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Using the financial analysis of financial information published in the financial statements for predicting stocks returns of services and insurance sectors listed in the Iraq stock exchange

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Abstract
The aim of this study was to identify the rate of return of the stock through the financial information disclosed by the financial statements of companies both services and insurance included in Iraqi market for securities. The study used a descriptive statistical methods and the correlation matrix for the independent factors, in addition to a regression model for data analysis and hypothesis. Model included a number of independent variables, which was measured in the size of company (sales or revenue), and the leverage, in addition to the structure of assets and the book value of owners' equity in the company, as well as the general price index.

Based on the data of (11) companies and for three years, showed the results of this study, that the majority of these financial variables do not affect statistically significant returns on the shares of those companies, except for the size of the company for the years (2011), (2012) and the general price index for the years (2012) their impact was significant and positive return on stocks. The study showed a strong positive relationship between the independent variables and the dependent variable for the years (2010), (2011), (2012) respectively.

Keywords: financial information, insurance sectors, Iraq stock exchange

1. Introduction

Investors, needs as well as the values and financial indicators derived from the financial statements, which play a key role in evaluating future attitudes to the analysis of the values and stock indices, and the most important indicators values that need to be recognized by the investor is the rate of return on the stock, where there are many theories and models that predict with it, So that clearly indicates the importance of financial information published by the companies to serve the purposes of different users of this information, but that the real importance of financial information derived from their suitability to the needs of decision makers, the information that does not affect the decisions that intends the user to take no longer appropriate or feasible.

We've set financial accounting standards board in developed countries economically and professionally qualitative characteristics of financial information useful for decision-makers, and divided into major and minor characteristics of properties (Financial and Accounting Standards Board: 1980). The main qualitative characteristics of financial information consists of appropriate property and reliability (Relevance and Reliability), namely that the information to be fit to be to improve the user's ability to predict or being able to get feedback information about the expectations built in the past. Not only that, but in addition to the ability to influence the information in the user's decision, The timing must be appropriate even for contact to the last user and lose some of its value, or the whole, and the reliability property it means the ability of financial information on the description of what developed in order to describe a neutral verifiable so that does not serve a class of users on other category of expense, but to serve each users without discrimination. The sub-characteristics of financial information consists of the ability of financial information for comparison between similar companies in the same period and for the same company over time and consistency on principles. Therefore, the rate of return on the stock is one of the most important indicators that the investors need to recognize them when making its decision to invest in the company, where this rate gives a good idea of the rate of growth in the share of dividend per share price, whether cash dividends or distributions of bonus shares, as it represents a price the stock market in the real value of the investment or wealth owners realizable and that each owner seeks to maximize, through an increase in the stock market price. Hence, this study complements the efforts of researchers in this particular by clarifying the role of financial information to explain and interpret stock returns in the financial market. The study included in the contents of the methodology, some previous studies, descriptive statistics for the study sample, verify the suitability of data for statistical analysis, and the analysis and testing of hypotheses testing, ending with some conclusions and recommendations.

2. Methodology of the study

Importance of the study

The importance of the study of being shed light on the importance of financial information disclosed by the financial statements of companies to see stock returns in the Iraq Stock Exchange, as well as determine the relationship between the factors highlighted by such information and its impact on stock returns because of their significant role in influencing the country's economy, so the importance of this study stems from the study of factors affecting the stock dividend through:

1) The possibility of studying the phenomenon of volatility in stock's trading size and company's revenues.
2) The potential to benefit customers in the financial market, such as investors, intermediaries, and other results of this study in the appropriate investment decisions they make.

3) This study is one of the few studies have addressed the financial information extracted from the financial statements of companies and insurance services sectors listed in the Iraqi financial market.

Objectives of the study

It could be clarified as follows

1) Illustrate the importance of financial information derived from the financial statements of the companies.
2) The investor's knowledge of the factors influencing that allows him to make the decision to sell the stock or the decision to purchase
3) Knowledge of the difficulties faced by the financial market and the problems that you may encounter and work as much as possible to avoid them to achieve their goals and objectives.
4) See explanatory and predictive ability of the various hypotheses for variation in the companies' stocks returns to come up with recommendations that will improve the quality of disclosure of financial information in the Iraqi financial market.

Problem of the study

The study can be formulated main problem by asking the following:

What are the main published financial information in the financial statements that affect the rate of return on stocks of companies? And from the following sub-questions:

1) Is there a statistically significant relationship between the size of the company and the rate of return on companies' stocks listed on the Iraq Stock Exchange?
2) Is there a statistically significant relationship between the degree of leverage and the rate of return on companies' stocks listed on the Iraq Stock Exchange?
3) Is there a statistically significant relationship between the structure of assets and rate of return on companies' stocks listed on the Iraq Stock Exchange?
4) Is there a statistically significant relationship between the book value of the rights of the owners and the rate of return on companies' stocks listed on the Iraq Stock Exchange?
5) Is there a statistically significant relationship between the price index and the rate of return on companies' stocks listed on the Iraq Stock Exchange?

