

# The impact of creative accounting methods on financial reports and statements in commercial banks listed on Amman stock exchange (field study)

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**Abstract:** The aim of this study is to identify the impact of creative accounting methods on financial reports and statements in commercial banks listed on Amman Stock Exchange. Thus, in order to achieve this goal, the study utilized the descriptive analytical approach for its suitability to the nature of the study, also, the questionnaire was used as an assessment tool for this study.

Meanwhile, among the most important findings of the study is that earnings management operations include many means and methods aimed at achieving specific purposes serving the management. Additionally, that commercial banks have practiced earnings management and creative accounting operations to a large extent during the financial years covered by the study period. And that the banking management is not aware of the impacts resulting from the operations of practicing fraudulent accounting and earnings management on the financial reports and statements, which greatly affects the reliability of the financial statements, makes them misleading and loses their quality, objectivity and credibility, therefore, affects the decisions of those statements' users.

The study has recommended the need to activate the governmental supervisory role as well as the audit committees in banks to limit the banks' practice of earnings management and creative accounting for the purpose of achieving the best degree of accounting information's quality and to provide it with each of trust and suitability, as well as the need to increase the effectiveness of the professional organization of accounting and auditing profession in Jordan. Also, to take the necessary measures to develop and enhance the competencies of its members, especially those who undertake auditing operations of banks' accounts to reveal earnings management and creative accounting operations and then working on reduce them. Besides, the necessity to expedite the activation of the governance rules' implementation, provided that it includes imposing penalties on the management of banks that practice creative accounting operations for the purpose of giving the published financial statements for these banks in the financial market each of confidence and objectivity.

**Keywords:** *accounting; financial reports; banks; Amman stock exchange.*

### 1. Introduction

In recent years, the business environment is witnessing drastic transformations characterized by the emergence of many complex financial and commercial transactions that entail the management taking many decisions through which it controls the accounting information on which the concerned parties depend on with the performance of the economic unit. Therefore, it called for the issuance of accounting standards that include many details and explanations, and the multiplicity of alternatives and methods that can be applied and at the same time have the general acceptance, giving the management a wide range to manipulate reports on its financial performance and show it in the best way through what has become known as the creative practices of accounting (Ahmed, 2010). Through which several methods can be used to show the results of the economic unit and its financial position in a manner contrary to the economic reality and thus hide some activities or modify them to suit the purposes of the management, and these methods are usually called with several concepts such as: fraudulent

accounting, cosmetic accounting, earnings management, creative accounting and income smoothing, which are all share the same meaning and use the gaps in the accounting principles in order to show the financial position in the way that the company managers want.

As a result of these practices, several financial crises and scandals have appeared in the international companies that have shaken the reliability and fairness of the published financial statements as well as the credibility of their preparer and auditors. As is usual, when things reach the point of failure and collapse of companies, the usual question arises: Where is the supervision party? And what is the role of the auditors? (Theibat, 2015). Therefore, the interest began to impose itself in real situations as to look for the characteristics of management practices and their impact on the results of the financial performance reflected by the published information in the financial reports and statements, which are considered as the main guide for the beneficiary parties in making their decisions. This is despite the fact that the management is carrying out some of these practices within the framework of the international accounting standards, which aim at the integrity and objectivity of accounting measurement, distance from bias and fairness in presentation and disclosure.

However, these standards still give the management the wide flexibility in choosing among policies, procedures and alternative accounting methods that are exploited by the managers to achieve some personal purposes such as working to achieve high levels of profits, and thus in order to increase their rewards or maintain their positions, without considering their impacts on the level of income for the financial period, which may harm the interests of other parties. Although there is a variation in the motives that drive the management, the behavior of influencing income may include two types, one of which is called (good earnings management) which occurs when the management takes optional decisions that will maintain stable financial performance, and the second type is (bad earnings management) which involves unacceptable practices with the aim of hiding the real profit. Thus, earnings management is undertaken with the aim of influencing accounting profits by exploiting some of the flexibility permitted by accounting policies and practicing personal estimates. This, in turn, led to the emergence of the so-called fraudulent accounting phenomenon.

Therefore, the attention appeared again towards revealing these practices, taking advantage of the model that JONES designed in his 1991 research study to measure earnings management and the fraudulent practices involved in them. Thus, these practices were developed by DEECHO and his colleagues in 1995 as an attempt to benefit from it in the detection of fraudulent accounting practices, also to research into the factors that contribute to limiting these practices and exploring their impact on the institution's financial position (Hamdan, 2010).

