it is based on personal foundations emanating from the personality of the manager, his mental abilities, his attitudes, and his psychological and social backgrounds. These are all features and capabilities that differ in different societies and environments, and they depend on the different components of one society, the rules of behavior that govern it, the prevailing trends in it, and the various developments it is going through, and all of this affects the decision-maker's personal judgment on the issues and situations facing him (Ferry, 2014: 131) ^[8].

Collective participation

In this method, the decision-maker uses a committee, council, or conference to discuss the problem or topic in order to benefit from the opinions and ideas presented in decision-making. There is no doubt that the group discussion can be benefited from by renewing and rationalizing decisions, but it is flawed in that it takes more time in the discussion processes and the possibility of one of the members of the group imposing his opinion instead of solving the problem.

The fourth topic: innovative decisions

Commercial banks were chosen in the Iraq Stock Exchange to apply how to use the fair market value of financial assets in terms of measurement and disclosure, because the banking sector is one of the largest sectors in the Iraq Stock Exchange and the largest sectors in terms of the number of shares traded and trading volume for the years (2020-2021), In a row, to become the first and outperform all sectors.

Middle East Investment Bank

Date of incorporation

The Middle East Investment Bank was established as a joint stock company with a nominal capital of 400 million Iraqi dinars, of which 25% was paid, i.e. 100 million dinars, according to the incorporation certificate numbered MSh / 5211 dated 7/7/1993 issued by the Companies Registration Department, and after obtaining the banking license issued From the Central Bank of Iraq under book numbered p. A/D/4/941/4 issued on 28 /9/1993, the bank commenced its operations on 8/5/1994.

Reasons for choosing

Because it enjoys a good reputation among Iraqi commercial banks, which has been providing its various services to citizens for more than 27 years, and the bank has proven its ability to continue, progress and develop. In addition to his cooperation with the researcher in facilitating his task.

Khaleej Commercial Bank

Date of incorporation

Khaleej Commercial Bank was established as a private joint

stock company with a nominal capital of (600) million Iraqi dinars paid in full, according to the incorporation certificate numbered M.S / 7002 on 20/10/1999 issued by the Companies Registration Department, and in accordance with the Central Bank of Iraq Law No. (64) For the canceled year 1976, for the bank to practice comprehensive banking business.

Reasons for selection

Due to the good reputation enjoyed by this bank among the good Iraqi commercial banks, which have been providing various services to citizens for more than 21 years, and the bank has proven its ability to continue, progress and develop through its distinguished reputation from other commercial banks. In addition to his cooperation with the researcher in facilitating his task.