Hypotheses of the study

According to the study problem, and objectives, we can recognize the following hypotheses:

1) There is a statistically significant relationship between the size of the company and the rate of return on stocks of services and insurance sectors' companies listed on the Iraq Stock Exchange.
2) There are significant differences between the degree of leverage and the rate of return on stocks of services and insurance sectors' companies listed on the Iraq Stock Exchange.
3) There is a statistically significant relationship between the structure of assets and the rate of return on stocks of services and insurance sectors' companies listed on the Iraq Stock Exchange.
4) There is a statistically significant relationship between the book value of the rights of the owners and the rate of return on stocks of services and insurance sectors' companies listed on the Iraq Stock Exchange.
5) There is a statistically significant relationship between the price index and the rate of return on stocks of services and insurance sectors' companies listed on the Iraq Stock Exchange

Community and the study

The study population consists of all companies listed on the Iraq Stock Exchange for three years for the period from (01/01/2010) to (31/12/2012), which consists of (84) companies, as the Iraq Stock Exchange consists of seven different sectors: banking, industry, hotel and tourism, investment, agriculture, services, and insurance. The study sample consisted in all the sectors of services and insurance companies listed, being the most sectors have not yet attained its luck in addressing researchers for their study and due to their obvious activity in the market in terms of turnover and number of shares, with the trading size of sector service 20606, 48947, 27064 million dinars for years (2010), (2011), (2012) respectively, and the insurance sector 2293, 7830.2030 million dinars for years (2010), (2011), (2012) respectively;

While number of shares of the services sector 1614, 3813.2030 million shares for the year (2010), (2011), (2012), and the insurance sector 6160, 9969, 6710 million shares for the year (2010), (2011), (2012), respectively. (Annual Bulletin of the Central Bank of Iraq - 2012), as well as exposed by the Iraq and the suffering caused by the fluctuation in industrial and agricultural areas and the deterioration of the infrastructure of the joints of the production. The number of companies that represent the study sample (11) companies, including: (6) service companies out of 10 listed companies representing the service sector and (5) Insurance of the total companies (5) listed companies representing the insurance sector, and constitute the study sample ratio (13.1%) of the original community of the Iraqi market for securities and the percentage (73.3%) of the study' sectors adult (15) companies, has been taking this sample to provide all the information for the study.

Data collection

The study focused on the collection of data for the preparation of books, magazines and letters related, as well as the annual reports of the movement of trading in the Iraqi market and financial statements of the companies published of the study sample and the annual releases of the Central Bank of Iraq, in addition to the websites.

Approach to data analysis

To conduct statistical analytical tests, the study relied on statistical analysis software (SPSS V14), and represented as follows:

1) correlation matrix: used to determine the degree and type of relationship between the variables of years of schooling.
2) the weighted correlation matrix of total assets: used to keep the link between the independent variables.
3) Multiple regression analysis: used to determine the explanatory ability of the study's model.

The study model:

Predictable return per share based on the independent

variables of the study through the following equation:

$$Y = a + (B1X1) + (B2X2) + (B3X3) + (B4X4) + (B5X5)$$

Where

Y : refers to return per share.
a : represents a hard limit
X1 : refers to the size of the company
X2 : refers to degree of leverage.
X3 : refers to the structure of assets.
X4 : refers to the book value of the rights of the owners of the company
X5 : refers to the general level of prices

Variables of the study

The following variables

1) Dependent variable: The yield of the stock only, which is intended to earnings per share (EPS) (Earning Per Share), as explained(Zubaidi, 2004: 885), as it represents the earnings per dinar that has been invested within a specified period of time (Abdo, 2001), calculated according to the following equation:

Earnings per share = Net Income / number of common shares

2) Independent variables: The following:

a) Company size: The annual revenue or sales size.
(Akhtar, S.2005:321- 341),
(Deesomsak, R. & Prescott, G., 2004:387- 405)

b) Degree of leverage: The total debt ratio, as clarified by the study are:
(Panno, 2003: 97-112), (Akhtar, S.2005:321-341).
It is calculated as follows:

Debt Ratio = total liabilities / total assets

c) Assets structure: The ratio of fixed assets to total assets, as explained
(Gaud. P; E. Hoesil; M. & Bender, A. 2005: 51-69)
And it is calculated as follows:

Fixed assets / total assets = Assets Structure

d) The book value of the rights of the owners as explained during Iraq Stock Exchange trading reports, It calculated as follows:

The book value of the rights of the owners = book value of the assets of the company - the book value of the company's obligations

e) General Price index: represents the closing price of year's end, the Iraq Stock Exchange adopted a new general indicator of the year, starting from 3/9/2009. The value of the index at that meeting (117) points, to close the general index at the end of the year at (100,86) points, the index has fallen at a rate of (11.14) from the previous index, as indicated by the annual report of the Iraq Stock Exchange in 2009, has been relying on the annual publication of the Central Bank of Iraq (2012) to get the general price index for years' study. tables (1,2,3) explain Average of extracted variables values for study's sample companies for the years (2010), (2011), (2012), respectively.

