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INVESTING IN CASH FLOWS AND FIXED ASSETS

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ABSTRACT

Companies rely on their internal cash to finance their investment projects in the event of insufficient financing through capital markets. Investment to cash flows is an indicator to measure the amount of changes in capital expenditures per unit change in the company's cash flows. This means that fluctuations in the volume of investments versus changes in cash flows express the concept of sensitivity of investment cash flows. If available internal funds are insufficient for investment activities, the company will use external funds to make further investments. Ease of obtaining capital from external sources makes the company's investment activities less dependent on internal capital. In the field of corporate finance, the level of investment activity depends on the presence of local capital. Investment and financing are important issues in corporate financial management.

Keywords: investment - cash flows - fixed assets – financial.

Investing in cash flows and fixed assets:-

In the field of corporate finance, the level of investment activity is dependent on the presence of domestic capital, which is called the sensitivity of domestic capital investment.

This sensitivity shows the company's ability to obtain external financial resources (Imhoff, 2014).

The lower sensitivity shows that corporate investment activities can be financed not only from the financial resources of internal capitals, but also from the financial resources of extra-organizational capitals (Vibava and Vardhani, 2017).

Investment and financing are important issues in the financial management of companies.

Fazari et al. (1988) showed that companies that have a high degree of investment sensitivity in cash flows also experience financial pressure.

However, the relationship between financial crisis and investment sensitivity in cash flows is an opposite relationship (Kaplan and Zingales, 1997).

Several previous studies in the field of investment have discussed the roots of investment sensitivity in cash flows.

Braun and Petersen (2009) found that during the years 1970 to 2006, the sensitivity of investment in cash flows was mainly eliminated for physical investment and even decreased for research and development, but it did not change for total investment.

Chen and Chen (2012) showed that the sensitivity of investment in cash flows decreased during the economic recession of 2007-2009, so the sensitivity of investment in cash flows cannot be a good measure of financial pressure. It has also been proven that this has decreased over time (Vadilio, 2017).

Kim (2014) showed that there are several factors that can explain the negative relationship between financial pressure and investment sensitivity in cash flows, such as cash balance and external financing. According to the Central Statistics Agency, Indonesia's economic growth in 2015 reached 4.79%, which was the lowest rate in the last six years.

This number was equal to 6.81% in 2010, 6.44% in 2011, 5.56% in 2013, and 5.02% in 2014. One of the most important financial decisions made in companies are investment decisions.

By knowing the factors that are effective to reach an acceptable level of investment, companies can generate maximum efficiency.

This creates opportunities to gain profitability and also brings satisfaction to the shareholders to be One of the most important discussions in investment is the sensitivity of investment to cash flow (Akbari, Fathi, Farkhunde and Iagh, 2016).

The research done by Larkin and colleagues (2018) in Pakistan evaluated 288 companies in Pakistan in order to investigate the effects of investment sensitivity in cash flows and financial crisis on investment. Based on the results of various studies, companies with financial crisis are more sensitive than other companies to understand how to manage liquidity to face external financing, uncertain cash flows and unexpected growth opportunities (Larkin et al., 2018).

Also, Dagro and Apenja (2019) investigated whether concessions lead to financial crisis or not.

Sari and Leon (2020) Investment decision making is a critical process that is influenced by many factors, such as cash flow.

Therefore, it is important for potential investors to understand the stability of cash flow.

Sari and Leon (2020) investigate the impact of cash flow and the impact of investment cash flow on investment in manufacturing companies listed on the Indonesian Stock Exchange from 2011 to 2015. They found that the sensitivity of investment cash flow and financial pressure have a positive and significant impact on investment.

That is, cash flow sensitivity is very important for investment decisions. In panels Qotubin is applied to unlimited companies to avoid negative impact on sales by using closed prices.

The managerial implications of this research are very important for company managers, potential investors and readers.

In conclusion, it should be said that cash flow, leverage and asset turnover have an impact on investment.

This research examines the impact of investment sensitivity in cash flows and financial crisis on investment in fixed assets of companies listed in the Iraqi Stock Exchange.

The importance and necessity of research

The current research has an important scientific and research contribution in the current research in several ways.

Investment can be considered as one of the basic pillars of countries' economy.

There is no doubt that the increase in production, which is one of the first steps in the development process, will require an increase in investment.

The sensitivity of cash flow investment is an indicator of the level of dependence of investment activities on the availability of domestic funds.

The intensity of this sensitivity can show the company's ability to obtain foreign capital.

