



## Measuring Shareholder Wealth in Light of Creative Accounting Practices

**Rana Ahmed Khaleel\***

Department Of Accounting,  
,College of Administration and Economics,  
University of Baghdad  
Baghdad, Iraq.

[Rana.ahmed1206a@coadec.uobaghdad.edu.iq](mailto:Rana.ahmed1206a@coadec.uobaghdad.edu.iq)

\*Corresponding author

**Lubna Zaid Ibrahim**

Department Of Accounting,  
,College of Administration and Economics,  
University of Baghdad  
Baghdad, Iraq.

[Drlobna@coadec.uobaghdad.edu.iq](mailto:Drlobna@coadec.uobaghdad.edu.iq)

Received:16/9/2023 Accepted:23/10/2023 Published Online First: 30 /6/ 2024



This work is licensed under a [Creative Commons Attribution-NonCommercial 4.0 International \(CC BY-NC 4.0\)](https://creativecommons.org/licenses/by-nc/4.0/)

### Abstract:

The aim of the research is to shed light on shareholder wealth and explain its definition and the role of management in increasing shareholder wealth and indicators. To achieve the aim of the research, the economic units listed on the Iraqi Securities Market, which completed their final accounts and totaled (138), were selected as a group for research with the identification of (9) expenses and a single hotel. of Iraqi hotels and (5) companies listed on the Iraqi Stock Exchange as a sample for research, and the researchers came to a group of conclusions, the most important of which is that shareholder wealth is the value that shareholders receive as a result of their investment in the company's shares and is measured through the increase in the market value of the shares that they own it and what profits they receive, and the researchers presented a set of recommendations, the most important of which was investors' depend in modern performance measures based on market value added and economic value added because these measures have the ability to measure the real impact of economic performance on wealth.

**Paper type:** Research Paper

**Keywords:** Shareholders wealth, Economic Value Added , Market Value Added

## **1. Introduction:**

Economic units faced great difficulties and pressure during the recession period from shareholders to achieve profits that were difficult to achieve during this period, as many of these units were forced to maximize the wealth of their shareholders to report fictitious profits, as a result of the pressure to produce profits at a time when it was difficult to find those profits. Which led to the emergence of creative accounting at the beginning of the eighties of the last century, and it was used as a means of manipulating elements of financial statements in an untruthful and unrealistic manner. Including (profit management, income smoothing, off-budget financing), to have a positive impact on the company's reputation in the market for the purpose of improving the financial values of shareholders' wealth and the values of the economic unit. Creative accounting has become the subject of very great interest by writers and researchers, as well as by accountants and auditors. , especially after the collapses that occurred in some commercial companies that were pioneers in their field of work as a result of the lack of transparency in the presentation of accounting data related to them, especially data related to cash flows and the intentional manipulation of accounts. Accordingly, this study came to shed light on the definition of shareholders' wealth, and the strategic objectives of the economic units, The factors affecting shareholder wealth, and this research concludes with indicators for measuring shareholder wealth.

### **1.1 Literature Review:**

There are studies that discussed (creative accounting), including:

Al-nimreen (2019) adopted the quantitative analytical approach in Jordanian public shareholding industrial companies listed on the Amman Stock Exchange during the period between (2013-2017), and 48 companies were selected and concluded that industrial companies listed on the Amman Stock Exchange practice creative accounting through earnings management.

Al- hafi (2019) highlighted accounting creativity through practicing creative accounting methods , used the Sarbanes-Oxley Act, Benford's Law, and the brainstorming method to discover creative accounting methods in financial statements and discovered the most important methods and trends used to discover creative accounting methods.

Hani and Radi (2020) proposed to identify the concept of creative accounting and the factors influencing the tendencies of company management to practice creative accounting methods and measure the impact of those factors, a questionnaire was designed and distributed to a sample that included (84) individuals who practice accounting in Iraqi companies and the auditors who audit the accounts of those companies. After analyzing the responses, the most important results that were reached were that the factors that were chosen as influences in the application of creative accounting in Iraqi companies have It has a morally significant effect, and it varies in the degree of its effect.

Adamikova and Sedlakova (2021) determined the final value of the company and concluded that creative accounting practices significantly affect the company's structure as well as its on financial results.