Meanwhile, the documents of the U.S. Securities and Exchange Commission indicate that when the earnings management behavior becomes common within the institution, then a large part of the managers' time, those who are in higher positions is spent finding ways that lead to the continuation of violating practices, which highlights the need to carefully search for any warning signs indicate the presence of that phenomenon, and the most important of which are the following:

- Cash flows that aren't connected to profits.
- Clients' accounts that aren't related to revenue.
- Provisions for doubtful debts that aren't linked to clients' accounts.
- Precautions that aren't related to the balance sheet items.
- Profits that don't accurately or permanently match the expectations of the financial analysts.

Consequently, despite of all of the foregoing, doubts began to arise about the fairness and truthfulness of the financial statements published by the establishments and whether they involve changes related to the management practices and behavior in affecting the income and showing it contrary to reality.

## **2. The Study Problem**

Although practicing earnings management behavior brings benefits to the establishment in the short term, but it may lead to serious problems in the long term, which are reflected in the weakness of the operational and economic efficiency of the establishment, whereas achieving the benefit of the management in the short term will be to the detriment of the establishment's benefit in the long term. Which casts dark shadows over its future and threatens its continuity.

Moreover, it is necessary to give the issue great importance to determine the extent to which commercial bank departments practice fraudulent accounting operations and to reveal the risks related to them. For that, this study attempts to investigate this phenomenon in the banking environment by identifying the extent to which companies practice operations and their risk to their financial performance.

Accordingly, the main problem revolves around the following main question:

**What is the impact of the commercial banks' management practicing earnings management operations on the financial reports and statements of these banks?**

### 3. Study hypotheses

Based on the above, the following hypotheses can be developed:

**Main hypothesis H0-1:** There is no impact of creative accounting methods on financial reports and statements in commercial banks listed on Amman Stock Exchange.

**Sub-hypothesis H0-1-1:** There is no impact of creative accounting methods on the statement of income and comprehensive income in the commercial banks listed on Amman Stock Exchange.

**Sub-hypothesis H0-1-2:** There is no impact of creative accounting methods on the financial position list in the commercial banks listed on Amman Stock Exchange.

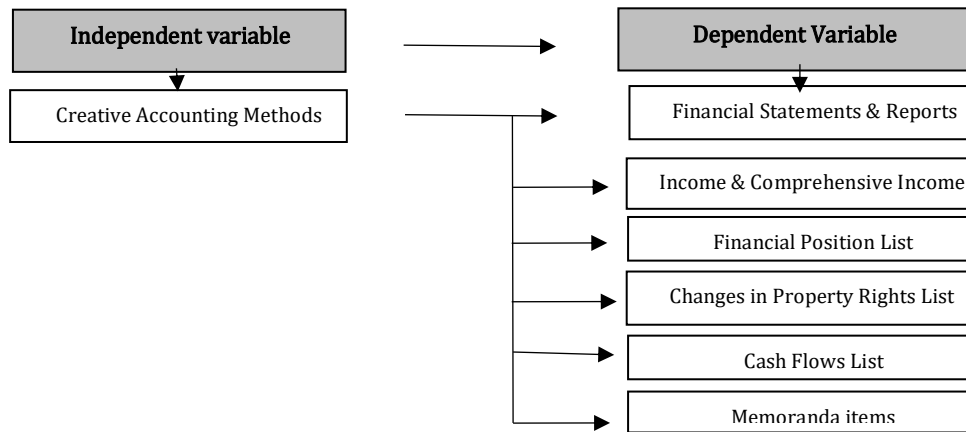
**Sub-hypothesis H0-1-3:** There is no impact of creative accounting methods on the cash flows list in commercial banks listed on Amman Stock Exchange.

**Sub-hypothesis H0-1-4:** There is no impact of creative accounting methods on the list of changes in property rights in commercial banks listed on Amman Stock Exchange.

