T.C. KOCAELI UNIVERSITY
INSTITUTE OF SOCIAL SCIENCES
DEPARTMENT OF BUSINESS
ACCOUNTING AND FINANCE PROGRAM

THE EFFECT OF PROFIT MANAGEMENT PRACTICE ON STOCK PRICES

Master's Thesis

By

Huthayfa ABED

KOCAELİ 2021

T.C. KOCAELI UNIVERSITY
INSTITUTE OF SOCIAL SCIENCES
DEPARTMENT OF BUSINESS
ACCOUNTING AND FINANCE PROGRAM

THE EFFECT OF PROFIT MANAGEMENT PRACTICE ON STOCK PRICES

Master's Thesis

By

Huthayfa ABED

Supervisor: Assoc. Prof. Ednan AYVAZ

Institute of Social Sciences Board of Directors Decision Date and Number: 14.07.2021 / 17

KOCAELİ 2021

ACKNOWLEDGEMENTS

My full praise and thanks to Allah who helped me to accomplish this sincere work, praise, and thankfulness before and after to him.

Hearty loyalty and gratitude to those whom I would like to get their pleasures after Allah, my dear parents, who have given me what they can to make me outstanding constantly. Thanks to my family for offering me as I wish. It is my pleasure to extend my sincere thanks and appreciation to Professor. Ednan AYVAZ, my supervisor for his great kindness and unlimited care.

Besides, I dedicate this work to the members of the discussion committee for their acceptance of discussing this letter.

I extend my sincere thanks to my university, the University of Kocaeli, with the faculty members and staff of the College of Accountment for their help and assistance.

Unlimited thanks to the staff of the Amman Stock Exchange, Dr. Rasha Deedat, Professor Tala Sawalha, and Professor Muayad Hassan for their continuous support and for providing me with all the necessary information and data.

I also give my sincere thanks and gratitude to those who, utilizing which the dream has been completed, has surpassed the difficulties with their support, Professor Ahmed Al-Kafarna for his continuous assistance to me to complete this achievement and of all my friends and colleagues.

Finally, I am highly indebted to the Republic of Turkey for the Master of Accounting and Finance scholarship through Presidency for Turks Abroad and Related Communities (YTB)

Huthayfa ABED

CONTENTS

ÖZET

Çalışmanın amacı, kazanç yönetiminin Ürdün'de faaliyet gösteren mühendislik ve inşaat firmalarını hisselerinin piyasa değerleri üzerindeki etkisini incelemektir. Araştırmanın evrenini Ürdün'deki mühendislik ve inşaat firmaları oluştururken, çalışmanın örneklemini (2017-2019), dönemine ait Amman Borsası'nda hisse senetleri işlem gören 7 firmanın dahil olduğu mühendislik ve inşaat firmalarından oluşmaktadır.

Araştırmanın amaçlarına ulaşmak için, araştırılan firmalara finansal tablolar aracılığıyla veri toplama, veri analizi ve hipotez test etmek için tanımlayıcı analitik yöntem kullanılmıştır, Araştırmacı, kazanç yönetiminin piyasa fiyatı üzerindeki etkisini göstermek için çoklu regresyon testi kullanmıştır. Hisse senetleri, ayrıca her bir bağımsız değişkenin, hisselerin piyasa fiyatı üzerindeki bağımlı değişkene etkisi için kullanılan basit doğrusal regresyon testidir. Ürdün'de faaliyet gösteren mühendislik ve inşaat firmalarının hisse senetlerinin piyasa değerleri üzerinde kazanç yönetimi uygulamaları ile istatistiksel olarak anlamlı olmayan bir ilişki ortaya çıkmıştır.

Çalışmada firmanın çalışma kapsamındaki taahhüdünün kurumsal yönetim kuralları ve standartları ile faaliyete geçirilmesi, firmalarda dolandırıcılık ve finansal çevrenin manipülasyonundan arındırılması için bilgi ve değişikliklerin açıklanması yoluyla aktif hale getirilmesi, yönetim kurulunun kurumsal yönetim Firmalara yönelik tehlikenin azaltılmasına ve çerçevelenmesine katkıda bulunacak hedefler ve paydaşlar yer almaktadır.

Denetim komitesinin, kazanç yönetimi uygulamalarını tespit etmek için bir algı ve farkındalık derecesi olma rolünün etkinliğini artırmak gerektiği düşünülmektedir.

Anahtar kelimeler: Kazanç Yönetimi, Hisselerin Piyasa Değerleri, İnşaat Firmaları, ASE

ABSTRACT

The study aims to investigate the impact of earnings management on the market values of Jordanian engineering and construction firm's shares. The study population consists of engineering and construction firms in Jordan while the study sample consists of Jordanian engineering and construction firms listed in Amman Stock Exchange included seven firms for the period between (2017-2019).

To achieve the objectives of the study the descriptive-analytical method was used for data collection, data analysis, and testing hypotheses through financial statements firms under study. Researchers have been used multiple regression tests to demonstrate the effect of earnings management on the market price of the shares. In addition, the simple linear regression test was used to affect each independent variable on the dependent variable on the market price of the shares. The results of the statistical tests on the presence of a statistically non-significant relationship to the practices of earnings management (cash flow from the operating process, firms' revenues change, accounts receivable change) on market values of Jordanian engineering and construction firms shares listed on the ASE during different years of study.

The study recommended activating the firm's commitment understudy with rules and standards of corporate governance through the disclosure of information and changes in the firms to ensure free of fraud and manipulation of the financial environment provide appropriate and proper incentives for the board of directors to achieve corporate objectives and stakeholders which will contribute to curbing and framing danger to firms.

Increase the effectiveness of the audit committee's role to become a degree of perception and awareness for detecting earnings management practices.

Keywords: Earnings Management, Market Values of Shares, construction firms, ASE

LIST OF FIGURES AND TABLES

INTRODUCTION

The business environment has undergone radical transformations in recent years. They are characterized by the emergence of many complex financial and commercial transactions, which resulted in the management making many decisions that control the accounting information on which the parties concerned with the performance of the organization depended. It is called to the issuance of accounting standards that containing many details and explanations. Also, the multiplicity of alternatives and methods that can be applied, at the same time to enjoy general acceptance, allow management to have ample room for manipulation of reports on its financial performance and its best manifestation through what became known as creative accounting practices Ahmed (2008).

Through several methods that can be used to show the results of the organization and its financial position in contravention of the economic reality, thus, hide certain activities or modify them to the extent of management purposes (Mulford and Comiskey, 2005).

These methods are commonly called several names such as Profit Management and Creative Accounting. All of these use gaps in accounting principles to show the financial position as desired by company managers.

The study of Agent (2006) has indicated that the company's management is officially authorized to prepare and display financial statements, which are the most important source of information for external users of those lists, through which they evaluate the performance of companies and make their various decisions related to them. As long as the accuracy of the evaluation depends mainly on the fairness and integrity of the information contained in those lists, the profit numbers are considered to be one of the most important items contained in the published financial statements, which is an indication of the success of the company's management in achieving the objectives of the various parties in the business of organizations especially shareholders.

As Abu Ajila (2007) clarified that company managers are given sufficient flexibility to practice their diligence in financial reporting, whereby using their knowledge and experience to improve the effectiveness of financial statements, through which all parties can read what happened during the past period and predict what may happen in the coming period, and through a full understanding of the nature and behaviors of the stock market and its clients. The decision-maker depicts the financial statements determined by the profit figure based on the will of the management and to achieve them. Some of the objectives are called profit management, as it aims to manipulate profits to achieve certain profits for the management or to achieve a profit level in line with the expectations of financial analysts.

Thus, the current study aims to identify the impact of profit management on market price shares of Jordanian engineering and construction industry companies.

CHAPTER 1

1. LITERATURE REVIEW

1.1. THE PROBLEM OF STUDY AND ITS QUESTIONS

It is well known that profit management or creative accounting or as referred to as fraudulent accounting leads to the presentation of misleading financial and accounting results to investors, which is reflected in the market value of the shares, and the fact that Jordanian construction companies are one of the institutions that attach great importance to the value of their market shares traded on the stock market, and the fact that profit management practices have become practiced by many industrial and service institutions. It can be shown the problem of study by asking the following main question:

To what extent profit management practices (cash flow from the operating process, change in company revenues, change in accounts under collection) affect the market prices of shares of Jordanian engineering and construction companies?"

The following sub-questions follow:

Question 1: To what extent does the cash flow from the operation affect the market prices of the shares of Jordanian engineering and construction companies?

Question 2: To what extent does the change in revenue affect the market prices of Jordanian engineering and construction companies?

Question 3: To what extent does the change in accounts under collection affect the market prices of the shares of Jordanian engineering and construction companies?

1.2. STUDY OBJECTIVES

This study aims primarily to identify the impact of profit management on market prices shares of Jordanian engineering and construction industry companies by achieving the following objectives:

1. To identify the impact of cash flow from the operational process on the market prices of shares of Jordanian engineering and construction industry companies.
2. To show the level of impact of the change in revenues on the market prices of the shares of Jordanian engineering and construction companies.
3. To show the impact of the change in accounts under collection on the market prices of the shares of Jordanian engineering and construction companies.

1.3. THE IMPORTANCE OF STUDY

The most important of the study comes from the following points:

1. Theoretical importance: This importance is highlighted by the intellectual enrichment that may contribute through the tracking of theoretical literature and previous studies of the main variables cash flow from the operational process, the change in the company's revenues, and the change in accounts under collection) in a form that is an integrated conceptual framework for these concepts and the methodology of their study.
2. Second- Scientific importance: The importance of the study stems from the fact that it is a serious attempt to determine the nature of the practice of management in the Jordanian construction companies' for-profit management methods, as these companies manage and own large investments and try hard to achieve the highest return to ensure their continuity. Therefore, what will be revealed in this study will provide positive results that contribute to ensuring the progress and continuity of success of these companies in their performance, as these companies can be an entry point for monitoring the conditions of those companies and discontinuing the practices of profit management.

1.3. STUDY HYPOTHESES

Based on the study's problem, questions, and specific objectives, the following key hypotheses have been formulated, which will be tested, and the conclusions and recommendations are drawn through them as follows:

1.3.1. The Main Hypothesis

There is no statistically significant effect at the level of indication (0.05 > a) of the practices of managing profits cash flow from the operational process, the change in the company's revenues, and the change in accounts under collection) on the market prices of shares of Jordanian engineering and construction companies.

The following sub hypotheses are branched out:

The first sub hypothesis Ho: There is no statistically significant effect at the level of indication (0.05 >) of the cash flow from the operational process on the market prices of the shares of Jordanian engineering and construction companies.

Sub-hypothesis Ho: There is no statistically significant effect at the level of indication (0.05> a) of the change in the company's revenues on the market prices of shares of Jordanian engineering and construction companies.

Sub-hypothesis Ho: There is no statistically significant effect at the level of indication (0.05 > a) of the change in calculations under collection on the market prices of the shares of Jordanian engineering and construction companies.

1.4. STUDY MODEL

In light of the problem of this study and its hypotheses and to achieve its purpose and reach its specific objectives. The study model was designed with its variables, and the first figure shows this model. The figure also shows the existence of the dependent variable, which is the market prices of the shares, which have been measured by the calculation of the IPO of companies on the ASE in question for three years.

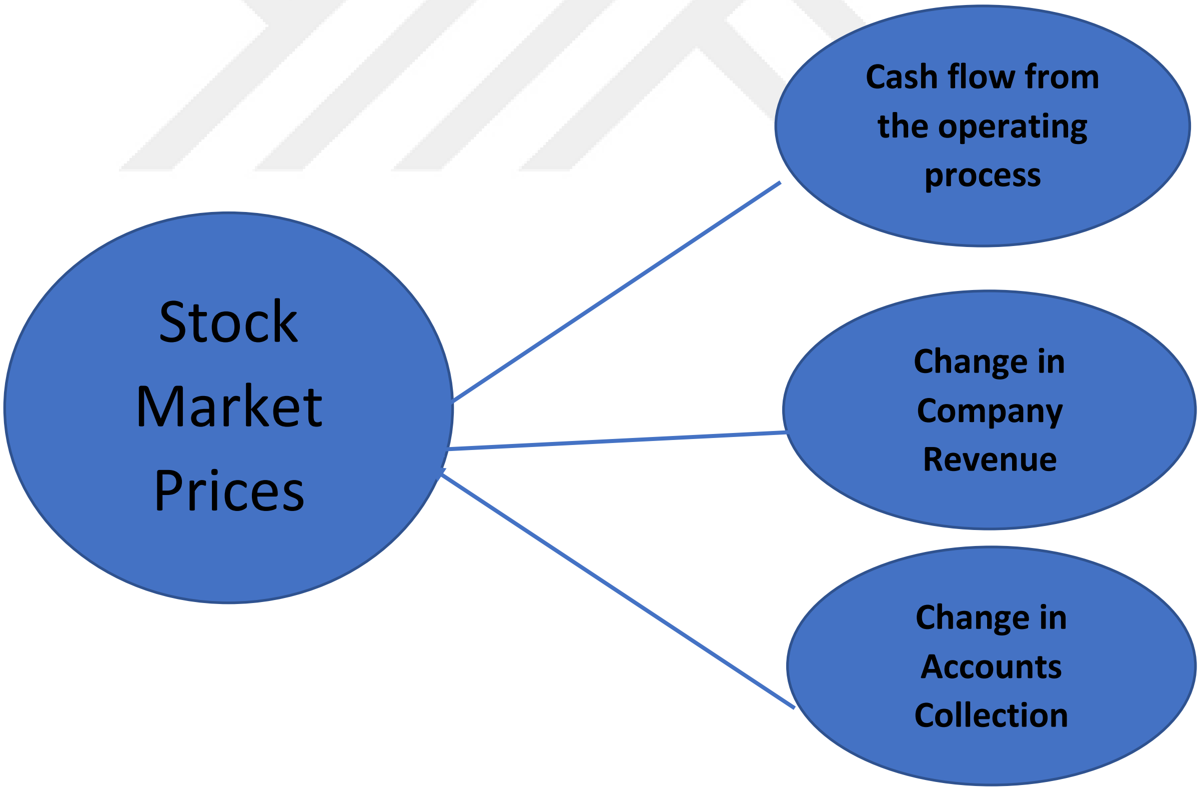

Figure 1.1. Study model

1.5. PROCEDURAL DEFINITIONS

For this study, the researcher identified the procedural meanings of all the variables of the independent and dependent study as follows:

Profit Management: Some of the management's practices of manipulating profits to improve certain management gains or achieve a level of profit in line with the expectations of financial analysts.

Cash flow from the operational process**:** the amount of cash produced or used by Jordanian engineering and construction industry companies as a result of the sale of their products and services.

Change in the company's revenues**:** the amount of annual change in revenues of Jordanian engineering and construction companies in exchange for the sale of their products and services.

Change in accounts under collection**:** The amount of annual change in the amounts spent by Jordanian engineering and construction industry companies for third parties based on collecting from third parties.

Market prices of shares**:** The value at which the stock is sold in the market may be equal to or higher or lower than its book value.

1.6. STUDY LIMITS

The limits of the study were as follows:

Spatial boundaries: The spatial boundaries of this study are represented by the Jordanian engineering and construction industry companies in the capital Amman, which number (8) companies.

Time limits: The time taken to complete the study, which is between September 2020 and May 2021.

1.7. STUDY DETERMINANTS

The parameters of the study were:

- ✓ This study did not take into account all the factors affecting profit management practices on the market prices of shares of Jordanian engineering and construction companies.
- ✓ The study is limited only to Jordanian engineering and construction companies in the capital Amman.
- ✓ The results of this study are not generalized to other companies that the researcher has not been able to reach.

- ✓ The researcher faced difficulties in not cooperating with companies during the period of application of their studies in obtaining their financial lists.

CHAPTER 2

2. RESEARCH METHODS

2.1. THEORETICAL FRAMEWORK

As a result of the bankruptcy of many of the world's largest companies following the financial crisis, the administration manipulated the financial statements issues because of the pressure it had to generate and maximize profits, results in material, social and economic damage (Al-Sheikh, 2014). The phenomenon of profit management exercised by companies in general and public contribution in particular to improve their profitability and financial position is reflected in their published financial statements. The executive departments of those companies resort to these practices either to satisfy their shareholders or to limit the fall in the prices of their shares traded on the financial market or to avoid the forced liquidation process threatens it due to the significant and continuous decline in its operating profits (i.e., to maintain the quality of profits in front of current and prospective owners and investors, or to achieve its purposes) (Matar, Noor and Al-Daas, 2013).

2.2. PROFIT MANAGEMENT

Hence, there are many definitions of profit management due to the accounting thinking of these researchers and the following is a review of many of these definitions:

- **Profit management is defined as** an attempt by management to influence or manipulate declared profits through the use of certain accounting methods, such as postponing or accelerating the recognition of revenues or expenses, or using other methods to influence short-term profits (AL-lawzi, 2013)
- **Profit management is also defined as** a deliberate distortion of the value of profits to show a different reality, to change the meaning of financial statements, or to direct the decision-maker to make pre-calculated decisions. It is a tool used by company managers to gain the trust of owners since the separation of ownership from management, they use what is known as the income-relief policy, which is based on the principle of stability in the declaration of profits at regular rates at the end of each financial period.
- **Al-Khashawi and Al Dosari defined profit management as** the practices of accountants to shade the financial data reader for any objective, whether to strengthen the stock in the market or maximize the rewards of the Executive Board or otherwise.

2.3. PROFIT MANAGEMENT MOTIVES

Utama & Siregar (2008) consider that there are two motives for-profit management; concerning the nature and objectives of these motives, Healy and Wahlen pointed out that the motives of profit management can be divided into three main motives, each of which may involve an opportunistic motive, a motive for efficiency or the motives of both as follows:

Motives for financial market expectations and valuations: The prevailing use of accounting information by investors and financial analysts helps to evaluate stocks that generate momentum for managers to manipulate profits, in an attempt to influence the performance of the share price in a short term, as in the case of stock options or to increase the share price in the initial stock offerings (Abu Ajila & Hamdan, 2008; Jaidi & Jihan Abu, 2015)

Contractual Motives: The importance of contractual motives as a catalyst for-profit management is demonstrated when accounting data is used as a basis for reliance on them in regulating certain contractual relationships to meet requirements with three parties such as lending contracts for financing or maintaining financing, and management reward contracts for personal benefits to management (Abu Ajila & Hamdan, 2008; Khaled, 2016; Al-sheikh, 2014).

Regulatory Motives: Studies have shown that the more likely the company is to be exposed to external pressures and interventions by the government, the management of companies resorts to adopting accounting policies that show low levels of profitability, for example, for tax evasion or monopolistic companies (Samir, 2008; Al-sheikh, 2014).

2.4. ETHICAL PERSPECTIVE IN PROFIT MANAGEMENT

Many studies have indicated that the ethical status of profit management is the subject of great disagreement, depending on whether its practice is morally justified or not? But the goal of the administration may be to improve some aspects related to its future strategies, or deliberate misinformation of the relevant parties, and in any case, deception is not always moral, but it needs to be justified. When there is an alternative to deception, we cannot find a justification for the practice of deception, and has dealt with previous literature, the practice of profit management from an ethical perspective and these studies: the study (Ross, 1988) quoting from (Merchant & Rockness, 2002) included alpha and seventeen (1017) responding from large company managers, deans of business schools and members of the U.S. Congress who found that the growing focus on short-term profits threatens the ethical values of the U.S. business sector.

