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Measuring the value relevance of accounting information according to standards Accountant International financial reporting: An analytical study of a sample of A For banks listed on the Iraq Stock Exchange

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Abstract
The main objective of this study is to examine the correlation between value suitability ratios for a selected group of Iraqi banks, in compliance with international financial reporting requirements. In addition, the study is to examine the appropriateness of accounting information value for implementing international financial reporting requirements and its relevance to the compliance rates of the selected Iraqi banks. The research sample comprised data collected from a total of 10 banks listed on the Iraqi Stock Exchange during the period of (2012-2019). The rates of compliance of the banks in the study sample with the requirements for the application period were determined using the third party inspection index of value and price supplied by the International Financial Reporting requirements (IFRS). This analytical approach yielded significant practical findings. The present study utilized three financial models to assess the appropriateness of the value both before and post implementation of international financial reporting standards. Additionally, it aimed to evaluate the correlation between the value and the compliance rates with such standards. Verification and testing of the research hypotheses were conducted, confirming most of them and reaching a set of conclusions. The most significant conclusion is that there is a noticeable difference in the proportions of Value fit to International financial reporting standards between Iraqi banks in the research sample and the same bank within the study period.

Keywords: Relevance of the value of the information accounting, financial reporting

Introduction
The International Accounting Standards Board, (IASB) has taken it upon itself to review the standards, and issue the necessary amendments and clarifications to remove the ambiguity that may be contained in some paragraphs in the International Financial reporting Standards (IFRS) issued by it high lighting the latest developments in the accounting literature represented by the development in international financial reporting standards. Financial reports are an important source for making investment decisions, as through these reports investors can evaluate the company's financial position, the results of its business, analyze its profits and the levels of growth it achieves or falter, and clarify its future. Evaluation and comparison between available alternatives, preferring certain stocks over others, and evaluating the efficiency of management. The accounting reports issued by public joint-stock companies are among the most important sources that provide users of economic decisions, especially investors, with information that enables them to evaluate the future trends of companies, such as the company's ability to achieve profits and the efficiency of company management. The research gains its importance by demonstrating the impact that developments can have. In the International Financial Reporting Standards, the accounting information contained in financial reporting reports is concerned, as the bodies responsible for regulating accounting in the world seek to keep pace with the rapid developments in it, by providing the information that users require, and which they need to make decisions. Efficient it brings them the desired benefits, and avoids the risks they may be exposed to if

they make their decisions based on misleading, insufficient, or inaccurate information. The availability of information characterized by suitability, timeliness, reliability, and comparability is one of the most important basic pillars of market efficiency and success, in addition to legislation and laws that facilitate and protect traders in the market. Accounting information loses its importance if it is not studied, analyzed, and processed to increase its value and importance to investment decision makers. The primary goal of reports is Finance issued by companies is to help investors make their investment decisions.

The first section: research methodology

First: the research problem

The preliminary examination of the financial reports of the banks in the research sample indicates inadequate adherence to international accounting standards and finance reporting standards, as well as inconsistent alignment of ratios with the value of accounting information among the banks. This may impact the appropriateness of the accounting information's value. One may articulate the study challenge by formulating the following questions:

1. To what extent do the banks in the study sample listed on the Iraqi Stock Exchange meet the international accounting standards and international financial reporting requirements as mandated by the Central Bank of Iraq?
2. What are the effects of value suitability in the research sample banks according to these criteria?
3. What is the level of suitability of accounting information in reference to international accounting standards and international financial reporting standards for the banks included in the study sample?
4. How does the variation in the value appropriateness ratio across the banks in the research sample impact the regulation of accounting information value suitability?

Second: The importance of research.

The significance of this research is in the need to align with the requirements of international accounting and financial reporting standards (IFRS/IAS) and the increasing attention towards its potential impact on accounting and economic reform, both at the corporate level and in the financial market and overall economy of the country. The idea of this research was embodied to shed light on the Iraqi environment, which is new in applying international accounting and financial reporting standards (IFRS/IAS), and to identify the most important challenges and factors that may affect the application of the standards experience in the banking sector in Iraq. The importance of this research can be stated in the following points:

1. Providing scientific data and information to regulatory and supervisory bodies, investors and researchers about the levels and proportions of Iraqi banks compliance with international accounting and financial reporting standards, which contributes to determining the extent of the efficiency and readiness of Iraqi banks to adopt the application of the standards.
2. It helps bank departments to determine appropriate levels of application standards in order to reach the best application and achieve the highest percentage of value suitability.
3. Helping provide important information that is useful to stakeholders about the most important influences on banks' compliance with standards, which contributes to deepening understanding of the importance of accounting information and the factors behind the decline in its quality.
4. Help regulatory authorities And the regulatory position to know the position of the sample banks in their application of standards and the extent of their efficiency in doing so in order to make the necessary decisions.
5. Contributing to deepening understanding and studying the nature of the relationship between application and compliance with international accounting and financial reporting standards and the suitability of the value of its accounting information and its implications for share prices in the financial market through the extent of its impact on investors and their decisions.