### 4. Study Model

There are two variables, one is independent variable and the other is dependent variable;

- The independent variable: it is the creative accounting methods, also it is the affecting factor
- As for the dependent variable: it is the financial reports and statements of the Jordanian commercial banks, also it is the affected factor



**Figure (1):** study model  
 Source: Prepared by the researcher

### 5. Previous Studies

Recently, the financiers practice manipulation of the financial statements as a skill practiced under several names, such as earnings management or creative accounting methods and others, with the aim of influencing the financial statements and thus influencing the decision-makers' decision, and this matter had a negative impact on the reliability of the financial statements and reports. Knowing that, these creative accounting practices have been studied by many researchers and scholars on various aspects, where (Jaara et al., 2015) studied the impact of creative accounting practices on cash flows in industrial companies listed on Amman Stock Exchange, and the researchers concluded that there is a clear impact of these practices on the reliability and appropriateness of the cash flow statement data, meanwhile, the researchers recommended the need to issue more strict laws and legislations to limit these practices.

While (Al-Awawdeh, 2017) studied the impact of creative accounting on the quality of accounting profits in the same tackled sector by (Jaara et al., 2015), he concluded that the main reason for the decline in the quality of accounting profits in the industrial companies is the use of the creative accounting methods (earnings management) and the study recommended the necessity of activating the establishment governance rules more effectively.

On the other hand, (Ironkwe & UmbongK, 2017) emphasized that the implementation of the earnings management has a negative impact on evaluating the financial performance of companies. And this study agreed with the findings of the researchers (Rina & Rodielk, 2018) in the Philippines that the use of the earnings management methods in the industrial sector affects the financial performance by all measures.

Also, (Mustafa, 2016) studied the impact of creative accounting in companies with low operating performance, and concluded that there is a positive relationship between the use of the creative accounting and the low level of share returns, while in companies with high operating performance there is no impact or the effect is less.

It can be said that all the previous studies were related to the industrial sector, however, the current study deals with the commercial banking sector listed on Amman Stock Exchange, and among the similar studies to the

sector of this study is the study of (Kathem and Karim, 2019) which dealt with the impact of the creative accounting and its role in encouraging embezzlement in the Iraqi banking sector. Whereas, the two researchers concluded that there is a positive impact on increasing embezzlement in the banks of the Iraqi banking sector. Additionally, they pointed out the need to develop the accounting culture among the users of the financial statements as to discover the creative accounting methods used and know their negative impacts, as well as the need to make full disclosure about the applied accounting policies and any changes that may occur to them.

Moreover, (Al-Tejani, 2012) studied whether the argument about considering creative accounting as a negative system contradicts the ethics of the accounting profession or is it a positive form of creativity that takes advantage of the gaps. The study found that creative accounting is mostly a process of manipulating the accounting numbers through taking opportunities to get rid of adherence to accounting rules, measurement alternatives and disclosure applications to transfer the financial data from what it should be to the preferences of the data preparer. However, the process of controlling creative accounting practices is difficult and complex, but it is possible. Therefore, those interested in this field must constantly strive to reveal these practices and then try to limit them.

In addition to that, the study recommended that the accountants who practice manipulation or creative accounting practices are at a high level of professionalism and innovation, so it is necessary to meet him from the other side, of the auditors, whether in the audit offices or of the accounting bureaus, whoever is at the same and it is better if in a higher level. And that is in order to reveal and limit those practices so that he can reach a point where he can provide reasonable assurances that these financial reports are free from any deviation, manipulation or fraud.

## **6. Study Methodology**

The descriptive analytical approach was utilized because of its suitability with the purposes pursued by this study, and the two researchers adopted two types of data collection sources, namely:

### **6.1. Secondary sources**

The reliance was made on scientific references, previous studies and researches published in periodicals and scientific journals that dealt with the study of creative accounting and financial reports.

### **6.2. Primary sources**

The study relies on analyzing the published financial statements of banks through the period from 2013 to 2018 using the modified Jones model according to its specified steps and the mentioned later in order to determine the optional receivables that the management undertakes for the purpose of detecting creative accounting practices. Also, the necessary data is collected through a closed questionnaire specially designed to survey the opinions of the study sample in order to measure the impacts of the creative accounting and earnings management methods on financial statements and reports in commercial banks listed on Amman Stock Exchange. Thus, for the purpose of testing the hypotheses, where the answers to the questionnaires are extracted and analyzed using the statistical program (SPSS: Statistical Packages for Social Sciences), in addition to the appropriate statistical tests aimed at finding valuable indications and indicators that support the topic and objectives of the study.