Reveal No. (1): Appropriate decisions for the Middle East Investment Bank

N	Company Name	The fair market value of the share 31/12/2020	Market value per share 31/12/2020	The decision appropriate	Test during the first semester		Test during the second semester		Test during the third trimester	
					Market value per share 31/3/2021	Adequacy of the decision	Market value per share 31/6/2021	adequacy of the Decision	Market value per share 31/9/2021	Adequacy of the decision
1	Albudhur almusadaqa	2.69	2,5	Buy	3.38	Suitable	3.65	Suitable	4.7	Suitable
2	alsharq al'awsat for fish production and marketing	22.9	20	Buy	21.6	Suitable	23.00	Suitable	25.00	Suitable
3	alsharq al'awsat Software and Systems	1	1	Retention	1	Suitable	1	Suitable	1	Suitable
4	Iraqi bank guarantees	1	1	Retention	1	Suitable	1	Suitable	1	Suitable
5	Iraqi altumur	1.97	2	Sale	2	Unsuitable	2.00	Unsuitable	2.00	Unsuitable
6	Al-Mamour Al-Iraqiya	2.16	2,310	Sale	3.04	Unsuitable	4.42	Unsuitable	4.99	Unsuitable
7	baraeim alkhayr	1	1	Retention	1	Suitable	1	Suitable	1	Suitable
8	Bank alkhaliij	0.90	0,90	Retention	1.1	Suitable	1.01	Suitable	1.01	Suitable
9	alsharq al'awsat Contracting and Real Estate Investments	1	1	Retention	1	Suitable	1	Suitable	1	Suitable
10	Bank of Babylon	0.90	0.90	Retention	0.98	Suitable	1.00	Suitable	9.00	Suitable
11	Commercial Bank	1.71	1.39	Buy	1.39	Suitable	1.32	Unsuitable	1.27	Unsuitable
12	Funds for banking services	1	1	Retention	1	Suitable	1	Suitable	1	Suitable
13	United Bank	2.62	1.900	Buy	2.6	Suitable	3.65	Suitable	3.65	Suitable
14	Iraqi Investment Bank	1.31	1.24	Buy	1.18	Unsuitable	1.12	Suitable	1.07	Unsuitable
15	Iraq Stock Exchange / Erbil	1	1	Retention	1	Suitable	1	Suitable	1	Suitable
16	Mansour Bank	1.03	1.45	Sale	1.75	Unsuitable	1.75	Unsuitable	1.4	Suitable
17	North Bank	2.26	2	Buy	2.97	Suitable	2.8	Suitable	2.8	Suitable
18	Small business lending	1	1	Retention	1	Suitable	1	Suitable	1	Suitable
19	Mosul Bank	1.09	0.95	Buy	1.48	Suitable	1.35	Suitable	1.35	Suitable
20	Baghdad Bank	1.83	1.79	Buy	2.95	Suitable	3.98	Suitable	3.97	Suitable
21	Armac for Tourism Investments	1	1	Retention	1	Suitable	1	Suitable	1	Suitable

Through the above table, the appropriate decisions for the Middle East Investment Bank were identified, which included the name of the company, the fair market value for the year 2022, the market value for the year 2020, and then the type of decision taken by the above bank. The first, second and third chapters were chosen to see the suitability of the decision, as it was found:

1. The seed company certified that the fair market value amounted to 2.96, while the market value was 2.5, and the decision was appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraqi

Stock Exchange, which is the purchase. This decision was chosen during the first quarter and it was appropriate because of the high value market value to reach 3.38, up by (0.88), while the selection was made for the second quarter and it was found that the market value of the share was also high by 3.65 per share, and this indicates that the purchase decision was appropriate. Shares of the certified seed company.

2. Middle East for Fish Production and Marketing The fair market value amounted to 22.9, while the market value was 20, and the decision was appropriate for the company, according to the information and comparison