Third: Research objectives

The research seeks to achieve the following objectives:

1. He studies Search is reality a sample of banks listed on the Iraqi Stock exchange applied international accounting standards and international financial reporting standards and demonstrated their compliance with the requirements of those standards.
2. It shows the most important determinants in the variation of the sample of banks in the research sample in levels of compliance with international accounting standards and international financial reporting standards.
3. The suitability of the value of accounting information for the banks in the research sample for the period before and after the application of international accounting standards and international financial reporting standards.
4. Studying the variation in the impact on value adequacy compliance rates with international accounting standards and international financial reporting standards.

Fourth: Hypotheses Search

- **First hypothesis:** This study examines the varying degrees of conformity of the value of a sample of Iraqi banks to international accounting standards and international financial reporting standards.
- **Second hypothesis:** There exists a notable correlation between the attributes of the banks in the study sample and the ratios that determine the appropriateness of international accounting standards and international financial reporting standards.

The second section: The theoretical framework

First: value suitability

1. **Concept value fit:** The significance of the value of accounting information is a crucial notion, particularly in the latter part of the twentieth century, due to its bearing on investors' decision-making. This paper aims to examine the significance of accounting information from the perspective of its concept, measurement methods, importance, and the correlation between its relevance and worldwide financial reporting

requirements. Additionally, it will elucidate the influence of variance in this regard. Levels of adherence to International Financial Reporting Standards (IFRS) about the significance and worth of accounting results. (Bannie, 2013:7) Financial information enhances the suitability of valuation when stock prices accurately represent accounting information. Accounting figures are considered suitable for valuation when they accurately represent relevant information for investors and can effectively assess the firm. These numbers should be measured with sufficient reliability to accurately replicate stock prices and facilitate the evaluation of the company, therefore influencing the user's decision-making process. The capacity of financial accounting to elucidate the actual worth of a corporation, as shown by the current value of anticipated future payouts, under the condition that all relevant information is accessible in the financial markets. It quantifies the capacity of financial statement data to elucidate fluctuations in the investment value of shares. The appropriateness of financial statement information increases proportionally with its explanatory capacity. Accounting information value is the measure of the association between accounting information and the market value of shares (Al-Jaafari, 2006: 32) [1].

2. **Suitability feature:** It is one of the basic qualities that make accounting information useful for decision making. For this information to be useful, it must be able to make a difference in the decision (Kovacs *et al*., 2013) [8] and he knew it is information that meets the needs of decision-making that has an impact on economic decision-making (Jarbou, 2014: 97) and he knew relevance: the information presented is relevant to the decisions that will be taken and its ability to make a difference in the decisions taken by the beneficiaries of the accounting information (Javanese, 2018:13) and he knew him it is accounting information that is able to make a difference in the decisions made by users of financial statements (Hmeidat 2019:9). It has been defined as information capable of having a different impact on the decision maker (Yusef,2019:20). He defined it as information that is useful in making decisions when reviewing the lists and helping them know the events related to the company (Ponds, 2017:357). He defined it as the ability of accounting information to influence and assist the decision-making process (Al-Baldawi, 2021: 14) [3].
3. **The importance of value fit**: Researchers have different views on the importance of value relevance because there are many approaches through which the importance of value relevance of accounting information is viewed.

From investors' point of view

Many investors and lenders make their decisions on useful accounting information that is relevant and has predictive and confirmatory value (Abdel-Azim, 2020:677) [9]. Relevance of value is a determinant in mitigating information risks by minimizing the imprecision in forecasting future profits anticipated to be attained by the organization. He emphasized that the appropriateness of the numerical value enables the verification of the usefulness of the information included in the financial statements or other publicly accessible information for the decision-making process of investors (Alqatan,, 2019: 7) [10] Investors use accounting information as a vital input to make their decisions. If the information disclosed by companies provides value-relevance information to investors according to Barth (2000) the stock price will only be valuable if the amount reflects what is relevant to investors when valuing the company (Armstrong, 2012: 17) [11].

Second: Financial reporting.

1. **The concept of financial reporting**
The concept of financial reporting varies according to the entity that develops it, meaning a service that aims to provide the information needs of external users who lack the authority and authority to determine the financial information they need from the economic unit, which arrives from management in the field of the relationship between accounting measurement and reporting, it has been made clear that financial reporting is an accounting function. a suffix that follows the measurement function, as there is no point in measuring without reporting, as it represents providing information for a specific economic unit to assist in allocation decisions capital it relates to that unit and includes multiple elements, including financial statements. There are those who view financial reporting as disclosure. (Dahham, 2023:32) [20] Financial reporting is broader than the concept of disclosure, as they believe that financial reporting is a concept that includes disclosure. According to what was mentioned above, financial reporting is defined as the only method through which users can (owners and other stakeholders know how the economic unit was managed by knowing the resources that were obtained and how to exploit them, as well as knowing the results that were achieved, as through the financial reporting process, information is obtained, which is the main source of the decision-making process, (Armstrong, 2013:39) [12].
2. **Objectives of quality financial reporting**
Many efforts have been made to determine the objectives of financial statements and financial reporting, the most prominent of which are the efforts undertaken by the, which was represented by the Statement of Financial Accounting Concepts No. 1, issued in 1978, which defined the objectives of financial reporting (Arora,2021:134) [13].

