


**TRANSPARENCY OF INFORMATION IN THE FINANCIAL STATEMENTS AND THE EXTENT TO WHICH IT DISCLOSES THE FUTURE EXPECTATIONS OF ECONOMIC UNITS USING THE TOBIN S Q INDEX**

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ARTICLE INFO	ABSTRACT
<p><b>Article history:</b></p> <p>Received 04 October 2022</p> <p>Accepted 06 December 2022</p>	<p><b>Purpose:</b> The research aims to determine the nature of the relationship between the transparency of disclosure in the financial statements and the closing prices of stocks and future expectations.</p> <p><b>Theoretical framework:</b> The knowledge bases of information transparency in the financial statements and how to disclose the future expectations of the economic units of the research sample were highlighted.</p> <p><b>Methodology:</b> The financial data of five of the Iraqi banks listed in the Iraqi Stock Exchange for five periods were collected, and then the data was analyzed according to the closing price of each bank, and then extracting the indicator for the tool used in the study according to special equations that were clarified in the practical side.</p> <p><b>Findings :</b> The necessity for the economic units listed in the capital markets to improve the level of transparency in disclosure by disclosing all information related to their activities, whether they are historical, current or future information.</p> <p><b>Research &amp; Social implications:</b> This study achieves the objectives of the research the financial reports of a number of banks listed on the Iraq Stock Exchange (the National Bank of Iraq, the Gulf Commercial Bank, the Commercial Bank of Iraq, the Trans-Iraq Commercial Bank, the Investment Bank of Iraq) for the period 2015-2020.</p> <p><b>Originality/value:</b> This study focuses on how to influence the financial statements for the purpose of clarifying future expectations of economic events in the banking sector, which is one of the important sectors in building the global economy.</p>
<p><b>Keywords:</b></p> <p>Information Transparency; Future Expectations; Tobin sQ Index.</p> <div data-bbox="172 913 480 1160" style="text-align: center;">  </div>	<p>Doi: <a href="https://doi.org/10.26668/businessreview/2022.v7i5.766">https://doi.org/10.26668/businessreview/2022.v7i5.766</a></p>

**TRANSPARÊNCIA DAS INFORMAÇÕES NAS DEMONSTRAÇÕES FINANCEIRAS E A MEDIDA EM QUE REVELA AS EXPECTATIVAS FUTURAS DAS UNIDADES ECONÔMICAS UTILIZANDO O ÍNDICE TOBIN S Q**

**RESUMO**

**Objetivo:** A pesquisa visa determinar a natureza da relação entre a transparência da divulgação nas demonstrações financeiras e os preços de fechamento das ações e as expectativas futuras.

**Estrutura teórica:** Foram destacadas as bases de conhecimento da transparência das informações nas demonstrações financeiras e como divulgar as expectativas futuras das unidades econômicas da amostra da pesquisa.

**Metodologia:** Os dados financeiros de cinco dos bancos iraquianos listados na Bolsa de Valores do Iraque por cinco períodos foram coletados, e então os dados foram analisados de acordo com o preço de fechamento de cada banco, e então extraíndo o indicador para a ferramenta usada no estudo de acordo com equações especiais que foram esclarecidas no lado prático.

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**Conclusões :** A necessidade das unidades econômicas listadas nos mercados de capitais de melhorar o nível de transparência na divulgação, divulgando todas as informações relacionadas às suas atividades, sejam elas informações históricas, atuais ou futuras.

**Pesquisa e implicações sociais:** Este estudo atinge os objetivos da pesquisa os relatórios financeiros de vários bancos listados na Bolsa de Valores do Iraque (Banco Nacional do Iraque, Banco Comercial do Golfo, Banco Comercial do Iraque, Banco Comercial Trans-Iraque, Banco de Investimento do Iraque) para o período de 2015-2020.

**Originalidade/valor:** Este estudo se concentra em como influenciar as demonstrações financeiras com o objetivo de esclarecer as expectativas futuras de eventos econômicos no setor bancário, que é um dos setores importantes na construção da economia global.