The lower (more) the sensitivity is, the more able (less) companies are to obtain extra-organizational funds in investment activities. Also, one of the necessities of developing countries

is the movement of companies towards internationalization because the competitive pressure is increasing and on the other hand, direct financial aid and support from governments has decreased.
However, despite the constant role of companies in economic development and the contribution of developing countries in the growth of world trade, few studies have been conducted on the internationalization of these companies in developing countries, especially in Iraq, and research related to this field is still in its early stages.
The research gap on the effects of investment sensitivity on cash flows and financial pressure on investment is clearly evident.
Therefore, the results of this research are for company managers and investors
It is useful to potential and readers because it informs about the misinterpretation that often occurs about stock prices and dividends.
These three variables are very powerful and are considered in every decision making process.
Research history
-Internal studies:-
Thaqfi et al. (2013) conducted a research with the title "Relationship between audit quality and investment efficiency in companies with high investment opportunities".
The results obtained during the years 1382 to 1388 in the Tehran Stock Exchange, from the examination of 119 active companies that have made large investments, have used audits that had a higher quality, show that a higher level of They update and experience the efficiency, this is if the higher audit quality, contrary to expectations, does not have an effect in reducing the manipulation of discretionary accrual items.
Mojtahedzadeh and Saadat Abadi (2013) investigated the relationship between profit management and investment opportunities, emphasizing ownership concentration.
The purpose of this research is to examine the relationship between profit management and investment opportunities with emphasis on ownership concentration.
The research results showed that there is no significant relationship between the geometric growth of assets and profit management.
Meanwhile, a significant positive relationship was seen between the high ratio of the market value of assets to its book value and the factor analysis of two indicators of growth and profit management.
Also, ownership concentration did not have an effective role on the relationship between earnings management and investment opportunities.
In other words, controlling shareholders do not use their supervisory role and power to protect shareholders.
Alinejad Saruklai and Bahraini (2013) studied the effect of institutional investors and concentration of ownership on investment opportunities in companies listed on the Tehran Stock Exchange.
This study investigated the effect of institutional investors and ownership concentration on investment opportunities in companies listed on the Tehran Stock Exchange.
The statistical sample of this research includes 85 companies in the Tehran Stock Exchange during the period from 2010 to 2019.

The results obtained from the data analysis indicate that institutional investment has a significant effect on investment opportunities, and the results of the second hypothesis test, which examines the effect of ownership concentration on investment opportunities, indicate that this effect is significant.

Hajiha and Qaneh (2015) investigated the impact of audit quality on investment opportunity in companies admitted to the Tehran Stock Exchange.

This research has been done using the information of financial statements and stock prices in Tehran Stock Exchange of 56 accepted companies during the period of 1387 to 1391 and using the method of multivariable linear regression analysis with the help of Eviews software.

The results of the research showed that there is a positive and significant relationship between the size of the accountant and the tenure of the accountant with the investment opportunity.

Also, the results of this research showed that there is no significant relationship between the expertise of accountants and the opportunity to invest in the capital market .

Akbari et al. (2016) investigated the relationship between investment opportunities and investment sensitivity to cash flows.

In this research, the financial information of the companies admitted to the stock exchange, which includes

80 companies have been investigated during the period of 2017 to 2018.

In order to measure investment opportunities, the three criteria of profit per share to price per share, the ratio of the market value of assets to the book value of assets, the ratio of the market value of shares to the book value of shares were used.

The research results show that there is no significant relationship between investment opportunities and investment sensitivity to cash flows.

Tahabi Gadidi and Noonhal Nahar (2017) investigated the effect of intellectual capital on investment opportunities in companies admitted to the Tehran Stock Exchange.

The current research is practical in terms of its purpose and in terms of methodology, it is a type of causal research (post-event).

The statistical population of this research is the companies accepted in the Tehran Stock Exchange, and using the systematic elimination sampling method, 149 companies were selected as research and its time period is between 1388 and 1393.

Intellectual capital has been measured with the criteria of human capital, structural capital and communication capital, as well as investment opportunities with the criteria of asset market value ratio and stock market value ratio.

The results of the research show that the coefficient of added value of intellectual capital does not affect the criteria of investment opportunities, and intellectual capital does not affect the criteria of investment opportunities.

Mirmohammadi and Soleimani Amiri (2019) investigated the relationship between debt surplus and investment performance in fixed assets of small and medium companies in the capital market

Recently, the high growth in corporate debts is a serious obstacle to improving the economic situation of countries.