- Providing useful information to creditors, current and prospective investors, and other users in making their rational investment and credit decisions and other decisions, as the information should be understandable and comprehended by those who have a reasonable understanding. For activities economic commercial.
- 2- Providing useful information for both current and prospective creditors and investors and users of cash expected from distributions or interest, from selling investments, and recovering loans, and cash flows to investors are affected by the company’s ability to provide sufficient cash to meet its obligations when due, as well as its operational and other needs.

Therefore, information must be prepared that helps all From investors, creditors and others in their assessment, timing and degree of failure Make sure surrounding the expected net cash flows of the economic unit.

- Providing information about economic resources, rights, or required resources, and the effects of transactions, events, and circumstances that lead to a change in resources and the rights resulting from them.
- Providing information about the financial performance of the economic unit during a specific period, and investors often use information about the past to contribute to estimating the future capabilities of the economic unit, which means that although investment and credit decisions reflect the expectations of investors and creditors about the future, these expectations are usually based on Partly due to the past performance of the economic unit, this means that the primary focus of financial reporting is on information about the unit's performance that is provided through measures of earnings and earnings components.
- Information is prepared on how to obtain cash and how to spend it, on the loans that are obtained and on the repayment of loans, on its capital transactions, including the profit dividend, and on the factors that affect the liquidity and financial ease of the unit.

Features International Financial Reporting Standards

International Financial Reporting Standards are the framework for systems the different legal characteristics are based on the following: (Amenc, 2022:5) [14].

- The International Financial reporting Standards Board bases its statute on clear and stated basic principles. in contrast, the American standards are seen as operating according to basic rules, which gives the impression or indication that international financial reporting standards establish solutions to accounting problems and issues in accordance with general directives and principles specified the conceptual framework. And not according to special, detailed rules according to each case that must be followed, which results in the existence of a complex set of directives, the goal of which is to set rules and standards for all possibilities. While international financial reporting standards appear it works on the objectives of the financial report and then provides guidance on a specific objective that is related to a specific situation
- The International Financial Reporting Standards Board's use of comparability of financial statements is not those operating in the same sector activity of the economic unit, but the possibility of comparison between economic units in Different activity sectors.
- The principles contained in the International Financial Reporting Standards Board in the conceptual framework do not take a mandatory character, but in principle their origin goes back to public law.
- It contributes to achieving advantages for foreign economic units, as it ensures the use of .IFRS In countries where there are branches of a specific unit, the possibility of employing branches of local financial specialists who have been trained according to the same accounting principles on which the company as a whole operates, and which are beneficial to the economic unit with activity outside its countries and Regarding the internal control environment, the advantage stems from the geographic reach of IFRS implementation.
- The Financial Reporting Standards Board assures that the standards it releases are of superior quality, since they integrate the attributes of openness, accountability, and efficiency of markets with financial standards globally. Considerable number of firms like it. IFRS is the outcome of the substantial influence exerted by said standards on the recipients of financial reports and the several entities directly involved in their implementation. The impacts of IFRS may be demonstrated in comparison to other standards as follows (Boateng. *et al*., 2022) [17].

The third section: the practical aspect of the research.

In order to fulfill the requirements of the research methodology and demonstrate the validity of its plan and test its main and subsidiary hypotheses, this axis seeks to shed light on measuring the analysis and interpretation of the content of the hypothetical relationships between the research variables and their dimensions that are approved in the research plan by testing the research hypotheses and studying the extent of their validity using a group of statistical methods. This presents The study is the results of examining the suitability of the value for the option of applying international financial reporting standards using a sample of Iraqi banks listed on the Iraqi Stock Exchange during the period 2012-2019, which represents (4) years before the application in the period from 2012-2015 and (4) years after applying the standards (IFRS) for the period 2016-2019. We provide descriptive statistics for the elements of the price change model and the return model. Then we present the applied results of correlating and analyzing data on the relevance of the value of accounting information to demonstrate the difference in applying standards to it. Then we present the applied results to show the difference in degrees of compliance on value suitability.

First: Research population and sample

In order to comply with the directives of the Central Bank, Banking Supervision department, No. (9/2/5820), the research population comprises a sample of ten banks listed on the Iraqi Stock Exchange. The objective is to implement international accounting standards and international financial reporting concepts.

Second: Statistical models to measure the suitability of the value of accounting information in accordance with international financial reporting standards.

Price change form

The price change model was relied upon as a model to measure value suitability and a better alternative to the price model as it takes successive periods of measurement which are more accurate due to the possibility of the presence of some factors influencing the value of the stock price that are omitted in the price model. The suitability of the value of accounting information for the period before and after the application of international financial reporting standards is measured to show the impact of applying international financial reporting standards on it for the period 2012-2019 by introducing the dummy variable (POST), which represents the application of international financial reporting standards, so that form (4) is as follows:

$\Delta Pit = \beta0 + \beta1\ \Delta Eit + \beta2\ \Delta BVit + \beta3\ Other + \beta4\ POSTit + \beta5\ \Delta E\times POSTit + \beta6\ \Delta BV\times POSTit + \beta7\ Other\times POSTit + eit$.