The results of the two types of research agreed that manipulating profits through operational decisions may be morally acceptable, while manipulation through accounting policies is morally unacceptable, as this practice may mislead accounting information users, and may lead over time to a decline in confidence in accounting information, which negatively affects the accounting profession.

The researcher believes that what distinguishes profit management from other practices (income preparation and cleaning of financial statements ..) is that they are usually made in secret, i.e. there is no announcement of profits that have been managed, nor is there disclosure of the methods used, nor the value that has been adjusted, therefore, we conclude that profit management is not morally justified, because it is done in secret, which leads to deception, and there are those who have gone on to lack moral justifications for managing profits, especially if combined with misinformation and blackout on some important economic events that may be very harmful to the interests of the various parties.

As for practices that are not associated with some misinformation and deception, they depart from methods related to profit management to personal jurisprudence for improvement only and not for harm.

2.5. RISK AND OUTCOMES OF PROFIT MANAGEMENT PRACTICES

Negative profit management practices are surrounded by a range of risks affecting the organization and are similar to:

1. The risks of the surrounding environment are the economic, political, and social risks that affect the business environment:
    A. The unreal and fair increase in the earnings index results from higher political costs and an increase in tax rates and thereby an impact on cash flows and thus on dividends.
    B. The loss of confidence in a country's working organization will affect all organizations in the surrounding environment.
2. The internal risks of the organization: these risks affecting the organization are:
    A. **High operating risk:** Reduced shareholder numbers due to loss of confidence in the organization affecting high capital costs, loss of competitiveness, negative impact on profit margin, and pressure on cash flows affecting dividends.
    B. **High-performance risk:** The decline in market share, which affects the organization's revenues, both investment and finance.

C. **High liquidity risk:** The demand of shareholders for their money and thereby the conversion of a wide range of long- and medium-term deposits on which organizations rely in their investment and financing activities into funds and repayment, which affects the weakness of repayment capacity and resort to borrowing at high costs.

D. **High management risk:** Since profit management practices have been carried out by management, shareholders and stakeholders will be generated by individual control by management over their funds and interests and therefore this management is inefficient in managing the organization, prompting them to change them or sue them if necessary.

Although managers are aware that profit management while delivering benefits to the facility in the short term, may lead to serious problems in the long term, the most important of which are (Clikeman, 2003)

E. **Devaluation:** There are many operating decisions made by the facility to influence short-term profits otherwise it could in the long run damage the economic efficiency of the facility, for example accelerating revenues that may lead to the establishment selling the product on December 30th on terms that could have It would be better if the same customer was sold on January 2. Also, delaying optional expenses in the long term can damage the performance of the facility, delaying maintenance, research, and development, and training of workers may lead to equipment modification, loss of pedestrians take in the market and reduced productivity.

F. **The disappearance of ethical standards:** even if profit management does not violate accounting standards in a morally questionable way. The women who manage their profits send a message to workers that hiding and shading the truth is an acceptable practice. Managers who bear the risk of this practice create a moral climate that calls the existence of other questionable activities.

Profit management can also become a very slippery slope, and relatively simple accounting circumvention methods become more and more complex until they create fundamental irregularities in financial statements.

G. **Hiding operational management problems:** Profit management is not only exercised at the senior management level but also at the level of operational management.

H. **Economic sanctions and re-preparation of financial statements:** In recent years, the U.S. Stock Exchange has imposed severe sanctions on companies that managed their profits. For example, in the early 1990s, the stock exchange fined W.R. Grace and Co.$1 million and asked it to recalculate and advertise its profits, the reason for which the company between 1990 and 1992 had failed to disclose its declared profits by registering incorrect reserves of 55 million.

In 1993-1995, R-States prepared reserves to profit, to meet the quarterly target profits, and even if securities did not impose fines or other disciplinary penalties, simply recalculation of profits and profits could in itself be very costly for the company.

2.6. FACTORS AFFECTING PROFIT MANAGEMENT

Factors affecting the company's profit management process and size, the terms of debt contracts and capital intensity, taxable L.P.H., and stimulus medicines, and the following is a review of them:

1- **Profits of a company**: It is well known that the more profits the company increases, the more it will maximize dividends, and for creditors, the greater the company's profits, the greater its century of repayment, the higher the net income, the higher the base of the company's assets and property rights, and it helps to attract capital from the new 20 (N & D, 2003) and many studies have indicated that the share prices of the company are directly affected by the company's profits, so companies are always seeking to maintain On its investors, the touch yields the advantage of the company's profit being stable, and investors also seek and eventually pay high prices for shares in companies whose profits are less volatile, and the heart drop in the company's profits is not less about the direction of profits and in order to enhance the impression of low risk, and can take the profit management to reduce profit volatility which practically leads toa price of A.L. shares (Hamad, 2005) and therefore the company's live is counted A necessary and important factor for profit management, as it cannot be relied on a weak profitability to make a profit.

2- **Company size:** Many studies have indicated that the larger the size of the company, the greater the likelihood of managing profits in it due to the wide scope of regulation of expenses, dues, and unusual items, greater flexibility in the use of accounting changes as well as the greater likelihood of profit volatility from year to year in large companies unlike in small companies (Jahmani, 2001).

3- **Terms of debt contracts:** The Bilgi Study (Begley, 1990) referred to a discussion of the hypothesis that companies may exercise the process of managing profits to avoid violating the terms of the debt contracts, so the researcher believes that the tendency of companies with increased debt ratio to adopt accounting options leads to increased profits announced in an attempt to avoid the possibility of violating the terms of the debt contracts, or the intervention of creditors to impose some restrictions on the company as a result of increased debt ratio.

4- **Capital density:** Capital density represents the division of fixed assets into total assets, reflecting the extent to which the company's capital is dependent on fixed capital, which reduces the intensity of capital density because high capital density means the density of equipment availability or not through which it can be dispensed with. The company is responsible to the state for its political cost and responsibilities in reducing the size of unemployment and paying for the percentage of the unemployed.

5- **Taxable wind:** It is believed that the management of the company has the profit management to reduce the impact of taxes on the company's profits in the follow-up financial periods.

6- **Stimulus tools**: Companies that link the financial incentives of managers and the performance of the share price of the company in which the resort of managers to profit management is great, so the likelihood of management increases in companies that come with plans of great compensation, if the company achieves a large profit, this reflects on the management, and translates into mca and bonuses, while low income leads to the contrary, i.e. there is a positive relationship and the plans of the company and the management of profits in

2.7. WAYS TO DETECT PROFIT MANAGEMENT

The researchers revealed that there are two ways to detect the practice of profit management in companies: the method of accounting analysis and the method of dues (Tamimi & Saadi, 2015; Jabbar, 2016; Sahrawi, 2018) and the following is a review of these methods in some detail.

2.7.1. Accounting Analysis Method

The accounting analysis process is carried out through a series of steps as follows (Jabbar, 2016).

Identify the basic accounting policies of the company and the industry to which it belongs: identifying these accounting policies allows the auditor or financial analyst to focus on areas where the probability of manipulation is high.

Evaluation of the accounting flexibility available to the Company: i.e. how flexible the company management has in choosing its accounting policy, for some companies the flexibility available to them is very limited due to the restrictions imposed by the generally accepted accounting principles (GAAP), and others are 1 The flexibility available to them is great, so the knowledge of company managers, whether the company is conservative or unreserved, allows you to know the extent to which profit management practices are used, as companies, where accounting is not conservative, have a higher percentage of these practices and are more likely to use illegal methods of accounting.

Evaluating the company's accounting strategy: by showing how different it is from the accounting strategy of its competitors, showing whether accounting policies and estimates have been realistic in the past, and determining the extent of the change in accounting policies and the impact of that change.

Evaluation of the quality of accounting disclosure of the company: meaning if the company provides sufficient information about the accounting policies used, whether they are sufficiently justified, and is there a detailed evaluation and full analysis of the company's performance in the past, as companies that provide sufficient additional clarifications facilitate a better understanding of financial statements and disclose transparently are beyond profit management practices.

Identifying risk indicators (Red Flags) in financial statements: Although having one or one point of them does not necessarily mean something negative, but the presence of these points raises the need for further scrutiny and confirmation, these points are:

- ✓ Change in unexplained accounting policies, particularly if performance is not good. (b) Unexplained profit increases (e.g. increased profits through the sale of assets).
- ✓ The abnormal increase in the balance of debtors concerning the increase in sales volume.
- ✓ Increase the difference between net profit and cash flows from operating activities.
- ✓ Increase the gap between net profit announced and net profit for income tax purposes
- ✓ Unexpected write-off of large assets, or unexpected reduction in their value.
- ✓ Significant adjustments and changes in the fourth quarter of the fiscal year.
- ✓ Change the external auditor frequently, and the opinion of the reserved auditor.

2.7.2. The Method of Dues

The method of dues is considered one of the most prominent means used in examining the practice of profit management and is based on the accounting basis known as the basis of maturity, which requires the registration of all revenues related to the financial period received, and the registration of all expenses related to the financial period whether paid or not, and the accounting based on maturity is characterized by giving a real picture of the difference in the results of the company's activity and financial position, and in the same context, the dues arise between yearning In the event of cash flow and the timing of accounting recognition of events taking place in the company during a specified period (Tamimi & Saadi, 2015; Jabbar, 2016) that the dues are expressed in the non-cash part of the income, and are measured by the difference between income based on maturity and income according to the basis of the progressive (Fabozzi & Peterson, 1999; Neelan, 2007)

- ✓ **Non-optional dues:** This part of the total dues resulting from the practice of normal activities of the company as buying and selling operations, and it continues to operate the company in the light of the principles, accounting standards, and financial reporting requirements, so the management of the company cannot influence or control it.
- ✓ **Optional dues:** This part of the total dues resulting from the intervention of the company's management in the development of accounting policies and treatments, which is the part through which the management of the company can practice manipulating profits by reducing or amplifying and influencing financial statements following its directions and achieving its objectives, and this section of dues is disclosed using multiple means and methods.

2.8. REASONS FOR MANAGING PROFITS

There are many reasons why the administration should pursue a policy and strategy to pave the way for income, the most important of which are:

- ✓ Reducing the tax burden, through the timing of the realization of revenue and expense items over several fiscal periods.
- ✓ Stability of the dividend policy, which is desirable to develop and maximize investor confidence in the performance of the company and the efficiency of management.
- ✓ Developing and strengthening the relationship between management and employees, as a sharp increase in declared profits can lead to high wage requirements by employees.

- ✓ The income-booting policy could have a psychological impact on the economy (Hepworth, 1953)

2.9. INCENTIVES FOR PROFIT MANAGEMENT PRACTICE

Practice doing what needs incentives, motives, or convictions, and this also applies to companies' practice of manipulating profit figures (Shaheen, 2011) corporate departments differ in their methods to influence financial statements according to the goal they seek to achieve, where it is considered the most dangerous and worst methods in which counterfeiting and fictitious operations are used and called bad profit management, while the other method is less harmful because it does not deviate from the accounting principles generally vault taking advantage of its weaknesses, so what drives the management towards using profit management is to get personal benefits for it or to maintain the competitiveness of the company in the market (Hawari & Hadidi, 2012) believe that profit management takes several aspects that may be useful if it indicates value in the long term, and is malicious when it hides value in the short or long-term time period, while neutral if it shows real performance in the time-range story stems from the desire for companies to manage their profits from their intentions to achieve certain objectives such as reaching a profit target or making profits seem less risky, they try to achieve the expectations of the stock exchange or Exceed them, so that the market price and the value of the shares increase, in addition to increasing the value of the compensation package that management receives from the company's shares (Kieso, Weygandt, & Warfield, 2016)

According to Beneish, the motives of corporate profit management are subject to two points of view:

a. Opportunism: It is assumed that corporate departments aim to deceive stakeholders about the company's actual performance or to achieve personal interests by influencing the value of contracts.
b. Informatics: The management's motivation for manipulating profits is to influence financial statement users by disclosing information consistent with its expectations about the company's future cash flows.

Miraj (2012) has shown that the profit management process is based on two main pillars, the first pillar starts by showing a high figure for the current year's profits at the expense of past and future years, while the other depends on showing a low figure for current year's profits to calculate past and future years.

Healy & Wahlen (1999) stated that incentives to manipulate corporate financial results could be classified into three types of incentives: contractual incentives, money market incentives, and regulatory incentives, and showed that these incentives included opportunistic motives, informational motives, or both.

1- Contractual incentives: Financial statements are used to regulate contracts between the company's management and stakeholders and monitor compliance, so this area opens the appetite for the practice of profit management by the company's management in order to match the accounting results with its expectations (Ghazali, 2016; Majid & Jasim, 2019), and contractual incentives may take some form:
2- Increased Management Rewards: It is possible that the contract between the owners and the management of the company includes a system of incentives linked to the growth of net profit at a minimum and maximum of these rewards, and therefore the management has an incentive to increase the package of rewards it receives by increasing the profits of the current year and deporting the expenditure to the next years at its value (Al-Adai & Abdullah, 2012).
3- Lending contracts: This type of contract usually includes required commitments that are supposed to be fulfilled with restrictive conditions during the borrowing period (Sahraoui, 2018), so the company management seeks to comply with these commitments and reduce the costs of their violation by manipulating profits to meet the conditions in the lending contracts (Rishi, 2017).
4- Achieving job security: Management may resort to the practice of managing non-financial dimensions of profits such as trying to prove the manager's competence at the beginning of his tenure or hiding periods of underperformance to avoid affecting his professional reputation and dismissing him from his job (Rahman, Moniruzzaman, & Sharif, 2013)
5- Gaining advantages when negotiating with trade unions: Trade unions represent one of the entities concerned with financial lists and their disclosure, to determine the level of profitability of the company and its ability to pay workers and determine the level of wages of employment contracts, and accordingly, the management of the company works to stabilize profits and prevent their volatility because the announcement of high profits makes them vulnerable to the demand of workers and their unions By raising the level of wages, the company can deny these claims to improve wages or working conditions through the anchoring of profits (Tamimi & Al-Saidi, 2015), and Sonia (2018) that gaining advantages from negotiating with trade unions does not receive much attention and is not a strong incentive to practice profit management.

The researcher believes that contractual incentives as a whole may be shared by companies in countries over their different economic classification, but the incentive to gain advantages when negotiating with trade unions, in particular, may receive attention among countries with strong trade unions and laws supporting the rights of workers, but companies are poor countries in Its laws and trade unions may not receive sufficient attention, and they almost lack the incentive to use profit management to engage in this area. The company is helping them evaluate the company's shares (Al-Amor & Joudah, 2017; Yasa, Astika, & Widiariani, 2019) the widespread use of financial statements from investors and financial analysts to help evaluate the shares can To be an incentive for managers to manage profits in an attempt to influence the performance of the share price in the near term (Geol, 2016), so the expectations and opinions of financial analysts are considered the interest of investors, and represents a message from management to the financial markets (Al-Amor & Joudah, 2017), the companies seek to match these expectations or increase them because achieving these expectations is characterized by higher returns, so the management of the company seeks to influence the share price in the short term through the practice of profit management, also the lack of evidence of the company's ability to generate and achieve profits negatively affects the return of the stock and the incentives of senior management, which are often in the form of (Kieso, Weygandt, & Warfield, 2016; Rahman, Moniruzzaman, & Sharif, 2013; Healy & Wahlen, 1999)

Shawshi (2016) pointed out that the motivation for managing profits in companies managed by owners whose shares are owned by a large number of investors is significant, but the presence of angel managers under a few investors do not generate motivation in the short term to manage profits, while non-owners may be driven by their interests to manipulate the profit figures in the short term and the same Context gives the initial equity offers the opportunity for management to exercise profit management to influence the market price of shares. (Rani, Hussain, & Chand, 2013; Shaheen, 2011) stated that companies are seeking to pave income and settle income volatility rising or falling through the practice of profit management, to achieve a marketing appearance in the financial market evil on their financial stability and avoid the risks of income volatility

Regulatory incentives: Companies of all classifications are subject to external regulatory controls and requirements, whether they are the state regulator or organizations responsible for regulating the industries of (Al-Adai & Abdullah, 2012), and these requirements create motivation among corporate departments to play the game of numbers to avoid interference in their internal affairs (Healy & Wahlen, 1999; Rahman, Moniruzzaman, & Sharif, 2013)

Regulatory regulations: In banks and insurance companies require sufficient assets and capital to meet their obligations (Rahman, Moniruzzaman, & Sharif, 2013) leads managers to circumvent these systems to achieve these requirements by positively influencing the profits shown by their financial lists (Shaheen, 2011), and states have their laws and policies that fight monopoly and outrageous income. Which prompts companies to reduce the profits shown by their financial lists to act on them (Shaheen, 2011; Sun & Rath, 2008), and in the same context, tax legislation has also helped motivate managers Behavior manipulating profit figures using accounting methods and alternative policies achieve tax gains by reducing the value of taxable wind (Tamimi & Al-Saidi, 2015), companies, when exposed to losses, resort to maximizing the value of these losses in the year in which they were achieved, and to take advantage of this in the coming years to obtain future tax savings (Ma'rouf, 2010), also meeting the requirements of listing requires companies to have specific financial figures; In various ways to meet these requirements (Hanafi, 2010).

2.10. PROFIT MANAGEMENT METHODS

There are many methods used in profit management, including:

Cleaning of financial statements: This method is followed when the company expects large expenses of years to be estimated and loaded for one year (Big Bath), so it is expected to be followed by actual improvement in subsequent years (Abu Ajila & Hamdan, 2008)

Share buyback: The purchase of Treasury shares does not affect profits but affects the share of profit (Al-Lawzi, 2013).

The use of derivatives instruments: It has been explained that derivatives can be used to protect against certain business risks such as interest rate changes, changes in the price of goods, oil prices, and foreign exchange conversion rates (Al-Lawzi, 2013).

Book manipulation: Companies generally use some methods to manipulate their account numbers, to achieve a targeted balance, or to ensure a certain rate of rewards, such as accelerating revenues (Al-Tal, 2015):

- Deferring expenses.
- One-time expenses.
- Fictitious income or expenses.
- Off-the-budget items.
- Artificial rents.
- Retirement plans.

Method of using estimates in accounting: When the management was chosen to provide higher income in the area of acceptable expenses (provisions and estimated reserves), the result is to record larger expenses in the current period, and therefore fewer expenses can be recorded in the following period and thus the administration creates what is known as Cookie Jar Reserve and can be used later to enhance revenues (Abu Ajila & Hamdan, 2008).

Continuing to adjust the investment portfolio: Accounting standards require these investments to be classified as follows:

- Trading securities record any changes in their market value during the financial period.
- The financial resources available for sale record any change in market value during the financial period at the bottom of the income list and not in operating income (Al-Lawzi, 2013).

Avoiding the problems of subsidiaries: Several ways to get rid of subsidiaries are used in this area:

- Sale of the subsidiary, so that the profit or loss of the sale is recorded in the income list in the current period.
- Transfer of the subsidiary to an independent company, in which case the shares of the subsidiary are distributed to the current shareholders or exchanged with them (Al-Lawzi, 2013).

Changing accounting policies: Sometimes the accounting rules allow the company to choose between the different number of accounting methods, for example, the company is allowed in some countries to choose between the policy of deleting the expenditure of development as it occurs and its consumption at the expense of the age of the project related to it, so the company can choose the accounting policy that gives the preferred image (Al-Khashawi & Al-Dosari, 2008).