**Palavras-chave:** Transparência da Informação, Expectativas Futuras, Índice Tobin's Q.

## TRANSPARENCIA DE LA INFORMACIÓN CONTENIDA EN LOS ESTADOS FINANCIEROS Y GRADO DE REVELACIÓN DE LAS EXPECTATIVAS FUTURAS DE LAS UNIDADES ECONÓMICAS MEDIANTE EL ÍNDICE Q DE TOBIN

### RESUMEN

**Objetivo:** La investigación pretende determinar la naturaleza de la relación entre la transparencia de la información divulgada en los estados financieros y los precios de cierre de las acciones y las expectativas futuras.

**Marco teórico:** Se destacaron las bases de conocimiento de la transparencia de la información en los estados financieros y la forma de divulgar las expectativas futuras de las unidades económicas de la muestra de la investigación.

**Metodología:** Se recopilaron los datos financieros de cinco de los bancos iraquíes que cotizan en la Bolsa de Valores de Irak durante cinco períodos, y luego se analizaron los datos según el precio de cierre de cada banco, para luego extraer el indicador de la herramienta utilizada en el estudio según ecuaciones especiales que se aclararon en la parte práctica.

**Conclusiones :** Necesidad de que las unidades económicas que cotizan en los mercados de capitales mejoren el nivel de transparencia en la divulgación de información, divulgando toda la información relacionada con sus actividades, ya sea información histórica, actual o futura.

**Investigación e implicaciones sociales:** Este estudio alcanza los objetivos de la investigación los informes financieros de una serie de bancos que cotizan en la Bolsa de Valores de Irak (el Banco Nacional de Irak, el Banco Comercial del Golfo, el Banco Comercial de Irak, el Banco Comercial Trans-Iraq, el Banco de Inversiones de Irak) para el período 2015-2020.

**Originalidad/valor:** Este estudio se centra en cómo influir en los estados financieros con el fin de aclarar las expectativas futuras de los acontecimientos económicos en el sector bancario, que es uno de los sectores importantes en la construcción de la economía mundial.

**Palabras clave:** Transparencia Informativa, Expectativas Futuras, Índice sQ de Tobin.

### INTRODUCTION

Transparency is one of the important issues and at the top of the list of issues that dealers are interested in in the stock market because it offers equal opportunities to obtain accounting information that serves all its users, especially with the globalization of information, a right guaranteed by all local and international legislation and laws alike in various countries, and with All this progress that the business environment is witnessing at the present time and the emergence of the features of globalization of financial markets in the global economy, information is no longer limited only to financial statements that represent the minimum level of accounting disclosure, but rather goes beyond that to reach information transparency, which

focuses on detail in financial statements and reports. issued by economic units in a way that provides comprehensive and detailed information that serves all parties at the lowest costs, and the Institute Chartered Financial Analyst (CFA) stressed the need of the investment community for transparent information in order to ensure the preservation of the welfare of millions of investors who directly depend on the information disclosed in the financial reports when making portfolio formation decisions investment.

The research aims to achieve the relationship between the disclosure of future financial information and the market value of the economic units listed in the Iraqi Stock Exchange and the expectation of the closing price (the research sample) by relying on future expectations for it by adopting the Tobin's Q index and determining the nature of the relationship between transparency of disclosure in the lists Financial, closing prices of shares and future expectations, whether the relationship is positive or inverse.

## LITERATURE REVIEW

There are many definitions of transparency, as there are those who believe that it arises when the information that is disclosed is clear in addition to its easy access to the market Clare et al., (2005). The definition focused on the disclosure of information in addition to the ease of access to it, according to Barth and Schipper (2007), the transparency of financial reports is the degree that enables financial reports to reveal the economic aspects of assets in an objective manner that users understand. And the current decisions and actions are available, foreseeable and understandable to all parties annually (Dawaq and Farhat, 2019), the definition focuses on that the information be declared and understandable to all internal and external parties in the economic unit, the transparency of accounting information is defined as reliable accounting information that helps users make decisions accurately (Klinsukhon et al., 2016), and the literature talks about several ways of transparency within the economic unit, political transparency (objective rules), and transparency within the economic unit. Economics (data and models used), procedural transparency (decisions, votes), transparency regarding policy outcomes used and operational transparency (Man&Ciurea, 2016).