- between the fair market value and the market value in the Iraqi stock market, which is the purchase. This decision was chosen during the first quarter and it was appropriate. This is due to the increase in the market value to reach 21.6, up by (1.6), while the selection was made for the second quarter, and it was found that the market value of the share was also high by 1 per share, and this indicates that the purchase decision was made, and the last choice was made, so that the market value reached 1, and this indicates the appropriateness. The decision is to buy the shares of the Middle East Company for Fish Production and Marketing.
3. Middle East Software and Systems that the fair market value amounted to 1, while the market value was 1, and the decision was to keep the company according to the information and comparison between the fair market value and the market value in the Iraqi stock exchange, which is not to buy. This decision was chosen during the first quarter and it was inappropriate. This is due to the lack of increase and the market value remained the same, which is 1, while the selection was made for the second chapter and it was found that the market value of the share was also high by 1 per share, and this indicates that the decision to keep is appropriate and the last choice was made to bring the market value to 1, and this indicates the appropriateness of retention and lack of The purchase of shares of the Middle East Software and Systems Company.
 4. The Iraqi Bank Guarantees that the fair market value amounted to 1, while the market value was 1, and the decision was to keep the company according to the information and comparison between the fair market value and the market value in the Iraqi market for securities, which is not to buy. This decision was chosen during the first quarter and it was inappropriate. Because of the lack of rise and the market value remains the same, which is 1, while the selection was made for the second quarter and it was found that the market value of the share was also high by 1 per share, and this indicates that the decision to keep is appropriate, and the last choice was made to bring the market value to 1, and this indicates the appropriateness of keeping and not buying Shares of the Iraqi company for bank guarantees.
 5. Iraqi dates The fair market value amounted to 1.97, while the market value was 2, while the decision was to sell to the company, due to the high market value according to the information and the comparison between the fair market value and the market value in the Iraqi market for securities, which is the sale. This decision was chosen during the first quarter. And it was appropriate while the selection was made for the second chapter and it was found that the market value of the share is also high by 2.00 per share, and this indicates that the purchase decision is inappropriate.
 6. Al-Maamour Al-Iraqia The fair market value amounted to 2.16, while the market value was 2.31, while the decision was to sell to the company, due to the high market value according to the information and the comparison between the fair market value and the market value in the Iraqi market for securities, which is the sale. This decision was chosen during the first quarter. And it was inappropriate, while the selection was made for the second chapter, and it was found that the market value of the share was also high by 4.42 per share, and this indicates that the purchase decision was inappropriate.
 7. Baraem Al-Khair that the fair market value amounted to 1, while the market value was 1, and the decision was to keep the company according to the information and comparison between the fair market value and the market value in the Iraqi Stock Exchange, which is not to buy. This decision was chosen during the first quarter and it was inappropriate because of The absence of an increase and the market value remains the same, which is 1, while the selection was made for the second quarter and it was found that the market value of the share was also high by 1 per share, and this indicates that the decision to keep is appropriate, and the last choice was made to reach the market value to 1, and this indicates the appropriateness of keeping and not buying shares Baraem Al Khair Company.
 8. Gulf Bank that the fair market value amounted to 0.90, while the market value was 0.90, while the decision was to reserve for the company, because the market value remained the same according to the information and comparison between the fair market value and the market value in the Iraqi market for securities, which is to keep, and this decision was chosen during The first chapter was appropriate, while the selection was made for the second chapter, and it was found that the market value of the share was also high by 1.01 per share, and this indicates that the retention decision was appropriate.
 9. Middle East Contracting and Real Estate Investments that the fair market value amounted to 1, while the market value was 1, and the decision was to keep the company according to the information and comparison between the fair market value and the market value in the Iraqi Stock Exchange, which is not to buy, and this decision was chosen during the first quarter and it was not Appropriate, because of the lack of rise and the market value remains the same, which is 1, while the selection was made for the second chapter and it was found that the market value of the share was also high by 1 per share, and this indicates that the decision to keep is appropriate, and the last choice was made to bring the market value to 1, and this indicates the appropriateness of retention. And not to buy the shares of the Middle East Contracting and Real Estate Investments Company.
 10. Babel Real Estate Bank, that the fair market value amounted to 0.90, while the market value was 0.90, and the decision was to keep the company according to the information and comparison between the fair market value and the market value in the Iraqi Stock Exchange, which is not to buy. This decision was chosen during the first quarter and it was inappropriate. Because of the lack of increase and the market value remains the same, which is 1, while the selection was made for the second quarter and it was found that the market value of the share was also high by 1 per share, and this indicates that the decision to keep is appropriate, and the last choice was made to reach the market value to 9.00, and