Long-term asset write-off: When management makes long-term asset write-offs, it needs a range of ways to manage profits such as choosing the method and duration of write-offs, estimating the value of scraping at the end of the asset's productive life, and switching to non-operational use of the asset. (Issa, 2008).

Full asset sale and sale with re-leasing and exchange of production assets.

Operating income vs. non-operating income: Operating and non-operating items must be separated from the income list so that management can circumvent profits when making decisions about operating income items by manipulating their ratings (Al-Lawzi, 2013).

Early repayment of debt: This profit is recorded or decreased as an unusual item in the income list by the criteria and managers can cheat on profits by choosing a financial period to pay off the debt early (Al-Lawzi, 2013).

The maturity-based accounting system requires managers following established accounting standards to place many accounting estimates that have a substantial impact on declared profits:

1) Long-term construction contracts require estimates of progress in worker achievement and the cost of this achievement, so managers can use optimistic estimates of progress in worker achievement in order not to inflate profits.
2) The calculation of ownership requires estimating the productive life and scraping values of perishable assets and therefore managers can use optimistic estimates of the product age and value of the scraping because of its low depreciation expenditure to amplify profits.
3) The customer account must appear in verifiable net value and therefore managers can use optimistic estimates of collectible values to reduce the allocation of doubtful debts and thereby inflate profits.
4) Tec-aft (costs) must be classified into production and book costs, and during periods of inventory growth, managers can classify some marginal costs as production costs rather than book costs, resulting in lower expenses and thus inflated profits.
5) The profits of the sale of assets must be recognized during the sale period and managers can manipulate the timing of the sale of assets such as securities and fixed assets, thereby strengthening the profits.
6) Prepaid costs for asset security must be depreciated throughout the use of this guarantee and through optimistic estimates of warranty costs, managers can reduce current expenses to inflate profits.
7) Regular maintenance expenses should be considered periodic expenses incurred over the period, but the expenses of extraordinary maintenance are considered a capital expenditure carried on the asset subject of maintenance and managers can support the current profits by addressing the normal maintenance expenses as extraordinary expenses.

8) Managers can motivate customers to accelerate the purchase by lowering the price to increase sales, thereby boosting profits.
9) Inventory must appear in books on a cost or market basis whichever is lower and managers by using optimistic market values can reduce the value of the inventory and then practice profit management

2.11. PROFIT MANAGEMENT PATTERNS

Four profit management styles (Scott, 2003):

Recognition of losses taking a bath: This occurs - usually during periods of regulatory pressure or restructuring, such as change of management. In the future, the new administration may also charge the prior period with excessive losses, to increase the chances of future profits, indicating the quality of the performance of this administration, and the management may deliberately, in the event of lower profits required by the incentive plan, to report losses, to increase the chances of future profits.

Income Minimization: The company often reduces income to avoid the political cost and income taxes during periods of increased profits.

Maximization of income: Profits are managed to increase the profits of the current period, for many reasons, including increasing the incentives of managers, avoiding breaching the terms of debt contracts, or positively affecting stock prices.

Income Smoothing: Management aims to manipulate profits, resulting in no substantial fluctuations in profits disclosed annually, indicating stakeholders of the stability of the company's profits and viability.

2.12. METHODS USED IN MEASURING PROFIT MANAGEMENT

2.12.1. The "Healy" Model

The "Healy" model is based on the division of total receivables into optional and non-optional receivables, and the value of optional receivables determines the degree of profit management practice, and through this model the rate of total receivables is used for the estimated period to measure non-optional receivables and represents the period of appreciation for the period studied, specific This model is estimated using estimate period data in which there are no expected profit management practices, most notably considering that non-optional dues are fixed over time, equal to the average total dues for the estimated period, while non-optional benefits change by changing the economic conditions of the company (Fadawi, 2011).

2.12.2. Model of Deangelo

This model is a special case for the model (Healy, 1985) where he developed "DeAngelo through the period of appreciation where the existence of optional benefits is not expected. The year before the test year, this model in turn was subjected to the same criticism that was addressed to the model of Healy in 1985s. It denies the impact of economic changes on the change of non-optional benefits, and the level of optional receivables was assumed at a rate equal to zero in the estimated period, i.e. the year before the profit management disclosure year, the researchers gathered that this model does not allow in any way to estimate optional receivables and disclose the practices of the management of entitlement, on the other hand, if non-optional receivables are fixed over time, and total dues at zero to the estimated period, both typical Healy (1985) and DeAngelo (1986) offers without error the measurement of non-optional dues, and several studies have proven the most important study Kaplan (1985) that non-optional benefits change according to the circumstances and economic changes of the company (Fadawi, 2011).

2.12.3. The Jones Model, 1991

This model is one of the models used as a profit management measurement indicator, using the regression model for measuring optional receivables after being separated from the total receivables. A criticism of this model is the separation of total receivables in terms of revenue, especially when profit management is used through revenue management, as it is working to extract this component of the total benefit from the profit management going to zero (Jones, 1991).

2.12.4. The Modified Jones Model, 1995

This model is one of the best models to set profit management, as this model assumes that the optional receivables coefficient is less valuable than the non-optional receivables coefficient, i.e. optional receivables are more likely to be manipulated by managers, so they area profit management measurement indicator (Jones, 1995).

2.12.5. Miller Model, 2007

Miller Model, 2007 is one of the latest models to measure profit management. Miller has developed the relationship between the change in working capital as a subject of manipulation and cash flow from operating activities as an element that is not subject to manipulation.

2.13. MARKET PRICE PER SHARE

The most known value of the institutions is the market value which is the value of the stock in the market and is influenced by the number of shares available to investors (and demand). The number of shares that investors wish to buy and the investor can know the market value of the stock through daily newspapers or the Internet and usually, there is no direct relationship between the market value and the book value of the stock, although it is proven in some studies the existence of the relationship, this study is abnormal from the rule that there is no relationship (Khalaf, 2006).

The market price of the stock represents the price at which the shares trade in the stock market, and the market share price is influenced by the economic factors affecting the price determination such as the conditions of supply and demand in the commodity market and in the money market, the profitability of the company compared to other companies, and the book value of the share and the market value of the share is considered the most important values from the investor's point of view, as it reflects the, In general, the economic value of the equity (net assets) as determined by the surrounding economic factors, the market value is greatly affected by the rates of profits that the company distributes on the shares of the capital and the extent of its cyclicality and regularity and the more regular and high these rates are the higher the market value of the share (Mari, 1993).

The share price in the financial market, like the rest of the prices of other commodities, is determined by the forces of supply and demand in the same market as the value of the stock depends on the highest price buyers wish to value the share and at the cheapest price, the sellers are willing to accept for it (Baloul, 1988).

In the researcher's opinion, the market value represents women that reflect the achievements of companies and the extent to which they apply the policies that have already been planned, as the market share value is not limited in value to the policies applied or the achievements in place.

2.14. EARNINGS PER SHARE

The return is a key indicator of investment in ordinary shares as a measure of their arrangement and trade-off among themselves and the timing of this return is subject to the company's distribution policy and the nature of the legislation in the country concerned (Tamimi & Salam, 2004)

2.15. PHENOMENA ASSOCIATED WITH ORDINARY SHARES

There are phenomena associated with ordinary shares, some of which will be reviewed (Tamimi & Salam, 2004)

2.15.1. The Phenomenon of Stock Fragmentation

It is intended to split one share into two or more shares, and there are motives for fragmentation:

- Encouraging trading: Retail reduces the market value of the stock, allowing small investors to buy it.
- Consolidation of nominal values: Especially when released during the life of the project with nominal values different from the version at the beginning of the life of the project.2

2.15.2. Stock Collection Phenomenon

Stock collection phenomenon a very rare phenomenon that does not occur frequently and is the opposite of the phenomenon of stock fragmentation and its causes:

- Limit voting to a certain number of shares in the General Assembly.
- Impact on the company's reputation for the high value of its market shares due to stock consolidation

2.15.3. Treasury Stock Phenomenon

The joint-stock company buys its shares from the market to reduce its capital, thereby freeing the company from the obligation to distribute dividends from purchased shares. This is besides the increased demand for its shares, and the rise in their prices

2.15.4. Free Equity Phenomenon

Linked to dividends in the form of free shares instead of cash in cases of reserve capitalization and retained profits, i.e. capital transfer, when reserves and profits are equal to capital, to increase capital and benefit from cash flow.

2.16. FACTORS AFFECTING THE SHARE PRICE

There is a range of factors that affect the share price in the market and these factors vary from factor to factor, the most important of which are the following:

Book value: Most analysts are interested in the price at which the stock trades, especially if it is below the book value of the share, which is interpreted as a signal to buy (Hanafi, 2003)

Although Hanafi's opinion contradicts that of Zarri, Farah, this is due to the adoption by some analysts of the value strategy as the key to success in buying shares and this hypothesis says that stocks that are (market value/book value) are low and achieve higher rates than those shares that are (market value/book value) high (Al-Dahabi, 1997)

Realizedearnings: The company's profit is one of the main determinants of the share price, so the financial analyst advises the purchase of shares that are expected to increase their profits and recommends selling stocks whose profits are expected to decline, yet in the short term it may be clear that there is no correlation between stock prices and profit, prices may be heading in a reverse direction for profit or may increase by a small percentage compared to the increase in profit. These moves can be explained by the theory of confidence where it is clear that the share price depends more on the degree of confidence of the trader and the investor in the securities than on profit, i.e. the degree of confidence or mistrust in the stock pushes the price to increase or decrease regardless of price (Hanafi, 2003).

Dividends: Profit in public joint-stock companies is to increase total revenues during the fiscal year from total expenses and depreciation during the same year, but the presence of profits in the company's accounts does not necessarily mean that these profits are present in the form of cash ready for distribution or disposal as companies usually retain a small amount in liquid form as the cash itself is not productive and it is not in the company's interest to freeze its funds in unproductive assets (Nimr, 1997).

The company's financial position and strength: The company's financial position analysis is the starting point for analyzing the circumstances the company is likely to face in the future, and the analysis tools on which the investor can rely are comparative financial statements, the list of resources and uses, financial ratios, the diagnostic model of profitability analysis, and then risk analysis.

It should be noted that the results of the analysis of the financial position lists should be taken with caution, for many reasons, the most important of which are:

The accounting procedures that can be followed vary when preparing financial statements that are the basis for this analysis, and the data contained in those lists are historical data while history does not repeat itself (Hindi, 1999). But disagrees with (Al-Daba'i & Abu Nassar, 2001)where he believes that the importance of financial statements stems from the fact that they help investors and lenders make better economic decisions. It has information content, whether it be profit figures (pre-tax profit, profit after tax, distributed profit, retained profit) or accounting figures other than profit figures (e.g. financing structure, liquidity ratios, turnover rates, debtors, and arrest papers).

Investors and financial analysts' expectations about the future of the company: To estimate the true value of the share price, investors and financial analysts must estimate the future profitability of the stock, paving the way for a detailed analysis of the rate of return on equity as a key determinant of the growth rate of earnings per share, and the current profitability of the stock must be analyzed in preparation for its future value estimate. At the dawn of this analysis, the real value of the share can be estimated.

Economic conditions: The economic situation of the state is affected by variables from within the state itself, including internal events the degree of economic growth in the state, the level of inflation, the direction of interest rate, economic cycles, unemployment rate, and other events (Hindi, 1997)

Rumors in many financial markets, especially in third world countries: This phenomenon is widespread in the financial markets of developing countries where the so-called monopoly of information is widespread, and in the absence of both laws, regulations, and regulations regulating the market, on the one hand, investment awareness among investors on the other, the lack of full competition in the financial market, and the frequent occurrence of sudden unjustified movements in stock prices.

The extent or level of political stability: The available information on possible wars or tensions in a region, or political, social, or economic changes in a particular country, which usually has implications for the economy of other countries, is intended to have a mark on the movement of its capital markets (Hindi, 1997)

2.17. WAYS TO SET STOCK PRICES

The way the stock exchange management determines the prices of securities on its pricing schedule has an impact on the mechanics of market forces (supply and demand).

The price of a paper, when determined on the stock exchange, maybe twice its face value and may amount to only a fraction of it, given the impact of multiple factors in determining the price of the security, such as the forces of supply and demand, the financial position of the issuer of the paper, the economic situation of the sector in which the paper's issuer operates and the paper's exporting state in general, the expected return on investment opportunities and the interest rate of that issuer. One way to set stock prices on most global stock exchanges is to (Al-Barwari, 2001).

1- **Calling pricing:** Brokers meet in the stock exchange lobby and call their loudest voices with their offers and requests, and use hand signals with the call, by placing the forearm (horizontally in the direction of the body in case of purchase, and vertically in the event of a sale)
2- **Listing:** In this way, various shares are distributed to brokers who have experience and specialize in some stocks, as all orders for a particular stock are collected in the drawers of the specialist who determines the price, according to a similar method of pricing by calling
3- **Objection or comparison pricing:** Writes in a special register for each security of various sales or purchase orders, and the total number of such registrations leads to the number of securities required to be sold or purchased, and the price limits offered, through a specialized broker.
4- **Fund pricing: This method is used when sales offers and orders are on the** stock exchange many and multiple.
5- **Percentage pricing:** In this way, prices appear on the pricing table for the percentage of the nominal share value, which is deducted from the value of the known portion of the voucher since the last deduction.
6- **Matching pricing:** When one broker receives two opposite orders, one relates to the sale and the other to the purchase and the same quantity, the broker buys from the first to the second account.

2.18. TYPES OF PRICES ADVERTISED BY THE STOCK EXCHANGE

The following prices are announced on the stock exchange (Al-Barwari, 2001):

- ✓ **Opening price:** The first price set for the designated paper after the opening of the stock exchange
- ✓ **The highest price for the security**
- ✓ **Lowest price for the security**
- ✓ **Closing price:** The list price in the stock exchange session is recorded for the specified securities. The investor's position on these prices, knowing how to take average prices and calculate the general trend of price development helps him decides to invest properly.

Maearif study (2010), "The role of corporate governance mechanisms in reducing negative profit management practices by applying to the Syrian business environment"

This study aimed to understand and analyze the mechanisms of governance in terms of its concept, characteristics, and responsibilities and its impact on negative practices of profit management, and to achieve the goal of the study the researcher followed the scientific approach based on the combination of inductive approach and the inference approach has conducted a field study on a group of financial analysts, audit offices and companies contributing to the Syrian business environment, and this study found a role for both the Board of Directors, the Internal Review Committee, and external review in reducing negative practices of management Profits and the lack of a role for the legal and legislative environment in reducing negative profit management practices in the Syrian business environment.

Abdullah's study (2010), "The impact of the flexibility of international accounting standards in profit management"

This study aimed to see the impact of the flexibility provided by international accounting standards on management's choice of accounting policies and the application of the basis of maturity, in addition to studying the nature and areas of flexibility available through these criteria, as well as identifying areas of management's use of this flexibility in achieving utilitarian objectives, and to achieve the objectives of the study, the researcher designed a questionnaire distributed to representatives of the public joint-stock companies in Syria that formed the study community. This study found that the application of international accounting standards was in response to the set of international and regional circumstances and factors that led to increased interest in accounting information by the different categories of users of financial information and the difficulties faced by users of financial statements in the absence of international accounting standards, and those necessary adjustments are needed for the accounting profession in Syria by applying compliance with accounting standards and regulations governing it, through the participation of the Association of Chartered Accountants in activating standards and clarifying them to ensure the effectiveness of the application of standards. 3-1-4-1 (Mubarak, 2010), Quality of Internal Audit Activities and Its Role in Reducing Profit Management Practices Applied Study on Saudi Environment 2. This study aimed to test the impact of the quality of internal review activities on Profit management practices, and to achieve the objectives of this study data were collected based on the financial reports published by Saudi joint-stock companies from 2006 to 2008 on the official website of the Saudi stock market, where the researcher conducted the statistical analysis of the data of the study community consisting of the total registered companies In the Saudi stock market after the exclusion of the banking, insurance, and agricultural companies sectors, the results of the study found a moral opposite relationship between the quality of the internal review, especially the argument of internal review work associated with the process of preparing and presenting financial reports and profit management practices in Saudi joint-stock companies.

2.19. DIRECT FACTORS AFFECTING THE SHARE PRICE FROM THE POINT OF VIEW OF STUDIES

When tracking the results of studies and research carried out by those concerned, four important points can be made that directly affect the market share price (Al-Hanawi, 2000):

1. Investors do not need a general agreement on the appropriate value of the stock and predict. This value will vary from one investor to another when making decisions of the value of one or more shares to their portfolios as well as our goal is to determine the balance price of the stock as the value that the investor wishes to pay to own the stock, but we will refer to this stock as the fair or pivotal value of the stock.
2. The current market price does not represent the market consensus on the pivot value, but it reflects the opinion of the marginal investor who wishes to own the stock if its price rises even slightly from the current price.
3. The tilt of the demand curve reflects the degree of investor stake in the characteristics of the stock when investors' opinions on the characteristics of the stock vary. The demand curve will descend from top to bottom, but if the consensus on these characteristics is agreed, the demand curve will be horizontal, regardless of the supply curve, one price per share will prevail, so the extent to which investors can agree on a single price per share depends on what information they have if the information is expensive and unavailable. For all investors, it will result in the demand curve descending from the top to the bottom with a certain degree of inclination.
4. Balance prices and stock market trading prices will only change when:
   - New information to the market leads to a shift in the demand curve.
   - The number of shares offered changes on the assumption that investors' opinions are different and not the same.

2.20. FACTORS AFFECTING THE MARKET VALUE OF THE STOCK

The most important factors affecting the market value of the stock, which have a clear and tangible impact on the shares and their market value as mentioned are (Khalaf, 2006).

1. The value of the book stock, as there is often no significant relationship between the value of the book stock and its market value i.e., the increase in the value of the book stock is not associated with the reliable increase in its market value.
2. Dividends for the company at the end of each year, and these in the case of doing so and resulting from the profits achieved by the company as a result of its activity and success in its work, which is decided to distribute it leads to a positive impact on the market value of the ordinary share, so that it rises as a result, while the company's failure to distribute dividends on ordinary shares, especially when this is related to the weakness of the company's activity and its failure to achieve profits lead to a negative impact on the market value of the ordinary share, where the value of this decreases because of that.
3. Expectations regarding the future of the company based on its position if it is optimistic about the company based on the strength of its financial position and success and its ability to achieve greater profits in the future whenever this leads to increase the disposition of the market share, while the weak financial position of the company and its weak ability to achieve greater profits later leads to a decrease in the market value of the ordinary share.
4. The status of demand and supply on the stock in the market, which is linked to the sum of the previous factors, which can lead to increased demand for supply and increase the market value of the ordinary share, and the opposite occurs when there is an increase in the stock supply on demand, its market value decreases.
5. The state of the economy, i.e. the general economic situation represented by the state of economic activities, which is considered to be the indicator of output and national income, where it attributes the expansion and economic recovery that accompanies the growth of the economy, which in turn leads to increased demand for ordinary shares and increases its value in the market as a result, while the recession and economic contraction include the reduction of economic activities, which leads to a decrease in demand for ordinary shares and decrease in its value in the market as a result.

2.21. FACTORS DETERMINING THE VALUE OF THE SECURITY

Despite the multiplicity of factors affecting the price of a security in the stock market, the outcome of those factors is ultimately the forces of supply and demand, and the security is priced following the principle known as marginal pricing. The following are the most important factors on which the value of the security is determined as mentioned namely (Mutawa, 2005).