According to the degree of transparency, information is grouped into two large categories: fully transparent information and partially transparent information. Information Fully transparent information is that which indicates the financial position and performance. This is subject to financial accounting, which is the external interface of the economic unit and provides information on asset management and is necessary for the internal decision-makers of the economic unit, as well as information on financial results necessary for external users,

including the state. It is obtained through strict rules established by the Ministry of Finance for it, has a standardized character, is published so that all interested persons are properly informed. As for the information that is less transparent or with partial transparency, it refers to the calculation of costs, to the budget structure of the economic unit, to the knowledge of internal performance, etc. Subject to management accounting which is the internal face of the unit. It is not of a standardized character and is not disclosed to the public (Man&Ciurea, 2016).

Based on the foregoing, the researcher believes that transparency is related to the quality of information, so that the required information must be easy to understand and realistically accurate by the target audience and be presented in order to provide an advantage that encourages the adoption of desired behaviors.

It refers to the interpretation of the accounting information contained in the financial statements and published reports in order to improve the quantity and quality of accounting information to serve users and all parties related to the economic unit.

Information transparency gains its importance from being beyond accounting principles, standards and legislative requirements in financial reports to accounting disclosure that works to provide users with the information they need to make their decisions, and the importance of information transparency increases for the following reasons (Abdul Rahman:2019:p. 8):

- o Increase the process of clarifying the values of items contained in the financial statements.
- o Reducing the degree of volatility in the financial markets to ensure financial stability.
- o Moderate market participants' response to bad news, as well as helping anticipate and evaluate negative information.
- o Helps reduce information asymmetry
- o Decreasing the tendency of markets to focus unnecessarily on positive or negative news.
- o Working to identify the circumstances that led to the change in accounting policies.

1- What are the future expectations:

The American Society of Certified Public Accountants (AICPA, 2015) defines future expectations as any information related to the future that may be presented in the form of complete financial statements or partial financial statements that include one or more elements (Saleh et al.: 2019), and in the same context, financial information is defined For the future, it is information about current and future plans and expectations that enable shareholders and

other investors to assess the future financial performance of the economic unit, i.e. it is information about the future that later becomes information

Historical (Hussainy, 2004), and the media content of financial reports should contain useful and valuable information in order to include, in addition to financial expectations of future profits, cash flows, and expected revenues, other non-financial information such as: the nature of work, management objectives, resources and risks And the expected performance of the economic unit (Abdul Ghaffar: 2020). Through the previous definitions, the most important characteristics of financial information with future expectations can be identified as follows:

- It is quantitative financial information.
- It is oriented towards the future, so it bears the risks of non-verification.
- They are placed according to specific assumptions and not randomly.
- They take the form of historical financial statements and are organized into financial statements with future expectations.

Future forecasts are defined as: future financial information prepared on the basis of assumptions about future events that the management expects to occur and the expected reaction of the management when those assumptions are realized on the date on which the information is prepared (Saleh et al.: 2019).

The interest in expectations with future information is due to (Kiso and Wigant: 2009):

- A. Investment decisions are based on future expectations. Information related to the future facilitates making better decisions.
- B. Financial forecasts are already circulated now, but in an informal and uncensored manner and are not equally available to all investors, and such a case must be subjected to more oversight.
- C. Circumstances are now changing so rapidly that historical information is insufficient for forecasting.
- D. Financing decisions need future information on the expected impact of each source of financing on long-term profitability and liquidity, and on the extent of the project's ability to meet its future obligations (Al-Habbash: 62).
- E. When buying or selling shares, the investor needs to forecast the expected profits and the share of one share of these profits.

Future financial forecasts seek to achieve several goals, including (Saleh et al.: 2019):

- A. To assist users in evaluating performance, the unit's expected financial position and future cash flows.

- B. Creating a good relationship with each of the investors and financial analysts in a way that helps in strengthening the ability of the economic unit to attract new capital.
- C. Providing information that helps in forecasting the future cash flows of the economic unit that assists current and potential investors, lenders and others in estimating the size and timing of the unit's cash flows.
- D. Providing information on the economic resources owned by the economic unit and the obligations that clarify information on the financial performance of the economic unit, as investors and lenders use the financial information in the financial statements.
- E. Assisting external users to make decisions related to the future.
- F. Reducing the cost of external financing.
- G. helps reports on future financial information provided to the Donors to credit for a decision granting credit, and may be in the form of budgets of discretionary (sales budget, production budget, budget procurement, budget expenses and Budget) or in the form of financial statements (income statement estimated, a list of center Estimated financial statement and estimated cash flows).