There is a study that discussed (shareholder wealth), which is:

Nawal and Nouredine (2022) highlighted the impact of the investment decision on maximizing shareholders' wealth - a standard study of a sample of companies included in the nasdaq100 index This study aimed to determine the impact of the investment decision on maximizing shareholders' wealth and concluded that there is a positive and significant effect of each of the investment decision and the market price of the share on the added market value, while there is a negative effect of financing through loans on the added market value. As for the liquidity ratio, there is no effect, and therefore the investment decision supports the goal of maximizing the wealth of shareholders.

There are several studies that have linked between shareholder wealth and creative accounting:

Julia W (2016) demonstrated to identify innovative accounting practices on shareholder wealth in listed companies in Kenya, included (64) companies, and (35) questionnaires were distributed for this study, and concludes that creative accounting has a significant impact on increasing shareholder wealth.

Bankole et al (2018) demonstrated creative accounting practices and shareholders' wealth, found that frequent manipulation of ageing schedule for the purpose of determining bad and doubtful debts provision had no significant effects on shareholders' wealth. The study recommends stricter monitoring of entities to ensure full disclosures of changes in accounting policies with a view to guarding against immoral behaviors.

Chrisine and Mulyungi (2018) demonstrated to establish the effect of creative accounting practices on shareholders' wealth of companies listed at Rwanda stock Exchange. A sample of 32 individuals was drawn from the public companies a multiple linear regression technique was used to analyze the relationship between creative accounting practices and shareholders' wealth and concluded that most firms engage in smoothing of incomes rather than reporting volatile profits. and firm value find evidence that when a firm current shareholders wealth is poor relative to expected future performance, managers tend to smooth income by increasing accruals, i.e., borrow future earnings for use in the current period.

Ukpe and Lawrence (2019) determined the effect of creative accounting practices on shareholders' wealth in listed companies in Nigeria. The quantitative study adopted a survey research design with a target population of 134 staff from (10) selected listed companies, Chi-square was used to test and analyze the hypotheses, the study findings revealed that income smoothing, tax avoidance and changes in accounting policies have effect on the shareholders' wealth in the listed companies in Nigeria.

Oboh et al ( 2020) proposed effect of accounting Practices on Shareholders Wealth: Evidence from Skye Bank It was found that tax planning and compliance with the ethical accounting framework have positive relationships with return on equity for Sky Bank in Nigeria and these relationships were significant, while compliance with the principle of prudence had a significant negative relationship.

The main problem of the management of economic units is to manage the investors' funds efficiently to preserve the origin of the invested funds on the one hand and maximize them on the other hand, and to achieve this goal, the economic unit managements have taken many accounting practices as a way through which they try to satisfy the investors and improve the image of the financial statements, and accordingly the research problem can be formulated with the following question:

Is there an impact of the shareholders' wealth on the Iraqi economic units?

The objective of the current research explaining the concept of shareholders' wealth, its advantages, the role of management in maximizing shareholders' wealth, and explaining the indicators for measuring shareholders' wealth in Iraqi economic units.

## **2. Material and methods:**

### **2.1 Research hypothesis:**

The research is based on the following hypothesis:

There is a significant relationship between shareholder wealth and creative accounting practices.

### **2.2 The sample:**

The research community is represented by the economic units listed in the Iraq Stock Exchange that have completed their final accounts, which number (138).

As for the research sample, (9) banks, (1) an Iraqi hotel, and (5) companies listed on the Iraq Stock Exchange were selected.

## **2.3 shareholders wealth:**

### **2.3.1 concept:**

What is meant by shareholder wealth is the market value of ordinary shares of an economic unit, as it is a function of all future returns to shareholders to achieve long-term goals, which management should focus on and is not limited to short-term goals (i.e. the current period) (Bhatnagar et al, 2015). Sulimany et al (2021) believed that shareholder wealth is the value that is transferred to shareholders, with regard to the business deal and management's ability to increase profits, share price, and dividends. In addition, shareholders demand executives to maximize shareholder wealth through share price (Sulimany et al, 2021).

### **2.3.2 definition:**

It is the present value of future revenues expected by the owners of the economic unit (shareholders), as these revenues take the form of regular dividends or proceeds from the sale of shares. (Ogunseye and Eniola, 2020).