### **6.3. Study Procedures:**

Based on the concept of fraudulent accounting and earnings management, which refers to the practices carried out by the management to manipulate profits with the aim of achieving certain gains or achieving a profit level consistent with the expectations of the financial analysts (Abu Agela & Hamdan, 2009). So, for the purposes of measuring the impact of these practices, the modified Jones model can be used, as some studies have highlighted its strength among the used models to reveal earnings management, and those claim the discretionary accruals' method, which assumes that managers basically depend on their freedom to act on part of the total dues as a means of earnings management. Whereas the total accruals consist of discretionary accruals determined by the management and non-discretionary accruals that are determined economically.

As a consequence, it is necessary to separate the total accruals into discretionary and non-discretionary ones; while the discretionary represent the evidence of the establishment earnings management processes' existence. Ordinarily, in order to achieve the objectives of the study and test its hypotheses, firstly, detecting whether banks are carrying out earnings management practices through analyzing the financial statements of banks, and then secondly, reviewing the opinions of respondents about the extent of the impacts resulting from these practices on the included variables in the study.

### **6.4. Study Population and Sample**

The study population consists of the traditional commercial banks listed on Amman Stock Exchange, where other types of banks (such as Islamic banks and others) have been excluded, and provided that they have published

financial data during the study period from 2013 until the end of 2019, and thus the number of banks were 23 commercial banks only, which represent the study population.

Meanwhile, the study sample includes the categories that are related to the Jordanian commercial banks listed on Amman Stock Exchange and to the financial statements issued by those banks. Accordingly, it included three categories: (financial intermediaries in the stock exchange, credit officers in the commercial banks, and external auditors).

A simple random sample of (45) people was selected from the specified groups to distribute questionnaires to them, where (42) questionnaires were retrieved; i.e. a rate of 93%, then (2) questionnaires were excluded because they weren't valid for analysis, and accordingly (40) questionnaires were subjected to analysis; i.e. 95% of the retrieved questionnaires, which is an acceptable percentage for scientific research purposes.

**Table (1):** Distributed and retrieved valid questionnaires for analysis

Study sample		Retrieved questionnaires		Valid questionnaires for analysis	
No.	Percentage	No.	Percentage	No.	Percentage
45	100%	42	93%	40	95%

**Source:** From the researcher's achievement based on the results of the questionnaire

Now that the researcher has finished determining the individuals of the final study sample, he described the personal characteristics of the sample individuals according to the following:

**6.5. study tool scale**

Also, the researcher used the five-point Likert scale to find out the respondents' answers to the paragraphs of the questionnaire, as it is considered one of the most common scales used to measure the respondents' attitudes and opinions.

The answers levels are defined as in the following table:

**Table (2):** Five-level Likert Scale

Significance	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Level	5	4	3	2	1

**6.8. Statistical analysis and testing the study hypotheses**

The results of the hypotheses were reached by using the statistical analysis program SPSS, and the following results were reached:

• **H0-1 test the main null hypothesis:**

Studies and analyzes show that the percentage of banks that practiced creative accounting and earnings management during the study period was 52%.

The main null hypothesis H0-1 states that "there is no impact of creative accounting methods on the financial reports and statements in commercial banks listed on Amman Stock Exchange." Thus, in order to test this hypothesis, a multiple regression test was conducted as follows:

**Table (3):** The regression analysis results of the relationship between the independent and dependent variable

Independent variable	Sources	Degrees of freedom	Mean square	Sum of squares	T value	Significance level = $\alpha$	R	R <sup>2</sup>
Creative accounting methods	Regression	1	70.10446	70.10446	19.8	*0.000	0.75	0.57
	Standard error	299	53.30544	0.17828				

\* Statistically significant at the level of significance ( $\alpha=0.01$ )

It can be seen from table no. (4) that the correlation coefficient (R = 0.75) is relatively high, which indicates the strength of the relationship between the independent variable (creative accounting methods) and the dependent variable (financial reports). Also, the coefficient of determination equals (R<sup>2</sup> = 0.57), which means that the creative accounting methods explain (57%) of the independent variable (creative accounting methods) impact on the dependent variable (financial reports), which is a good percentage in the social and humanitarian sciences because of its complicated aspects and the difficulty of excluding its variables.

This also means that there are other factors affecting the financial reports and statements but weren't included in the study. The value of (T = 19.8) is statistically significant at the level of significance ( $\alpha=0.01$ ) and degrees of freedom (299.1). Accordingly, the main null hypothesis H0-1 is rejected, which states that there is no relationship between the creative accounting methods and the financial reports and statements, however, the alternative hypothesis is accepted. Whereas, this result is consistent with the results of similar previous studies.