Since:

ΔPit = Exchange stock price (i) for period (t) minus stock price for previous period (t-1).

ΔEit = Change in earnings per share for bank (i) for period (t).

ΔBVit = book value per share issued (i) for the period (t) minus the book value for the previous period (t-1).

Other = represents all other influencing factors.

POSTit = represents the dummy variable for IFRS implementation to distinguish between years of implementation for bank (i) for period (t).

ΔE×POSTit = represents the change in profits multiplied by the dummy variable for applying the standards for bank (i) for period (t).

ΔBV×POSTit = represents the change in book value per share multiplied by the dummy variable for applying the standards for bank (i) for the period (t).

Other×POSTit = represents all other factors that have an impact multiplied by the dummy variable for applying the standards for bank (i) for period (t).

The examination was also conducted according to the same model, except that compensation was made instead of (POST) as IFRS compliance percentage for the period 2016-2019 to examine the effect of variation in compliance levels as shown in Model (5):

$$\Delta Pit = \beta0 + \beta1\Delta Eit + \beta2\Delta BVit + \beta3\ Other + \beta4 IFRSit + \beta5\Delta E\times IFRSit + \beta6\Delta BV\times IFRSit + Other\times IFRSit + eit$$

Return model

The value suitability was measured according to the return model and after developing the equation by introducing research variables into it, the equation would be after applying international financial reporting standards to measure the effect of the application on the value suitability of accounting information through the dummy variable (POST) which distinguishes between the years of application of international financial reporting standards from the years in which application was not mandatory for the period 2012-2019, so that model (6) is as follows:

$$Returnit = \beta0 + \beta1\ Earnsit + \beta2\ \Delta Earnsit + \beta3\ POSTit + \beta4\ Earns\times POSTit + \beta5\ \Delta Earns\times POSTit + eit$$

Since:

Return = The annual return measured by the change in the share price of the bank (i) for the period (t) plus the dividends per share divided by the share price for the previous period.

Earns = earnings per share of bank (i) for period (t) divided by the share price for the previous period.

Δ Earns = Earnings per share for bank (i) for the period (t) minus Earnings per share for bank (i) for the period divided by the stock price for the previous period (1-t).

POST = represents the dummy variable for IFRS implementation to distinguish between years of implementation for bank (i) for period (t).

Earns×POSTit = Earnings per share for bank (i) for the period (t) divided by the share price for the previous period multiplied by the dummy variable for applying IFRS to differentiate between the years of application for bank (i) for the period (t). (i) for period (t).

The examination was also conducted according to the same model, except that compensation was made instead of (POST) IFRS compliance percentage for the period 2016-2019 as shown in the model.

$$Returnit = \beta0 + \beta1\ Earnsit + \beta2\ \Delta Earnsit + \beta3\ IFRSit + \beta4\ Earns\times IFRSit + \beta5\ \Delta Earns\times IFRSit + eit$$

Third: Descriptive statistics for measurement model variables for value fit and compliance with financial reporting standards

Descriptive data for the variables in the statistical model (1) value relevance and compliance with international financial reporting requirements for the banks in the research sample are presented in Table 2. The numerical data in the table indicates that the average percentage of compliance with international financial reporting standards (IFRS) was 56.7%, with a standard deviation of 15.3%. This suggests a significant variation in the extent to which banks in the research sample apply the IFRS standards. The findings suggest that the average adherence to financial reporting standards in the Iraqi banks included in the study sample was not significantly high in terms of conformity with international financial reporting procedures. Presented in Table (2) is the overall arithmetic average of the bank sizes in the study sample.

Table 2: Analysis of descriptive statistics for the independent and dependent variables of value fit.

Percentiles			Max.	Min.	Std. Deviation	Median	Mean	Variables
75	50	25						
0.000	-0.133	-0.278	0.603	-1.650	0.326	-0.133	-0.162	ΔP
0.007	-0.008	-0.027	0.185	-0.233	0.054	-0.008	-0.010	ΔE
0.021	-0.006	-0.053	0.946	-6.451	0.547	-0.006	-0.057	ΔBV
0.000	-0.176	-0.378	1.655	-0.890	0.350	-0.176	-0.132	Return
0.077	0.040	0.016	0.349	-0.437	0.077	0.040	0.045	EARNS
0.010	-0.012	-0.037	0.725	-0.330	0.090	-0.012	-0.007	ΔEARNS
Since ΔP = change in stock price; ΔE = change in earnings per share; ΔBV = change in book value per share; Return = represents the rate of return; EARNS = represents annual earnings per share divided by the stock price for the previous period; ΔEARNS = represents the change in earnings divided by the stock price for the previous period.								

Source: The table was prepared by the researcher based on the Iraq Stock Exchange and the Securities Commission.