- this indicates the appropriateness of keeping and not buying Shares of the Middle East Contracting and Real Estate Investments Company.
11. The certified seed company that the fair market value amounted to 1.71, while the market value was 1.39, and the decision was appropriate for the company according to the information and comparison between the fair market value and the market value in the Iraqi stock market, which is the purchase. This decision was chosen during the first quarter and was appropriate due to the high value market value to reach 1.39, up by (0), while the selection was made for the second quarter and it was found that the market value of the share was also high by 1.32 per share. Certified seeds.
 12. Funds for exchange services the fair market value amounted to 1, while the market value was 1, and the decision was to keep the company according to the information and comparison between the fair market value and the market value in the Iraqi Stock Exchange, which is not to buy. This decision was chosen during the first quarter and it was inappropriate. Because of the lack of rise and the market value remains the same, which is 1, while the selection was made for the second quarter and it was found that the market value of the share was also high by 1 per share, and this indicates that the decision to keep is appropriate, and the last choice was made to bring the market value to 1, and this indicates the appropriateness of keeping and not buying Shares of the Middle East Contracting and Real Estate Investments Company.
 13. The United Bank that the fair market value amounted to 2.62, while the market value was 19.00, and the decision was appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraq Stock Exchange, which is the purchase. This decision was chosen during the first quarter and was appropriate due to the high market value To reach 2.6, while the selection was made for the second quarter, and it was found that the market value of the share was also high by 3.65 per share, and this indicates that the purchase decision was made, and the last choice was made, so that the market value reached 3.65, and this indicates the appropriateness of the decision to buy shares of The United Bank Company.
 14. The Iraqi Investment Bank that the fair market value amounted to 1.31, while the market value was 1.24, and the decision was appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraqi stock market, which is the purchase. This decision was chosen during the first quarter and it was appropriate because of the high value market value to reach 2.6, while the selection was made for the second quarter, and it was found that the market value of the share was also high by 3.65 per share, and this indicates that the purchase decision was made, and the last choice was made, so that the market value reached 3.65, and this indicates the appropriateness of the decision to buy shares of The United Bank Company.
 15. Iraq Stock Exchange / Erbil The fair market value amounted to 1 while the market value was 1 and the decision was to keep the company according to the information and comparison between the fair market value and the market value in the Iraq Stock Exchange which is not to buy and this decision was chosen during the first quarter and it was It is not appropriate because of the lack of rise and the market value remained the same, which is 1, while the selection was made for the second chapter and it was found that the market value of the share was also high by 1 per share, and this indicates that the decision to keep is appropriate and the last choice was made to bring the market value to 1, and this indicates appropriateness Retaining and not buying the shares of the Middle East Contracting and Real Estate Investments Company.
 16. Al-Mansour Bank, that the fair market value amounted to 1.03, while the market value was 1.45, and the decision was to sell to the company according to the information and comparison between the fair market value and the market value in the Iraqi Stock Exchange, which is the sale. This decision was chosen during the first quarter and was inappropriate because the value was The market value of the share is 1.75, and this is because while the selection was made for the second quarter, it was found that the market value of the share was also high by 1.75 per share, and this indicates that an inappropriate decision was made, so that the market value reached 1.4, and this indicates the appropriateness of selling the shares of Al Mansour Bank
 17. North Bank, the fair market value amounted to 2.26, while the market value was 2. The decision was appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraqi stock market, which is the purchase. This decision was chosen during the first quarter and was appropriate due to the high market value To reach 2.97, up by (0.97), while the selection was made for the second quarter and it was found that the market value of the share was also high by 2.8 per share.
 18. Small business lending The fair market value amounted to 1, while the market value was 1, and the decision was to keep the company according to the information and comparison between the fair market value and the market value in the Iraqi stock market, which is not to buy. This decision was chosen during the first quarter and it was inappropriate. Because of the lack of rise and the market value remains the same, which is 1, while the selection was made for the second quarter and it was found that the market value of the share was also high by 1 per share, and this indicates that the decision to keep is appropriate, and the last choice was made to bring the market value to 1, and this indicates the appropriateness of keeping and not buying Shares of the Middle East Contracting and Real Estate Investments Company.
 19. Mosul Bank, the fair market value amounted to 1.09, while the market value was 0.95, and the decision was appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraq Stock Exchange, which is the purchase. This decision was chosen during the first quarter and was appropriate due to the high

market value To reach 1.49, up by (0.54), while the selection was made for the second quarter, and it was found that the market value of the share was also high by 1.35 per share, and this indicates that the purchase decision was made, and the last choice was made, so that the market value reached 1.35, and this indicates the appropriateness of the decision to buy the shares of Mosul Bank.