### **2.3.4 Strategic objectives for the management of economic units:**

The financial manager must define the basic objectives of the economic unit, which can be divided into two main parts, namely profit maximization and shareholder wealth maximization.

**A- Profit maximization:** The first and main goal of any economic activity is to obtain profit, due to its importance in evaluating the efficiency of the business performance of the economic unit, in addition to that it represents the economic justification for its continuity. As for maximizing profit, it is the traditional approach that aims to increase profit.

Despite the importance of the profit maximization goal, it is not without flaws and criticisms, which can be summarized as follows:

**1-** The goal of profit maximization is a short-term goal: the process of increasing profits can be achieved through the purchase of low-cost equipment or the use of production requirements at low cost and quality, with the aim of reducing costs, and then maximizing profits in the short term.

**2-** Profit maximization does not take into account risks: risks are defined as uncertainty about future cash flows, and economic units prefer certain cash flows over uncertain cash flows.

**3-** Profit maximization ignores the time value of money: the value of a certain amount of money depends on the timing of obtaining it, so profit maximization aims to ignore the timing of cash flows, that is, the expected cash returns from investment decisions based on the principle of the time value of money.(Nawal and Nur al-Din, 2022):

**B- Maximizing shareholder wealth:** due to the criticism directed at the goal of maximizing profit, which led to the emergence of a modern goal that most economic units seek to adopt, which is the goal of maximizing shareholder wealth, because shareholders acquire their wealth over time through dividends and capital gains, as the goal of maximizing shareholder wealth Higher than the profit maximization target, as it reflects the amount of time and risks associated with future cash flows that shareholders expect to receive in the future, and wealth maximization relies on the assumption that the management of the economic unit should strive to maximize the value of the economic unit. And that many economic units have entered into the concept of value-based management, that is, it focuses on what the management of the economic unit should do in terms of tasks to maximize the wealth of shareholders and contribute to society, such as employment, creditors, and customers (Agbaje and Igbekoyi, 2021).

shareholder wealth is expressed by the following relationship (shodiya et al, 2019)

$$SW = MV * N$$

MV: Market value per share

N: the number of shares owned

SW: shareholder wealth

### **2.3 .5 Factors Affecting Shareholders' Wealth:**

There are several factors affecting shareholder wealth (Al-Aqili, 2020):

- 1- The expected return per share: The increase in the share price leads to an increase in the market value of the economic unit through a higher expected rate of return per share than the required rate.
- 2- Dividend distributions: as the increase in the percentage of distributed profits increases the current value of the economic unit, and vice versa
- 3- The discount rate in the market: the lower the discount rate in the market, the greater the present value expected to be obtained in the future, and vice versa.
- 4- Timing: It is the timing of the investors and shareholders obtaining the returns of their investments.

### **2.3.6 The impact of creative accounting practices on shareholder wealth:**

Many economic units have used creative practices to ensure their continuity when demand and production are low, as they show profits by changing the consumption policy, which has led to an increase in the wealth of shareholders according to the declared profits, and that manipulation of financial statements is beneficial only in the short term, because it leads to an increase Risks for investors and major scandals for the economic unit in the long run (Julia, 2014). It is assumed that the management of the economic unit will maximize or preserve the wealth of shareholders, but the work of creative accounting poses a threat to maximizing the wealth of shareholders, as current accounting practices allow choosing professional policies and provisions, including the method of measurement and recognition criteria, and manipulation of accounting numbers, which makes the economic unit more profitability, and this poses a threat to shareholder wealth maximization (Ubogu, 2019).

### **2.3.7 Shareholders' wealth measurement indicators:**

Investors in the stock market, shareholders, and management of economic units are interested in measuring shareholder wealth, as it helps shareholders in judging the efficiency of the economic unit's performance, and guides and directs management towards making investment and financing decisions related to stock trading within the investment portfolio.