In the current research, it has been discussed whether the excess debt in small and medium companies in Iran causes the current performance to be limited.

To investigate this issue, data was collected from the companies listed in the Tehran Stock Exchange, which included 64 companies, in the years 1394 to 1398 (320 company-years), based on the research priorities in the company class.

Small and medium ones were placed. In order to measure the econometric model of the research, which was examined in the form of a combined data model (panel), Vives and Stata software and the probit regression model were used.

The amount of excess debt has no effect on the amount of investment in fixed assets, according to the results of the research.

Enayatpour Shiadeh et al. (2019) investigated the effect of ownership concentration on the relationship between cost stickiness and investment in fixed assets in companies listed on the Tehran Stock Exchange.

Investing in fixed assets requires a significant amount of capital expenditure. If the investments are not effective and efficient, they cause losses.

Therefore, it is obligatory and necessary to research and examine the stickiness of the cost at the time of investing in fixed assets.

The focus in this research is on the relationship between cost stickiness and fixed asset investment for ownership. In this research, 125 companies in different industries were included in the statistical population, which were investigated in the years 2011 to 2015.

In this research, the multiple regression statistical method has been used to test the research hypotheses.

The results of the research have pointed to the inverse and significant relationship between cost stickiness and fixed assets investment.

Also, ownership concentration has a positive and significant effect on the relationship between cost stickiness and fixed assets investment.

In a research, Hasseh Yaganeh and Tawaknel Niya (1400) investigated the relationship between the quality of financial reporting and investment in fixed assets and the moderating role of growth opportunities.

From the point of view of agency theory, there are many control methods for weakening information asymmetry and information risk, as well as preparing conditions for more favorable monitoring of managers' performance, similar to the quality of financial reporting and disclosure.

Many researches have dealt with some of the effects of reducing information asymmetry and information risk.

In this test, the effect of the quality of financial reporting and growth opportunities on investment in fixed assets is discussed. To process and test the hypotheses from the combined data pattern in this research, which was conducted in 134 companies admitted to the Tehran Stock Exchange.

The findings indicate that the quality of financial reporting has an adverse effect on investment in fixed assets.

Also, growth opportunities reduce the negative effect of financial reporting quality on investment in fixed assets. Therefore, the designed conceptual model is confirmed.

Foreign studies:-

Kam (2009) investigated the relationship between companies with high investment opportunities, audit quality and earnings management.

In this applied research, which was conducted with a descriptive-correlation approach, information on 1062 cases of American companies including 12772 observations for the period of 1983 to 2006 was collected from the Compost database.

A company with a high investment opportunity can apply for a high audit quality to prevent profit management, on the other hand, the auditors of 5 large institutions will create a high audit quality due to the high risk of losing audit independence, which is a limitation for Profit management is companies that have high investment opportunities.

The results of this research have been obtained as follows: firstly, companies with high investment opportunities have a greater incentive to use the audit of the Big Five institutions than companies with low investment opportunities, and secondly, companies with High investments have a high tendency to provide discretionary accruals, this relationship is low when their auditors are one of the big five firms.

Chen et al. (2010) investigated the relationship between earnings management and investment opportunities.

In this regard, they tested the role of motivation and dispossession of controlling shareholders as a mechanism of the corporate governance system.

In this applied research which was carried out with a descriptive-correlation approach, the information of 4615 cases of American companies including 46150 observations for the period of 2000 to 2009 from the Compost database (database of financial, statistical and market information from global companies around the world)) was collected.

The findings showed a positive and significant relationship between profit management and investment opportunity. Also, controlling shareholders' cash flow rights had a negative relationship with net abnormal accruals under growth conditions.

According to researchers, profit management is stronger in companies with investment opportunities and a large deviation between the right of cash flow and the right of control.

Lee et al. (2018) conducted a research titled management ability and investment opportunities in fixed assets. These researchers investigated whether companies under the guidance of top managers achieve better investment opportunities; This question was investigated using American industrial companies in the period of 1988-2015 using the PROWESS database.

The empirical results show that there is a positive relationship between management ability and the opportunity to invest in stable assets, and this relationship is significant only in companies without financial crisis or in companies with a strong financial position.

In general, the findings support the issue that having managers with superior ability can lead to greater economic profit through better investment opportunities. According to the research conducted and the present study, policymakers and investors can pay more attention to management ability.

Sari and Leon (2020) Investment decision making is a critical process that is influenced by many factors, such as cash flow.