20. Bank of Baghdad, the fair market value amounted to 1.83, while the market value was 1.79, and the decision was appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraq Stock Exchange, which is the purchase. This decision was chosen during the first quarter and was appropriate due to the high market value To reach 2.95, up by (1.16), while the selection was made for the second quarter, and it was found that the market value of the share was also high by 3.98 per share, and this indicates that the purchase decision was made, and the last selection was made, so

that the market value reached 3.97, and this indicates the appropriateness of the decision to buy the shares Bank of Baghdad.

21. Aramak for Tourism Investments The fair market value amounted to 1, while the market value was 1, and the decision was to keep the company according to the information and comparison between the fair market value and the market value in the Iraqi Stock Exchange, which is not to buy. This decision was chosen during the first quarter and it was inappropriate. Because of the lack of rise and the market value remains the same, which is 1, while the selection was made for the second quarter and it was found that the market value of the share was also high by 1 per share, and this indicates that the decision to keep is appropriate, and the last choice was made to bring the market value to 1, and this indicates the appropriateness of keeping and not buying Shares of the Middle East Contracting and Real Estate Investments Company.

Reveal No. (2): Appropriate decisions for Khaleeji Commercial Bank

N	Company Name	The fair market value of the share 31/12/2020	Market value per share 31/12/2020	The decision appropriate	Test during the first semester		Test during the second semester		Test during the third trimester	
					Market value per share 31/3/2021	Adequacy of the decision	Market value per share 31/6/2021	Adequacy of the decision	Market value per share 31/9/2021	Adequacy of the decision
1	The Iraqi Company for Carpets and Furniture	4.012	4.8	Sale	4.5	Suitable	4.65	Suitable	4.55	Suitable
2	Electronic Industries Company	3.37	3.37	Retention	3.37	Suitable	3.37	Suitable	2.48	Suitable
3	alhilal Industrial Company	1.33	1.16	Buy	1.24	Suitable	1.18	Suitable	1.18	Suitable
4	Light Industries Company	1.06	1.18	Sale	1.25	Unsuitable	1.17	Suitable	1.14	Suitable
5	Baghdad Peace Company	6.37	6.37	Retention	6.37	Suitable	6.37	Suitable	6.37	Suitable
6	Baghdad gas company	1.1	1.1	Retention	1.81	Suitable	1.65	Suitable	2.00	Suitable
7	Northern Company	0.64	0.710	Sale	0.7	Suitable	0.68	Suitable	0.59	Suitable
8	Nineveh Company for Food Industries	0.8	1.1	Sale	1.04	Suitable	0.95	Suitable	0.9	Suitable
9	Tharthar Agricultural Company	1.1	0.35	Buy	0.4	Suitable	0.4	Suitable	0.4	Suitable
10	Warka Bank	1.2	1.27	Sale	1.26	Suitable	1.26	Suitable	1.26	Suitable
11	Aliaitiman bank	2.5	2.4	Buy	2.92	Suitable	3.68	Suitable	3.75	Suitable
12	alsharq al'awsat Investment Bank	1.13	1.1	Buy	1.57	Suitable	1.62	Suitable	2.05	Suitable
13	Iraqi Investment Bank	1.31	1.24	Buy	1.18	Suitable	1.12	Unsuitable	1.07	Unsuitable
14	Iraqi Islamic Bank	0.78	0.86	Sale	0.92	Unsuitable	1	Unsuitable	1.01	Unsuitable
15	Mawsil bank	1.09	0.910	Buy	1.84	Suitable	1.35	Suitable	1.35	Suitable
16	National	1	1	Retention	1	Suitable	1	Suitable	1	Suitable