There are two indicators for measuring shareholder wealth, which are as follows:

**a-** economic value added index:

The added economic value is defined as an estimate of the real economic profit of the unit being the extra value that was created in the return required by the shareholders of the economic unit, as the economic value added represents the profit gained by the economic unit at the lowest cost to finance the capital of the economic unit (Al-Janabi and Muhammad, 2014) And the added economic value is the economic value of the capital at the beginning of the year plus the difference between the capital and its cost or what is equal to the net operating profit after tax NOPAT, which is described as the return on the total capital of the economic unit minus the cost of capital, which represents the cost of The alternative opportunity for each capital invested in the economic unit. The added economic value can be calculated through the following main factors:

$$EVA = NOPAT - Invested Capital \times WACC \text{ (Dalloul and Mahdi, 2016)}$$

**b- Market value added index:**

It is an indicator used to estimate the ability of the economic unit to create added value. The development of this indicator is closely related to the development of the share price. It is a relevant indicator that expresses the interests of investors and the value of their wealth. For the external performance of the economic unit, and a high (MVA) indicates the expectation of the possibility of increasing the wealth of the shareholders and decreasing it is evidence of the expectation of a decrease in the wealth of the shareholders and a decrease in the profits of the market value of the economic unit, so it reflects the good management of the economic unit for its capital in the long term, so the value of the positive (MVA) indicates Increasing the value of the economic unit, which contributes to maximizing the wealth of shareholders, and the negative (MVA) value indicates a decrease in the value of the economic unit, which means that the wealth of shareholders has been wasted over a period of time (Al-Naimi, 2012), and the market value is calculated by subtracting The book value of the owners' equity is derived from its value, as the book value of the owners' rights (shareholders) is derived, and the market value is calculated by multiplying the number of shares by the closing price of the share.

That is, the added market value = (the number of issued shares \* the closing price of the share) - the book value of the owners' equity (Jazaerly, 2014).

**3. Discussion of Results:**

This topic deals with a presentation of the results that have been reached because they form the basis for proving or denying the research hypothesis, which states (There is a significant relationship between shareholder wealth and creative accounting practices.), the economic units listed on the Iraqi Securities Market, which completed their final accounts and totaled (138), were selected as a group for research with the identification of (9) expenses and a single hotel of Iraqi hotels and (5) companies listed on the Iraqi Stock Exchange as a sample for research.

**3.1 Measurement of shareholder wealth by market value added**

**Table 1:** Market Value Added (MVA) results for the year 2020

N	Economic Units	(1) Issued Shares	(2) closing price	2*1=3	(4) Book value of equity	MVA 5=3-4
1	National Bank of Iraq	250000000	0.920	230000000	307483051	-77483051
2	Iraqi Credit Bank	250000000	0.410	102500000	293699445	-191199445
3	Al-Mansour Company for Pharmaceutical Industries	6469267350	1.430	9251052311	5754569091	3496483220
4	Gulf Commercial Bank	250000000000	0.230	57500000000	265274449718	-207774449718
5	Iraqi Investment Bank	300000000000	0.140	42000000000	307172111451	-265172111451
6	National Insurance Company	2500000000	0.450	1125000000	2075154039	-950154039
7	Mosul Bank for Development and Investment	252500000000	0.130	32825000000	269589136165	-236764136165
8	Baghdad Bank	250000000	0.410	102500000	278435852	-175935852
9	Al-Zawraa Financial Investment Company	1150000000	0.330	379500000	974406314	-594906314
10	Iraqi Union Bank	252000000	0.290	73080000	263506213	-190426213
11	Economy Bank for Investment	250000000000	0.430	107500000000	258711328316	-151211328316
12	Babylon Hotel	2000000000	77.600	155200000000	9012533994	146187466006
13	Mansour Investment Bank	250000000000	0.570	142500000000	286554793106	-144054793106
14	Gulf Insurance	2000000000	0.570	1140000000	2365545546	-1225545546
15	Iraqi Carpets and Furnishings	500000000	10.000	5000000000	2712715810	2287284190

The table is from the work of the two researchers.

It is clear from Table (1) the results of the market value added (MVA) for the economic units of the study sample, where it was found that the results of the added market value of (Al-Mansour Pharmaceutical Industry, Babel Hotel, Al-Iraqiya Carpets and Furnishings) were positive, and this means that these units achieved revenue that exceeds the cost of capital Invested money, which means that there is an increase in the wealth of the shareholders, and one of the reasons for that is the increase in the share price from 1 Iraqi dinar, as the share price of Babylon Hotel reached (77.600), Al-Mansour Pharmaceutical Industries Company (1.430) and Iraqi Carpets and Furniture (10.000), while the results of the market value Addafa (the National Bank of Iraq, the Iraqi Credit Bank, the Iraqi Investment Bank, the Gulf Commercial Bank, the National Insurance Company, the Mosul Bank for Development and Investment, the Bank of Baghdad, Al-Zawraa Financial Investment Company, the Iraqi Union Bank, the Economy Investment Bank, Al-Mansour Investment Bank, the Gulf Insurance) It was negative, and this means that those units did not achieve revenue equal to the cost of capital, and this means that they are unable to achieve an added market value, which means that there is a decrease in the wealth of shareholders, and one of the reasons for that is the drop in the share price below 1 Iraqi dinar.