Therefore, it is important for potential investors to understand the stability of cash flow. This study seeks to investigate the impact of cash flow and the impact of investment cash flow on investment in manufacturing companies listed on the Indonesian Stock Exchange from 2011 to 2015.

In this research, the panel data method was used along with the fixed effect model with cross-sectional weights, standard errors, and covariance. The findings indicate that the sensitivity of investment cash flow and financial pressure have a positive and significant effect on investment, that is, the sensitivity of cash flow is very important for investment decisions.

In panels Qotubin is applied to unlimited companies to avoid negative impact on sales by using closed prices. The managerial implications of this research are very important for company managers, potential investors and readers.

In conclusion, it should be said that cash flow, long-term debt, working capital, leverage, and asset turnover affect investment. Bakalska (2020) examined the sensitivity to capital flow and cash flow and financial crises under overconfidence. In this article, the sensitivity of investment - cash flow and financial crises under CEO's false confidence in private companies located in Poland was investigated.

A unique sample of 145 private companies was collected by surveying CEOs about their false self-confidence. The results of this research show that there is a positive relationship between investment sensitivity and cash flow, and this relationship is stronger for companies that are managed by managers with false self-confidence.

He also observed fewer financial crises among companies that were managed by managers with false self-confidence. This may be evidence that despite lower financial crises, companies managed by managers with false self-confidence deliberately choose internal sources as the main source of financing and avoid using external sources. Foreigners refuse. This article is the first empirical study conducted for Polish companies on the relationship between CEO false confidence and financial decisions.

Timosho (2021) investigated financial decentralization and investment in fixed assets in Russia. This research shows that the effect of lack of financial concentration on investment in fixed assets is characterized by an inverse relationship.

Based on the data of 2009-2016, the greatest incentive to invest in fixed assets in Russia appeared with the lack of concentration of expenses and income equal to 33-36%. However, the overall level of investment in fixed assets is higher precisely with income decentralization.

Loss of investment in fixed assets due to lack of power in the market can cause irreparable losses.

In a research, Ma and Zhou (2022) investigated the effects of tax burden on fixed assets investment observed through tax differences. Based on the data of Chinese listed companies from 2003 to 2018, this research analyzes the impact of changes in the effective value added tax rate and the effective corporate income tax rate on the firm's fixed assets investment from the perspective of tax differentials. The results show that the relationship between the effective value added tax rate and fixed asset investment depends on the macro environment and the ability to transfer the tax burden. In particular, in the period of economic growth or in companies with a strong ability to transfer the tax burden, reducing the effective rate of value added tax can increase the cash flow of enterprises and promote the investment of fixed assets.

There is a negative and significant correlation between the effective rate of corporate income tax and investment in fixed assets.

Reducing the effective rate of corporate income tax by improving the internal cash flow and increasing the external financing ability of the companies will improve the investment of the companies. Especially when the company's debt risk is relatively low, the positive effect of reducing the effective income tax rate on fixed asset investment increases with the increase of financing restrictions.

Theoretical foundations

The Kitobin coefficient is one of the important information for economic decision-making in this field (Erickson and Whited, 2012).

This issue is reflected in the market enthusiasm index, which evaluates whether there is a linear relationship between investment opportunities in fixed assets (Dagro and Apanja, 2019). The success of selling a product positively affects the cash flow of companies (Ding et al., 2013). However, this is in contrast to the results of the research of John and Mathewsamy (2011), who stated that sales have a negative effect on investment in fixed assets.

Leverage has a negative effect on investment, indicating that debt is the main driver for a firm to improve its quality. Of course, debt is not always a negative indicator because sometimes it leaves a positive impact (Pindado et al., 2011).

Foreign financing is more expensive compared to domestic financing, which is caused by the increased sensitivity of investment to cash flows in financial crisis conditions.

Investment is one of the determining factors of calculations in financial affairs (Banos-Caballero et al

colleagues, 2014). Many believe that more network capital is better (Ding et al., 2013). Rise et al. (2016) also confirmed that higher current assets generate higher net working capital thus reducing investment. Long-term debt of companies leads to an increase in their activity and performance.

Therefore, the linear relationship attracts potential investors to invest (Brown and Peterson, 2009). Therefore, long-term debt has a positive effect on investment (Raiz et al., 2016). The performance of a company is determined by its shares. A company with rising shares increases investors' interest in investing. A stock is an investor's valuation index compared to market prices (Satter and Smart, 2019).

A higher stock price indicates favorable conditions and that financial resources are easily attracted from stockholders. In addition, the positive relationship between investment performance and company performance showed that many investment opportunities belong to companies that are able to improve their performance (Chasiah et al., 2019).