3. Previous Studies

Several studies which were conducted:

1) Study (chang, *et al*, 2000): The purpose of the study, entitled (the relationship between stock prices and earnings per share in the Taiwan Stock Exchange), to identify the relationship between stock prices and earnings per share (EPS) of income, and to identify the relationship between the rate of growth in operating income and the degree of influence and use stocks' rates listed on the Taiwan stock Exchange for the period 2006-1996. The study used the following statistical methods: (unit root test, Engle- Granger Co integration test). Companies were classified according to the rate of growth in operating income into four groups. The study found that stock prices have a joint integration with earnings per share of income relationship, according to the four groups, while there are no co-integration relationship between individual stocks and earnings per share of income prices, where the study concluded that stock prices move with a share of one share of the profits in the long term, but not necessarily in the same proportion.

2) Study ((Mansor, Syuhada, 2009): The study aimed entitled (common episodic expectations for the rate of cash distributions to income ratio, and expected returns of stocks) to identify the type of relationship in the long term and the short between the dividend rate / price, and the rate of price / the stock's income on the one hand and the stock yields in Malaysia stock Exchange on the other hand, reached the study period from 1989 -2005 used monthly data for Share earnings, and many of the statistical methods:(Unit root test, Johansen Co integration test, Error- correction model, Granger causality), in order to identify the strength and health of the link between the variables of the study. the study concluded that there is a strong positive relationship between these variables and the stock returns over the long term, and that there is significant positive correlation between the dividend rate / price, on the one hand and stock returns over the short term, on the other hand. the significant negative correlation between the rate of price / income on the one hand and between the stocks' returns in the short term, on the other hand.

4. Descriptive Statistics for the study sample

Table (4) shows descriptive statistics for study's sample companies, and so the statistics are more indicative have been extracted for all companies that make up the statistics in most of the averages of the study's sample factors for three years (2010) and (2011) and (2012).

It is clear from Table 4 that the average statistics of these companies spread over a very wide ranges. The Gulf Insurance lower average of on shares' return of all the companies and all the years of study, for example, the average earnings per share for companies for the year (2010) between (0.04) dinars for the Gulf Insurance Company and (71.07) dinars of Mosul company of the cities of games with a standard deviation of (22.48) dinars. as the table that shows the average earnings per share for the year (2011) between (-0.05) dinars for Gulf insurance company, which made a loss in its shares and (18.20) dinars for the company red insurance with a standard deviation (6) dinars, as the table shows the companies stock's return average for the year (2012) it was between (0.03) dinars for the Gulf insurance company and (121.35) dinars for the company red insurance with a standard deviation (36.03) dinars. It should be noted here that the presence of Mosul company of the cities of games and of dividend shares (71.07) dinars, and stock's return of the company of Baghdad- Iraq's public transport (35.88) dinars within the companies, led to a rise

statistics these companies for the year (2010). In the year (2011), the Mosul Company of the cities of games of dividend shares (12.11) dinars for the year (2011) fell to its lowest level. note that this does not affect the efficiency of the model used in the study of the universe factors involved which are not measured in absolute terms, but weighted value (total assets) that these factors were not inherently as a percentage of debt and the structure of assets and the general level of prices which were used as they are.

As for the size of the company. The larger size of all the companies, the Iraqi Company for Land Transport for the year 2010 and Alhamra insurance company for the years 2011.2012. Amounts have ranged from (197 062 091) dinars to Alameen Insurance Company, and (4614776134) dinars tothe Iraqi Company for Land Transport standard, deviation (1,321,504,086) dinars for the year (2010), and between (275)million dinars for Almaamura company for real estate investments, and (11352151090) dinars for Alameen Insurance Company with a standard deviation ((3,269,748,214 dinars for the year (2011), and between (574.054) million dinars for the Karkh Games company, and (13091682166) dinars for Alhamra insurance company with a standard deviation (3595628952) for the year (2012).

In terms of the degree of leverage in the company, got Baghdad - Iraq Company for public transport a higher degree of leverage among all companies and for all years of study, as we see the great disparity of the Almaamura company for real estate investments has reached the lowest of her class compared to other companies % 0, At the time which was the second highest companies in terms of volume for the year (2010), which was (2.425 billion) dinars ranged ranges of leverage for these companies between (0%) and (67%) of Baghdad - Iraq Company for public transport and the Iraqi Company for land transport, and standard deviation (26%) for the year (2010). and between (4%) for the Almaamura company for real estate investments and (67%) of the Baghdad - Iraq Company for public transport with a standard deviation (0.22) for the year (2011). and between (3%) for the Dar es Salaam insurance company and (61%) dinars for the of Baghdad - Iraq Company for public transport with a standard deviation (0.23).