### **Transparency of information in the financial statements and its impact on future expectations**

That the economic units announce their major projects and contracts to investors, because the investors have the right to see the activity of the economic unit in order to rely on the information announced in their future expectations for the development of its financial performance and its reflection on the stock in the future. It is necessary to compel economic units to set their expectations for future results. It is of very great importance in providing transparent information to the market and reducing the fluctuations currently taking place. Investment is based on the future and the investor is concerned about what will be the case and not what happened in the past. When the economic unit discloses its quarterly or annual results, it announces work It is over, but the most important thing for any dealer and continuity is the next stage, and the announcement of future expectations by the economic unit is based on a real vision and not possibilities (Al-Aqari, 2013), and to emphasize the need to support the level of transparency of the financial report, Russel Picot, Chief Financial Officer of HSBC As well as Stephen Haddrill, Executive Director of the Financial Reporting Council (FRC) in Britain, stressed the need to add further improvements to financial reports in order to support their level of transparency. They also made clear that the required transparency is not only in the financial

report, but in the financial system as a whole, in order to allow investors to understand how economic units handle information and what are the administrative controls Governing the Information Disclosure Decision (Land: 2021), and the transparency of the financial statements is ensured by Through full disclosure and by providing a clear presentation of the information necessary for decision-making (Hammad, 2005), and in order to achieve information transparency in the financial statements, it is necessary to achieve transparency in the following areas: - (www.acc4.arab.com)

- A. Transparency of the accounting principles and methods that were used in determining and measuring the impact of economic transactions and events on the performance of the economic unit and its economic status.
- B. Transparency of management's personal assessments and judgments that have a fundamental impact on the economic unit.
- C. Forecasting transparency by disclosing the permanent or recurring nature of the items of income, expenses, gains and losses.
- D. Transparency of access to information that the financial reports and the information they contain are available to all investors without discrimination in order to achieve equal access to information among all investors.
- E. Transparency in the field of ownership structure and investor rights. Financial reports must include adequate disclosure of the types of shares, types of investors, names of major investors in shares ... etc.

Transparency and disclosure in the market help investors build their investment decisions on scientific data and keep them away from common risks, which supports the investment climate in the market (Bakai: 2014) as market reports bear great importance to the investor through the accuracy of the information contained therein by giving More reliability for the investor in the economic units listed in it about its disclosure of its expected business in the future. The economic unit can clarify the circumstances of any report as it contains inaccurate information that has a substantial and significant impact on investors, which increases disclosure and clarity to the investor and makes it easier for him to make his decisions, which will reflect positively on the market and attract investments to him and raise his Efficiency of trading (Anwar: 2012), where market dealers often explain that the administration's failure to disclose future financial information that it has bad information that it hides (ANWAR: 2015), and it requires enhancing the transparency of the information contained in the financial statements through (AlArdy:2021):

- A. Obligation to disclose new information in the report on the commitment to implement governance mechanisms.
- B. Obligation to report information related to social responsibility and sustainability. Several government regulations or guidelines have been issued by professional organizations with the aim of regulating the report on social responsibility and sustainability.
- C. Initiatives aiming to report on intellectual capital.
- D. The integrated report, which represents one of the most important methods for regulating voluntary disclosure by regulating the report on non-financial information.

### **Research Methodology**

The research problem lies in the investors' need for financial and non-financial information in order to benefit from it in making investment decisions. Accurate and right, and using this information as a basic criterion for predicting the future

The research seeks to achieve testing the relationship between the disclosure of future financial information and the market value of the economic units listed in the Iraq Stock Exchange, and forecasting the closing price (research sample) by relying on future expectations for it by adopting the Tobin's Q index, and determining the nature of the relationship between transparency of disclosure in the financial statements, closing prices of shares, and future expectations, whether the relationship is positive or negative.

The importance of research derives from the increasing importance of the value of future information and the size of its impact on users' decisions, which requires the need to disclose future expectations by adopting the transparency of financial statements, in addition to the fact that the presence of transparency disclosure in the financial statements of economic units helps users to predict the future of the economic unit's profits or losses and stock prices on 31/12 through the availability of correct, accurate and clear information.

Research hypothesis: In light of the research problem and to achieve its objectives, the hypothesis has been formulated in:

There is a statistically significant correlation between the transparency of information in the financial statements, the closing prices of shares in the market, and the future expectations of the research sample.