- **Test the null sub-hypotheses:**

For the purpose of testing these hypotheses, the answers of the study sample individuals for each variable of the study variables were analyzed using the appropriate statistical tools in the statistical program (SPSS: Statistical Packages for Social Sciences) After analyzing the questionnaire paragraphs (in appendix 1), it comes out that: According to the opinions of the study sample, the results show the following:

**H0-1-1:** There is no impact of creative accounting methods on the statement of income and comprehensive income in the commercial banks listed on Amman Stock Exchange.

**Impact on operating expenses items:** The results show and agree with the respondents' answers to the paragraphs of this section, so they represent an impact on the items of operating expenses

**Impact on revenue and expense components:** The results show and agree with the respondents' answers to the paragraphs of this section, so they represent an impact on the components of revenues and expenses

**H0-1-2:** There is no impact of creative accounting methods on the financial position list in the commercial banks listed on Amman Stock Exchange.

**Impact on credit facilities items:** The results show and agree with the respondents' answers to the paragraphs of this section, so they represent an impact on the items of credit facilities.

**Impact on monetary items and cash equivalents:** The results show and agree with the respondents' answers to the paragraphs of this section, so they represent the impact on the monetary items and cash equivalents.

**Impact on fixed asset items:** The results show and agree with the respondents' answers to the paragraphs of this section, so they represent an impact on the fixed assets items.

**Impact on deposit accounts:** The results show and agree with the respondents' answers to the paragraphs of this section, so they represent an impact on deposit accounts.

**H0-1-3:** There is no impact of creative accounting methods on the cash flows list in commercial banks listed on Amman Stock Exchange

**Impact on the investment item:** The results show and agree with the respondents' answers to the paragraphs of this section, so they represent an impact on the investment item.

**H0-1-4:** There is no impact of creative accounting methods on the list of changes in property rights in commercial banks listed on Amman Stock Exchange.

**Impact on property right items:** The results show and agree with the respondents' answers to the paragraphs of this section, so they represent an impact on the property right items.

Accordingly, the null hypotheses that state: "there is no relationship between the creative accounting methods and the items of the financial statements", are rejected. And thus, the alternative hypotheses are accepted, which means, there are risks resulting from the practice of the creative accounting methods represented in financial data manipulation, in accordance with the desires of the commercial bank managements, which negatively affects the decisions of the parties related to these banks.

## 7. Conclusions

In light of the previous data analyzes and testing of the study hypotheses, the following conclusions were reached:

- Profit operations include many means and methods aimed at achieving certain objectives in serving the management, and among those means: the impact on operating expenses, the impact on the investment items, the impact on credit facilities items, the impact on monetary items and cash equivalents, the impact on profits, the impact on fixed assets items, the impact on property rights items, the impact on deposits accounts.
- Commercial banks are practicing earnings management operations and the creative accounting to a large extent during the financial years covered by the study period.
- The banking management in the commercial banks isn't aware of the impacts resulting from the fraudulent accounting and earnings management practices on the financial reports and statements.
- The operations of fraudulent accounting and profit management greatly affect the reliability of the financial statements, make them misleading and lose the characteristics of each quality, objectivity and credibility, which affects the decisions of these lists' users.

## 8. Recommendations

The study recommends the following:

- The necessity of activating the governmental supervisory role as well as the auditing committees in banks to limit the practices of banks for earnings management and the creative accounting in order to achieve the best quality of accounting information and to provide trust and suitability in it.
- The need to increase the effectiveness of the professional organization of the accounting and auditing profession in Jordan and to take the necessary measures to enhance and develop the competencies of its members, especially those who undertake auditing operations of bank accounts to reveal earning management operations and the creative accounting and then working on limit them.

- The necessity to speed up the activation of the governance rules application, provided that it includes imposing the penalties on the management of banks that practice the creative accounting operations in order to provide confidence and objectivity in the published financial statements of those banks in the financial market.
- The necessity to educate the banking management of the risks arising from the creative accounting and earnings management operations and their negative repercussions on banking performance.
- The necessity to conduct training courses for bank employees on creative accounting methods.
- Conducting researches on the creative accounting in light of different variables other than the study variables (for example, on banks' non-financial information and data).
- Raising the interest of researchers to conduct studies on the creative accounting methods, especially with regard to deserve matters such as (tax evasion, shareholder misleading, etc.).