Supply and demand: various factors such as the profitability of companies, changes in interest rates, exchange rates, inflation rates affect the prices of shares through their impact on the amount of stock supply or the volume of demand for them, for example, the increase in corporate profits positively affects the share price where the demand for the shares of the winning companies increases while the decline of those profits leads to lower stock prices where the demand for them decreases and the supply increases as a result of the holders of those shares selling their shares of those companies.

Marginal pricing: shares differ from other commodities that are priced, especially about the amount of total stock offer, it is known that the number of shares issued by companies is relatively stable because the increase in this supply by exporting companies takes place at intervals and in limited quantities and when those shares that are held for investors, the share price in the market. It can be seen as the lowest price a stock can reach to convince an investor to continue to keep it without offering it for sale on the stock market and the investor who keeps the last of the shares knows the owner of the borderline any other owner of the property as the stock is keen to continue to own the stock without offering it for sale in the financial market.

2.22. FACTORS INFLUENCING THE VALUATION OF SHARES

The valuation of ordinary shares depends on the concept of the current value and discount rate because of the average income, where the discount rate depends on the degree of investment efficiency. It is sometimes difficult to predict the future revenues and expenses of some companies if they are unstable conditions and hence note that the discount rate depends on the quality of the investment and the degree of risk, the higher the risk rate, and therefore the process of evaluating the shares is influenced by some factors mentioned (Siam, 2003).

Average income: we calculate revenues over several years but the revenues are close and then we calculate the arithmetic average per share of annual income.

Revenue trend: taking into account the average revenue method, it does not take into account the direction of revenue, which is important because it means a lot for the investor, it is not enough for the average to be large but you must know the direction of these revenues may be decreasing or increasing.

Revenue forecasting: this method depends on predicting the volume of sales, purchases, advertising expenses. In addition to predicting the circumstances that may prevail in the future political and economic, such as stagnation or popularity, depending on statistical methods to study a particular phenomenon.

2.23. CONSTRUCTION OF THE JORDANIAN STOCK EXCHANGE

The establishment of public joint-stock companies in Jordan and trading the shares of these companies began long before the establishment of the Jordanian stock market, the Jordanian public began to subscribe and deal with shares since the early 1930s, where Arab Bank was established in 1930 as the first public joint-stock company in Jordan, the Jordanian Tobacco, and Cigarette Company in 1931, the Jordanian Electricity Company in 1938 and the Jordanian Cement Factories Company in 1951. The loan was first issued in Jordan in the early 1960s.

As a result, an unregulated stock market has emerged in Jordan through non-specialized offices, which has led the government to seriously consider establishing a market to regulate the issuance and handling of securities to ensure the safety, ease, and speed of such dealing, as well as to protect small savers. By creating a mechanism to determine the fair price of the securities based on supply and demand forces, successive economic development plans have called for the establishment of such a market, where various entities, with the support of the Government, began preparing for the establishment of an orderly stock market, where during 1975 and 1976, in collaboration with the World Bank's International Finance Corporation IFC, the Central Bank conducted intensive studies. It shows that the size of the national economy and the contribution of the private sector through public joint-stock companies and the distribution of its contribution to a large number of investors justifies the establishment of this institution, as it is expected to add to the Jordanian financial market actions that the economic development required to cover and meet in support of it and to send more economic activity, and as a result of these efforts it has Interim Law No. (31) was passed in 1976, under which what was known as the Amman Financial Market was established. Amman Financial Market AFM and a committee were formed to manage the Amman Financial Market by decision of the Council of Ministers on 1977/3/16, and the committee has begun its mission since then.

The Oman Financial Market Act set the market objectives at the time by developing savings by encouraging investment in securities, directing savings to serve the national economy, regulating the issuance and handling of securities to ensure the safety, ease, and speed of such dealings and to ensure the country's financial interest and protect small savers, in addition to providing the necessary data and statistics to achieve market objectives.

Since the establishment of the market, it has been tasked with playing two key roles: the role of the capital market regulator or securities and Exchange Commission SEC, as well as the role of the traditional Stock Exchange.

From its inception to the establishment of the ASE, the market has come a long way and stages, with trading volume on the secondary market rising from 9.7 million dinars in 1978 to JD 3.2 billion in 2016, and the market value of existing subscribed shares exceeded about 17.3 billion dinars compared to about 286 million dinars at the end of 1978. The number of listed companies increased from 66 in 1978 to 224 in 2016.

2.23.1. Structural Reforms of the Jordanıan Capıtal Mareket

The Jordanian government has adopted a comprehensive capital market reform policy based on building on what has been achieved over the past 20 years, to promote the growth of the civil sector and expand and diversify the base of the Jordanian economy, and rise to international standards in the field of stock market regulation. The most important features of the new trend are institutional changes in the capital market, the use of electronic trading, settlement and de-depreciating systems, the removal of all investment barriers, strengthening control over the capital market to the highest level of transparency, and achieving the integrity of securities dealing, in proportion to the trend towards globalization and openness to the outside world.

The issuance of the Interim Securities Act No. 23 of 1997 was one of the most important features of these developments, as this law is a qualitative shift and an important turning point in the Jordanian capital market, where this law aims to restructure and regulate the Jordanian capital market and complete its infrastructure following international standards to achieve transparency and the integrity of securities dealing. The central nature of the restructuring is to separate the supervisory and legislative role of the capital market from the executive role that will be left to the national sector, where the Securities Commission takes over the supervisory and legislative role, and the ASE/Stock Exchange and the Securities Deposit Center take over the executive role.

Under these objectives, the law included the establishment of three new institutions to replace the Amman Financial Market:

- Jordan Securities Commission
- ASE/Amman Stock Exchange
- Securities Depository Center

2.23.2. Establishment of The ASE

As of 1999/3/11, the ASE has assumed its functions as an independent, administratively, financially and non-profit, and as a single entity authorized to operate as a regular securities trading market in the Hashemite Kingdom of Jordan under the control of the Securities Commission based on the provisions of the Securities Act No. 23 of 1997. Then the new Securities Act No. 76 of 2002 was passed, which allowed the establishment of more than one stock market in the kingdom.

The issuance of the Securities Act of 1997 in Jordan was aimed at restructuring and regulating the Jordanian capital market and completing the stock market infrastructure to keep pace with international financial markets. The main nature of this new structure lies in separating the supervisory role of the capital market from the executive role, where the Amman Financial Market was playing these two roles together, the Securities Commission was formed as a government supervisory body to oversee the capital market and the ASE/Stock Exchange and the Securities Deposit Center were established as independent privately managed institutions.

On February 20, 2017, the ASE was registered as a fully government-owned public equity firm, and ASE is the public and real legal successor to the ASE. ASE is managed by a seven-member board of directors appointed by the Council of Ministers and a full-time executive director who manages and follows up on the daily business of the StockExchange.

2.23.3. Securities And Exchange Commission

The Authority aims to monitor the issuance and handling of securities and to regulate and control the work and activities of the entities under its control, namely the stock exchange, the deposit center, and the financial professions. The Authority also aims to regulate and monitor the disclosure of information related to securities and their issuers and to treat informed persons and major shareholders.

The SEC enjoys financial and administrative independence and is linked to the Prime Minister, enhancing its future role and enabling it to achieve its capital market regulatory objectives efficiently. The Board has a five-member board of commissioners, where the Board has the powers to prepare bills and regulations on securities, approve internal regulations and instructions for the stock exchange and the center, in addition to granting licenses issued under the law and setting limits on commissions charged by financial services companies and members of the Centre. The adoption of accounting and auditing standards for those subject to their control as well as the criteria to be provided by qualified auditors to audit their subjects.

2.23.4. Securities Deposit Center

This center was established on 1999/5/10 to faithfully preserve the ownership of securities, register and transferring ownership of securities traded on the stock exchange, and settling the price of securities between brokers. This center has a legal personality and financial and administrative independence and is not for profit and is managed by the civil sector.

2.23.5. Market Objectives

The Amman Stock Exchange is a pillar of the structure of the financial system and an important mechanism for pooling and employing resources in infrastructure and production projects and is therefore pursuing the following objectives (https://www.ase.com.jo/en):

1- By providing trading, controlling, settling, transferring, and transferring securities ownership systems in ways that ensure speed and accuracy in the completion of sales and purchases, and ensure the integrity of securities dealing.

2- Facilitate the discovery of real prices of stocks and bonds listed on the market by enhancing supply and demand factors.

3- Provide maximum stability in price movement, so that prices for securities are regularly and gradually higher and lower.

4- Provide and communicate the exact information required to the investor, so that he can make the right decision

5- Provide the necessary protection to investors from all forms of manipulation, fraud, and fraud.

6- Work to attract Jordanian capital abroad, which accounts for the bulk of the people's savings.

7- Ensure justice and equality among all securities dealers by providing the basis for trading and delivering appropriate information promptly, providing all investors with equal opportunities in profit and loss.

8- Qualifying the market by developing securities dealing methods and procedures by attracting expertise and innovations in this field.

9- Seeking to annex the Amman market and link it to the international and Arab markets. (Zourb, 2005) added the next goals:

- Allowing citizens' savings to be invested in securities to serve the national economy

- Ensure that the sale and purchase of securities are completed in an atmosphere of integrity and impartiality by following the policy of disclosing traded stock information.
- Work to develop the financial market in a way that efforts economic development and helps achieve the economic policy objectives of the state.
- Work to encourage the establishment of new companies, and the development and regulation of the issuance of securities in the primary market.
- Listing new securities on the market, and speeding up the monetization of funds invested in securities while ensuring the interaction of supply and demand.
- Issuing bulletins and reports containing all information regarding stock prices, trading volumes, and all necessary data for investors.

2.23.6. Market Powers

To achieve the objectives of the Amman Stock Exchange, it has been granted many powers under the employment agreement between the market and the Ministry of Finance, the most important of which are (Amman Stock Exchange, n.d.)

1- Drawing up the policy of the market's broad-based work within the framework of financial and economic policies and directives in Jordan.
2- To properly position the organization and management structure of the market to implement the market business.
3- Accept qualified securities companies as members of the market, organize and supervise their businesses and their users as they deem appropriate to raise the investor's services in the market.
4- Impose penalties on market members and employees in the event of any wrongdoing or violation under applicable regulations
5- Stop trading in the market if necessary, after consultation with the Ministry of Finance
6- Determining fees and commissions charged by market members, in exchange for trading in securities listed on the market for third parties or services
7- Setting conditions and grounds for listing securities of all kinds in the market, and refusing to include any securities on which the terms of the listing requirements do not apply or to the issuer
8- Registering and licensing users of securities companies that are members of the market, rejecting any application made by any entity to join the market

9- Preventing any transaction in the securities of any company in the market if such a transaction would affect the interest of the company's shareholders in particular.

2.24. PREVIOUS STUDIES

The study entitled "Impact of fluctuations in profits on capital earnings per share and volume of trading in companies listed on the Palestine Stock Exchange in the industrial, investment and service sector" (Jundia, 2020).

This study has examined the fluctuations in the companies' profits listed in the Palestine Stock Exchange (PSE), observing, registering them, and discussing their relationship with the stock price through stocks price registration for five years starting from 2014 until 2018. The study also recorded the volume of trading of the stocks of these companies, and studied the extent of the impact of profits fluctuations on trading volume by increasing or decreasing, this is also considered in the same period mentioned previously.

One of the most important results that the study came with is that stock capital returns are impacted by the changes in the profit fluctuation factor by 26.7%, while the trade volume is impacted by 4.5% as a result of the changes in the profit fluctuation factor.

One of the most important recommendations of this study is to take into consideration the reasons for profits fluctuations as they affect the capital profits of the stocks and the volume of trading.

Stock returns, as well as the stock trade volume, affect the companies, so it is important to take into account all the reasons that lead to fluctuations in the profits of companies.

A study entitled "The impact of the characteristics of the audit committee on the management of a practical study on banks listed on the Palestine Stock Exchange." (Kashkash, 2020)

The study aimed to measure the impact of the characteristics of the audit committee in its dimensions (number of members, independence - financial and accounting experience - number of times meeting - ownership of shares) on the management of profits in banks listed on the Palestine Stock Exchange. The number (6) banks during the period (2013-2018) represented the study community. Panel Regression while the study used the Miller Ratio model to examine the practice of profit management.

The study found a positive impact to increase the number of members of the audit committee on profit management, while there was a negative impact to increase the number of times the audit committee meeting on profit management, while the evidence did not find a statistical significance for both (independence - financial experience and accounting - stock ownership ratio) on profit management.

The study recommended the need to take care of the composition of audit committees and the characteristics of their members so that the Banking Audit Committee consists of three fully independent members with modern financial and accounting expertise in the banking sector. Strengthening the audit committee with independent external members and experts, and increasing the minimum audit committee meetings to (6) times per year.

Study of (Al-Rais, 2019) with the thirtieth impact of the rules of the korma on profit management is an applied study on industrial and service companies listed on the Palestine Stock Exchange".

The study aims to analyze the impact of corporate governance rules on earnings management for companies listed on the Palestine Exchange. Several corporate governance variables are selected to achieve this aim, including the size of the board of directors, CEO duality, board of directors' independence, property rights, number of board directors' meetings.

Modified Jones Model has been used to detect earnings management.

Panel Data Model has also been involved in the study, where the population study consists of the 48 companies listed on the Palestine Exchange, and which are distributed across five main sectors.

The study sample has included 13 industry and services companies listed on the Palestine Exchange, to which conditions of the study are applied.

The first condition is that the company is required to have financial data published during 2010-2017. Also, these companies must have shares trading during the same period.

This study finds that there is a negative influence between board size and CEO duality, and between earnings management.

The study also shows that there is a positive influence between board independence and earnings management.

Moreover, it shows that no relationship was found between board directors' meetings and internal ownership with earnings management. The study stressed the need for continued reinforcement of the governance rules, to avoid the negative impacts resulted from failure to apply these rules, taking into consideration the support of board independence in their relationship with areas of executive work to avoid taking a decision that may affect earnings management.

It also recommended that doing other researches on the same subject should be continued, taking into account the examination of variables other than those in this study to get to the variables that have the greatest impact on earnings management for companies listed on the Palestinian Exchange.

The study of Barbakh (2009) is entitled: "Measuring the degree of accounting reservation in financial statements and showing its impact on the quality of profits.

This study aimed at measuring the degree of conservation in the financial statements and its effect on the quality of profits according to the indicators of (continuity, predictability, and income smoothing).

The study used the descriptive-analytical method and quantitative analysis of the study variables, on the Palestine Exchange according to standards related to listing on the exchange and trading on its shares without interruption the length of the study period extended through (2012-2017).

The standards were applied to (42) companies from (48) companies representing the study society.

The effect of the conservation was then tested using the regression analysis method.

The results of the study showed a difference in the degree of adherence to conservation policies between the various economic sectors in the Palestine Exchange, applying the (Basu, S. , 1997)model to each sector separately, although this model showed that the Palestine Exchange is not characterized by the conservation, This conclusion is consistent with all economic sectors, but the banking sector has made clear conservation, indicating the interest of the Palestinian banks in the policy of conservation.

The results also showed a statistically significant relationship between the degree of conservation and smoothing.

However, there was no moral effect on the conservation on the quality of profits according to the indicators of continuity and predictive ability.

Based on the findings of the study of the low level of conservation in the Palestine Exchange, the need to activate the role played by the Supervisory Authority of the Palestine Exchange to activate the supervision of the process of financial recognition and obligate companies to increase levels of conservation and within reasonable levels that increase the reliability of the information offered and available for users of all financial statements.

Study of Herz (2018) entitled "The impact of the Dividend Policy on the Volatility of the Prices of Shares traded on the Palestine Stock Exchange".

Purpose: The purpose of this study is to examine the impact of dividend policy on share price volatility (SPV) on the Palestine Exchange.

Research Methodology: Data used for analyses from the annual report of 47 listed companies in Palestine Exchange for the period 2005–2016. The relationship between SPV and dividend policy is analyzed using a cross-sectional Robust regression model, the relationship between SPV dividend policy is analyzed by incorporating control variables such as "Size, Earning Volatility, Growth, and Leverage".

Findings: Regression results indicate that it is significantly negatively related to dividend yield with SPV but, the dividend payout ratio is significantly positively related to SPV.

Further, size, earning volatility, and growth are insignificantly positively related to sharing price volatility, long-term debt is significantly negatively related to sharing price volatility. Hence, the dividend policy is relevant in determining share price changes in the Palestine Exchange.

The most important recommendations:

The attention to the requirements of the shareholders when following the dividend policy, that's the general benefit of companies and shareholders and encourage companies not listed on the Palestine Exchange to join the Palestine Exchange, encouraging investors to invest in the Palestine Exchange to maximize market value by spreading investment awareness**.**

Conduct the same study using a different model on each sector separately, and using a different time frame would help to show results different in the future.

The study of Abd al-Rahman & Hashim (2016) is entitled: "The Impact of Profit Management Practices on the Financial Performance Evaluation is an applied study on banks listed on the Khartoum Stock Exchange."

The study aimed to identify the concept, motives, and methods of the practice of earnings management and its impact on the evaluation of financial performance.

Moreover, to conduct an applied study to find out the result of the relationship between the practices of earnings management by banks listed in Khartoum Stock Exchange (KSE) and indicators that evaluate the financial performance, which includes profitability and activity indicators, as well as the ratio of stock price to its profitability.

The study relied on the modified Jones Model to estimate the discretionary accruals values of the sample banks and then revealing the extent to which these banks practice earnings management in their financial statements during the period.

The study results indicated that listed banks in KSE exercise earnings management during the study period by 80%, which affect positively the evaluation of their financial performance through its impact on the profitability and activity indicators, and the ratio of stock price to profitability.

The study recommended the necessity of taking the practice of earnings management into account when issuing accounting standards by the Council of the Organization of Accounting and Auditing Profession in Sudan.

Also, the user of financial statements including external auditors and financial analysts should be acquainted with researches relating to the practice of earnings management to be aware of its effects. Besides, the KSE Corporation should use the models of the discovery of malpractices in the financial statements of listed companies in the market to take the required decisions.

A study by Pernamasari et al., (2020) talks about " The Effectiveness of Firm Performance and Earnings Management to Stock Prices."

The long-term goal to be achieved in this research is to analyze stock prices by using firms' performance and earnings management in the consumption sector manufacturing companies on the Indonesia Stock Exchange. The firm performance uses profitability proxies measured through Return on Assets (ROA) and leverage measured through Debt to Equity Ratio (DER), while the proxy for earnings management used is the actual specific model, namely working capital accruals. The stock price used in this study is the stock price one week after the publication date of the 2016-2018 financial statements. The results of the study indicate that the performance of companies proxied through ROA and DER able to have a significant positive effect on stock prices in registered manufacturing sector manufacturing companies on the Indonesia Stock Exchange. The results of this study prove that investors are very concerned about the information contained in the financial statements published by the company, especially information about profits or profits obtained by the company and the debt used by the company for its operations, while earnings management can give an influence but not significant on stock prices. This means that investors do not respond to information, including accruals in the financial statements.

The study of Mohsin & Nurunnabi (2020) is about "The Evaluation of Efficiency and Value Addition of International Financial Reporting Standards (IFRS) endorsement towards earnings timeliness disclosure."