### Tobin's Q. scale

Tobin's q was introduced by the scientist (James Tobin), as an indicator for predicting the future profitability of investment (Tobin 1969), and it is a tool usually used in the field of economics and finance as an indicator of the performance of economic units, and one of the main advantages of using Q is to reduce any Distortions due to tax and accounting laws, because it uses the market value of the capital of the economic unit, which includes risk factors and its future profitability (Chen & Lee, 1995), and it is seen as the best measure of the performance of economic units than any other accounting procedures such as return on assets (ROA. ) or return on sales (ROS) (Griliches ,1981) (Al-Nuaimi: 2012), and it is defined as the ratio between the market value of the economic unit's assets divided by the replacement cost of those assets (Fu & other: 2016), and it is calculated as follows (Chung & Pruitt, 1994):

$$\text{Approximate } Q = (\text{MVE} + \text{PS} + \text{DEBT}) / \text{TA} \quad D = (\text{AVCL} - \text{AVCA}) + \text{AVLTD}$$

MVE = Number of shares subscribed x share price on 12/31

PS = Preferred Stock Value

DEBT = (Short-term liabilities - short-term assets + book value of long-term liabilities)

TA = book value of the assets of the economic unit.

### Calculating Tobin's q. value

The value of Tobin's q was calculated for the research sample for the period from 2015-2020, where the result obtained from the above equation is considered closer or greater than one, true. This indicates that the value of the economic unit is at a better level and with good performance, and vice versa, the closer the result to zero indicates a low The value of the economic unit and its assets have been given a value higher than their real value,

Table (1) shows the calculation of the value of Tobin's q index for the research sample for the period 2015-2020:

the year	bank	Closing price 12/31	number of shares	Liabilities	Current assets	total assets	Q indicator
2020	The National Bank of Iraq	0.92	250,000	893,965	860,759	893,965	2.2
	Gulf Commercial Bank	0.14	300,000	510,798	422,406	510,798	1.9
	Iraqi Commercial Bank	0.44	250,000	616,949	607,231	616,949	2.1
	Trans Iraq Commercial Bank	0.7	264,000	341,896	338,101	341,896	2.5
	Iraqi Investment Bank	0.23	250,000	571,480	533,911	571,480	2
	Average						2.17
2019	The National Bank of Iraq	0.61	250,000	632,804	462,181	632,804	1.9
	Gulf Commercial Bank	0.14	300,000	549,146	203,241	549,146	1.4
	Iraqi Commercial Bank	0.46	250,000	449,777	288,517	449,777	1.8
	Trans Iraq Commercial Bank	0.7	264,000	347,050	266,151	347,050	2.3

	Iraqi Investment Bank	0.27	250,000	529,802	221,409	529,802	1.5
	Average						1.83
2018	The National Bank of Iraq	0.34	250,000	524,948	437,918	524,948	1.9
	Gulf Commercial Bank	0.19	300,000	578,337	358,438	578,337	1.7
	Iraqi Commercial Bank	0.47	250,000	443,946	309,351	443,946	1.9
	Trans Iraq Commercial Bank	0.7	264,000	328,167	196,917	328,167	2.1
	Iraqi Investment Bank	0.28	250,000	606,973	192,535	606,973	1.4
	Average						1.85
2017	The National Bank of Iraq	0.47	250,000	603,980	536,401	603,980	2
	Gulf Commercial Bank	0.39	300,000	603,313	512,842	603,313	2
	Iraqi Commercial Bank	0.49	250,000	460,702	453,424	460,702	2.2
	Trans Iraq Commercial Bank	0.7	264,000	351,929	340,947	351,929	2.4
	Iraqi Investment Bank	0.42	250,000	573,706	540,169	573,706	2.1
	Average						2.19
2016	The National Bank of Iraq	0.41	250,000	580,415	493,263	580,415	2
	Gulf Commercial Bank	0.45	300,000	802,022	735,290	802,022	2
	Iraqi Commercial Bank	0.48	250,000	423,819	418,934	423,819	2.2
	Trans Iraq Commercial Bank	0.7	264,000	415,851	408,234	415,851	2.4
	Iraqi Investment Bank	0.6	250,000	577,870	562,402	577,870	2.2
	Average						2.21
2015	The National Bank of Iraq	0.55	250,000	535,764	493,263	535,764	2.1
	Gulf Commercial Bank	0.51	300,000	800,108	739,109	800,108	2.1
	Iraqi Commercial Bank	0.41	250,000	390,117	387,335	390,117	2.2
	Trans Iraq Commercial Bank	0.7	264,000	379,963	356,955	379,963	2.4
	Iraqi Investment Bank	0.68	250,000	550,025	533,445	550,025	2.2
	Average						2.25