	Islamic Bank									
17	Dijlat and Euphrates Bank	0.710	0.71	Retention	0.90	Suitable	0.85	Suitable	0.85	Suitable
18	Bank of Babylon	0.90	0.87	Buy	0.98	Suitable	1.00	Suitable	0.90	Suitable
19	Elaf Bank	1.76	1.76	Retention	1.76	Suitable	1.76	Suitable	1.76	Suitable
20	North Bank	2.26	2	Buy	2.97	Suitable	2.8	Suitable	2.8	Suitable
21	Baghdad Bank	1.83	1.79	Buy	2.95	Suitable	3.98	Suitable	3.97	Suitable

Through the above table, the appropriate decisions for the Middle East Investment Bank were identified, which included the name of the company, the fair market value for the year 2022, the market value for the year 2020, and then the type of decision taken by the above bank. The first, second and third chapters were chosen to see the suitability of the decision, as it was found:

1. The Iraqi Carpet and Furniture Company that the fair market value amounted to 4.02, while the market value was 4.8, and the decision was appropriate for the company according to the information and comparison between the fair market value and the market value in the Iraq Stock Exchange, which is the sale. This decision was chosen during the first quarter and it was appropriate because of the high value market value to reach 4.5, up by (0.3), while the selection was made for the second quarter and it was found that the market value of the share was also high by 4.65 per share. Shares of the Iraqi company for carpets and furnishings.
2. Electronic Industries Company that the fair market value amounted to 3.37 while the market value was 3.3 and the decision was appropriate for the company according to the information and comparison between the fair market value and the market value in the Iraqi Stock Exchange, which is to keep. This decision was chosen during the first quarter and it was appropriate because of the survival of the market value As it was, while the selection was made for the second quarter, and it was found that the market value of the share also did not increase and remained the same, and this indicates that the decision to keep was appropriate, and the last selection was made to bring the market value to 2.48, and this indicates the appropriateness of the decision to buy shares for the Electronic Industries Company.
3. Al-Hilal Company, that the fair market value amounted to 1.33, while the market value was 1.16, and the decision was appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraqi Stock Exchange, which is the purchase. This decision was chosen during the first quarter and it was appropriate because of the high market value to reach to 1.24, up by (0.08), while the selection was made for the second quarter and it was found that the market value of the share was also high by 1.18 per share. Crescent moon
4. The Light Industries Company, the fair market value amounted to 1.06, while the market value was 1.18, and the decision was appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraqi Stock Exchange, which is the sale. This decision was chosen during the first quarter and it was appropriate because of the high market value It was 1.25, while the

selection was made for the second quarter, and it was found that the market value of the share was 1.17, and this indicates that the decision to sell was appropriate, and the last choice was made to bring the market value to 1.14, and this indicates that the sale was suitable for the shares of the Light Industries Company.

5. Baghdad Al-Salam Company The fair market value amounted to 6.37, while the market value was 6.37, and the decision was appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraqi Stock Exchange, which is to keep. This decision was chosen during the first quarter and was appropriate because of the survival of the market value As it is, while the selection was made for the second chapter, and it was found that the market value of the share also did not increase and remained the same, and this indicates that the decision to keep was appropriate.
6. Baghdad Gas Company, the fair market value amounted to 1.1, while the market value was 1.1, and the decision was appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraqi Stock Exchange, which is to keep. This decision was chosen during the first quarter and was appropriate because of the survival of the market value As it is, while the selection was made for the second chapter, and it was found that the market value of the share was 1.65, and this indicates that the retention decision was appropriate.
7. The northern company, the fair market value amounted to 0.64, while the market value was 0.71, and the decision was appropriate for the company according to the information and comparison between the fair market value and the market value in the Iraqi stock market, which is the sale. This decision was chosen during the first chapter, while the selection was made for the second chapter and it was found The market value of the share is 0.68, and this indicates that the decision to sell was appropriate. The last choice was made, bringing the market value to 0.59, and this indicates the appropriateness of the decision to sell the shares of the Northern Company.
8. Nineveh Food Industries Company The fair market value was 0.8 while the market value was 1.1 and the decision was appropriate for the company according to the information and the comparison between the fair market value and the market value in the Iraqi stock market, which is the sale. This decision was chosen during the first chapter, while the selection was made for the chapter The second one found that the market value of the share was 0.95, and this indicates that the decision to sell was appropriate. The last choice was made, bringing the market value to 0.9, and this indicates the appropriateness of the decision to sell to