**Table 2:** Market Value Added (MVA) results for the year 2021

N	Economic Units	(1) Issued Shares	(2) closing price	2*1=3	(4) Book value of equity	MVA 5=3-4
1	National Bank of Iraq	250000000	1.230	307500000	315862149	-8362149
2	Iraqi Credit Bank	250000000	0.380	95000000	288761016	-193761016
3	Al-Mansour Company for Pharmaceutical Industries	9914267350	2.840	28156519274	10167268020	17989251254
4	Gulf Commersial Bank	250000000000	0.300	75000000000	263138358446	-188138358446
5	Iraqi Investment Bank	300000000000	0.150	45000000000	304325776837	-259325776837
6	National Insurance Company	7000000000	0.500	3500000000	7190124899	-3690124899
7	Mosul Bank for Development and Investement	252500000000	0.150	37875000000	271494336262	-233619336262
8	Baghdad Bank	250000000	1.030	257500000	309129878	-51629878
9	Al-Zawraa Financial Investment Company	1150000000	0.200	230000000	946089695	-716089695
10	Iraqi Union Bank	252000000	0.290	73080000	264561570	-191481570
11	Economy Bank for Investment	250000000000	0.430	107500000000	258802457448	-151302457448
12	Babylon Hotel	2000000000	80.000	160000000000	10412697537	149587302463
13	Mansour Investment Bank	250000000000	0.510	127500000000	280081281992	-152581281992
14	Gulf Insurance	7000000000	0.640	4480000000	7504858050	-3024858050
15	Iraqi Carpets and Furnishings	500000000	15.000	7500000000	2725145175	4774854825

The table is from the work of the two researchers.

It is clear from Table (2) the results of the market value added (MVA) for the economic units of the study sample, where it was found that the results of the added market value of (Al-Mansour Pharmaceutical Industry, Babel Hotel, Al-Iraqiya for Carpets and Furnishings) were positive, and this means that these units achieved revenue that exceeds the cost of capital Invested money, which means that there is an increase in the wealth of the shareholders, and one of the reasons for that is the increase in the share price for 1 Iraqi dinar, as the share price for Babylon Hotel reached 80.0, for Al-Mansour Pharmaceutical Industries 2.840 and for Iraqi Carpets and Furnishings 15.000. While the results of the added market value of (the National Bank of Iraq, the Iraqi Credit Bank, the Iraqi Investment Bank, the Gulf Commercial Bank, the National Insurance Company, the Mosul Bank for Development and Investment, the Bank of Baghdad, Al-Zawraa Financial Investment Company, the Iraqi Union Bank, the Economy Investment Bank, Mansour Investment Bank, Gulf Insurance) were negative, and this means that those units did not achieve revenue equal to the cost of capital, and this means their inability to achieve an added market value, which means that there is a decrease in the wealth of shareholders, and one of the reasons for that is the drop in the share price below 1 Iraqi dinar.