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## Website:

1. Amman Stock Exchange website <https://www.ase.com.jo/ar>



## Appendix (1) : Analysis of the questionnaire paragraphs

	Paragraph	Scale	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Average	Standard deviation	Result
<b>1. Impact on the operating expenses</b>										
1	Capitalization of revenue expenses without applying any conditions to it.	Frequency	8	8	19	5	0	3.475	0.9604	Agree
		Percentage %	20	20	47.5	12.5	0			
2	Changing the used method in calculating the depreciation expense for fixed assets.	Frequency	0	16	22	2	0	3.350	0.5795	Neither agree nor disagree
		Percentage %	0	40	55	5	0			
3	Changing the method of calculating the amortization expense for intangible assets.	Frequency	5	19	11	0	5	3.475	1.1319	Agree
		Percentage %	12.5	47.5	27.5	0	12.5			
4	Using fixed asset's depreciation rates lower than common industry standard depreciation rates.	Frequency	19	10	10	1	0	4.175	0.9026	Agree
		Percentage %	47.5	25	25	2.5	0			
5	Including operating profit as gains from extraordinary or exceptional items.	Frequency	25	8	6	1	0	4.425	0.8439	Agree
		Percentage %	62.5	20	15	2.5	0			
6	Merging the main bank's share of the subsidiary profits units without disclosing them.	Frequency	5	15	17	2	1	3.525	0.8766	Agree
		Percentage %	12.5	37.5	42.5	5	2.5			
<b>(Section) total paragraphs</b>								3.737	0.88253	Agree
<b>2. The impact on monetary items and cash equivalents</b>										
7	Adopted adjustments in the market prices used in interpreting the available monetary items of foreign currencies.	Frequency	4	10	26	0	0	3.450	0.6774	Neither agree nor disagree
		Percentage %	10	25	65	0	0			
8	Non-disclosure of the monetary items and cash equivalents clearly.	Frequency	20	12	7	1	0	4.275	0.8469	Neither agree nor disagree
		Percentage %	50	30	17.5	2.5	0			
9	Conduct adjustments to the quick and legal liquidity requirements imposed by the monetary authority.	Frequency	24	9	7	0	0	4.425	0.7807	Strongly agree
		Percentage %	60	22.5	17.5	0	0			
10	Lack of balance in debit and credit currency centers.	Frequency	9	8	22	1	0	3.625	0.8678	Agree
		Percentage %	22.5	20	55	2.5	0			
<b>(Section) total paragraphs</b>								3.943	0.79326	Agree
<b>3. Impact on the investment item</b>										
11	Adopted adjustments in market prices used in assessing the portfolio securities.	Frequency	5	16	16	3	0	3.575	0.8129	Agree
		Percentage %	12.5	40	40	7.5	0			
12	Adjustments in investment classification through classifying short-term investments as long-term ones, especially when there is a drop in the prices.	Frequency	24	11	5	0	0	4.475	0.7156	Strongly agree
		Percentage %	60	27.5	12.5	0	0			
13	Changing the used method in the accounting of investments from cost to property rights for instance.	Frequency	19	16	5	0	0	4.350	0.6998	Strongly agree
		Percentage %	47.5	40	12.5	0	0			
14	Including the mutual operations between the head office and branches at the time of preparing the consolidated financial statements.	Frequency	5	11	23	1	0	3.500	0.7510	Agree
		Percentage %	12.5	27.5	57.5	2.5	0			
<b>(Section) total paragraphs</b>								3.975	0.74488	Agree
<b>4. Impact on the credit facilities types</b>										
15	Non-disclosure or disclosure of the dormant debts true size for the purpose of reducing the balance of the provisions for doubtful debts.	Frequency	23	8	8	1	0	4.325	0.8883	Strongly agree
		Percentage %	57.5	20	20	2.5	0			
16	Non-disclosure of credit facilities given to those concerned.	Frequency	7	13	20	0	0	3.3250	0.764	Neither agree nor disagree
		Percentage %	17.5	32.5	50	0	0			
17	The focus in credit facilities granted to some sectors and customers.	Frequency	4	10	16	8	2	3.150	1.0265	Neither agree nor disagree
		Percentage %	10	25	40	20	5			
18	The credit concentrations with a single customer.	Frequency	5	9	20	4	2	3.275	0.9867	Neither agree nor disagree
		Percentage %	12.5	22.5	50	10	5			
19	Non-disclosure of the credit facilities type according to their	Frequency	12	20	8	0	0	4.100	0.7089	Agree
		Percentage %	30	50	20	0	0			