Therefore, it follows that the larger the investment made by a company, the higher its value. Nevertheless, investors assume that the company's profitability has the ability to increase in the future. Therefore, they are interested in buying shares of companies that invest a lot and increase their stock prices (Pamankas and Paspaningsieh, 2013).

Total asset turnover is a measure of a company's productivity in sales from production. This ratio shows how much a company sells for every dollar invested in the business.

In general, the higher the turnover of a company, the more efficient its assets are (Satter and Smart, 2019). This indicator measures earnings management as it shows the company's operations.

Firth et al. (2012) stated that investment in fixed assets causes growth and improvement of the economic situation in the world. Management institutions and information asymmetry theory also reach the same conclusion that external costs including insurance premiums are separate from internal costs.

Kaplan and Zingales (1997) stated that investment has a positive effect on internal cash flow and most companies face many obstacles in accessing external financing. Raiz et al. (2016) stated that cash flow is used as an indicator for domestic financial affairs and plays an important role in investors' decisions. Hierarchy theory and free cash flow theory predicted the positive effect of cash flow on investments (Vadilio, 2017).

Hierarchical theory shows that this relationship is caused by crisis and financial pressure (Ik and Wu, 2018; Dagro and Apanja; 2019).

Pindado et al. (2011) define the sensitivity of investment in cash flows as an indicator of financial pressure, which indicates the inability of a company to obtain available financial resources for investment.

Raiz et al. (2016) provide new insights into the sensitivity of investment in cash flows as a proxy for financial stress. Then, the impact of investment sensitivity in cash flows on financial pressure was investigated using 45 markets in a sample period from 1991 to 2010 (Vadilio, 2017).

Larkin et al. (2018) also examined the sensitivity of investment in cash flows across international markets, including 419,318 firm/year observations from 43 countries from 1991 to 2014. After that, Ik and Wu (2018) used the sensitivity of investment in cash flows as a common index to estimate the effect of the financial crisis on the investors of Chinese companies.

Another study analyzed and compared the sensitivity of investment in cash flows between companies with financial crisis in the restaurant industry. These findings suggest that the expansion of restaurant firms through franchising is likely to increase overinvestment problems.

Franchising can be a long-term financing method for companies with financial constraints as well as short-term financing. However, unconstrained franchise companies must distribute their excess cash flows to shareholders (Dagro and Apenja, 2019).

Research objectives

This research seeks to investigate the relationship between the sensitivity of investment in cash flows and fixed assets, with emphasis on the moderating role of the financial crisis among Iraqi stock market companies. In this regard, the following goals will be pursued:

Investigating the relationship between the sensitivity of investment in cash flows and investment in fixed assets.

Investigating the impact of the financial crisis on the relationship between the sensitivity of investment in cash flows and investment in fixed assets.

Research hypotheses

The hypotheses of this research are presented as follows based on the theoretical foundations explained below:

o Hypothesis 1: There is a significant relationship between the sensitivity of investment in cash flows and investment in fixed assets.

Hypothesis 2: Financial crisis moderates the relationship between the sensitivity of investment in cash flows and investment in fixed assets.

RESEARCH METHOD

The research method is a collection of tools and techniques that lead a person from the unknown to information and discovering the truth (Bagher Sarokhani, 2015).

The present research is of applied type from the perspective of descriptive data collection method and from the perspective of hypothesis analysis method of correlational type.

In this research, in order to achieve the goals and test the research hypotheses, multivariate regression model analysis will be used based on combined data.

The type of study and the method of examining questions (or hypotheses)

The dependent variable:

INV (Investment in Fixed Assets): Following the research of Sari and Leon (2020) and the research of Rashidi and Bezazzadeh (2016), it means the funds paid for the purchase of tangible fixed assets from the place of investment activities in the case of cash flow to In order to homogenize this index, it will be divided by the book value of the company's assets at the beginning of the period.

independent variable:

CF: (operating cash flows): following the research of Mashaikhi and Deldar (2015), it is the ratio of cash flows from operating activities to the average assets of the company at the beginning and end of the period.

Operating cash flow is extracted from the cash flow statement prepared according to Iranian standards.

The coefficient of operating cash flow (β1) shows the sensitivity of investment in cash flows, so that if this coefficient is positive and significant, it means that the company relies primarily on internal funds to finance investment.

It is a sign of financial crisis. If the coefficient is not significant, it means that the company does not have a financial crisis and can use foreign sources for investment.