Table (3) presents descriptive statistics for the dependent and independent variables based on the data available in the Iraqi Stock Exchange and the Securities Commission used in evaluating the suitability of value after applying international financial reporting standards for the period from 2016-2019 for the sample of (20) Iraqi banks, which represents the period of application of the standards. International financial reporting. Four bank financial statements were excluded from the initial sample (80) due to the unavailability of financial statements. Two models are used to examine the extent of the impact of variation in the rates of application of standards (IFRS is based on value suitability, which is the price changes model and the return model. The results of the ΔP price change model indicate that the arithmetic mean of the price change was (-0.039) with a standard deviation of (0.191), which indicates a discrepancy between the prices of the period 2016-2019. The arithmetic mean of the change in earnings per share was ΔE (-0.005), with a standard deviation of (0.027), which indicates a very small variation, and the arithmetic mean of the change in book value was ΔBV (-0.004), with a standard deviation of (0.069), which indicates a slight change in book values during the period. Examination. In the return model, the arithmetic mean (Return) was (0.044) with a standard deviation (0.408), which indicates a large variation in returns, and the arithmetic mean of profits (EARNS) was (0.030) with a standard deviation (0.090), meaning there is a small change in profits, and the arithmetic mean of the change in profits (ΔEARNS) was (-0.002) with a standard deviation of (0.110), which indicates a slight discrepancy.

Table 3: Descriptive statistics analysis of the independent and dependent variables for value fit

Percentiles			Max.	Min.	Std. Deviation	Median	Mean	Variables
75	50	25						
0.052	-0.017	-0.153	0.500	-0.890	0.191	-0.017	-0.039	ΔP
0.005	-0.007	-0.016	0.077	-0.082	0.027	-0.007	-0.005	ΔE
0.019	0.000	-0.021	0.338	-0.367	0.069	0.000	-0.004	ΔBV
0.159	-0.036	-0.350	1.655	-0.890	0.408	-0.036	-0.044	Return
0.078	0.035	0.003	0.212	-0.437	0.090	0.035	0.030	EARNS
0.013	-0.012	-0.036	0.725	-0.330	0.110	-0.012	-0.002	ΔEARNS
Since ΔP = change in stock price; ΔE = change in earnings per share; ΔBV = change in book value per share; Return = represents the rate of return; EARNS = represents annual earnings per share divided by the stock price for the previous period; ΔEARNS = represents the change in earnings divided by the stock price for the previous period.								

Source: The table was prepared by the researcher based on the financial market and the Securities Commission.

Fourth: Confusion between variables

Pearson's correlation analysis was relied upon to determine the degree of association between the dependent and independent variables for the statistical models (2) and (4) to determine the value suitability variables and indicate the degree of association and relationship between the independent and dependent variables of the research. Table 4 shows the results of Pearson's correlation test. Analysis of Pearson's correlation model and its results helps reveal whether there is a possibility of linear correlation problems (Multicollinearity) between the variables of the measurement model. The results shown in Table (4) indicate that the model of the change in price. ΔP The results indicate that there is a strong correlation between the change in price ΔP with a significant significance with the change in earnings per share ΔE at a level less than (0.01) and with a correlation coefficient (0.344). As for the return model, we note that there is a strong correlation between Return and EARNS profits with an important moral significance at a level less than (0.01) and with a correlation coefficient (0.258). There is also a positive correlation between return and the change in profits, ΔEARNS, with a significant level (0.01) and a correlation coefficient (0.188).

Table 4: Analyzing the correlation and significance between the independent variables and dependent variables to suit the value of accounting information.

Correlations							
ΔEARN S	EARNS	Return	ΔBV	ΔE	ΔP		
					1	Pearson Correlation	ΔP
						Sig. (1-tailed)	
				1	0.344***	Pearson Correlation	ΔE
					0.000	Sig. (1-tailed)	
			1	0.284***	-0.068	Pearson Correlation	ΔBV
				0.000	0.199	Sig. (1-tailed)	
		1	-0.044	0.255***	0.734***	Pearson Correlation	Return
			0.294	0.001	0.000	Sig. (1-tailed)	
	1	0.258***	0.012	0.378***	0.165**	Pearson Correlation	EARNS
		0.001	0.441	0.000	0.021	Sig. (1-tailed)	
1	0.474***	0.188***	0.117*	0.680***	0.170**	Pearson Correlation	ΔEARNS
	0.000	0.010	0.073	0.000	0.018	Sig. (1-tailed)	
***At a significance level of 0.01; **At a significance level of 0.05; *At a significance level of 0.10							
Since ΔP = change in stock price measured by the difference between the average closing price for the first quarter after the end of the fiscal year minus the average closing price for the first quarter of the previous fiscal period, ΔE = change in earnings per share measured by earnings per share for the current fiscal period minus earnings per share per share for the previous period, ΔBV = the change in the book							

value per share measured by the book value per share at the end of the financial period minus the book value per share for the previous period, Return = return, measured through the change in the share price plus the value of the dividend distribution per share resulting Divided by the stock price for the previous period, EARNS = represents the bank's profitability divided by the stock price for the previous period, ΔEARNS = the change in the bank's profitability measured by the change in earnings per share divided by the stock price in the previous period.