Measurement of accounting information under International Financial Reporting Standards (IFRS) plays an important role in the determination of earnings timeliness information and investor's decision making. This study assessed the compulsory acceptance of IFRS adoption the study also measures the efficiency of the Pakistani banking sector. We employed data envelopment analysis, SVAR, and regression methods to measure Pakistani bank's efficiency. The results show that the mandatory adoption of IFRS has increased the earnings timeliness of information in all banks. The assessment of the cumulative effect on banks by incorporating a single weighted index value (ET index) reveals that IFRS increased the timely profit and loss realization of banks. Comparatively the bank-wise estimation of earning timeliness indices shows that IFRS does not shows a significant impact on earnings timeliness of commercial and specialized banks. Finally, the evaluation of IFRS policy shocks shows that earnings timeliness and stock returns are positively responding to change in reporting policy. Furthermore, we anticipate policy change to overcome the gap between asymmetrical earnings exposure and the value relevancy of investors' decisions.

The study of Abner & Ferrer (2018) is about " Impact of Real Income Management on Financial Performance and Fixed Value: evidence from the Philippines.

"This study deals with the opportunistic perspective of earnings management (EM) where managers are suspected to perform some EM practices using cash flows from operations (CFO), production costs, and discretionary expenses. It investigates the influence of real earnings management (REM) on financial performance and firm value of public companies in the Philippines under the food, beverage, and tobacco (FBT) sector for four years, 2013-2016. The study found out that EM through CFO, production costs, and discretionary expenses have no significant impact on the company's financial performance in terms of ROE and ROA but have a significant impact on EPS. Earnings management through CFO has a negative and significant impact on EPS, while EM with the aid of discretionary expenses has a positive and significant impact on EPS. This study also finds evidence that EM through CFO has a significant impact on the company's value (Tobin's Q). Firm age and firm size are found to positively impact ROA, while firm leverage is found to negatively influence ROE and Tobin's Q. Results of this study call for further investigation on EM which should contain wider coverage, include all the public companies in the Philippines and conduct industry analyses.

The study Kumari & Pattanayak (2015) talks about " Linking Earnings Systems with a Management Practices and Corporate Governance Commercial Banks Firms' Financial Performance: A Study of Indian."

Purpose In the shadow of the global financial crisis, the practice of earnings management can be hazardous for the growth and development of an economy, especially for a developing economy like India.

This empirical study is performed to analyze the presence of earnings management practices in the Indian public and private commercial banking industry. This study also aims at developing a framework for the three-way relationship existing between the variables of corporate governance, earnings management practices, and firm performance، design، methodology، approach Data have been collected for a period of 11 financial years (2003-2013) from Prowess (Centre for Monitoring Indian Economy) 4.14 database. A bank-based accrual model has been used for calculating earnings management practices. OLS regression has been used for analyzing the degree of interdependence among variables of corporate governance, earnings management practices, and financial performance. Findings The analysis supports the fact that there is the existence of income-increasing earnings management practices in Indian commercial banks. It is also observed that corporate government practices (viz. board characteristics, audit practices, and performance-based remuneration) work as restricting variables for earnings management practices. It is evident from the analysis that market-based firm performance variables (viz. PE ratio, yield, and profit after tax) are significantly related to earnings management and corporate governance system. Practical implications. The finding of this study will help in monitoring and controlling fraudulent earnings management practices existing in Indian commercial banks. Originality/value This study is the initial research about the presence of earnings management practices in Indian commercial banks.

The study of Saidu, Ibrahim, & Muktar (2017) is about "The Impact of Earnings Management on Financial Performance of Listed Deposit Money Banks " in Nigeria."

This study examines the impact of earnings management on the financial performance of listed deposit money banks in Nigeria. Data were extracted from the annual report and accounts of 5 sampled banks for the period 2011-2015. Loan loss provision was used as a proxy for earnings management while return on assets (ROA) was used as a proxy for banks' performance. The study employed linear regression of pooled ordinary lease squares for data analysis. Findings from the study revealed that earnings management exists in the Nigerian Money Deposit Banks. However, the study could not establish any statistically significant impact of earnings management on ROA. It is, therefore, recommended that even though the relationship between the variables is not significant, proper and adequate measures should be put in place for the evaluation, examination, and scrutinization of the financial statement of DMBs.

The study of Velankar, Chandani, & Kaur Ahuja (2017) is about "The Impact of EPS and DPS on Stock Price: a study of selected public sector banks of India."

Investment in equity shares is one of the major avenues of investment that yields significant returns to investors. It is also a source of finance for the capital requirements of firms. Returns from such equity investments are subject to vary owing to the movement of share prices, which depend on various factors. Such factors that influence stock prices could be either firm-specific internal factors such as earnings, dividend, book value, etc., or external factors such as interest rate, government regulations, foreign exchange rate, etc. This research paper is an attempt to analyze the impact of two specific internal factors EPS and DPS on Stock Price. The research, "impact of EPS and DPS on Stock Price: a study of selected public sector banks of India" has been carried out for the period of 2006-07 to 2014-15 (9 years) financial years of twelve selected public sector banks of India. The cause-and-effect relationship was checked by regression model using EViews7. Since the time series data was employed, the stationarity of the data was checked to avoid spurious regression. The Augmented Dickey-Fuller test was used for unit root testing to check the stationarity of the time-series data. Research has disclosed a significant impact of EPS and DPS on Stock Price.

The study of Sharif, Ali, & Jan (2015) talks about " The Effect of Dividend Policy on Stock Prices. "

This investigates the effect of dividend policy on stock prices. The objective of the study is to see if there exists any relationship between dividend policy and stock prices. We analyzed 45 non-financial companies listed on the KSE-100 index that have earned profits and paid a dividend for a period of twelve-year w.e.f. 2001. The technique adopted for sampling adopted is convenience sampling. As the nature of data is a panel, therefore, pooled regression, fixed, and random effect tests are run. Random effect results are focused on after applying Hausman's test. Regression Results in witness that Dividend per Share and Retention Ratio have an insignificant relationship with Share Market Prices. Dividend Payout Ratio has a significant positive relationship with Share Prices as supported by the Bird in hand theory suggested that owners give preference to a dollar of estimated dividends over a likely dollar of capital gains. Profit after tax, earning per share, and Return on Equity are the three control variables. Profit after Tax has insignificant relation to Stock Prices. Earnings per Share have a positive significant relation to Stock Prices. There is a negative significant relationship between Return on Equity and Share Prices. It is recommended that firms in the sample should regularly pay a dividend as it will cause an upward movement in the stock market prices. Whereas profit retention by firms will result in a decrease in the value of the stock market prices.

A study by Bradshaw et al. (2000) entitled "Do Analysis and Auditors Use Information in Accruals"

This study aimed to see whether financial analysts and auditors disclose information about low-quality profits and inform investors of them, by providing them with information on corporate earnings problems, through the role of financial analyst in communicating profit forecasts to investors, the role of the investigator in the report on profits associated with high dues, and the sample of the study was limited to the 11 years of 1988-1998 The total number of views was 35,956. The results indicate that analysts and auditors do not alert investors to future problems of profits synchronized with high benefits, and this confirms previous results that investors do not expect these problems, and the results also indicate the manipulation of profits through dues leads to temporary misallocation of resources, such as management manipulating stock prices by manipulating the volume of dues.

A study by Bartov, Gul, & Tsui (2000) entitled "Discretionary -Accruals Models and Discretionary -Accruals Models Audit Qualifications"

This study aimed to assess the ability of CT models, jones CT model and Jones CT model, to adjust profit management versus time series models, due to the lack of evaluation of previous research of CT models and the lack of clarity of any models stronger, as each model relies on a different set of hypotheses, and the study aimed to assess the ability of models to study the correlation between optional dues and preserve auditing.

The link between large optional dues and audit reserves gives evidence of the model's ability to adjust profit management, and the secondary objective of the study is to assess the strength of the findings of previous studies on the evaluation of optional due models using the sample and probability-based research methods, which was completed using a sample of 166 companies that received adjusted auditor reports.

One of the most important findings of the study: that all models showed a high ability to detect companies that manage profits except change, and that Jones's CT model and Jones's modified CT model, which had not been evaluated in previous research, work better than their time-chain counterparts in profit management disclosure.

A study by Nelson, Elliott, & Tarpley (2002) entitled "Evidence From Auditors About Managers and Auditors Earning Management Decisions"

This study aimed to provide evidence on profit management by examining how profit management is influenced by the main characteristic of accounting standards (following the instructions provided by the standards), as well as the key feature of the financial report process. The study gave evidence through 515 experiments for auditors with clients who tried to manipulate profits based on theory and results, and the researcher was able in this way to analyze the decisions of managers separately on how they tried to manage profits, and the decisions of auditors to abandon the modification of managers' attempts to manage profits or not.| One of the most important findings of the study: the extent to which managers are involved in structuring the transaction depends on the accuracy of the accounting standards concerned because managers expect that the accuracy of the criteria affects how investigators interact with profit management and assume, in particular, that managers are better able to manage profits, that investigators tend to abandon the modification of their reports, and the auditor is expected to give up the management of insignificant profits in his view when conducted by senior clients.

A study by Chotourou, Bedard, & Courteau (2003) entitled "Corporate Governance and Earnings Management"

This study aimed to investigate whether the company's corporate governance practices have an impact on the quality of publicly stated financial information, examining the relationship between the characteristics of the commission of inquiry and the Board of Directors, and the extent to which profits are managed using two groups of U.S. companies. One of the most important findings of the study is that short-term stock options owned only by non-executive committee members are linked to profit management to increase income, and profit management is linked to negative income increases with the high proportion of external members who do not hold positions in other companies and the existence of a clear mandate to oversee and control financial statements, audit, external audit and membership of only independent members of the Committee. As for the Board of Directors, it found that profit management to increase income is lower in companies with external members experience (such as members of the audit committee of the company or other companies), as the study pointed out the importance of ownership stakes in the company owned by non-executive directors and that the experience of the members of the Board (Audit Committee) reduces profit management income reduction.

Study Emanuel & Wong (2003) entitled "The extent to which Spanish companies practice, to manage Its profits."

It aimed to find out how well Spanish companies were exercising their profits. The sample of the study included a number of (35) companies listed on the Spanish financial market, the largest of more than 500 companies on the market, where it was assumed that these companies had more governance controls than other companies. Some factors have been used as possible indicators of profit management practice, such as year-to-year changes in accounting standards, audit reports for those companies during the study period, mandates for the application of certain accounting treatments not included in the current system, as well as unusual results and previous year-year results in the calculation of profits and losses for the year. One of the most important findings of the study is 1. One of the reasons for issuing conservative reports is that some companies have some practices that would affect the figures in the financial reports, which were to charge some expenses on reserves rather than charge them at the expense of profit and loss (extinguishing the month, revaluing), not keeping sufficient allocations and reserves, as well as reducing revenues as a result of future losses. 2- There are some indications of the practice of profit management by certain companies.

Study Holland & Ramsay (2003) entitled "The Extent to which Australian Companies Manage profits to reach standard revenue levels, ensure positive profits and avoid losses."

The study aimed to investigate the extent to which profit management is exercised by Australian companies, in particular, the management of profits to reach standard revenue levels, ensure positive earnings, and avoid losses, and the researcher assumed that company managers had incentives and motivations to reach target points of revenue or certain levels such as recording positive profits or maintaining current profit performance, and the researcher used other controlled variables such as the size of the company and its legal status and the extent to which analysts followed the company to distinguish between the sample of the study. One of the most important results of the study was:

1. Australian companies manage profits to ensure positive profits and sustain the performance of the previous quarter.

These results are more morally evident for large companies.

A study by Butler & Andrew (2004) entitled "An empirical analysis of auditor reporting and its association with abnormal accruals"

The study aimed to determine the relationship between the type of auditor's report and unusual dues, although between adjusted investigative opinions and unusual dues is a correlation (such as an earnings management index). One of the most important findings of the study: that obtaining a modified report is not a sign of profit management, the company may not get such a report despite the presence of profit management in its financial statements, The study also found a relationship between the extraordinary dues and the issuance of a revised report adjusted due to doubts about the continuity of the company, as this is shown in companies with views related to continuity(Going-Concern),due to the negative indication left by the high value of extraordinary dues on the continuity of the company, the reason for the high dues may be a severe financial crisis or financial hardship, and the study concluded that there are no differences between the companies sample study in terms of a relationship between unusual dues and the amended report and doubts about the continuity of the company in the future This study found no evidence to support previous research findings that companies receiving adjusted audit opinions manage profits more than those receiving unreserved audit opinions**.**

A study by Kao & Chen (2004) entitled "The Effects of Board Characteristics on Earnings Management"

The study aimed to test the relationship between the characteristics of the company's board of directors made up of external and internal members, and management practices in managing its profits. The presence of the Board of Directors to control and control the management's opportunistic behavior

Opportunistic Behavior exploits the flexibility available to it with optional dues to influence the accounting figures shown by financial lists used by investors to help them make their decisions, when management exercises its opportunistic behavior in profit management, it does not reflect the real performance of the unit's economic activity.

The study was conducted on companies listed on the Taiwan Stock Exchange and used the Jones model to measure profit management and the study found that there is a positive relationship between profit management and factors affecting the size of the company, and the ratio of indebtedness. The relationship between the ownership ratio of board members and the management of profits is negative, i.e. board members can limit management's opportunistic behavior when increasing their ownership of the company's shares, and that the positive relationship between board size and profit management practice, i.e. the more members of the Board of Directors become less efficient in oversight, while the negative relationship between the size of external board members and profit management, i.e. by increasing independent external board members, their efficiency and control over the company's board of directors increases.

A study by Cheng & Warfield (2004) entitled Equity Incentives and Earnings Management

This study aimed to test the relationship between profit management and the ownership motives of managers in companies that have plans to give stock incentives to managers and when they also have available ownership.

The study assumed that managers who had high ownership motives for owning shares and had the future desire to sell them were exercising profit management to increase profits, raising the market value of the company's shares. The study was conducted on companies listed in the database and for the period (1993-2000) excluding financial and service companies and concluded that managers have high equity incentives in companies when their sales levels are high after these companies declare profits. And that the declared profits of companies that have

Equity ownership incentives for managers, which are in line with or close to the expectations of financial analysts. Companies with equity ownership incentives for managers sought to increase their normal profits further, compared to companies that did not have incentive plans for management.

A study by Qiang & Terry (2005) entitled "The extent to which U.S. corporate managers exercise profit management to increase the value of their shares."

The study aimed to reveal the extent to which U.S. company managers exercised profit management to increase the value of their shares, as this study was conducted on U.S. companies that had their market data available during the study period (1993-2000) as the study borrowed that managers with high ownership incentives were more likely to sell their shares in the future, which prompted them to exercise profit management to increase the value of their shares to be sold using stock-based compensation.

The most important results of the study include:

1. Managers who receive high ownership incentives are more likely to sell their shares in

the future, and they are more inclined to report earnings consistent with or exceed analysts' predictions.

2. Equity incentives lead to profit management, as managers with high ownership incentives benefit from profit management to raise stock prices and increase the value of their shares (shares) to be sold in the future.

A study Roychowdhury (2006) entitled "Earnings Management through Real Activities Manipulation"

The study aimed to measure the extent to which the company manages profits by manipulating actual activities, and the researcher used experimental methods to detect manipulation of actual activities by studying cash flow from operations, production costs, and optional expenses relative to the level of revenue.

One of the most important findings of the study was that companies trying to avoid losses grant price discounts for a temporary increase in sales to improve profit margin or increase production to reduce unit cost and to significantly reduce optional expenses to improve profit margin, the study also found that there is a disparity between companies in manipulating actual activities and that the presence of conscious investors of the company limits the manipulation of actual activities, and the study also found some evidence of manipulation of real activities to exceed the annual predictions of financial analysts tracking the company's conditions.

Study Alvar (2006) entitled: Profit Management - The Impact of Institutional Governance on it, and its relationship to the market value of the company, an application study on industrial companies listed on the ASE.

This study aimed to introduce the phenomenon of profit management, its motives and ways of detecting it, and the means to reduce it through good institutional governance variables, such as the existence of an independent internal audit committee with sufficient experience to oversee

In the process of preparing financial statements, and the presence of an independent board of directors of an appropriate size, and with sufficient experience, and the study community included all industrial companies listed on the ASE during the period from 2001 to 2004, the sample of the study included 55 companies and the total number of views was 220 views. The researcher used jones's modified model to calculate optional dues that previous studies have proven effective in detecting the practice of profit management, and one of the most important findings of the study: the existence of statistically significant indicators of the practice of Jordanian public joint-stock companies listed on the ASA during the study period, as well as for each year of study, and that this practice is rooted in large companies rather than in small companies. The results also showed a statistically significant relationship between profit and value management.

Market and systemic risk of the company, and that management can deceive users of the company's financial reports through profit management, indicates the low level of efficiency of the ASE.

Aysy's (2007) study entitled: "The impact of the quality of external review on profit management processes."

This study aimed to help understand the quality of the review process and assess the integrity of the size of the review facility and some other factors that have received the attention of previous writings as quality indicators. It also aimed to highlight the role of audit quality in detecting profit management processes in the Egyptian financial market, and to achieve that goal, an application study was conducted on a sample of audit managers at the external audit offices of a single (74) strength, and the data was compiled using the survey list method. Using the multi-progressive regression analysis method to test the relationship between audit quality as a dependent variable and its factors as independent variables, and using simple regression analysis to analyze the relationship between audit quality as an independent change and profit management behavior as a dependent variable.

The most important results of the study include:

1- There is a positive relationship between audit performance control and internal quality inspection at the review facility and the quality of the review.

2. There is a negative relationship between the duration of the review service and the quality of the review service, the lower the duration of the review service, the greater the ability of the reviewers to detect and address profit management behavior, and consequently the quality of the review increases.

3- There is a negative relationship between the importance of the client under review and the quality of the review.

4- There is a negative relationship between the quality of the review and the conduct of profit management.

Al-Hamwi (2007) Study, entitled: Cleaning up financial statements and its relationship to administrative changes and performance (Application study of industrial companies listed on the ASE)

The study aimed to explore the extent to which Jordanian public joint-stock companies listed on the Assn. of Jordan practice to clean up their financial reading (Big Bath Accounting) as a profit management tool. One of the most important findings of the study: that the sixth general industrial companies of Jordan from under and in my choice to practice cleaning financial statements, where the practice rate during the study period was 36.5% and the study found a direct relationship between the performance of the Industrial Joint Stock Company of Jordan in the year of practice and the decision to charge them to the practice of cleaning financial statements. A relationship was also found between the first age group of younger companies in the sample of this study, which is under 10 years of age. The decision to resort to the practice of cleaning up financial statements.

A study in Al-Qir (2008) entitled: "A proposed introduction to measure the impact of the government role referred to in the practice of profit management companies registered in the stock markets.

The study denied measuring the impact of external references under corporate governance on the practice of profit management by companies listed on the practical stock markets of the Republic of Egypt and Saudi Arabia.

The researcher tested a sample of companies registered in the stock market and compared it with a sample of profits for the facilities registered in the Egyptian stock market in the period before the issuance of the rules and standards of governance issued by the Ministry of Investment, such as in the practice of profit management by these establishments in the period after the issuance of this regulation and can summarize the results of the study in the following points

That profit management is exercised either by public establishments or by the registered contribution to the Stock market), or by private enterprises.

Profit management methods vary depending on their purpose, circumstances, and opportunities for the management of the facility.

Profit management is no different from country to country and may vary from one industrial sector to another, or one facility to another.

There are many methods and measures by which profit management can be measured, but most of these features are based on the ulcerative model of New 1,1991.