- Nineveh Food Industries Company.
9. Al-Tharthar Agricultural Company The fair market value was 1.1, while the market value was 0.35. The decision was appropriate for the company, according to the information and the comparison between the fair market value and the market value in the Iraqi Stock Exchange, which is the purchase due to the low market value. This decision was chosen during the first quarter, while the The selection procedure was carried out for the second quarter, and it was found that the market value of the share was 0.4, and this indicates that the purchase decision was appropriate for this chapter as well.
 10. Warka Bank, the fair market value amounted to 1.2, while the market value was 1.27, and the decision was appropriate for the company according to the information and comparison between the fair market value and the market value in the Iraqi stock market, which is the sale. This decision was chosen during the first chapter, while the selection was made for the second chapter and it was found The market value of the share is 1.26, and this indicates that the decision to sell was appropriate, and the last choice was made, bringing the market value to 1.26, and this indicates the appropriateness of the decision to sell the shares of Warka Bank.
 11. Credit Bank, the fair market value amounted to 2.5, while the market value was 2.4, and the decision was appropriate for the company according to the information and comparison between the fair market value and the market value in the Iraqi market for securities, which is the purchase. This decision was chosen during the first chapter, while the selection was made for the second chapter and it was found The market value of the share is 3.68, and this indicates that the decision to sell was appropriate, and the last choice was made, bringing the market value to 3.75, and this indicates the appropriateness of the decision to sell the shares of the Credit Bank.
 12. Middle East Investment Bank, that the fair market value amounted to 1.13, while the market value was 1.1, and the decision was appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraqi stock market, which is the purchase. This decision was chosen during the first chapter, while the selection was made for the chapter The second one found that the market value of the share was 1.62, and this indicates that the decision to sell was appropriate. The last choice was made, bringing the market value to 2.06, and this indicates the appropriateness of the decision to sell the shares of the Middle East Investment Bank.
 13. The Iraqi Investment Bank, that the fair market value amounted to 1.31, while the market value was 1.24, and the decision was appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraq Stock Exchange, which is for sale. This decision was chosen during the first chapter, while the selection was made for the second chapter It was found that the market value of the share was 1.12, and this indicates that the decision to sell was inappropriate.
 14. The Iraqi Islamic Bank that the fair market value amounted to 0.78, while the market value was 0.86, and the decision was not appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraqi stock market, which is not to sell. This decision was chosen during the first quarter, when the market value was 0.92 While the selection was made for the second chapter and it was found that the market value of the share is 1, and this indicates that the decision to sell was inappropriate, and the last choice was made to bring the market value to 1, and this indicates that the decision is not appropriate to sell the shares of the Iraqi Islamic Bank.
 15. Mosul Bank, the fair market value amounted to 1.09, while the market value was 0.91, and the decision was appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraqi stock market, which is the purchase. This decision was chosen during the first quarter, as the market value was 1.84, while the The selection procedure for the second chapter and it was found that the market value of the share is 1.35, and this indicates that the purchase decision was appropriate.
 16. The National Islamic Bank that the fair market value amounted to 1, while the market value was 1, and the decision was appropriate for the company according to the information and comparison between the fair market value and the market value in the Iraqi Stock Exchange, which is to keep. This decision was chosen during the first chapter, while the selection was made for the second chapter It was found that the market value of the share is 1, and this indicates that the decision to retain was appropriate, and the last choice was made to bring the market value to 1, and this indicates that the decision is appropriate to retain the shares of the National Islamic Bank.
 17. Bank of Tigris that the fair market value amounted to 0.71, while the market value was 0.71, and the decision was appropriate for the company according to the information and comparison between the fair market value and the market value in the Iraqi Stock Exchange, which is to keep. This decision was chosen during the first chapter, while the selection was made for the second chapter and it was found The market value of the share is 0.85, and this indicates that the decision to retain was appropriate, and the last choice was made, bringing the market value to 0.85, and this indicates that the decision is appropriate to retain the shares of the Tigris Bank.
 18. Bank of Babylon, that the fair market value amounted to 0.90, while the market value was 0.87, and the decision was appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraqi stock market, which is the purchase. This decision was chosen during the first chapter, while the selection was made for the second chapter and it was found The market value of the share is 1, and this indicates that the purchase decision was appropriate, and the last choice was made, bringing the market value to 0.90, and this