### 3.2 Measurement of shareholder wealth by economic value added:

**Table 3:** Economic value added (EVA) results for the year 2020

N	Economic Units	profit after tax(1)	cost of capital (2)	invested capital (3)	(4) =2*3	EVA 5=(1-4)
1	National Bank of Iraq	19907518000	18%	319258902	57852154	19849665846
2	Iraqi Credit Bank	-3427205000	3%	294097712	8108783	-3435313783
3	Al-Mansour Company for Pharmaceutical Industries	-286334887	37%	5047280592	1848634804	-2134969691
4	Gulf Commercial Bank	4673583718	1%	66913933192	395901321	4277682397
5	Iraqi Investment Bank	-1477089	4%	307172111451	12793994617	-12795471706
6	National Insurance Company	-105544991	0%	2075154039	-6770032	-98774959
7	Mosul Bank for Development and Investement	1452467621	-5%	269589136165	-13753951074	15206418695
8	Baghdad Bank	20200071000	12%	297319800	36610689	20163460311
9	Al-Zawraa Financial Investment Company	-71074262	1%	974406314	8370973	-79445235
10	Iraqi Union Bank	853362000	5%	263506213	12327708	841034292
11	Economy Bank for Ivestment	3306128450	4%	258711328316	11579769374	-8273640924
12	Babylon Hotel	1933361903	2%	9012533994	172742763	1760619140
13	Mansour Ivestment Bank	7005133190	5%	252093531619	12482211935	-5477078745
14	Gulf Insurance	15592913	-8%	2365545546	-189349697	204942610
15	Iraqi Carpets and Furnishings	394309913	7%	2712715810	177307378	217002535

The table is from the work of the two researchers.

It is clear from table (3) the results of the economic value added (EVA) for the economic units of the study sample, as follows: , Al-Khaleej Insurance, Al-Iraqiya Carpets and Furnishings) is positive, and this means that the return on invested capital is higher than the cost of capital, and thus these units have achieved good performance, which increases the wealth of shareholders. While the results of the economic added value for (Iraqi Credit Bank, Al-Mansour Company for Pharmaceutical Industries, Al-Khaleej Commercial Bank, Al-Ahlia Insurance Company, Al-Zawraa Financial Investment Company, Al-Eqtisad Investment Bank, Al-Mansour Investment Bank) were negative, and this means that the return on invested capital is less From the cost of capital and this means the destruction of economic added value for shareholders.

**Table 4:** Economic value added (EVA) results for the year 2021

N	Economic Units	profit after tax(1)	cost of capital (2)	invested capital (3)	(4) =2*3	EVA 5=(1-4)
1	National Bank of Iraq	26122025000	11%	332339517	35079484	26086945516
2	Iraqi Credit Bank	-4938429000	3%	289238227	8277333	-4946706333
3	Al-Mansour Company for Pharmaceutical Industries	-385134823	39%	10167268020	3947570501	-4332705324
4	Gulf Commercial Bank	922599195	11%	263138358446	30048819696	-29126220501
5	Iraqi Investment Bank	-5038769658	7%	-146174223163	-9920103299	4881333641
6	National Insurance Company	389205500	5%	7190124899	383352112	5853388
7	Mosul Bank for Development and Investement	3714240483	9%	271494336263	24435474193	-20721233710
8	Baghdad Bank	29980363000	20%	332782849	67871631	29912491369
9	Al-Zawraa Financial Investment Company	-45052526	-13%	-7910305	1015320	-46067846
10	Iraqi Union Bank	1010316000	5%	264561570	14132758	996183242
11	Economy Bank for Ivestment	65276309	5%	258802457448	13492431041	-13427154732
12	Babylon Hotel	4731283053	2%	10412697537	180080673	4551202380
13	Mansour Ivestment Bank	8117891662	5%	280767136200	13100323816	-4982432154
14	Gulf Insurance	30043224	6%	7504858050	466984735	-436941511
15	Iraqi Carpets and Furnishings	394201412	16%	2725145174	437161015	-42959603

The table is from the work of the two researchers.

It is clear from Table (4) the results of the economic value added (EVA) for the economic units of the study sample, as follows: Positive, and this means that the return on the invested capital is higher than the cost of capital, and thus these units have achieved good performance, which increases the wealth of shareholders. While the results of the economic added value for (Iraqi Credit Bank, Al-Mansour Company for Pharmaceutical Industries, Iraqi Investment Bank, Mosul Bank for Development and Investment, Al-Zawraa Financial Investment Company, Al-Iqtisad Investment Bank, Al-Mansour Investment Bank, Gulf Insurance, Al-Iraqi Carpets and Furnishings) were negative, which means The return on invested capital is less than the cost of capital, and this means the destruction of the added economic value for shareholders.

#### **4. Conclusions :**

Through the foregoing, the researcher concluded that creative accounting practices can positively or negatively affect the wealth of shareholders, according to the objectives that the economic unit seeks to achieve. The wealth of shareholders is affected by a group of financial and non-financial factors on the one hand and is affected by creative accounting practices on the other hand, but the reality in the local environment is dominated by the influence of financial and non-financial factors on the impact of creative practices, which explains the decline in most of the added market values and the added economic values of the economic units The research sample.