A study by Abu Ajila & Hamdan (2008)

This drama aimed at trying to explore the civil practice of the management of the Jordanian public joint-stock company listed on the Aden Stock Exchange on the one hand and examined the impact of one factor on that practice, which is the characteristics of the quality of auditing the audit office and the association of the audit office with global audit offices, the period of retention of the client, the fees of the wake-up, and specialization in the client industry on the other during the study period, and the dramatic sample of 45 companies during the period from 2001 to 2006. The total number of views reached 270 views and one of the most important results reached: the Jordanian international joint-stock industrial companies listed on the Amman Stock Exchange practiced profit management during the various conduct of the study 2017 2016, although there was some variation during those years. This is evident in My School 2015, 2016. If the year 2015 in the transfer of several years in the approval of profit management with a practice rate of 62%, as it became clear to the researcher of statistical results there is a statistically significant effect characteristics quality audit combined and the article in the size of the office of auditing and the association of the office of the wake-up office to global audit offices, the period of retention of the client, and the fatigue of auditing and specialization in the client industry on wind management. The most influential element of specialization in the client industry.

One of the researcher's most important recommendations is that the Securities Commission strengthen the disclosure instructions issued to the purpose for which it was issued, to reduce illegal or unethical practices of profit management and some other practices such as income booting.

A study Ishtiwi (2009) entitled Applied Study to Analyze the Impact of Economic Factors on Profit Management Practices in Egyptian Companies.

The study aimed at the possibility of using the advantages in accounting eligibility as a measure of war space to choose accounting policies exploited by managers, and the change in the impact of entitlement is important applications in studies related to the discovery of profit management practices. We seek to examine the meaning of the association of heterogeneity in the wake of accounting entitlement with economic factors, which include both the characteristics of the company and the nature of the space environment.

It was clear from the earthly rabat change in the impact of accounting maturity in both the size of the company, the rate of leverage, the length of the operations cycle, the growth rate in the assets, some other factors, and the results of the study are limited by the findings of some other previous studies. For example, The Night explains the existence of limited profit management practices by large companies that make mistakes in the financial outlook for large companies (Brown, 1987): Some clumsy studies have discovered a reverse relationship between media content to advertise profits and the size of the company (Bhushan, 1989; Atians, 1985)

These studies are due to the tracking of large-scale companies by financial analysts, resulting in more private information than those companies compared to small-scale companies.

The study concluded with several findings, the most important of which was that the disadvantage of the small-scale company's unexpected earnings relationships was that these companies manipulated the well of merit in the form of transportation compared to small companies. The study also recommended several recommendations, the most important of which were:

Where financial analysts follow the company's financial position on the space available for free choice of accounting policies

A methodology that can be developed to explain how these factors affect profit management practices must be provided.

The Aggression Study (2009) entitled "The relationship between optional dues, as an indicator of profit management, and the type of auditor's report".

The study aimed to test the relationship between optional dues as an indicator of the company's profit management (using the modified Jones model) and the type of auditor's report. To achieve the objectives of the study, the relationship was tested above through the data of 75 industrial public joint-stock companies listed on the ASE for the period from 2001 to 2006, the total number of views reached 450 annual views during the full study period, and two methods were used to express profit management, namely the method of the absolute value of optional entitlements and the method of an imaginary variable, and the change of method did not affect the results of the study, and two programs were used Statistical testing statistics are the assumptions of the study, SPSS, and E-Views.

The Study of Al-Daour & Abed (2009) entitled: "The impact of accounting policies to manage gains on the share prices of the economic units traded, on the Palestine Stock Exchange."

The study aimed to measure the impact of strategic management's adoption of gains management on stock prices traded on the Palestine Stock Exchange.

The government's efforts to address the problem of the "100", which are not yet clear, are not yet clear.

The study concluded with several findings, the most important of which were:

The adoption of the economic unit's management of the earnings management strategy has an impact on the share prices traded on the Palestine Stock Exchange because the analysis between a morally significant relationship between net economic unit profits and return on equity and share prices traded on the Palestine Stock Exchange is known to be influenced by the adoption of strategic management gains management.

The study showed that the management of economic units may resort to the strategy of managing gains by pursuing accounting policies that have an impact on income stability due to many of the motives most importantly the management interest

In addition to the motives of tax interests and avoiding political costs and the costs of debt contracts. The study also recommended several recommendations, the most important of which were:

Work on new laws allowing financial instruments to be introduced into the market that did not exist before.

Al-Ashqar (2010) entitled: "Profit management and its relationship to unexpected returns per share and the extent to which the relationship is affected by the size of the company is an application study to the joint-stock companies listed on the Palestine Stock Exchange."

The study aimed at identifying profit management and its relationship to equity returns on the Palestine Stock Exchange, and to stop the extent to which these companies are interested in managing profits and their relationship to equity returns, and the applied study relied on jones's modified model on the study community of the 23 companies listed on the Palestine Stock Exchange, and the information was collected in this In particular, on the numbers from each company's financial statements, as well as surveying the annual financial reports of the companies themselves to see the management of profits and their relationship to equity returns, the T-test, one Way ANOVA test, standard deviation, and arithmetic average were used by the researcher to produce logical results that support the theoretical hypotheses contained in his study.

The study concluded several results, including that most of the companies listed on the Palestine Stock Exchange exercise profit management, and showed a significant relationship at a significant level between net operating profit, cash flow from the operating process, and the change in under-collection income of the company with equity returns in companies listed on the Palestine Stock Exchange. While it was found that there was no significant relationship at the level of statistical indication(a=0.05) between the change in accounts under collection, and the total assets of the company with the returns of shares in companies listed on the Palestine Stock Exchange.

A study of Basiruddin (2011) entitled " The Relationship Between Governance Practices, Audit Quality, and Earning Management: UK Evidence.

"The relationship between institutional governance, quality of audit and profit management: a guide from England"

This study aimed to test the relationship between institutional governance practices and the quality of auditing on the one hand and to test the relationship between both institutional governance practices, the quality of investigation and profit management on the other, for a sample of 350 companies listed on the London Stock Exchange during the period 2008-2005, and the study relied on more than one indicator to measure the quality of audit, and the management of profits was measured through optional dues. After designing the study models through appropriate regression equations, an important relationship was found between the number of independent members within the Board of Directors and the quality of audit, while there was no relationship between profit management and institutional governance.

Habib (2011) entitled: "Managing accounting profits and the factors affecting them in Syrian joint-stock companies."

This study aimed to identify profit management and its factors affecting Syrian joint-stock companies through several factors: (company profitability, company size, terms of debt contracts, capital density, taxable profit, stimulus tools.

To achieve this, the researcher designed a questionnaire and distributed it randomly to a sample of financial managers in the joint-stock companies and represented (134) financial managers out of the study community consisting of (219) financial managers of these companies. The number of recovered and valid resolutions was 89. The study found that there was an expelled relationship between the practice of profit management and the factors affecting it.

The study recommended the need to introduce profit management and its importance, and the need to hold seminars to educate all those interested in accounting work in the dimensions of profit management practices by the company's management and the need to activate the issue of governance in Syrian joint-stock companies.

A study Abed, Al-Attar, & Suwaidan (2012) entitled "Corporate Government and Management" Earning: Jordanian Evidence.

The relationship between institutional governance and profit management, a guide from Jordan"

This study aimed to test the relationship between profit management and the characteristics of the institutional governance sample of non-financial companies (industrial and service) Jordanian during the period 2006-2009 and the sample size of the study reached 132 companies, and the modified Jones model was used to measure profit management and link it with the number of independent members within the Board of Directors, the size of the board of directors and the percentage of ownership held by the management, in addition to other factors such as the size of the company and the financial lifting within the company.

After designing and applying the appropriate regression model, a relationship was found between profit management and board size, while there was no relationship between profit management and other factors.

What distinguishes this study from previous studies?

By reviewing and referring to previous studies, the researcher believes that his study is characterized by the fact that it dealt with the relationship between profit management and stock prices that have not been taken into account before in the Jordanian industrial sector.

This study is also characterized by the period that took place after the global crisis.

Al-Othman, Ali Issa, & Zayoud (2011), " Voluntary Disclosure Level in the Annual Reports of the Syrian Joint Stock Companies that Listed on Damascus Securities Exchange"

This study aimed to measure the level of optional disclosure in the financial reports of joint-stock companies registered in the Damascus Stock Exchange and to achieve this goal the researchers followed the positive approach in determining the size and quality of optional disclosure and formed the Syrian joint-stock companies in 2009 study community, and the results of the study were noticeable interest by the sample companies in optional disclosure, although there was a difference in the size and quality of the optional disclosure, where the banks were the most disclosed, due to the high volume of Its operations compared to other companies and competition within the sector, in addition to benefiting from the experience of its subsidiaries as Syrian banks are branches of foreign banks.

Ramadan (2013), "The impact of the company's size on profit management practices: an applied study from the reality of the Jordanian market"

This study aimed to test the impact of the company's size on the management tendency towards the practice of profit management in Jordanian industrial companies and to achieve the goal of the study all Jordanian industrial companies listed on the ASE were selected between 2000 and 2011. The probability regression model of binary data, the 1991 Jones model adjusted for calculating optional dues, was adopted as an alternative to management's tendency towards profit management practice, the natural logarithm of the company's total assets as an alternative to the company's size, in addition to three dominant variables: the company's previous performance, sales growth rate, and management efficiency. Profits, so that the increase in the size of the company increases the likelihood of exercising profit management by 99.92% in Jordanian industrial companies. The study also concluded that large companies are more likely to practice profit management than small companies, where the probability of exercising profit management in large companies was 4.52 8% compared to 54%. In small-scale companies, it has also been found that management efficiency has an adverse relationship with profit management practices, so that the more efficient management, the less management tends to practice profit management due to the low need for such practices.

Khudair (2013), "The role of the auditor in reducing management practices management profits application research for a sample of companies controlled and audited by the Financial Supervision Bureau and audit offices in the private sector"

This study aimed to explain the nature, motives, and methods of profit management, highlight the role of the auditor's performance quality in detecting and reducing such practices, and verify the validity and fairness of the information contained in those lists in a sample of six companies selected from a group of public companies, mixed joint-stock companies, and private equity companies) and from economic sectors with various activities (industrial, agricultural and financial) and for years (2008-2010). To achieve this goal, a model was used to measure quantitative profit management practices, the volume of notes discovered under the concept of profit management, and its impact in the opinion of the auditor to measure the quality of the auditor's performance and role in reducing such practices. The analytical aspect of the study proved that public companies are the highest in the practice of profit management, while mixed joint-stock companies ranked second in those practices, while private joint-stock companies were in third place in addition to the presence of a positive and vital role for the auditor in the Financial Supervisory Office by identifying profit management practices in companies under his control, and the weakness and shortcomings of this controlled role accounts in the private sector audit offices of companies under his control and audit.

Ramadan (2014), "The impact of corporate profit management on measuring tax profit is an applied study on companies listed on the Damascus Stock Exchange"

This study aimed at examining the potential impact of corporate managers' use of profit management practice, and for exercising income booting as a privacy mechanism of profit management mechanisms on the process of measuring tax profit and corporate tax results. To achieve the objective of the research, the researcher relied on the descriptive and inductive approaches, as well as on the model of discretionary adjustments as a determinant of the degree to which the administration exercised profit management, linking the results with the study variables of the affiliate (accounting profit on the one hand and taxable profit on the other). The study found a strong relationship between management's profit management practice and the tax profit figure, as the more profit management in companies the lower the tax profit of these companies.

A study by Lobo & Zhou (2001) "Disclosure quality and earnings management"

This study aimed to test the relationship between disclosure quality and profit management, to test hypotheses the model of simultaneous equations was used, and to measure the variables of the study, published rates were used by the Research and Investment Management Association to measure corporate disclosure, while the estimated dues of jones's modified model were used to measure profit management, and the study found a negative statistically significant relationship between corporate disclosure and profit management.

Study of Eng & Mak (2003), “Corporate governance and voluntary disclosure"

The study aimed to find out the impact of the ownership structure and board structure on corporate disclosure, and to achieve this goal using the method of micro squares and regression analysis, as a sample consisting of 158 companies listed on the Singapore Stock Exchange was selected, and the study found that the distribution of profits and its impact on the mouth * and m re-inter + 100% 21/158 low management ownership and high government ownership is associated with a positive relationship with increased voluntary disclosure, and the independence of the Board of Directors increases the level of voluntary disclosure in companies.

A study by Oliveira, Rodrigues, & Craig (2006), "Applying Voluntary Disclosure Theories to Intangibles Reporting: Evidence from the Portuguese Stock Market"

The study aimed to identify factors affecting voluntary disclosure of intangible assets in the annual reports of Portuguese listed companies, and to achieve this goal was use of descriptive analysis and multiple regression, a sample of 56 companies listed on the Portuguese Stock Exchange was selected, and the study found that factors such as the size of the company, the spread of ownership, the size of the audit office, the type of industry and the listing status were used on voluntary disclosure of intangible assets, and there was no impact concerning leverage and profitability and the company's work in multiple geographical locations.

The study of Barako (2007), "Determinants of voluntary disclosures in Kenyan companies annual reports"

This study aimed to examine the factors associated with voluntary disclosure through a longitudinal survey of voluntary disclosure practices in the annual reports of companies listed in Kenya and to clarify the impact of corporate governance mechanisms, ownership structure, and company characteristics on voluntary disclosure. To achieve these objectives, the micro-squares method was used with the corrected standard error panel, and the study found an impact on corporate governance mechanisms, ownership structure, and company characteristics, particularly size, on tossy disclosure.

A study by Hossain and Hammami (2009), "Voluntary disclosure in the annual reports of an emerging country: The case of Qatar, Advances in Accounting"

The study aimed to detect the determinants of voluntary disclosure in the annual reports of companies listed on the Doha Stock Exchange, and to know the extent to which the specific characteristics of companies are related to the level of voluntary disclosure, and to achieve these objectives a disclosure list consisting of 44 elements of voluntary information was developed, and the analysis was conducted using multiple regression analysis, and the study found that the age, size and structure of the company as well as the fixed assets it possesses are statistically significant in explaining the level of voluntary disclosure and the profitability of the company is not statistically significant.

A study by Sanjaya & Young (2012), "Voluntary Disclosure and Earnings Management at Bank Companies Listed in Indonesia Stock Exchange"

The study aimed to find out the impact of voluntary disclosure in profit management in banking companies listed on the Indonesian Stock Exchange, and to achieve this goal was used the method of multiple regression, and a sample consisting of 29 banking companies listed on the Indonesian Stock Exchange was selected, and the study found a negative relationship between voluntary disclosure and profit management, i.e. increased voluntary disclosure reduces profit management practices.

A study by Lan, Wang, & Zhang (2013), "Determinants and features of voluntary disclosure in the Chinese " stock market "

This study aimed to provide an in-depth analysis of the determinants and features of a voluntary disclosure based on the information contained in the financial reports of 653 companies listed on the Shanghai market, and 422 companies listed in the Shench market, representing 80% of china's public companies in 2006. To achieve the objective of the study, information was collected from the annual reports published by companies on the Shanghai and Shenzhen stock exchanges, and then a survey list of 117 elements was developed to measure voluntary disclosure in companies.

The study of Omar & AbdulRahman (2014)"Management disclosure and earnings management practices in reducing the implication risk"

The study aimed to present two types of profit management practices, techniques used in these practices, and the underlying motives, and to present the potential good and bad effects of each of these practices. To achieve the objectives of the study, a sample of 49 Malaysian companies allegedly cheating in their financial reports was selected, and their listing was removed from the Stock Exchange in Malaysia, where the total dues were used to detect profit management practices. This study found that profit management practices are based on the personal motivations of managers. The development of disclosure by corporate governance reduces the poor risk of profit management practices.

2.24.1 What Distinguishes The Current Study from Previous Studies?

This study comes to highlight the impact of profit management on the stock prices of companies listed on the ASE, where it came in agreement with some previous studies in dealing with the topic of profit practices, but what distinguishes this study from previous studies:

1. She takes care of profit management and its relationship to stock prices.

2. The study is characterized by the period 2017-2019, i.e studying recent financial data that has not been studied in previous research conducted on the ASE.
3. The study was conducted on companies listed on the ASE and the construction and engineering companies were distinguished from them and the number of companies
4. This study is descriptive-analytical, to reach the concepts related to the management of profits on the market prices of shares, the financial statements of the companies have been used sample study for all and the analysis of data and information about the variables of the approved study.

CHAPTER 3

3. STUDY METHODOLOGY

The study aims to identify the profit management on the market prices of shares in Jordanian engineering and construction companies, and the descriptive analytical approach was used through reference to literature and previous studies. The methodology and procedures of the study are considered to be a major dialogue through which the practical aspect of the study is completed, and through it, the necessary data are obtained to conduct statistical analysis to reach the results that are interpreted in the light of the literature of the study on the subject of the study, and thus achieve the objectives that it seeks to achieve.

The researcher addressed the practical framework of the study in two topics, as follows:The first topic, the method and procedures. The second topic, data analysis and hypotheses testing.

3.1. METHOD AND PROCEDURES

In this topic, we deal with a description of the methodology followed and the study sample, the measures used to measure the variables of the study, as well as the most prominent methods used in analyzing the data to reach the objectives of the study.

3.2. RESEARCH METHODOLOGY AND METHOD

The current study is descriptive-analytical, as the descriptive analytical approach was adopted concerning the study which aimed to identify the profit management on the market prices of shares in Jordanian engineering and construction companies listed on the ASE, and the study relied on the necessary data on the following sources:

1. Previous literature, references, publications, and reports that dealt with the subject of the study concerning the independent variable “profit management" and the variable of the "market value of shares," was also viewed on, Arabic and foreign references and studies published in scientific journals and journals related to the subject of the study.
2. The data contained in the annual reports of engineering and construction companies listed on the ASE during the study period of 2017-2019, while the researcher had to reach the departments of some companies to complete some of the study data.
3. The researcher relied completely on the practical study of the annual financial reports published on the ASE website.

Community and sample study: As described in Table 3.1, the study community includes all the Jordanian engineering and construction companies listed on the ASE, of the (8) companies and the study includes all engineering and construction companies whose shares are traded on the ASE during the study period of (7) companies, whose data have been completed to estimate the study variables for the period from (2017-2019).

Table 3.1. Capital companies

T	Code	Company Name	Capital in 1 million dinars
1	AQRM	Al-Quds Ready Mix	7.460.226
2	WOOD	Jordan Wood (Jwico)	5.000.000
3	JOPI	Jordan Pipe Manufacturing	3.575.000
4	RMCC	Ready Mix Concrete And Construction Supplies	25.000.000
5	WINGS	Assas For Concrete Products Co.Ltc	12.000.000
6	ASPMM	Arabic Pipes Industry	9.000.000
7	NCCO	Northen Cement Co.	55.000.000

Source: ASE (annual reports)

3.3. STUDY TOOLS AND ACCESS TO INFORMATION

To achieve the goal of the study, the researcher resorted to using two basic sources to collect information, namely:

Initial suction**:** To address the analytical aspects of the subject of the study, the collection of preliminary data through the financial statements of the sample companies was used as the main tools for the study and the period 2017-2019.

Secondary sources**:** where he directed in the treatment of the theoretical framework of the study to secondary data sources, which are the relevant Arabic and foreign books and references related, periodicals and articles, previous studies that dealt with the subject of the study, scientific testing and reading in different internet sites, and the goal of the researcher from resorting to secondary sources in the study, to identify the bases and sound scientific methods in writing studies, as well as taking a general perception of the latest users that occurred in the subjects of the current study

3.4. STATISTICAL TREATMENT USED

To answer the questions of the study and test its hypotheses, the researcher adopted the following methods: Kolmogorov-Smirnov data verification test, The study's averages Multiple Regression Analysis to show the impact of profit management on stock market prices. Simple linear regression analysis to test the impact of each independent variable in the dependent variable, which is the market prices of shares.