Source: Prepared by researchers

The cash value of the preferred shares will be excluded from the above equation because the industrial companies listed in the market do not deal with the preferred shares, while the other equation variables remain unchanged. From the analysis of the above table, the following results are evident:

- 1- The value of Tobin's index reached in 2020 and 2019 the Trans-Iraq Commercial Bank achieved the highest percentage, which amounted to (2.5) and (2.3) respectively, and the Gulf Commercial Bank achieved the lowest percentage, which amounted to (1.9) and (1.4) respectively, but in 2018 The Trans-Iraq Commercial Bank was ahead of other banks in the research sample and achieved (2.1), and the Commercial Investment Bank achieved the lowest percentage, which amounted to (1.4), in addition to the Trans Iraq Commercial Bank achieved the highest percentage of (2.4) for the years 2017, 2016 and 2015 and the Bank of the Bank came of Iraq and the Gulf Commercial Bank with the lowest ratio of (2.0) for the years 2017 and 2016 and a ratio of (2.1) for the year 2015.
- 2- The value of Tobin's index is higher than (1) and this is a good indicator, as the closer or more than one is true, this indicates that the value of the economic unit is at a better level and with good performance.

3- The average of the research sample amounted to (2.17, 1.83, 1.85, 2.19, 2.21, 2.25) respectively for the years 2020, 2019, 2018, 2018, 2017, 2016 and 2015, where we find that the lowest percentage was achieved in 2019 and the reason is due to the exceptional circumstances that the country went through, which was reflected on the movement of shares trading in the Iraqi Stock Exchange.

4- In order to find the relationship between the average closing price and the average Tobin's index for the research sample, and Table (2) shows this:

Table (2) The relationship between the average closing price and the average Tobin's index for the research sample.

the bank	average closing price	Tobin's average index
The National Bank of Iraq	0.55	2.01666667
Gulf Commercial Bank	0.36	1.85
Iraqi Commercial Bank	0.55	2.06666667
Trans Iraq Commercial Bank	0.84	2.35
Iraqi Investment Bank	0.5	1.9
<b>correlation coefficient</b>	0.973899652	

Source: Prepared by researchers

From the analysis of Table (2), we find that the relationship between the average closing price and the average Tobin's index for the research sample is a positive direct relationship, which amounted to (0.973).

In the same context, the closing price was calculated on 12/31 for the years 2021, 2022, 2023 and through the use of the forecast function using the Excel program, and table (3) illustrates this:

Table (3) Forecasts at closing price 12/31 for the years 2021, 2022, 2023 for the research sample

bank	closing price 31/12						expectations		
	2015	2016	2017	2018	2019	2020	2021	2022	2023
The National Bank of Iraq	0.55	0.41	0.47	0.61	0.92	0.61	0.792	0.848	0.904
Gulf Commercial Bank	0.51	0.45	0.39	0.14	0.14	0.14	-0.01	-0.09	-0.18
Iraqi Commercial Bank	0.41	0.48	0.49	0.46	0.44	0.46	0.467	0.47	0.472
Trans Iraq Commercial Bank	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Iraqi Investment Bank	0.68	0.6	0.42	0.27	0.23	0.27	0.081	-0.01	-0.11

Source: Prepared by researchers

From the analysis of Table (3), it is clear that the National Bank of Iraq's closing price is unstable, as it decreased in 2016 to reach (0.41) and then rebounded for the following years. As for Gulf Commercial Bank, the closing price witnessed a decrease, reaching (0.51, 0.45, 0.39, 0.14, 0.14, 0.14) for the years 2020, 2019, 2018, 2018, 2017, 2016 and 2015, respectively, which was reflected in the expectations on the closing price for the years 2023, 2022, 2021, where it amounted to (-0.008), (-0.094) and (-0.181), which requires the management of the bank Taking a number of measures and changing the policies followed for the purpose of avoiding the decline in the trading price, and in the same context, the Commercial Bank of Iraq achieved the closing price for the years, the research sample witnessed non-volatile prices, which affected the expectations for the closing price and amounted to (0.467, 0.470, 0.472) for the years 2021, 2023, 2022, respectively, while the Trans-Iraq Commercial Bank had a fixed closing price for all years of the research period and amounted to (0.7), in addition to the Iraqi Investment Bank, the closing price being unstable and fluctuating between low and high.