	actual components (current debts, loans, advances, discounted bills ...).									
<b>(Section) total paragraphs</b>								3.635	0.87495	Agree
<b>5. Impact on revenue and expense components</b>										
20	Adjustments to current-maturities balances through net working capital accounts.	Frequency	12	20	6	2	0	4.050	0.8149	Agree
		Percentage %	30	50	15	5	0			
21	Adjustments to the balances of non-current maturities represented by depreciation expense and change in the deferred taxes.	Frequency	17	21	2	0	0	4.375	0.5856	Strongly agree
		Percentage %	42.5	52.5	5	0	0			
22	Delay in registering credit / debit interests and commissions in order to influence the profits.	Frequency	8	18	13	1	0	3.825	0.7807	Agree
		Percentage %	20	45	32.5	2.5	0			
23	Processing some current expenses as capital expenses.	Frequency	4	19	16	1	0	3.650	0.69982	Agree
		Percentage %	10	47.5	40	2.5	0			
24	Failure to show the actual estimates of provisions for doubtful debts and provision for the decline in the investments' value of the securities.	Frequency	8	15	15	2	0	3.725	0.8469	Agree
		Percentage %	20	37.5	37.5	5	0			
25	Adopted adjustments in the classification of the cash flow statement's contents through classifying some of the items that is related to investment and financing activities as related to operating activities.	Frequency	15	12	12	1	0	4.025	0.8912	Agree
		Percentage %	37.5	30	30	2.5	0			
<b>(Section) total paragraphs</b>								3.941	0.76988	Agree
<b>6. Impact on fixed asset items</b>										
26	Failure to comply with the historical cost principle and to display the fixed assets at the value resulting from appraisal.	Frequency	0	5	33	2	0	3.075	0.416	Neither agree nor disagree
		Percentage %	0	12.5	82.5	5	0			
27	Non-disclosure of the pledged or advanced assets as guaranties to others.	Frequency	5	15	15	5	0	3.500	0.8770	Agree
		Percentage %	12.5	37.5	37.5	12.5	0			
28	The intentional change in the classification of some fixed assets' components with the purpose of influencing the depreciation expense.	Frequency	8	7	24	1	0	3.550	0.8458	Agree
		Percentage %	20	17.5	60	2.5	0			
<b>(Section) total paragraphs</b>								3.375	0.7132	Agree
<b>7. Impact on property rights items.</b>										
29	Adding realized gains from previous years to current net profit instead of showing it in retained earnings as earnings related to previous years.	Frequency	12	24	3	1	0	4.175	0.6751	Agree
		Percentage %	30	60	7.5	2.5	0			
30	Processing gains or losses that are related to foreign exchange rate fluctuations in shareholders' rights instead of the income statement.	Frequency	15	11	14	0	0	4.025	0.8619	Agree
		Percentage %	37.5	27.5	35	0	0			
<b>(Section) total paragraphs</b>								4.1	0.76852	Agree
<b>8. Impact on deposits accounts.</b>										
31	Adjustments in the structure components of the deposits types in order to avoid an increase in the size of the mandatory cash reserve imposed by the monetary authority.	Frequency	8	12	20	0	0	3.700	0.7907	Agree
		Percentage %	20	30	50	0	0			
32	Adjustments to the deposits source structure's components based on the various sectors.	Frequency	1	3	32	4	0	3.025	0.5304	Neither agree nor disagree
		Percentage %	2.5	7.5	80	10	0			
33	failure to show the cash insurance as a separate item and showing it among the deposits items.	Frequency	4	13	19	4	0	3.425	0.8129	Agree
		Percentage %	10	32.5	47.5	10	0			
34	Non-disclosure of the blocked amounts on deposits.	Frequency	2	19	12	7	0	3.400	0.8412	Agree
		Percentage %	5	47.5	30	17.5	0			
35	Non-disclosure of the Overdrawn accounts related to clients' deposits.	Frequency	1	8	20	10	1	2.950	0.8149	Neither agree nor disagree
		Percentage %	2.5	20	50	25	2.5			
<b>(Section) total paragraphs</b>								3.3	0.75807	Agree
<b>Total questionnaire paragraphs</b>								3.750	0.78816	Agree