In terms of the structure of assets in the company, was Alahlia Insurance Company the highest structure of the assets of all the companies and all the years of study, the ranges of companies for the year (2010) ranged between (0%) for the Gulf Insurance Company and (84%) of the Alahlia Insurance Company with a standard deviation (0.26). and between (0%) for Almaamura company for real estate investments and (90%) of the Alahlia Insurance Company with a standard deviation (0.27) for the year (2011). and between (1%) of the Almaamura company for real estate investments and (91%) of Alahlia Insurance Company with standard deviation (0.29) for the year (2012).

In terms of the book value of the rights of the owners of the company, we see the great disparity of and for all years of study, it has reached its lowest book value to the rights of the owners have compared to other companies, amounting to (230609953) dinars, at the time, which was the second highest structure of the assets of the companies for the year (2010 stood at 42%. It ranged ranges book value of the rights of the owners in these companies between (230 609 953) dinars for the Karkh Games company, and (14,543,189,948) dinars for Iraqi Company for land transport with standard deviation (4,978,598,946) dinars for the year (2010). And between ((32,610,668 dinars for the Karkh Games company and (21,830,472,621) dinars for the Iraqi Company for land transport with standard deviation (6,553,176,478) dinars for the year (2011). And between (458 975 882) for the Karkh Games company and (14766683107) dinars for the Iraqi Company for land transport with standard deviation (4,901,038,200) for the year (2012).

As for the index of the general price level of the market, it represents the annual general index for each financial market, it totaled (100.98) points for the year (2010) with a standard deviation (30.45). As it was (136.03) points for the year (2011) with a standard deviation (41.01), while reached (125.02) points of the year (2012) with a standard deviation (37.69).

5. Test to verify the Suitability of the Data for Statistical Analysis

For the purposes of verification of the objective results of the study, we have to review the correlation matrix between independent factors involved in the study sample, in order to check on the efficiency of the model by the absence of a problem a big mismatch between the independent factors, the existence of such a problem in the data may help the difficulty of clarifying the individual importance of each factor of the factors used in the model, or an increase in the sensitivity of the results of the model in one form or another. In this regard, it was stated (Gujurati, 1986: 299), the degree of correlation between any two independent factors in the regression analysis at the level of 08% or less may not be critical or harmful to determine the statistical significance of the factors used or efficiency used in the model. The congruence between the factors inevitably exist, but it is important not to be too high in such a way to reduce the statistical significance of these factors The table (5), (6), (7) shows the correlation matrix between independent factors used in the study for the years 2010.2011, 2012, respectively. The correlation matrix between the independent factors for the year 2010 in the table (5), that there is a strong negative correlation between the book value of the rights of the owners and the size of the company amounted to (- 0.911) on one side, and a strong positive correlation between the book value of the rights of the owners and leverage was (0.575) On the other hand, as there is a strong correlation was negative (- 0.660) between the company size and leverage. The correlation matrix between independent factors for the years 2011, 2012 has been free of any link between them. Since previous studies have found a problem in the financial information when used in absolute terms, then it follows that the weight of the study factors for the year 2010 only with appropriate variables that these factors were not inherently percentages Such as the degree of leverage, the general index of the prices, and the structure of assets, which was used as is. In choosing the right factor reached (Dukes, 1976: 147-193) to the (total assets) of the best factors that limit the problem and maintain the efficiency of the model; Thus becomes a model for the year 2010 after the use of (total assets) as a weight to the absolute values of the factors are follows as:

Earnings per share = (Company size / total asset) + Leverage + asset structure + (book value of the rights of the owners / total assets) + the general index of prices

It notes clearly in the table (8) that Matrix correlation of modified independent factors for the year (2010), with a simple

comparison between them and the matrix in the table (5), We note the effect of the weight factor (total assets), where any links does not appear to remember between the independent variables.

6. Analysis and Testing of Hypotheses

It represents an attempt to test the acceptance or rejection of hypotheses that have been identified in the methodology using simple linear regression analysis, and are as follows:

Table (9) the regression coefficients for the variables independent and related test, as the value of the regression coefficient for the size of the company for the year 2010 (14.39). This means that the change by one dinar in the size of the company will lead to a change in the return on its shares by (14.39) dinars, and indicate the value of calculated T test for this variable (1.276) with the level of significance (25.8%) to absence of statistically significance impact of the size of the company on the return of its shares. As for the value of the regression coefficient for the size of the company for the year 2011 (1.52E-009). This means that the change by one dinar in the size of the company will lead to a change in the return on its shares by (1.52E-009) dinars, and indicate the value of calculated T test for this variable (3.373) with the level of significance (2%) to the truth of the view of the researcher that the size of the company with a statistically significant impact on the return of its shares. As for the value of the regression coefficient for the size of the company for the year 2012 (9.51E-009). This means that the change by one dinar in the size of the company will lead to a change in the return on its shares by (9.51E-009) dinars, and indicate the value of calculated T test for this variable (12.884) with the level of significance (0%) to the existence of statistically significant impact on the size of the company's return on its shares.