Source: The table was prepared by the researcher Relying on the Iraq Stock Exchange and the Securities Commission.

Pearson's correlation analysis was relied upon to determine the degree of association between the dependent and independent variables for the statistical models (3) and (5) to determine the value suitability variables and indicate the degree of association and relationship between the independent and dependent variables of the research. The table shows (5) Pearson correlation test results. Analysis of the Pearson correlation model and its results helps reveal whether there is a possibility of linear correlation problems (Multi collinearity) between the variables of the measurement model.

Table 5: Analyzing the correlation and significance between the independent and dependent variables to suit the value of accounting information.

Correlations							
ΔEARN S	**EARNS**	**Return**	**ΔBV**	**ΔE**	**ΔP**		
					1	Pearson Correlation	ΔP
						Sig. (1-tailed)	
				1	0.236**	Pearson Correlation	ΔE
					0.020	Sig. (1-tailed)	
			1	0.210**	0.092	Pearson Correlation	ΔBV
				0.034	0.215	Sig. (1-tailed)	
		1	0.098	0.218**	0.863***	Pearson Correlation	Return
			0.199	0.029	0.000	Sig. (1-tailed)	
	1	0.235**	0.252**	0.470***	0.217**	Pearson Correlation	EARNS
		0.021	0.014	0.000	0.030	Sig. (1-tailed)	
1	0.475***	0.108	0.129	0.759***	0.121	Pearson Correlation	ΔEARNS
	0.000	0.177	0.133	0.000	0.149	Sig. (1-tailed)	

Source: The table was prepared by the researcher based on the Iraq Stock Exchange and the Securities Commission.

The results shown in the table (5) There is a strong positive correlation between the variables of the price change model ΔP Significantly significant with the change in earnings per share ΔE at a level less than (0.01) and with a correlation coefficient (0.236). As for the return model, we note that there is a strong correlation between the return and profits EARNS it has an important moral significance at a level less than (0.05) and with a correlation coefficient (0.235). After applying the standards, it is necessary to identify their impact on the relevance of the value of accounting information to determine whether the standards (IFRS) has an impact on investors' decisions that are reflected in stock prices in the market and the extent of the impact of stock trading for those companies. The change in the relevance of the value of accounting information will be examined in twenty (20) banks during the period 2012-2019 to demonstrate the effect of applying a variable (POST) represents the application of the standards in the years in which they became mandatory and a number (1) is given to those years to distinguish them from the years in which the IFRS standards were not adopted, which will be given (0). The examination is done through the following measurement models to show the impact of compliance with international financial reporting standards.

Table 6: Analyzing the regression equation to fit the value of accounting information according to the change model the price.

ΔP = β0 + β1 ΔE + β2 ΔBV + β3 Other + β4 POST + β5 ΔE×POST + β6 ΔBV×POST + β7 Other ×POST + eit (2)				
Sig.	**T**	**Std. Err.**	**Coef.**	**Model**
0.000	-5.659	0.030	-0.170	(Constant)
0.008**	2.702	0.437	1.182	ΔE
0.001***	-3.244	0.038	-0.122	ΔBV
0.000***	-7.090	0.051	-0.363	Other
0.001***	3.518	0.042	0.146	POST
0.623	-0.493	1.215	-0.599	ΔE×POST
0.623	0.493	0.418	0.206	ΔBV×POST
0.853	0.185	0.139	0.026	Other×POST
R = .688 N = 154 R2 = .473 T = 2012-2019 Adjusted R2 = .448				
Since ΔE = represents the change in earnings per share; ΔBV = represents the change in book value per share; Other = represents other factors affecting the change in stock price; POST = represents the standard adoption coefficient measured by giving 1 for the year of adoption and 0 for the year in which IFRS was not adopted; ΔE×POST = represents the change in earnings per share multiplied by the standards application factor; ΔBV×POST = represents the change in book value multiplied by the standards application factor; Other ×POST = represents the other influencing factors multiplied by the criteria application factor.				

***Source*:** Prepared by the researcher based on the Iraq Stock Exchange and the Securities Commission.

Price change model

The impact of applying international financial reporting standards on the value relevance of financial information is examined using the price change model as shown in Table No.6).

After regression analysis of the equation shown in table (6) We note that (POST) has a positive and highly significant effect, significant at a significance level less than (0.01) and a regression coefficient (0.146). We also note that there is a strong positive effect of the change in earnings per share ΔE, with significant significance at a level less than (0.01) and a regression coefficient of (1.182). The results also indicated a negative effect of the change in book value per share, ΔBV, with an important moral significance at a level less than (0.01) and a regression coefficient of (-0.122). As was the ratio (R), which represents the correlation between variables (68.8%), and the percentage (R2), which represents the representativeness of the model (47.3%), and (2R Adjusted) was (44.8%).

Return model

The impact of applying international financial reporting standards on the value relevance of financial information is examined using the return model as shown in Table No.7).