#### **Authors Declaration:**

Conflicts of Interest: None

-We Hereby Confirm That All The Figures and Tables In The Manuscript Are Mine and Ours. Besides, The Figures and Images, Which are Not Mine, Have Been Permitted Republication and Attached to The Manuscript.

- Ethical Clearance: The Research Was Approved By The Local Ethical Committee in The University.

#### **Reference :**

1. Al-Aqili, S. H.A, (2020).The Effect of Liquidity on the Profitability and Value of Banks Listed in the Iraq Stock Exchange (analytical study). Journal of the College of Administration and Economics, Vol 26, No.124 pp 417-430
2. Al-Nuaimi, S. D.H (2012).Using the indicators of market value added and return on invested capital in measuring the performance of the Iraqi banking sector. Journal of Economic and Administrative Sciences, College of Administration and Economics, Department of Business Administration, Vol 18, No .68 , pp 72-89
3. Dalloul, I. A-H and Mahdi, M. F, (2017). Assessing financial performance using some indicators of value creation (an analytical study of a selected sample of Iraqi banks). Journal of Economic and Administrative Sciences, College of Administration and Economics, vol. 23, No 99 ,pp.467-491
4. Al-Janabi, A. M and Muhammad, Y. N, (2014).The reflection of the integration of accounting income and economic value added on investors' decisions. Journal of Economic and Administrative Sciences, College of Administration and Economics, Vol 20 , No.75, pp. 468-499

5. Nawal, G and Nouredine, M (2022). The Impact of the Investment Decision on Maximizing Shareholders' Wealth – An Econometric Study of a Sample of Companies Included in the NASDAQ 100 Index . *Journal of Studies in Economics and Business Administration*, Vol 5 , No 1, pp. 623-642.
6. Jazaerly, R. Kh, (2014).The Relationship between Internal Performance Measures and the Company's Added Market Value (An Applied Study on the Abu Dhabi Stock Exchange). a master's thesis at the Higher Institute of Business Administration, Department of Finance and Banking.2021.
- 7.Oboh, J. O., Goodwill, G. F., and Edu, J. P.(2020).Effects of accounting practices on shareholders' wealth: evidence from skye bank plc, nigeria (now Polaris bank plc). *International Journal of Economics, Business and management research*, vol 4, no.4, pp.1-21
8. Ogunseye, T and Eniola (2020),” Impact of dividend policy on shareholder's wealth of selected quoted firms in nigeria”, *international Journal of Economics, Commerce and Management*, United Kingdom, VIII (9).
9. Shodiya, O. A., Sanyaolu, W. A., Ojenike, J. O., and Ogunmefun, G. T. (2019). Shareholder wealth maximization and investment decisions of Nigerian food and beverage companies. *Acta Universitatis Sapientiae, Economics and Business*, vol.7, No.1, pp. 47-63.
10. Sulimany, H. G., Ramakrishnan, S., Chaudhry, A., and Bazhair, A. H. (2021). “Impact of corporate governance and financial sustainability on shareholder value”, *Studies of Applied Economics*, vol 39, No.4 pp.1-17
11. Bhatnagar, Vinod K , Kumari, Manju and Manju, Nikku,(2015) Impact of Capital Structure & Cost of Capital on Shareholders' Wealth Maximization-A Study of BSE Listed Companies in India" *Chanakya International Journal of Business Research*, Vol 1, No 1, pp.28-36
12. Ubogu, F. E. (2019). effect of creative accounting on shareholders' wealth in business organizations:(a study of selected banks in delta state), *International Journal of Arts, Languages And Business Studies*, vol 2, No.2, pp.19-38.
13. Agbaje, W.H and Igbekoyi, O.E ,(2021) .earnings management smoothing and shareholders 'wealth in listed manufacturing firms in nigeria"*International Scholars Journal of Arts and Social Science Research, ISJASSR*), Vol.14 , No.2, pp. 405–419
- 14.Bankole, K. O , Ukolobi, I. O and McDubus, O. F , (2018) . Creative Accounting Practices and Shareholders' Wealth" *International Accounting and Taxation Research Group, Faculty of Management Sciences, University of Benin, Benin City, Nigeria*, vol.2, No.4, pp 58-64
15. Julia, W. Munene, (2016).The Effect of Creative Accounting on Shareholders' Wealth in Listed Companies in Kenya. (Doctoral dissertation, University of Nairobi).
16. Chrisine ,W and Mulyungi, P (2018).Effect of Creative Accounting on Shareholders' wealth : a case of companies listed on Rwanda stock exchange, Vol. 6, No.1, pp. 931-939
- 17.Ukpe, Essien A, and Lawrence, U. E.(2019). The Effect of Creative Accounting on Shareholders' Wealth in Money Deposit Banks Listed Companies in Nigeria., *International Network Organization for Scientific Research*, vol 5, No.1, pp. 51-75
18. Al-nimreen, A. M.A, (2019),.Creative accounting practices and their impact on earnings per share in industrial companies listed on the Amman Stock Exchange. Master's Thesis in Accounting, Department of Accounting, College of Business, Middle East University
19. Al- hafi, H (2019). Practicing creative accounting methods within financial statements and methods for discovering them., *Journal of Economic and Financial Investigation Strategies*,Vol.1, No.1, pp.89-108
20. Hani, A.A and Radi, N.H (2020) ,.Creative accounting and the factors influencing its practice in Iraqi companies. *Journal of Accounting and Financial Studies*, Vol.15, No 53, pp.182-197
- 21.Adamikova, E., and Sedlakova, I. (2021). Impact of creative accounting on the company value: Empirical study for Slovakia. In *SHS Web of Conferences* ,Vol.92, p. 02001.