As shown in table (9) that the value of regression coefficient for the degree of leverage of the company for the year 2010 (-1.95). This means that the change by one unit in the degree of leverage of the company will lead to a change in the return on its shares by (-1.95) dinars, and indicate the value of calculated T test for this variable (-.047) with the level of significance (96.4%) to the invalidity of the hypothesis that the degree of leverage in the company's statistically significant impact on its shares' return. As for the value of the regression coefficient for the degree of leverage in the company for the year 2011 (-.005). This means that the change by one unit in the degree of leverage of the company will lead to a change in the return on its shares by (-.005) dinars, and indicate the value of calculated T test for this variable (- 0.147) with the level of significance (88.9%) to reject the existence hypothesis of a statistically significant effect of the degree of leverage in the company's shares' return. As for the value of the regression coefficient for the degree of leverage in the company for the year 2012 (0.015). This means that the change by one unit in the degree of leverage of the company will lead to a change in the return on its shares by (0.015) dinars, and indicate the value of calculated T test for this variable (0.219) with the level of significance (83.5%) to absence of statistically significance impact of the degree of leverage on the return of its shares.

As shown in table (9) that the value of regression coefficient of the structure of the company's assets for the year 2010 (0.147). This means that the change by one unit in the structure of the company's assets will lead to a change in the return on its shares by (0.147) dinars, and indicate the value of calculated T test for this variable (0.400) with the level of significance (70.6%) to absence of statistically significance impact of the structure of the company's assets on the return of its shares. As for the value of the regression coefficient of the structure of the company's assets for the year 2011 (0.77) ; This means that the change by one unit in the structure of the company's assets will lead to a change in the return on its shares by (0.77) dinars, and indicate the value of calculated T test for this variable (0.140) with the level of significance (89.4%), to absence of statistically significance impact of the structure of the company's assets on the return of its shares. As for the value of the regression coefficient of the structure of the company's assets for the year 2012 (0.12). This means that the change by one unit in the structure of the company's assets will lead to a change in the return on its shares by (0.12) dinars, and indicate the value of calculated T test for this variable (0.013) with the level of significance (99%) to dispute the view of the researcher of the existence hypothesis of statistically significance impact of the structure of the company's assets on the return of its share.

As shown in table (9) that the value of regression coefficient of the book value of the rights of the owners of the company for the year 2010 (8.74). This means that the change by one dinar in the book value of the rights of the owners of the company will lead to a change in the return on its shares by (8.74) dinars, and indicate the value of calculated T test for this variable (0.245) with the level of significance (81.6%) to dispute the view of the researcher of the existence hypothesis of statistically significance impact of the book value of the rights of the owners of the company on the return of its shares. As for the value of regression coefficient of the book value of the rights of the owners of the company for the year 2011 (-.22). This means that the change by one dinar in the book value of the rights of the owners of the company will lead to a change in the return on its shares by (-.22) dinars, and indicate the value of calculated T test for this variable (-.032) with the level of significance (97.6%) to absence of statistically significance impact of the book value of the rights of the owners of the company on the return of its shares. As for the value of regression coefficient of the book value of the rights of the owners of the company for the year 2012 (22:42). This means that the change by one dinar in the book value of the rights of the owners of the company will lead to a change in the return on its shares by (22:42) dinars,, and indicate the value of calculated T test for this variable (1.972) with the level of significance (10.6%)to absence of statistically significance impact of the book value of the rights of the owners of the company on the return of its shares

As shown in table (9) that the value of regression coefficient for the general index of prices in the Iraq Stock Exchange for the year 2010 (-0.20). This means that the change by one point in the general index of prices of the company will lead to a change in the return on its shares by (-0.20) dinars, and indicate the value of calculated T test for this variable (-0.670) with the level of significance (53.3%) to absence of statistically significance impact of the general index of prices of the company on the return of its shares. As for the value of regression coefficient for the general index of prices in the Iraq Stock Exchange for the year 2011 (-3.36E-010). This means that the change by one point in the general index of prices of the company will lead to a change in the return on its shares by (-3.36E-010) dinars, and indicate the value of calculated T test for this variable (-1.473) with the level of significance (20.1%)

to absence of statistically significance impact of the general index of prices of the company on the return of its shares.. As for the value of regression coefficient for the general index of prices in the Iraq Stock Exchange for the year 2012 (-2.31E-009). This means that the change by one point in the general index of prices of the company will lead to a change in the return on its shares by (-2.31E-009) dinars, and indicate the value of calculated T test for this variable (-4.061) with the level of significance (1%) to the truth of the view of the researcher of the existence of a statistically significant effect of the general price index in Iraq on the shares' return of companies.