Table 7: Multiple regression equation analysis to fit the value of accounting information according to the return model

Return = β0 + β1 EARNS + β2 ΔEARNS + β3 POST + β4 EARNS×POST + β5 ΔEARNS×POST+ eit (4)				
Sig.	**t**	**Std. Err.**	**Coef.**	**Model**
0.000	-5.159	0.062	-0.318	(Constant)
0.010**	2.594	0.747	1.939	EARNS
0.534	0.623	0.699	0.435	ΔEARNS
0.001***	3.243	0.074	0.239	POST
0.327	-0.984	0.885	-0.871	EARNS×POST
0.583	-0.551	0.800	-0.440	ΔEARNS×POST
R = 0.404a N = 154 R2 = 0.163 T= 2012-2019 Adjusted R2 = 0.135				
Since EARNS = earnings per share divided by the previous quarter's stock price; AEARNS = represents the change in earnings per share divided by the stock price for the first quarter of the previous period; POST = IFRS applicability factor; EARNS×POST = represents earnings per share divided by the stock price for the first quarter of the previous period multiplied by the IFRS compliance factor; ΔEARNS×POST = represents the change in earnings per share divided by the stock price for the first quarter of the previous period multiplied by the IFRS compliance factor.				

Source: Prepared by the researcher based on the Iraq Stock Exchange and the Securities Commission.

The results of the regression analysis indicate the suitability of the value according to the return model, and the analysis shows that there is a positive effect (POST) is statistically significant with an important level of significance less than (0.01) and a regression coefficient (0.239). There is also a strong positive effect of EARNS profits with an important moral significance at the level (0.01) and regression coefficient (1.939). As was the ratio (R), which represents the correlation between variables (40.4%), and the ratio (R2), which represents the representativeness of the model (16.3%), and (2Adjusted) was (13.5%).

Fifth: Examining the discrepancy in the rates of applying international financial reporting standards to value relevance: After examining the impact of applying the standards (IFRS in general on the suitability and its positive impact on the level of information presented in the financial market through the financial statements and their clarification. It is necessary to know the extent of the impact of varying rates of application of the standards (IFRS) on the value suitability of accounting information, so it will be measured for the years of application through the percentage of compliance with each Bank and the extent of its impact on the appropriateness of the value of accounting information, as in the following models:

Price change model

The effect of variation in compliance rates on value suitability will be measured through the price change model, as shown in the table (8).

Table 8: Regression equation analysis to fit the value of accounting information according to the price change model

ΔP = β0 + β1ΔE + β2ΔBV + β3V4 + β4IFRS + β5ΔE×IFRS + β6ΔBV×IFRS + β7V4×IFRS + eit (3)				
Sig.	**t**	**Std. Err.**	**Coef.**	**Model**
0.219	-1.239	0.083	-0.103	(Constant)
0.256	-1.145	3.308	-3.787	ΔE
0.537	-0.620	1.328	-0.824	ΔBV
0.041**	-2.080	0.388	-0.807	Other
0.326	0.989	0.140	0.139	IFRS
0.197	1.302	5.236	6.819	ΔE×IFRS
0.497	0.683	2.758	1.882	ΔBV×IFRS
0.228	1.216	0.709	0.863	Other×IFRS
R = .496 N = .76 R Square = .246 T = 2016-2019 Adjusted R2 = .168				
Since ΔE = represents the change in earnings per share; ΔBV = Change represents book value per share; Other = represents other factors that have an influence; IFRS - compliance ratio with international financial reporting standards; ΔE×IFRS = represents the change in earnings per share multiplied by the IFRS compliance ratio; ΔBV×IFRS = represents the change in book value per share multiplied by the percentage of compliance with international financial reporting standards. Other ×IFRS = represents the influential factor multiplied by the percentage of compliance with international financial reporting standards.				

***Source*:** Prepared by the researcher based on the Iraq Stock Exchange and the Securities Commission.

The results shown in the table (8) for regression analysis to fit the value according to the price change model ΔP We note that there is no effect of the variation in compliance rates with IFRS standards on the value relevance of accounting information. The percentage (R), which represents the correlation between variables, was (49.6%), the percentage (R), which represents the extent of the model's representation, was (24.6%), and (2 Adjusted) was (16.8%).

Return model

The effect of variation in compliance rates on value fit will be measured through the return model as shown in the table (9).

Table 9: Multiple regression equation analysis to fit value to accounting information according to the return model

Return = β0 + β1EARNS + β2ΔEARNS + β3IFRS + β4EARNS×IFRS + β5ΔEARNS×IFRS (5)				
Sig.	**t**	**Std. Err.**	**Coef.**	**Model**
0.421	-0.809	0.202	-0.163	(Constant)
0.680	0.414	2.836	1.173	EARNS
0.263	-1.129	1.374	-1.552	ΔEARNS
0.623	0.493	0.370	0.183	IFRS
0.874	-0.159	5.224	-0.830	EARNS×IFRS
0.223	1.229	3.093	3.802	ΔEARNS×IFRS
R = 0.288 N = 76 R2 = 0.083 T= 2016-2019 Adjusted R2 = 0.017				
Since EARNS = represents earnings per share divided by the stock price for the first quarter of the previous period; ΔEARNS = represents | The change in earnings per share divided by the stock price for the first quarter of the previous period; IFRS = IFRS adoption rate; EARNS×IFRS = represents earnings per share divided by the first quarter share price of the previous period multiplied by the IFRS compliance ratio; ΔEARNS×IFRS = represents the change in earnings per share divided by the share price for the first quarter of the previous period multiplied by the IFRS compliance percentage.				