## قياس ثروة المساهمين في ظل ممارسات المحاسبة الإبداعية

لبنى زيد إبراهيم  
جامعة بغداد/ كلية الادارة والاقتصاد/ قسم المحاسبة  
بغداد، العراق

[Drlobna@coadec.uobaghdad.edu.iq](mailto:Drlobna@coadec.uobaghdad.edu.iq)

رنا احمد خليل  
جامعة بغداد/ كلية الادارة والاقتصاد/ قسم محاسبة  
بغداد، العراق

[Rana.ahmed1206a@coadec.uobaghdad.edu.iq](mailto:Rana.ahmed1206a@coadec.uobaghdad.edu.iq)

Received:16/9/2023 Accepted:23/10/2023 Published Online First: 30 /6/ 2024

هذا العمل مرخص تحت اتفاقية المشاع الابداعي نُسب المُصنّف - غير تجاري - الترخيص العمومي الدولي 4.0

[Attribution-NonCommercial 4.0 International \(CC BY-NC 4.0\)](https://creativecommons.org/licenses/by-nc/4.0/)



### مستخلص البحث:

يهدف البحث إلى تسليط الضوء على ثروة المساهمين وتوضيح تعريفها ودور الادارة في تعظيم ثروة المساهمين ومؤشرات قياسها، ولتحقيق هدف البحث تم اختيار الوحدات الاقتصادية المدرجة في سوق العراق للأوراق المالية والتي انجزت حساباتها الختامية والبالغ عددها (138) كمجتمع للبحث مع تحديد (9) مصارف وفندقاً واحداً من الفنادق العراقية و(5) شركات من الشركات المدرجة في سوق العراق للأوراق المالية عينة للبحث، وقد توصل الباحثان الى مجموعة من الاستنتاجات اهمها ان ثروة المساهمين هي القيمة التي يلقاها المساهمون نتيجة استثماراتهم في أسهم الشركة ويتم قياسها من خلال الزيادة في القيمة السوقية للأسهم التي يمتلكونها وبما في ذلك اي أرباح يستلموها، وقدم الباحثان مجموعة من التوصيات كان اهمها اعتماد المستثمرين على مقاييس الأداء الحديثة المعتمدة على القيمة السوقية المضافة والقيمة الاقتصادية المضافة لما لهذه المقاييس من القدرة على قياس الأثر الحقيقي للأداء الاقتصادي على الثروة.

نوع البحث: ورقة بحثية.

المصطلحات الرئيسية للبحث: ثروة المساهمين، القيمة السوقية المضافة، القيمة الاقتصادية المضافة.

\*البحث مستل من رسالة ماجستير