It is clear from the above, in the table (9), said that the company's size is a key factor in explaining shares' return of companies; it appeared the relationship is positive and significant for the years 2011 and 2012, also had a positive impact for the year 2010 as expected, although the relationship is not significance between him and the shares' return of companies, as well as the general price index for the year 2012, the negative moral impact on the stocks of companies of return, while its impact was negative and not significant on the shares' return of companies for the years 2010 and 2011. The degree of financial leverage of the company has emerged a negative impact on the shares' returns of companies for the years 2010 and 2011, and positive in 2012, and not significant for all years. The impact of the assets structure of the positive and not significant for all years. The book value of the rights of the owners, their impact has been shown a positive on the shares return of companies for the years 2010 and 2012, and a negative for the year 2011, and not significant for all years. Underscoring these results F test, non-statistical accepted for the year 2010, where the value (0.420) and the level of significance (82%) and this can't be given the confidence and safety of the model as a whole, and the value of determination coefficient R2 (29.6%), and this shows that the independent variables whole can explain equivalent (29.6%) of the changes in the shares' return of companies, Which means that impact is weak on the dependent variable, and confirms the value of Durbin Watson DW (1.739) (less than 2) the weakness of the model for the purposes of future prediction, as was the Correlation R value (54.4%), It is a strong relationship between the dependent variable on the one hand and independent variables on the other hand.

The F test of the model for the year 2011 also underlines non statistical acceptance, as was the value (2.62) and the level of significance (16%), while the coefficient of determination R2 (72.4%), and this shows that the independent variables whole can explain equivalent (72.4%) from the changes in stocks' return of companies, Which means that is a strong impact on the dependent variable, and the value of DW (less than 2) equal to (1.387) refers to the weakness of the model for the purposes of future prediction, as was the Correlation R value (85.1%), and this suggests a strong correlation between the independent variables and dependent variable.

While confirming F test of the model for the year 2012 Statistical accepted, as was the value (2.62) and the level of significance (0%). while the coefficient of determination R2 (97.7%), and this shows that the independent variables whole can explain equivalent (97.7%) from the changes in stocks' return of companies, Which means that is very strong impact on the dependent variable It also specifically R2 coefficient (97.7%), and this shows that the independent variables gather can explain equivalent (97.7%) of the changes in the shares of companies return any that the impact is strong on the dependent variable, and also it emphasizes the value of D.W (more than 2) equal to (2.281) the reliability of the model for the purposes of future prediction, and that the Correlation R value (98.9%). this indicates a very strong correlation between the independent variables and dependent variable.

In light of previous results, in general, we see the presence of a weak and positive correlation between the independent variables and the dependent variable for the year 2010, a very strong and positive for the years 2011 and 2012. For each variable individually arguably reject hypotheses except the changing of the company's size was the impact of a positive and strong on the shares' return of companies for the years 2011, 2012 only, as well as the general price index variable for the year 2012; it was negative and significant impact on the stocks' return of companies, In the researcher's belief that what has been achieved from the results in this study is due, in no uncertain terms, to the economic and political situation of the country is stable. In the researcher's belief that what has been achieved from the results in this study is due, in no uncertain terms, to the economic and political situation of the country is unstable.

In light of the above, the preliminary results suggest the importance of financial information systems outputs with regard to variable of the company's size and general price index. As for the financial information about the leverage, the structure of assets, the book value of the rights of the owners did not account for statistical significance in the interpretation of stocks' return of companies based on the sample information used in this study, However, it can't be said that this information is not important at all in explaining the shares' return of companies, the problem may lie in how to measure or to representation in the model or in the extent of company management's ability to control those variables..

Table 1: Average values of variables extracted for companies study sample for the year (2010)

Seq	Company	Earnings per share (Dinar)	Company Size (Dinar)	Leverage (%)	Assets Structure (%)	Book value For the rights of (the owners Dinar)	General price index (point)
1	Karkh Games	4.94	315802625	0,18	0.42	230609953	100.980
2	Mosul to cities Games	71.07	964002175	0.20	0.31	1126888653	
3	The Almaamura company for real estate investment	0.16	2425000000	0.002	0.01	12891931670	
4	The Iraqi for Land Transport	5.05	4614776134	0.67	0.09	14543189948	
5	Baghdad-Iraq for public transport	35.88	532463806	0.67	0.10	602871200	
6	Badia for public Transport	0.00	1711433545	0.65	0.09	4081050052	
7	Alhamra Insurance	0.49	2043789764	0.40	0.01	1848627604	
8	Alahlia for Insurance	0,81	451231581	0.09	0.84	1970443849	