Statistical treatments used in the study: Statistical Package for the Social Sciences (SPSS).

3.5. NORMALITY DISTRIBUTION TEST

Kolmogorov-Smirnov Test was used to test whether the data tracked the normal distribution or not, and the results were as shown in Table 3.2.

Table 2.2. Shows The Results of The Normality Distribution Test

No	The child and the consistent variable		Kolmogorov-Smirnov)	Moral That's it, that's
1	Market prices for shares	Cash flow	0.137	0.075
2		Change in company revenues	1.057	0.214
3		Change in accounts under collection	0.111	0.200
	Market prices for shares		**0.135**	**0.080**

It is clear from the results shown in Table 3.2 that the probability value (Sig.) for all the study axis was greater than the level of indication 0.05 so that the distribution of data for these dimensions follows the natural distribution and where the parameter tests will be used to answer the study hypotheses.

3.6. DATA ANALYSIS AND HYPOTHESES TESTING

This chapter reviews the results of the analysis of the variables adopted in the study by presenting the preliminary statistical indicators through the mathematical averages of all the study's parameters, as well as the chapter deals with the study hypotheses and statistical implications for each.

3.7. DESCRIPTIVE ANALYSIS OF STUDY VARIABLES

To describe profit management practices (cash flow from the operating process, change in company revenues, change in accounts under collection) for the engineering and construction companies under study, the researcher resorted to using the financial statements of each variable and the rate of three financial years.

3.7.1. Descriptive Analysis of Cash Flow from The Corporate Operating Process

To describe and analyze the cash flow from the operational process of the companies in question in one million dinars, the researcher came to the general rate, as described in the table. 3.3.

Table 3.3. Descriptive analysis of cash flow from the operating process

N	Company	Year 2017	2018	2019	Rate
1	Al-Quds Ready Mix	241.293	-396.771	-649.853	-268.443,67
2	Jordan Wood (Jwico)	-620.145	-863.222	-541.226	-674.864,33
3	Jordan Pipe Manufacturing	-349.323	64.219	149.911	-45.064,33
4	Ready Mix Concrete and Construction S	2.832.015	-3.508.045	6.313.165	1.879.045,00
5	Assas For Concrete Products Co.Ltc	318.862	1.098.018	302.654	573.178,00
6	Arabic Pipes Industry	1.051.916	616.067	-1.182.98	161.664,67
7	Northern Cement Co.	11.320.815	-10.806.69	9.195.519	3.236.546,00
	The general rate is in million dinars				**694.580,19**

Source: Preparing the researcher the outputs of the financial statements of companies (ASE)

Table 3.3 refers to cash flow from the operational process of the companies studied in million dinars, ranging from (674,864.33 - 3,236,546.00) at a general rate of (694.580.19) and was on the cashflow from the operation of The Northern Cement Company at a rate of (3,236,546.00) while the lowest cash flow from the operation of the Jordan Wood Industries Company (Juiko) and a rate of (-674,864.33).

3.7.2. Descriptive Analysis of The Change in Corporate Revenues

To describe and analyze the change in the company's revenue to the companies studied in one million dinars, the researcher came to the general rate as described in table (4-3)

The table (4-3) also indicates the change in the company's revenues to the companies studied in million dinars, where the rates of change in the company's revenues for the companies studied ranged from (2,554,916.00 - 5,185,191.67) at a general rate of (419,911,911) 43) Ranked first in terms of revenue change of North Cement company (5,185,191.67), while The

Arden Wood Industries company ranked last in terms of revenue change ate rate of-2,554,916.00.

The researcher believes that the increase in the revenues of the companies in question will reflect positively on the market value of their shares, which logically leads to increased cash distributions on shares.

Table 3.4. Descriptive analysis of the change in corporate revenues

T	Company	Year			Rate
		2017	2018	2019	
1	Al-Quds Ready Mix	319.151	343.638	162.782	275.190,33
2	Jordan Wood (Jwico)	-1.891.815	-2.255.954	-3.516.979	-2.554.916,00
3	Jordan Pipe Manufacturing	69.481	731.687	889.665	563.611,00
4	Ready Mix Concrete And Construction Supplies	-2.394.781	142.555	-3.567.363	- 1.939.863,00
5	Assas For Concrete Products Co.Ltc	624.033	639.363	1.486.457	916.617,67
6	Arabic Pipes Industry	869.903	391.150	219.592	493.548,33
7	Northen Cement Co.	10.239.600	782.125	4.533.850	5.185.191,67
The general rate is in million dinars					**419.911,43**

Source: Preparing the researcher the outputs of the financial statements of companies (ASE)

3.7.3. Descriptive Analysis of Changes in Accounts Under Collection for Companies

To describe and analyze the change in accounts under collection for the companies studied in one million dinars, the researcher came to the general rate, as described in table 3.5.

Table 3.5 shows the rate of change in the accounts under-collection of the companies studied in million dinars, where the rates of change in the accounts under-collection of the companies studied ranged from (2,811,191.00 - 32,603.388.33), with an estimated overall rate (11,613,475.90) as it came first in terms of the rate of change in the accounts under the company's ready-made and supply-supplying company. Construction at a rate of 32.605.153.00, while the Jordan Pipeline Industry Company got the last place in terms of the rate of change in accounts under collection at a rate of (2.811.191.00) and the researcher considers that this represents the large amounts that the companies in question spent on the collection of third parties, both individually and institutionally, which is reflected in the result on the stock of companies cash and thus their ability to meet their obligations towards third parties.

Table 3.5. Descriptive analysis of changes in accounts under collection

N	Company	Year 2017	2018	2019	Rate
1	Al-Quds Ready Mix	3.796.334	2.982.007	5.854.001	4.210.780,67
2	Jordan Wood (Jwico)	4.555.864	5.796.136	9.282.701	6.544.900,33
3	Jordan Pipe Manufacturing	2.498.582	3.204.935	2.730.056	2.811.191,00
4	Ready Mix Concrete And Construction Supplies	29.674.285	33.929.374	34.206.506	32.603.388,33
5	Assas For Concrete Products Co.Ltc	6.803.039	6.724.302	6.061.733	6.529.691,33
6	Arabic Pipes Industry	3.085.835	3.472.796	4.481.962	3.680.197,67
7	Northern Cement Co.	14.040.719	35.576.513	25.125.314	24.914.182,00
	The general rate is in million dinars				**11.613.475,90**

Source: Preparing the researcher the outputs of the financial statements of companies (ASE)

3.7.4. Descriptive Analysis of The Market Prices of Corporate Shares

To describe and analyze the market prices of the shares of the companies studied in millions of dinars, the researcher came to the general rate as described in table 3.6.

As for the market prices of the shares of the companies in question in 100,000 dinars, table 3.6 to the market prices of the shares of the companies in question in million dinars, where the market prices of the shares of the companies in question ranged from(156.200,000.00-2.200.000.00)at an estimated general rate (27.719.965.71) Ranked first in terms of market prices company Northern Cement at the rate of amount(156.200,000.00), while Assas Concrete Industries got the last place in terms of the average market prices in the middle of his destiny(2.200.000.00).

Table 3.6. Description analysis of the market princes

N	Company	Year			Rate
		2017	2018	2019	
1	Al-Quds Ready Mix	3.506.212	2.909.410	2.163.408	2.859.676,67
2	Jordan Wood (Jwico)	4.950.000	3.900.000	2.100.000	3.650.000,00
3	Jordan Pipe Manufacturing	2.681.250	7.757.750	2.681.250	4.373.416,67
4	Ready Mix Concrete And Construction Supplies	26.250.000	13.050.000	9.500.000	16.266.666,67
5	Assas For Concrete Products Co.Ltc	2.880.000	1.920.000	1.800.000	2.200.000,00
6	Arabic Pipes Industry	10.440.000	8.370.000	6.660.000	8.490.000,00
7	Northen Cement Co.	158.400.000	158.950.000	151.250.000	156.200.000,00
	The general rate is in million dinars				**27.719.965,71**

Source: Preparing the researcher the outputs of the financial statements of companies (ASE)

3.8. HYPOTHESES TEST RESULTS

3.8.1. Study Hypotheses

Based on the study's problem, questions, and specific objectives, the following key hypotheses have been formulated, which will be tested, and the conclusions and recommendations are drawn through them as follows:

3.8.2. The Main Hypothesis

There is no statistically significant effect at the level of indication (0.05 >a) of the practices of managing profits cash flow from the operational process, the change in the company's revenues, and the change in accounts under collection) on the market prices of shares of Jordanian engineering and construction companies.

Table 3.7 shows that the correlation coefficient is equal to 0.874 and that the probability value (Sig.) is 0.000 and is below the 0.05 ≥ α, which indicates a strong statistically significant correlation to the practices of managing cash flow profits from the operating process, the change in the company's revenues, and the change in accounts under collection) on the market prices of shares of Jordanian engineering and construction companies.

- The multiple regression model shows that the market prices of shares representing the dependent variable are fundamentally and statistically significantly influenced by the dimension (change in company revenues, change in accounts under collection).

- Cash flow was excluded for lack of statistical indication in the impact on the market prices of shares.
- The adjusted selection factor was 0.763, which means that 76.3%of the change in market prices for shares is due to the impact of the independent variable (change in company revenues, change in accounts under collection) and the rest13.7%due to other factors affecting market prices.

Table 3.7. Results of the multi-regression analysis test for the impact of profit management practices on the market prices of shares of Jordanian engineering and construction companies

Child variable	Independent variable	Regression coefficient		Test	Sig. Level of significance	(R) Selection coefficient	(R^2) Selection coefficient	Calculated	Sig. Level of significance
		Fixed amount	-6260.58	-.705	.490				
		Cash flow	-1.461	-.886	.388				
Market prices for shares	Profit management practices	Change in company revenues	14.014	5.589	.000	0.874	0.763	18.27	0.000
		Change in accounts under collection	2.507	4.689	.000				

Effect equation:

- Market prices **=-6260.58+14.014*(change** in company revenue) +**2.507*(change** in accounts under collection).
- When the company's revenue change increases by one unit, the dependent variable (stock market prices) increases by (25.014).
- When an increase (change in accounts under collection) by one unit increases the dependent variable (market share prices) by (2.507).

The following sub hypothesis is branched out:

The first sub hypothesis Ho: There is no statistically significant effect at the level of indication (0.05 >a)of the cash flow from the operational process on the market prices of shares of Jordanian engineering and construction companies.

Table8-3shows that the correlation coefficient is equal to 0.243, and that the probability value (Sig.) is 0.289 and is greater than the 0.05 ≥ α, which indicates that there is no statistically significant correlation to the cash flow from the operation on the market prices of the shares of Jordanian engineering and construction companies.

- The multiple regression model shows that the market prices of shares representing the dependent variable are not fundamentally affected (cash flow).
- The adjusted selection factor was 0.059, which means that 5.9% of the change in market prices for shares is due to the effect of the independent variable (cash flow), which is very small and the rest 94.1% is due to other factors affecting market prices.

Table 3.8. Results of the test analysis of the simple regression of the effect of cash flow on the market prices of the shares of Jordanian engineering and construction companies

Child variable	Independent variable	regression coefficient		Test	Sig. Level of significance	(R) Selection coefficient	(R^2) Selection coefficient	Calculated	Sig. Level of significance
Market prices for shares	Profit management practices	Fixed amount	25645.429	2.157	.044	0.243	0.059	1.19	0.289
		Cash flow	2.987	1.091	.289				

Impact Equation: (Market Prices = 25645.429+ 2.987*(cash flow)

Sub-hypothesis: There is no statistically significant effect at the level of indication (0.05 >a) of the change in the company's revenues on the market prices of shares of Jordanian engineering and construction companies.

Table9-3shows that the correlation coefficient is equal to 0.671, and that the probability value (Sig.) is 0.001, which is less than the 0.05 ≥ α, which indicates a relationship with a medium-term statistical significance of the change in the company's revenue from the operational process on the market prices of shares of Jordanian engineering and construction companies.

- The multiple regression model shows that the market prices of shares representing the dependent variable are fundamentally influenced (the change in the company's revenues).
- The adjusted selection factor was 0.450, which means that 45%of the change in market prices for shares is due to the impact of the independent variable (change in company revenues), which is a good effect and the rest 55% is due to other factors affecting market prices.

Table 3.9. Results of the test analysis of the simple regression of the change in the company's revenues on the market prices of the shares of Jordanian engineering and construction companies

Child variable	Independent variable	Regression coefficient		Test	Sig. Level of significance	(R) Selection coefficient	(R^2) Selection coefficient	Calculated	Sig. Level of significance
Market prices for shares	Profit management practices	Fixed amount	22458.115	2.475	.023				
		Change in company revenues	12.531	3.941	.001	0.671	0.450	15.53	0.001

Impact equation: (market prices = 22458.115+ 12.531*(cash flow)

When the increase (change in company revenues) by one unit leads to an increase in the dependent variable (market prices of shares) by (12,531).

Sub-hypothesis Ho3: There is no statistically significant effect at the level of indication (0.05 >a) of the change in calculations under collection on the market prices of the shares of Jordanian engineering and construction companies.

Table 3.10 shows that the correlation coefficient is equal to 0.522, and that the probability value (Sig.) is 0.015 and is less than the $0.05 \geq \alpha$ and this indicates a relationship with a medium-term statistical significance for the change in accounts under collection on the market prices of shares of Jordanian engineering and construction companies.

- The multiple regression model shows that the market prices of shares representing the dependent variable are fundamentally affected (change in accounts under collection).
- The adjusted selection factor was 0.272, which means that 27.2%of the change in market prices for shares is due to the impact of the independent variable (change in accounts under collection), which is a good effect, and the rest 72.8%is due to other factors affecting market prices.

Table 3.10. Results of the analysis of the simple regression of the effect of the change in accounts under collection on the market prices of the shares of Jordanian engineering and construction companies

Child variable	Independent variable	Regression coefficient		Test	Sig. Level of significance	(R) Selection coefficient	(R^2) Selection coefficient	Calculated	Sig. Level of significance
		Fixed amount	316.630	.022	.983				
Market prices for shares	Profit management practices	Change in accounts under collection	2.360	2.665	.015	0.522	0.272	7.1	0.015

Impact equation: (market prices =**31663+ 02.36*(cash** flow)

When an increase (change in accounts under collection) by one unit increases the dependent variable (stock market prices) by (2.360)

CONCLUSION AND RECOMMENDATION

Presented in the fourth chapter of the results of the descriptive statistical analysis of the study variables and test hypotheses, this chapter deals with the subject of the overall results of the researcher as an answer to the questions asked in the first chapter of this study that represented its problem and the hypotheses that were built on it and in light of these results reached in the current study the researcher made several recommendations, and can summarize the results of the most important study according to the statistical analysis:

The results of the analysis and test hypotheses can be summarized as follows:

First: The results of the descriptive analysis of the study variables include

The results showed that the cash flow rates from the operating process of the companies in question ranged from (674,864.33 - 3,236,546) to a general lycée rate (697,580.19). This may be since cash flow from the operational process of the companies in question showed that the total net cash flow from the operating process was positive, reflecting its high potential for meeting its medium-term obligations.

The rates of change in the company's revenues for the companies in question ranged from (5.185.191,67-2.554.916,00) at a general rate of 419.911,43, perhaps because the increase in the revenues of the companies in question will reflect positively on the market value of their shares, which leads to a logical increase in cash distributions on equities. The rates of change in under-collection accounts of the companies in question ranged from (32,603,388.33 - 2,811,191.00) to a general average of 11.613.475,90, which is reflected in the company's cash reserves and therefore its ability to meet its obligations to third parties.

Market prices for the shares of the companies in question ranged from(156.200.000-2.200.000) at a general rate of (27.719.965,71), and this can be explained by the fact that the company's share prices are directly affected by its profits, so companies are always seeking To maintain its investors, the investor prefers the company's profits to be stable, and investors also seek and eventually pay high prices for shares in companies whose profits are less volatile, and low volatility in the company's profits means that there is less disbelief about the direction of profits and reinforces the impression of lower risk, and this is consistent with what he pointed out (Imanuel & Wong, 2003). MOC.

Second: The results of statistical analysis to test the hypotheses of the study include

The lack of impact of profit management practices (cash flow from the operating process, change in the company's revenues, change in accounts under collection) on the market prices of shares of Jordanian engineering and construction companies, and this result varies and study (Dawar and Abed, 2009) which showed that the adoption of the management of the economic unit for the profit management strategy has an impact on the prices of shares traded on the Palestine Stock. Exchange. This is because the analysis between the existence of a morally significant relationship between the net profits of the economic unit and the return on property rights and the prices of shares traded on the Palestine Stock Exchange, also vary and vary also the study of (Al-Lozi, 2013) which showed that 53.5% of the industrial companies the subject of the sample study exercise disowner profits while 46.5% did not exercise profit management.

The impact of the cash flow from the operational process on the market prices of the shares of Jordanian engineering and construction companies and this result is consistent with the study (Ashkar, 2010) which showed that most of the companies listed on the Palestine Stock Exchange exercise profit management, as it turns out that there is a significant relationship at the level of indication between both net operating profit, cash flow from the operation, and the change in revenues under-collection of the company's dividends in the companies listed on the Palestine Stock Exchange.

The lack of impact of the change in the company's revenues on the market prices of shares of Jordanian engineering and construction companies. There is an impact of the change in accounts under collection on the market prices of shares of Jordanian engineering and construction companies, while this result differed and the study (Ashkar, 2010) which showed that there is no effect between the change in accounts under collection with the returns of shares in companies listed on the Palestine Stock Exchange.

The companies understudy should adhere to the principles of preparing financial reports and accounting standards and pay attention to the contents of the information contained in them, especially those related to returns to be a piece of solid information on which the investor can base his investment decisions. Activating the commitment of the companies understudy to the rules and standards of corporate governance through the disclosure of information and changes that occur to companies to ensure financial evidence free of fraud and manipulation and to provide appropriate and sound incentives to the Board of Directors, to achieve the objectives of companies and stakeholders, which contributes to reducing and framing the risk to companies. Work to strengthen the independence of the boards of directors of the companies in question and activate the role of their members to carry out their duties towards detecting and reducing the practice of profit management.

Increase the effectiveness of the role of audit committees to become aware of the awareness and awareness of the practice of profit management. Strengthening the role of the external auditor to carry out his duties to detect and reduce profit management practices. Applying sanctions to companies that conduct profit management practices to contribute to reducing these practices.

REFERENCES

1- Books

Abd al-Rahman, Abdullah, & Hashim, Omar(2016). “The impact of profit management practices on evaluating financial performance, an applied study on banks listed in the Khartoum Stock Exchange. *Journal of Economic Sciences*, 17.

Al-Barwari, Shaaban (2001). *The Stock Exchange from an Islamic Perspective.* Damascus: Dar Al-Fikr Contemporary.

Al-Hanawi, Muhammed (2000). *Analysis and Valuation of Shares and Bonds.* Alexandria: University Publishing House.

Baloul, Mukhtar (1988). *Investor's Guide to Securities.* Riyadh, Saudi Arabia: King Saud University.

Barako, Dulacha (2007). Determinants of voluntary disclosures in Kenyan companies annual reports. *African Journal of Business Management*, 113-128.