In the same context, the closing price is one of the variables of the Tobin's index, and any change in one of the variables will be reflected in the value of the Tobin's index. The researcher used the forecast function in the Excel program to calculate the expectations for the Tobin's index, and the table (4) shows this:

Table (4) Expectations of the value of Tobin's index for the years 2021, 2022, 2023 for the research sample

bank	Tobin's computed index value						Tobin's Index Value Predictions		
	2015	2016	2017	2018	2019	2020	2021	2022	2023
The National Bank of Iraq	2.1	2	2	1.9	1.9	2.2	2.027	2.029	2.032
Gulf Commercial Bank	2.1	2	2	1.7	1.4	1.9	1.54	1.451	1.363
Iraqi Commercial Bank	2.2	2.2	2.2	1.9	1.8	2.1	1.867	1.809	1.752
Trans Iraq Commercial Bank	2.4	2.4	2.4	2.1	2.3	2.5	2.34	2.337	2.334
Iraqi Investment Bank	2.2	2.2	2.1	1.4	1.5	2	1.52	1.411	1.303

Source: Prepared by researchers

From the analysis of the above table, it is clear that the highest value of Tobin's index expectations achieved by the Trans-Iraq Commercial Bank amounted to (2.34), (2.337) and (2.334) for the years 2021, 2022 and 2023, respectively, and the reason for the decline in the value of the Tobin's index expectations is due to (financial, political or economic conditions As stock prices are more affected by external conditions, which is reflected on the market value as well as the decline in profitability, as well as the results of the statistical analysis showed a positive significant relationship and a clear effect between the disclosure of future financial information and the market value of the economic units included in the research sample.

## RESULTS

in setting strategic plans, disclosing the role of the council, setting programs for training. The necessity for the economic units listed in the capital markets to improve the level of transparency in disclosure by disclosing all information related to their activities, whether they are historical, current or future information. A periodic evaluation of the level of future information disclosure should be undertaken in order to encourage economic units to disclose information. Publishing the results of the evaluation in bulletins and periodicals of the financial market, as well as including them as additional indicators in the performance evaluation process, which is a moral media support that has a significant impact on motivating the management of economic units to pay attention and seek to expand the transparency of disclosure of information in the financial statements.

Disclosure by economic units of their expected future plans in the coming years, their expected sales and profits, and the expected stock price, which leads to increased transparency of disclosure through the use of financial indicators and ratios that express this, which increases investment opportunities in them.

Work to include in financial reports non-financial information, including voting and meeting procedures for shareholders, disclosure of opportunities and risks to the economic unit, disclosure of the intensity of competition in the economic sectors in the market, and transparent disclosure of the extent to which employees are satisfied with whether it is about financial satisfaction or the extent to which employees encourage creativity innovation and the extent of their participation members, and disclosing these programmes.

## CONCLUSIONS

According to the international research currents and professional propositions that paid attention to future financial disclosure, it is possible to build an index for the disclosure of future financial information by adopting the expectations of the Tobin's index. To reliable results in decision-making, and by relying on Tobin's index for the purpose of expectations of future performance and profitability, it provides an appropriate opportunity for investors to read future trends for the performance and profitability of economic units and to modify investment decisions. It became clear that there is a clear discrepancy in the value of the economic units in the research sample, whose reasons are attributed to the discrepancy in the disclosure of future financial information, as there is a positive relationship between the value of the Tobin's index and the transparency of the information disclosed in the financial statements and future expectations, which is reflected in increased investment opportunities.

It was found that the average closing price of 12/31 for the research sample amounted to (1.83) in the year 2019, which is the lowest percentage achieved and the reason is due to the exceptional circumstances that the country has experienced, which was reflected in the movement of shares trading in the Iraq Stock Exchange.

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