9	Baghdad, Iraq's for public transport	0,04	472168972	0.13	0.00	1053747658	
10	Badia for public transport	2.59	850482897	0.04	0.06	3090527470	
11	Alameen for Insurance	0,08	197062091	0.18	0.06	1666194501	

Table 2: Average values of variables extracted for companies study sample for the year (2011)

Seq.	Company	Earnings per share (Dinar)	Company Size (Dinar)	Leverage (%)	Assets Structure (%)	Book value For the rights of (the owners Dinar)	General price index (point)
1	Karkh Games	2.18	482947000	0.07	0.28	326106689	
2	Mosul to cities Games	12.11	1195085137	0.16	0.37	1251621395	
3	The Almaamura company for real estate investment	0.08	275000000	0.04	0.004	12877813690	
4	The Iraqi for Land Transport	0.69	4060054005	0.49	0.11	21830472621	
5	Baghdad-Iraq for public transport	3.29	511505712	0.67	0.08	663486693	
6	Badia for public Transport	1.36	1684422089	0.52	0.14	4488982544	136.030
7	Alhamra Insurance	18.20	11352151090	0.26	0.01	3074908246	
8	Alahlia for Insurance	0.17	909244406	0.14	0.90	2625151398	
9	Baghdad, Iraq's for public transport	0.05-	428616601	0.09	0.01	2013845808	
10	Badia for public transport	0.17	1008709162	0.05	0.01	3235762407	
11	Alameen for Insurance	0.56	471204092	0.10	0.06	2225523144	

Table 3: Average values of variables extracted for companies study sample for the year (2012)

Seq	Company	Earnings per share (Dinar)	Company Size (Dinar)	Leverage (%)	Assets Structure (%)	Book value for the rights of the (owners Dinar)	General price index (point)
1	Karkh Games	4.83	574054000	0.08	0.19	458975882	
2	Mosul to cities Games	18.11	1718583097	0.16	0.57	1822251740	
3	The Almaamura company for real estate investment	0.12	3039000000	0.06	0.005	13716148858	
4	The Iraqi for Land Transport	0.65	2740212534	0.60	0.14	14766683107	
5	Baghdad-Iraq for public transport	25.61	738666946	0.61	0.35	659802440	
6	Badia for public Transport	0.46	1230649382	0.49	0.15	4731661954	125.02
7	Alhamra Insurance	121.35	13091682166	0.47	0.45	4311160984	
8	Alahlia for Insurance	0.17	1400337573	0.09	0.91	2815195008	
9	Baghdad, Iraq's for public transport	0.03	989573808	0.25	0.01	2160583256	
10	Badia for public transport	2.01	1219676642	0.03	0.01	3837599429	
11	Alameen for Insurance	0.68	890086991	0.08	06.	2677438234	

Table 4: Descriptive statistics for the study sample

Statement	year	Earnings per share (Dinar)	Company Size (Dinar)	Leverage (%)	Assets Structure (%)	Book value For the rights (of the owners Dinar)	General price index (points)
Mediterranean	2010	11.37	1325292145	.29	.18	3918734778	100.98
	2011	3.52	2034449027	.24	.18	4963424967	136.03
	2012	15.82	2512047558	.27	.26	4723409172	125.02
minimum	2010	.04	197062091	.00	.00	230609953	
	2011	-.05	275000000	.04	.00	326106689	
	2012	.03	574054000	.03	.01	458975882	
Maximum	2010	71.07	4614776134	.67	.84	14543189948	
	2011	18.20	11352151090	.67	.90	21830472621	
	2012	121.35	13091682166	.61	.91	14766683107	
standard deviation	2010	22.48	1321504086	.26	.26	4978598946	30.45
	2011	6	3269748214	.22	.27	6553176478	41.01
	2012	36.03	3595628952	.23	.29	4901038200	37.69

Table 5: matrix of independent correlation factors used in the study sample for the year (2010)

Independent variables	Company Size (Dinar)	Leverage (%)	Assets Structure (%)	Book value For the rights of the owners (Dinar)	price index General (points)
Company Size (Dinar)	1.000	-.660	.047	-.911	-.002
Leverage (%)	-.660	1.000	.099	.575	.048
Assets Structure (%)	.047	.099	1.000	.037	-.249
Book value for the rights of the (Dinar) owners	-.911	.575	.037	1.000	.072
General price index(points)	-.002	.048	-.249	.072	1.000

Table 6: matrix of independent correlation factors used in the study sample for the year (2011)