Source: Prepared by the researcher On Relying on the Iraq Stock Exchange and the Securities Commission.

The results of the regression analysis for value fit were according to the return model Return We note that there is no noticeable effect of the difference in the levels of application of international financial reporting standards on the relevance of the value of accounting information. The percentage (R), which represents the correlation between variables, was (28.8%), the percentage (R2), which represents the representativeness of the model, was (8.3%), and (2R Adjusted) was 1.7%.

Sixth: Testing and discussing hypotheses

After examining the financial statements available in the Iraq Stock Exchange and stock prices available in the Securities Commission, the researcher reached the results of the research hypotheses as follows:

1. **Hypothesis test (H3) The suitability of the value of accounting information for the Iraqi banks in the research sample according to the International Financial Reporting Standards (IFRS) is greater than it was before the application of those standards**
   The applied results reached by the researcher shown in the two tables (6) and (7) which examined the effect of applying international financial reporting standards on the suitability of the value of accounting information through the price change model and the return model, that the suitability of the value of accounting information is affected positively and with a very important moral significance by applying international financial reporting standards, which indicates an increase in the quality and transparency of accounting information after applying International Financial Reporting Standards, through which we reach acceptance of the hypothesis (H3).

2. **Hypothesis testing (H4) The suitability of the value of accounting information for the Iraqi banks in the research sample Comply with international financial reporting standards (IFRS) is higher than that of banks that are less compliant with these standards.**
   The applied results shown in the table (8) and the table (9There is no effect of the disparity between the compliance rates with international financial reporting standards, and the researcher believes that the reason for this is due to the weak application of the standards in the banks in the research sample, which we reached through the arithmetic average of the compliance rate in the banks in the research sample was (56%). The compliance rates were less than (60%) in twelve (12) banks, and the compliance rates for banks that ranged between (60%) and (70%) were only three (3) banks, and the banks whose compliance rates were higher than (70%) and less than (80%) is only three (3). in addition to the lack of investors' information and their familiarity with international financial reporting standards and the details they contain, which leads to focusing on certain points in the companies invested in or in which they are intended to invest, which may be the amount of profits that leads to moving towards investing in the company with high profits without being familiar with the types of profits. The financial risks that it may be exposed to are more than other companies, in addition to the accounting staff facing some difficulties in applying international financial reporting standards and not showing some paragraphs in an accurate way that reflects the financial situation and the amount of risks resulting from its normal activity.

Conclusions

a. The application of international financial reporting standards has important repercussions on the economies of different countries of the world, as it helps open up markets, achieve economic growth, and contribute to attracting foreign investment at a lower cost of capital. The process of applying standards also increases IFRS is an opportunity for cross-border integration as it reduces the cost of preparing financial reports in both the country of the holding company and the country of the subsidiary.

b. The application of international financial reporting standards has an important impact on the relevance and value of accounting information. It helps application and compliance with standards The high IFRS results in increased value relevance, as a result of the improved quality of information available to markets and investors, which increases the explanatory power of a company's stock prices as a function of its profits and book value.

c. The application of international financial reporting standards helps reduce the cost of capital represented by interest rates on stocks and bonds in order to identify and hedge risks more accurately and reduce the risks of information asymmetry.

d. The adoption of standards is mandatory IFRS is much better than voluntary adoption of standards. In the case of voluntary adoption, there is the possibility of not implementing the standards completely that is, partial application of them, as many results confirm that compliance rates are higher in the case of mandatory application of the standards.

e. Regulators and enforcement agencies in developing countries face greater challenges and difficulties than developed countries in applying international financial reporting standards, as a result of many reasons, including: the weakness of the education and training system for accountants and auditors, and the lack of professional experience for them in developing countries.

Recommendations

- The administrations of public banks in Iraq should pay greater attention and attention to providing the requirements for applying international financial reporting standards related to financial instruments related to investment risk management and advanced techniques in banking work in order to reduce the gap that separates them from private banks that outperform public banks in the possibility of applying electronic banking. in banking work.
- Necessity Relying on the price change model as a model to measure the suitability of the value that reflects the quality of financial reporting is a better alternative to the price model as it takes successive periods of measurement, which is more accurate due to the possibility of the presence of some factors affecting the value of the stock price that are omitted in the price model.
- It is necessary to pay attention to the determinants of compliance with financial reporting, as many researches show that profitability and its impact on the percentage of application of international financial reporting standards, as profitability represents the return from the bank's activity profits during the financial year.
- Striving to reach the best level of application of international financial reporting standards to ensure the quality of the outputs represented by the quality of financial reporting included in the financial statements.

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