Basiruddin, Rohaida (2011). *The Relationship Between Governance Practices, Audit Quality and Earnings Management: UK Evidence.* Durham University, Durham, UK.

Begley, MJ. (1990). Debt Covenants and Accounting Choice. *Journal of Accounting and Economice*, Vol.80 No 1 pp. 125 -139.

Butler, Marty, & Andrew Leone (2004). An empirical analysis of auditor reporting and its association with abnormal accruals. *Journal of Accounting and Economics*, vol. 37(2), pages 139-165.

Cheng, Qiang, & Warfield, Terry (2004). Equity Incentives and Earnings Management. *SSRN*, 80(2).

Chotourou, Sonda, Bedard, Jena, & Courteau, lucie(2003). *Corporate Governance and Earnings Management".* Quebec, Canada: The social sciences and Humanities Research Council of canada.

Clikeman , Paul. (2003). Where Auditors Fear to Tread. Vol . 60 No .3:75-79.

Emanuel, David, & Wong, Norman (2003). Efficient Contracting And Accounting. *Accounting and Finance*, 149-166.

Eng, Li Li, & Mak, Yuen Teen (2003). Corporate governance and voluntary disclosure. *Journal of Accounting and Public Policy*, 325-345.

Fabozzi, Frank, & Peterson, Pamela (1999). *Analysis of Financial Statements.* USA : John Wiley and Sons.

Hamad , Tareq (2005). *Financial Reports* . Alexandria : University House .

Hanafi, Abdel Ghaffar (2003). *Stock Exchange.* Alexandria.Egypt: New University Publishing House.

Hindi, Monir (1997). Securities and capital markets. In *Dar Almaearif* (p. 215). Alexandria.

Hindi, Monir (1999). *Management of Markets and Financial Institutions.* Alexandria.Egypt: Knowledge Foundation.

Holland, D., & Ramsay, A. (2003). Do Australian companies manage earnings to meet. *Accounting & Finance*, 41-62.

Khalaf, Flaih (2006). *Financial Monetary Markets*. Irbid.Jordan: The Modern World of Books for Publishing Distribution.

Kieso, Donald, Weygandt, Jerry, & Warfield, Terry (2016). *Intermediate Accounting. (16th ed.).* USA: John Wiley and Sons.

Lan, Yang, Wang, Lili , & Zhang , Xueyong (2013). Determinants and features of voluntary disclosure in the Chinese stock market. *China Journal of Accounting Research*, 265-285.

Merchant , Kenneth , & Rockness, J. (2002). The ethics of managing earnings: An empirical investigation. *Journal of Accounting and Public Policy*, Vol. 13, No. 1, pp: 79-94.

WongN, & D Emanuel. (2003). *Efficient Cntracting And Accounting.* Vol. 43, pp.149 -166.

Scott, William (2003). *Financial Accounting Theory, 3rd Edition.* Toronto: Pearson College Div.

Siam, Ahmed (2003). *Principles of investment.* Amman,Jordan: Dar Al-Manhaj for Publishing and Distribution.

Tamimi, Abbas, & Saadi, Hakeem (2015). *Profits management: factors of its emergence, methods and ways to reduce them.* Amman : Dar Ghaida for Publishing and Distribution.

Tamimi, Abbass, & Al-Saidi, Hakeem (2015). *Earnings management, its originating factors, methods, and ways to reduce it.* Bagdad: Ghaidaa House for Publishing and Distribution.

Tamimi, A., & Salam, O. (2004). *Investing in Securities.* Amman: Dar Al Masirah Publishing.

Yasa, Geianta, Astika, Ida, & Widiariani, Ni (2019). The Influence of Accounting Conservatism, Ios, and Good Corporate Governance on the Earnings Quality. *Jurnal Ilmiah akuntansi dan Bisnis*, 86-94.

2- Articles, Papers, Other Printed Publications

Abd al-Rahman, Abdullah, & Hashim, Omar(2016). “The impact of profit management practices on evaluating financial performance, an applied study on banks listed in the Khartoum Stock Exchange. *Journal of Economic Sciences*, 17.

Abed, Suzan, Al-Attar, Ali, & Suwaidan, Mishiel. (2012). Corporate Governance and Earnings Management: Jordanian Evidence. *Corporate Governance and Earnings Management: Jordanian Evidence.* International Business Research, 5(1), 216. Doi:10.5539/ibr.v5n1p216

Abner, Rina, & Ferrer, Rodiel (2018). Impact of real earnings management on financial performance and firm value: Evidence from The Philippines. *Institute for Global Business Research*, 36.

Abu Ajila, Emad, & Hamdan, Allam (2008). The Impact of Auditing Quality on Profits Management in the Industrial companies listed in the amman stock . *Arab Journal of Administrative Sciences*, 277-319.

Al-Adai, Ibrahim, & Abdullah , Hussain(2012). The role of corporate governance mechanisms in limiting profit management practices. *Tishreen University Journal for Research and Scientific Studies*, 153-172.

Al-Amor, Salem, & Joudah, Rafat (2017). The extent of practicing tax-motivated profits management by Palestinian companies from the point of view of income tax employees in the Gaza Strip: a field study. *Journal of Al-Quds Open University for Research and Administrative and Economic Studies*, 275-290.

Al-Ashqar, Hani (2010). *Profit management and its relationship to unexpected returns per share and the extent to which the relationship is affected by the size of the company is an application study to the joint-stock companies listed on the Palestine Stock Exchange.".* Islamic University, Gaza, Palestine.

Al-Daba'i, M., & Abu Nassar, M. (2001, January 1). do stock prices precede accounting profits in reflecting appropriate information to determine the value of the enterprise. *Jordanian University,* pp. 410-431.

Al-Dahabi, Khaled (1997). *Strategies for dealing in shares and their applications on the shares traded in the Amman Stock Exchange.* Amman, Jordan: Al-Mussalhim Magazine.

Al-Daour, Jabr, & Abed, Mohammed (2009). The impact of accounting policies to manage gains on the share prices of the economic units traded, on the Palestine Stock Exchange. *Islamic University Journal*, 809-845.

Al-Khashawi, Ali Mahmoud, & Al-Dosari, Mohse Nasser (2008). Creative accounting and the role of the auditor in verifying its practices and results. *The ninth research competition at the level of all sectors of the Audit Bureau.,* 35-45.

Al-Lawzi, Khaled (2013). *"The Impact of Profit Management Practice on Stock Prices (Unpublished Master Thesis).* Middle East University, Amman-Jordan.

AL-lawzi, Khaled (2013). *The impact of Profit Management Practice on stock Prices Management.* Ammaan Jordan: Middle East University.

Al-Othman, Mohammed, Ali Issa, Reem, & Zayoud, Latif (2011). Voluntary Disclosure Level in the Annual Reports of the Syrian Joint Stock Companies that Listed on Damascus Securities Exchange. *Tishreen University Journal for Research and Scientific Studies - Economic and Legal Sciences Series*.

Al-Rais, Yousef (2019). *with the thirtieth impact of the rules of the karma on profit management is an applied study on industrial and service companies listed on the Palestine Stock Exchange.* The Islamic University, Palestine.

Al-sheikh , Emad (2014). The Effect of Profits Management Process on the Stock Price of Public Joint stock Industrial Copmanies in Jordan. *Management and Economics,* 37.

Al-Tal, Heba (2015). The impact of earnings management on shares market values. *The impact of earnings management on shares market values.* Middle East University, Amman-Jordan.

Barbakh, Nidal (2009). *Measuring the degree of accounting reservation in financial statements and showing its impact on the quality of profits.* Al-Azhar University, Palestine, Gaza.

Bartov, Ell, Gul, Firdinand, & Tsui, Judy (2000). Discretionary -Accruals Models and Discretionary -Accruals Models Audit Qualifications. *Journal of Accounting and Economics,* 421-452.

Basu, Sudipta (1997). The conservatism principle and the asymmetric timeliness of earnings. *Journal of Accounting and Economics,* 24: 3-37.

Fadawi, Amina (2011). Towards a statistical comparison between models for measuring profit management practices. *Journal of Strategy and Development, Annaba University*, 115-118.

Geol, Sandeep (2016). The Earnings Management Motivation: Accrual Accounting vs. Cash Accounting. *Australasian Accounting, Business and Finance Journal*, 48-66.

Ghazali, Zainab (2016). *The role of governance in activating control over profit management in economic institutions: a study of some Algerian economic institutions.* Farhat Abbas University, Algeria, Algeria.

Habib, Maher (2011). Managing accounting profits and the factors affecting them in Syrian joint-stock companies.". *Managing accounting profits and the factors affecting them in Syrian joint-stock companies.".* University of Jordan, Amman, Jordan.

Hanafi, Abdel Ghaffar (2010). Study the effect of the accounting reservation phenomenon on the quality of the financial statements. *Study the effect of the accounting reservation phenomenon on the quality of the financial statements.* Alexandria University, Egypt, Alexandria.

Hawari, Miraj, & Hadidi, Adam (2012). *Towards activating the role of corporate governance in controlling profits management in Algerian commercial banks, a paper presented to* *the National Forum on Corporate Governance as a Mechanism to Reduce Financial and Administrative Corruption,.* Algeria: Mohamed Khudair University.

Healy, PaulM, & Wahlen, J. M. (1999). A Review of the Earnings Management Literature and Its Implications for Standard Setting. *Accounting Horizons*, pp. 365-383.

Healy, PaulM. (1985). The Effect of Bonus Schemes on Accounting Decisions. *Journal of Accounting And Economics*, 85-107.

Hepworth, Samuel. (1953). *Something Periodic Income* . USA: American Accounting Association.

Herz, Iman (2018). The Impact of Dividend Policy on the Volatility of Share Price at Palestine Exchange. *The Impact of Dividend Policy on the Volatility of Share Price at Palestine Exchange.* Islamic University, Gaza, Palestine.

Ishtiwi, Ayman (2009). the Impact of Economic Factors on Profit Management Practices in Egyptian Companies. *Scientific Journal (Commerce and Finance)*, 114-179.

Issa, Samir (2008). "The Impact of External Review Quality on Profits Management Operations,". *" Journal of the Faculty of Commerce for Scientific Research, Alexandria University*, 45.

Jabbar, Nazim (2016). Motives and means for the administration's adoption of accounting profit management practices and ways to reduce them (An applied study of a sample of Iraqi companies). *Al-Muthanna Journal of Administrative and Economic Sciences*, 15-16.

Jahmani, Omer (2001). Income smoothing behavior in Jordan: a field study on companies listed on the Amman Stock Exchange. *Arab Journal of Accountancy*, 104 - 142.

Jaidi, Omar, & Jihan Abu, Nahia (2015). Profit management practices with entitlements and real activities and their relationship to the market returns of shares An applied study on companies listed on the Palestine Amman Stock Exchange for Securities. *An-Najah University Journal for Research*, 29.

Jones, Charles (1995). R & D-based models of economic growth. *Journal of political economy*, 759-784.

Jones, Jennifer (1991). Earnings management during import relief investigations. *Journal of Accounting Research*, 193-228.

Jundia, Hazim (2020). *Impact of fluctuations in profits on capital earnings per share and volume of trading in companies listed on the Palestine Stock Exchange in the industrial, investment and service sector.* The Islamic University, Palestine, Gaza.

Kao, Lan-Feng., & Chen, Anlin. (2004). The Effects of Board Characteristics on Earnings. *Virtus Nterpress.* 1(3), 96-107. doi.org/10.22495/cocv1i3p9

Kaplan, Robert. (1985). Evidence on the effect of bonus schemes on accounting procedure and accrual decisions. *Journal of accounting and economics*, 1-(7).

Kashkash, Mahmoud (2020). *The impact of the characteristics of the audit committee on the management of a practical study on banks listed on the Palestine Stock Exchange.* The Islamic University, Palestine, Gaza.

Khaled , Walid (2016). The impact of fair value accounting on the behavior and trends of profit management in the banking sector in Sudan. *The Arab Journal of Science and Research Publishing.*, 255-273.

Khudair, Diaa (2013). *The role of the auditor in reducing management practices management profits application research for a sample of companies controlled and audited by the Financial Supervision Bureau and audit offices in the private sector.* Bagdag University, Bagdag, Iraq.

Kumari, Prity, & Pattanayak, Jk. (2015). Earnings management and firm performance: An insight into Indian commercial banks. *Journal of Scientific Research and Development*, 76-84.

Lobo, Gerald, & Zhou, Jian (2001). Disclosure quality and earnings management. *Asia-Pacific Journal of Accounting & Economics*, 1-20.

Majid, Mohammed, & Jasim, Rua (2019). The relationship between profit management and profit quality and their impact on users of accounting information: A comparative study of a sample of banks listed in the iraqi market of securities. *Journal of Economic and Administrative Sciences*, 627-614.

Mari, Abd Al-Hayy (1993). *Advanced Financial Accounting.* Alexandria, Egypt: The University Youth Corporation for Publication.

Ma'rouf, Hadi (2010). *The Role of Corporate Governance Mechanisms in Reducing Negative Profit Management Practices (Applying to the Syrian Business Environment).* Helwan University, Helwan, Egypt.

Miraj, Hawari (2012). *Towards activating the role of corporate governance in controlling profits management in Algerian commercial banks, a paper presented to the National Forum on Corporate Governance as a Mechanism to Reduce Financial and Administrative Corruption.* Algeria: Mohamed Khudair University.

Mohsin, Muhammad, & Nurunnabi, Muhammad (2020). The evaluation of efficiency and value addition of IFRS endorsement towards earnings timeliness disclosure. *John Wiley & Sons, Inc.* , 1793-1807.

Mubarak, Al-Rifai (2010). *the quality of internal audit activities and their role in reducing profit management practices, and applied study on the Saudi environment.* King Saud University, Riyadh.

Mutawa, Saad Abdallah (2005). *Markets and Financial Institutions Department.* Mansoura: Mansoura University.

Neelan,, Michael (2007). *Focus on Finance and Accounting Research.* New York. : Nova Science.

Nelson, Mark, Elliott, John, & Tarpley, Robin (2002). *Evidence from Auditors about Managers' and Auditors' Earnings Management Decisions* . Washington.USA: The Accounting Review.

Nimr, Muhsin . (1997). *Dividend Distribution and Policy of Distributions.* Amman.Jordan: Al-Mussalih Magazine.

Oliveira, Lidia, Rodrigues, Lucia Lima, & Craig, Russell (2006). Applying voluntary disclosure theories to intangibles reporting:Evidence from the Portuguese Stock Market. *Journal of Human Resource Costing & Accounting*, 11-33.

Omar, Normah, & AbdulRahman, Rashidah (2014). Management Disclosure and Earnings Management Practices in Reducing the Implication Risk. *Elsevier Journal*, 145.

Qiang, Cheng, & Terry, D.Warfield (2005). Equity incentives and earnings management. *The Accounting Review*, 441-476.

Pernamasari , Rieke, Purwaningsih, Sri, Tanjung, Juita, & Puji Rahayu, Dewi (2020). Pernamasari, Rieke, Purwaningsih, Sri, Effectiveness of Firm Performance and Earnings Management to Stock Prices. *International Journal of Multidisciplinary*.

Rahman, Musfiqur, Moniruzzaman, Mohammed, & Sharif, Jamil (2013). Techniques, Motives, and Controls of Earnings Management. *International Journal of Information Technology and Business Management*, 22-34.

Ramadan, Ali (2014). *the impact of corporate profits management on measuring tax profit, an applied study on companies listed on the Damascus Stock Exchange.* Ramadan, Ali M. (2014)., Ph.D. thesis, Damascus University., Damascus,Syria.

Ramadan, Imad (2013). The impact of the company's size on profit management practices: an applied study from the reality of the Jordanian market. *Arab Journal of Administrative Sciences*, 523-545.

Rani, Prena, Hussain, Fazneen, & Chand, Priyashni (2013). Managerial Incentives for Earnings Management among Listed Firms: Evidence from FIJI. *Global Journal of Business Research*, 21-31.

Rishi, Marwa (2017). *The Role of Corporate Governance in Reducing Earnings Management Behavior: An Empirical Study of a Sample of French Companies Listed in the 40 CAC Index.* Larbi Ben M’hidi University, Om El Bouaghi, Algeria.

Roychowdhury, Sugata (2006). Earnings management through real activities manipulation. *Journal of Accounting and Economics*, 335-370.

Sahraoui, Ahlam (2018). *The impact of the characteristics of the audit committee in reducing earnings management:An Empirical Study of a Sample of French Companies Listed in the 40 CAC Index.* Larbi Ben M’hidi University, Om El Bouaghi, Algeria.

Sahrawi, Ahlam (2018). The effect of the characteristics of the audit committee on reducing profits management (study of a sample of French companies listed in the CAC 40 index). *ALarbi Ben Mahidi University*.

Saidu, Hauwa, Ibrahim, Ocheni, & Muktar, Jamila (2017). The impact of earnings management on the financial performance of listed deposit money banks in Nigeria. *Journal of Accounting and Financial Management*, 39-50.

Samir, Issa (2008). The Impact of External Review Quality on Profits Management Operations. *Journal of the Faculty of commerce for Scientific Research*, 45.

Sanjaya, I., & Young, Lori (2012). *Voluntary Disclosure and Earnings Management at Bank Companies Listed in Indonesia Stock Exchange*. China-USA: China-Usa Business Review.

Shaheen, Ali (2011). Profit and Risk Management in the Banking Environment : An applied analytical study on Palestinian national banks. *Gulf University Journal, Department of Administrative and Financial Sciences*, 1030-1067.

Shaheen, Ali (2011). Profit and Risk Management in the Banking Environment: An Applied Analytical Study on Palestinian National Banks. *Gulf University Journal*, 1067-1030.

Sharif, Ilyas, Ali, Adnan, & Jan, Farzand Ali (2015). "The Effect of Dividend Policy on Stock Prices. ". *Business & Management StudiesAn International Journal*, 56-87.

Shawshi, Kahine (2016). *A proposed framework for the impact of applying international accounting standards on limiting profit management practices in Algerian enterprises (unpublished Ph.D. thesis).* Ahmed Bougherra University, Boumerdès, Algeria.

Sonia, Zahaf (2018). *The importance of adhering to the requirements of governance to limit manipulation of profits and improve their quality: an applied study on a sample of banks operating in Algeria for the period 2011-2015.* the University of Kassidi Merbah and Ouargla, Ouargla, Algeria.

Sun, Lan, & Rath, Subhrendu (2008). Fundamental Determinants, Opportunistic Behavior, and Signaling Mechanism: An Integration of Earnings Management Perspectives. *International Review of Business Research Papers,*, 406-420.

Tamimi, Abbas, & Saadi, Hakeem (2015). *Profits management: factors of its emergence, methods and ways to reduce them.* Amman : Dar Ghaida for Publishing

Utama, Sidhart, & Siregar, Sylvia Veronica (2008). Type of earnings management and the effect of ownership structure, firm size, and corporate-governance practices: Evidence from Indonesia. *The International Journal of Accounting*, Volume 43, Issue 1 P 27 .

Velankar, Nandan, Chandani , Ankita, & Kaur Ahuja, Amanpreet (2017). *The Impact of EPS and DPS on Stock Price: a study of selected public sector banks of India.* Prestige Institute of Management, Gwalior. India.

Zourb, Hamdi (2005). Operational Efficiency Test for the Palestinian Financial Market. Operational Efficiency Test for the Palestinian Financial Market. Islamic University, Gaza, Palestine.