Moderator variable:

Financial crisis of the company (KZ): In this research, it will be used to determine the financial situation of the company on the eve of the financial crisis according to the following relationship based on the research of Kaplan and Zingales (1997):where in:

MVOCE: market value of common stock at the end of the year; BVOLTD: book value of long-term liabilities at the end of the year; BVOSHTA: book value of current assets at the end of the year; BVOSHTL: book value of current liabilities at the end of the year; BVOTA: book value of total assets at the end of the year.

Debt: the total book value of company i's debts in year t.Dividends: Total annual dividend payments of company i in year t.Cash: the total cash of company i in year t.

Assets: the total book value of company i's assets in the previous year (t-1).

After calculating the financial crisis values for each company-year, the values are sorted from the smallest to the largest and then divided into five parts, which identified the company-years in the fourth and fifth quintiles as the company-years with financial crisis and know that Some will be assigned and others will be considered as zero.Control variables:

Kitobin (Q): It will be used to measure Kitobin according to the method introduced in the previous section.
S: company size is the natural logarithm of total sales value of company i in year t.
LEV: Financial leverage is the ratio of the book value of liabilities to the book value of total assets of company i in year t.
WKI: is the working capital of company i in year t.
DLTD: is the ratio of long-term liabilities to the book value of the total assets of company i in year t.
Price: is the year-end price of each share of company i in year t.
AT: is the ratio of sales to the total book value of company i's assets in year t.
IND: selected industries from the stock market.

Statistical community

The target society in this research is the companies admitted to the stock exchange of Iran, which is considered to be a 10-year period from 1390 to 1400. The reason for choosing these companies from Iran's capital market, which is the stock exchange in Iran, is the possibility of easy access to the data and financial statements of the companies in question compared to the companies active in the country.

and also with the continuous attention and supervision of auditors and inspectors, this information has high reliability, credibility and transparency compared to the information of other companies.

Sampling method and sample volume

The sampling method is a screening method, and a number of companies are selected as sample member companies from among the companies in the stock exchange of Iran.
Due to the large size of the statistical community and the existence of some inconsistencies between the members of the community, the companies that have the following characteristics in the time range of 2010 to 2010 and have the following characteristics are considered as the accessible community:
1. It should not be part of financial, investment, banks, insurance and funds companies.
2. It should not be a part of non-production companies (transportation, trading, service, etc.).
3. It has not entered the stock market during the years studied in the research, 1390 to 1400.
4. The financial information intended in this research, especially the notes accompanying the financial statements, should be available.
5. In the desired yield in this research, the desired symbols have not been removed from the stock market
6. Do not change the financial year and activity.
Data collection tool
To collect information in this research, two library and field methods are used. In the library section, information is collected by referring to related articles in scientific and research publications inside and outside the country and available theses. In the field section to provide information on companies admitted to the stock exchange of Iran from sources such as compact discs of the stock exchange organization, the official website of the stock exchange of Iran, notes

accompanying financial statements and reports of the board of directors and the bank. Available software is used.

DATA ANALYSIS METHOD

The data will be classified and collected in Excel and will be analyzed using Eviuz statistical software. Combined regression method is used to estimate the research model. First, with the descriptive test, the distribution of the variables with three central indicators, dispersion and distribution in the society is examined and analyzed. Regression is used to examine the relationship between variables.

In fact, regression analysis is a statistical technique for examining and modeling the relationship between variables.

It can be said that regression analysis is the most widely used method among statistical techniques.The data and observations of the variables in a model can typically exist in three different types: time series data, cross-sectional data, and pooled data. Time series data measures the values of a variable at successive points in time.

This sequence can be yearly, quarterly, monthly, weekly or even continuously. Time period data measures the values of a variable at a certain time and on multiple units. These units can be individuals, households, production units, industries, different regions and even different countries. Aggregate data actually express cross-sectional data over time. Therefore, the volume of observations in the consolidated data is relatively large.

Application of research results:-

In terms of classification among the types of research, the current research is classified in the applied research group, which can be used and exploited by many groups of users of accounting information. It is expected that if the objectives of this research are achieved, the results will be useful especially for the following organizations and individuals:

1. Shareholders, investors, creditors and other interested individuals and institutions as users of information.
2. The stock exchange and securities organization in Iraq as the body supervising the companies admitted to the stock exchange of this country.
3. Managers and other people involved in the preparation of financial statements as information providers.
4. Auditors as creditors to the financial information of companies.
5. Professors and students in finance, researchers, financial analysts and stock brokers.

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