Independent variables	Company Size (Dinar)	Leverage (%)	Assets Structure (%)	Book value owners(For the rights of the Dinar)	price index General (points)
Company Size (Dinar)	1.000	-.135	.158	-.072	.085
Leverage (%)	-.135	1.000	.040	-.140	.189
Assets Structure (%)	.158	.040	1.000	.153	-.052
Book value for the rights of (Dinar) the owners	-.072	-.140	.153	1.000	.171
General price index(points)	.085	.189	-.052	.171	1.000

Table 7: matrix of independent correlation factors used in the study sample for the year (2010)

Independent variables	Company Size (Dinar)	Leverage (%)	Assets Structure (%)	Book value (For the rights of the owners Dinar)	price index (points) General
Company Size (Dinar)	1.000	-.249	-.245	-.190	.036
Leverage (%)	-.249	1.000	.003	-.077	.197
Assets Structure (%)	-.245	.003	1.000	.393	.158
Book value for the rights of (Dinar) the owners	-.190	-.077	.393	1.000	.282
General price index(points)	.036	.197	.158	.282	1.000

Table 8: weighted correlation matrix of total assets of the independent factors in the study sample for the year (2010)

Independent variables	Company Size (Dinar)	Leverage (%)	Assets Structure (%)	Book value (For the rights of the owners Dinar)	price index (points) General
Company Size (Dinar)	1.000	-.375	-.020	.024	-.261
Leverage (%)	-.375	1.000	.021	.448	.124
Assets Structure (%)	-.020	.021	1.000	-.298	-.240
Book value for the rights of (Dinar) the owners	.024	.448	-.298	1.000	-.082
General price index(points)	-.261	.124	-.240	-.082	1.000

Table 9: the results of the regression analysis of the study sample statistically significant Correlation at the level ($0.05 \geq \alpha$)

Year	Independent variables	Regression coefficient	T test	Sig.	coefficient of determination R2	Coefficient Correlation R	F test	Sig	Durbin Watson D.W.
2010	Company Size (Dinar)	14.385	1.276	.258	29.6%	54.4%	.420	.819	1.739
	Leverage (%)	-1.952	-.047	.964					
	Assets Structure (%)	14.7%	.400	.706					
	Book value for the rights of the (Dinar) owners	8.743	.245	.816					
	General price index(points)	-.204	-.670	.533					
2011	Company Size (Dinar)	1.52E-009	3.37	*.020	72.4%	85.1%	2.62	.157	1.387
	Leverage (%)	-.005	-.147	.889					
	Assets Structure (%)	.768	.140	.894					
	Book value for the rights of the (Dinar) owners	-.216	-.032	.976					
	General price index(points)	-3.36E-010	-1.47	.201					
2012	Company Size (Dinar)	9.51E-009	12.88	*.000	97.7%	98.9%	43.14	*0.00	2.281
	Leverage (%)	.015	.219	.835					
	Assets Structure (%)	12%	.013	.990					
	Book value for the rights of the (Dinar) owners	22.42	1.972	.106					
	General price index(points)	-2.31E-009	-4.06	*.010					

7. Conclusions and Recommendations

Conclusions

The results reached by this study supports the idea of a reasonable level of compatibility between the outputs of financial information systems of the shareholding companies to both services and insurance sectors in the Iraq Stock Exchange of information to determine the return on the company's shares. In spite of the attempts made by the researcher did not succeed, however, it has come up with the model to determine the following:

1) Management in Iraq's shareholding companies depend on the financial statements derived from the financial information in making management decisions
2) The financial information in the financial statements is an important and vital role to predict stock returns in in Iraq's shareholding companies.
3) twice the volume of trading in the stock market in Iraq and the limited number of investors have been observed due to reasons including the lack of a legal environment that encourages investment and protected.

4) There is a positive and statistically significant relationship between the size of the company and its stock returns for the years 2011.2012.
5) There is a negative relationship and statistically significant between the general index of the prices and its stock returns for the year 2012.
6) The existence of a positive and strong relationship between the independent variables and the company's stock returns for all years of study.
7) Accept a statistical model for the year 2012:7
8) The possibility of invoking the model for the purposes of future prediction for the Year 2012.

Recommendation

In light of the results of the statistical test of hypotheses, the researcher recommends the following:

1) The need to use the Iraqi public shareholding companies to electronic computers in the operation of the data to assist in the preservation and storage of such data, to obtain financial information to provide accurate and timely delivery of this information to decision makers in those companies.
2) Activate effectiveness of studies department and information analysis of the Iraqi financial market and the possibilities of development.
3) The need to expand the use of financial information in the planning of all kinds, and drawing future policies of public shareholding companies in Iraq
4) The daily newspapers and various advertising publish adequate information about the companies and Attention to economic programs.
5) The public shareholding companies doing comparisons of financial statements with the financial statements of other companies working in the same field constantly, because it gives a better assessment of the situation the company, and then work to improve the situation of the administrative and financial side
6) The importance of enacting laws that protect and encourage investment and investors
7) Repeat conduct such study on other companies to make sure that the results that have been reached.

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