indicates that the decision is appropriate for the purchase of Bank of Babel shares.

19. Elaf Bank that the fair market value amounted to 1.76, while the market value was 1.76, and the decision was appropriate for the company according to the information and comparison between the fair market value and the market value in the Iraqi stock market, which is to keep. This decision was chosen during the first chapter, while the selection was made for the second chapter and it was found The market value of the share is 1.76, and this indicates that the decision to retain was appropriate. The last choice was made, bringing the market value to 1.76, and this indicates that the decision is appropriate to retain the shares of the National Islamic Bank.
20. North Bank, the fair market value amounted to 2.26, while the market value was 2, and the decision was appropriate for the company, according to the information and comparison between the fair market value and the market value in the Iraqi market for securities, which is the purchase. This decision was chosen during the first chapter, while the selection was made for the second chapter and it was found The market value of the share is 2.8, and this indicates that the purchase decision was appropriate, and the last choice was made, bringing the market value to 2.8, and this indicates that the decision is appropriate to buy shares of the North Bank.
21. Bank of Baghdad The fair market value amounted to 1.83, while the market value was 1.79, and the decision was appropriate for the company according to the information and comparison between the fair market value and the market value in the Iraq Stock Exchange, which is the purchase. This decision was chosen during the first chapter, while the selection was made for the second chapter and it was found The market value of the share is 3.98, and this indicates that the purchase decision was appropriate, and the last choice was made, bringing the market value to 3.97, and this indicates that the decision is appropriate to purchase the shares of the Bank of Baghdad.

Conclusions and Recommendations

Conclusions

1. Relying on market prices in the case of making decisions related to investments is inappropriate because some markets are inefficient because the rise in prices and the decline in stock prices are based on non-financial and scientifically unreliable indicators such as the desires and reputation of companies and rumors without relying on real values. Therefore, in this case, market prices cannot be representative of fair value.
2. The sound investment decision needs accurate, clear and transparent financial information and data. It seems that the fair market value accounting standards have provided the requirements for securing them, as they abandoned historical financial information, and took the information that reflects the economic reality and looks to the future, that is, the economic decisions, including Investment decisions must take into account information that is based on realistic economic facts, and this is reflected positively, through the adoption of

transparency on the method of preparing national accounts and managing financial risks, as well as strengthening the role of financial markets.

3. At the level of financial markets, the introduction of fair market value accounting reflects positively on investors, especially since financial markets are one of the tools of market forces and contribute to attracting investments, because estimating financial assets such as corporate shares and financial bonds at their real economic value contributes to measuring their productivity and performance as real economic assets.

Recommendations

1. Work to spread awareness to investors in the Iraq Stock Exchange, by making investment publications issued by the Securities Commission, and which are available to all. So that these bulletins include how to invest successfully, and the most important financial instruments offered or intended to be put on the market. With its explanatory definitions, in order to expand the base of investors and not control the market by limited persons and thus ensure the transparency of the market.
2. The need to use the present value of the discounted cash flows as an alternative to estimating the fair market value in cases where there is no efficient market for the asset or liability to be measured at fair value.
3. The need to work on providing clear and specific guiding rules for measuring the fair market value, as the problem of reliability is the most important difficulty in applying fair market value accounting, in order to reduce dependence on personal estimation by the preparers of financial reports to avoid problems arising from profit management operations.

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