

Effectiveness of Complying with the Disclosure Requirements in Jordanian Public Shareholding Companies, in Accordance with International Standards: From the Point of View of Public Accountants

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Abstract

The study aimed at identifying the concepts of multiple disclosure accounting and its importance to the financial statements and the effectiveness of its application in the Jordanian public shareholding companies from the viewpoint of the auditors' where (120) auditor, was distributed (100) questionnaire randomly, recalled them (83) form suitable for analysis Statistical.

The study found a set of conclusions, most notably: that there is disclosure in the financial statements reasonably for various items ordinary and extraordinary necessary for users of financial information and data used in decision-making for all users, according to their needs, as well as the disclosure is reasonably well for results that have a direct correlation standards international accounting applicable to the preparation of the financial statements.

The study also recommended a set of recommendations, most notably: the need to disclose the inventory system used in inventory and provisions and reserves as well as the need to disclose the financing costs related to bank interest and gains and loss, expense and revenue independently of the other.

Keywords: accounting disclosure, international accounting standards

1. Introduction

The accounting disclosure of threads that ran all sectors and accounting bodies over the past years, as a result of technological development in the steady work of companies and institution both in the size or activities, and clear direction towards privatization and trend towards a free market economy and opening up global markets to each other, and continues until the present time trying to work on finding systems or assist in the application of laws of transparency and disclosure of all the data of interest to stakeholders, each according to its requirements and wishes.

This has led to increased interest by the scientific and professional accounting disclosure and particularly after the multiplicity of businesses and the evolution of accounting and link this development with the financial statements, which is the output of the results of activity of these installations for the wealth of data and information and the foundation of measurement can be used by users, which later became the foundation upon which to make decision different, for it is to provide information and data to users on different assortment of purposes and the multiplicity of one of the main objectives of financial statements.

1.1 The Problem of the Study

There was a need in the light of various development on businesses markets until the going out of Jordanian companies and especially the one which is contribute to the commitment to international standards of disclosure which achieves justice in the distribution of data and information on the parties within the company and the parties outside the company, and the elements of the problem can be formulated according to the following question:

Is the disclosure of accounting information in accordance with the requirements of the international accounting

standards?

Is there an effective application of the minimum requirements for the disclosure of accounting in accordance with the requirements of the international accounting standards?

Are the business contribution companies committed to disclosure requirements in the financial statement (budget, income, changes in equity)?

1.2 The Importance of the Study

The importance of the study came from the importance which was given to the accounting disclosure at the current time as it characterizes the essence of the work in which the accountant describes the work done during the accounting period, as well as regarded as a tool of communication between management and stakeholders and it helps in taking the various kinds of decision for both the internal or the external parties, this so-called stakeholders, where all the standards have the requirements of disclosure and transparency.

1.3 Objective of the Study

The study came from trying to find the extent of the commitment of Jordanian public shareholding companies and the requirements of transparency and disclosure in accordance to the requirements of the international accounting standards and to find an effective application on commercial public shareholding companies through:

- i. identifying the multiple concepts of accounting disclosure which it can be suitable for Jordanian environment, regulations, etc.
- ii. clarifying the importance of accounting disclosure and its effectiveness on the various financial statements according to international standards
- iii. identifying the accounting disclosure and the mechanism applied in the Jordanian public shareholding companies.

1.4 Hypothesis of the Study

The study is based on three main assumption:

- i. there is no effect of the application of the disclosure requirements on the balance sheet according to the international accounting standards.
- ii. there is no effect of the application of the disclosure requirement on the income statement in accordance to the international accounting standards.
- iii. there is no effect of the application of the disclosure requirements on the list of changes in equity, according to the international accounting standards.

1.5 Previous Studies

1 Alhosban and Bishtawi (2012). The Commitment of Jordanian Commercial Banks Apply the Disclosure Requirements in the Using of Standard Financial Instruments. *Journal of Aleppo University Economics & Law Sci.* Series No. 2012.

This study interest has increased in the subject of investment, especially external ones and the hazards involved, which would increase interest the requirements of disclosure and transparency. The importance of research stems from the importance of disclosure of the risks surrounding the subject of credit and providing liquidity to the facility.

The study aimed at demonstrating the importance of disclosure and transparency by using financial instruments to study the risk resulting from the use of financial instruments.

The main hypothesis of the research is that there is a significant relationship between the risks arising from the use of financial instruments and their disclosure in the financial lists. The results showed that there is a relationship between the transferred assets and the disclosure of the financial reports prepared by public shareholding companies.

The study recommended the development of standards by the competent authorities in the government. To reduce the risks arising from the use of financial instruments, the use of the standards and levels of relevant financial analysis is mandatory.

2-Atallah Ahmad Sweilem Al Hosban (2013). Extent of islamic banks commitment concerning the requirements of accounting disclosure in jordan according to islamic banks criteria, *AJASB*, 1, 232.

This research aims to find out the extent of Islamic banks commitment in Jordan towards the requirements of

general disclosure in financial statements according to Islamic accounting criteria no.1., and To find out the extent in which the Islamic banks treat and deal with the changes in an unusual accounting estimates according to Islamic accounting criteria no. 1.this study depends up on questionnaire which distributed to sample. it find Islamic banks disclose the deposited amounts by others and separate them from other amounts of investment which means a more transparency in dealing with investors and depositor, Disclosure of net realizable value if less than the value shown in the books, Distinction is made in the statement of cash flows from operating or financing or investing in the statement of cash flows, and this gives transparency in how the Islamic banks deal with cash or cash-equivalent. and it suggested Approval of the new accounting policies and justifications used in the financial statements with the disclosure of whether legal justification based on the desire of the administration,

The need for disclosure of amount of assets invested in the bank, whether restricted or unrestricted investments, and Disclosure of Zakat if bank committed to pay it instead of clients in a separate section in financial statements 3-Alshurfa (2007). Extent of palestinian islamic bank for disclosure of profits distribution basis between property rights owners and investment rights holders.

This study aimed to Identify the extent of the Bank's commitment to the Palestinian Islamic accounting and auditing standards and controls for the Islamic financial institutions in addition to the study of the annual report of the Palestine Islamic Bank for the year 2005,this study depended on the comparison of financial statements with the distribution of profits between shareholders and investors through a questionnaire which was distributed to accountants and auditors in that bank,the most important results of this study was the presence of disclosure about distribution of profits between investors and shareholders in addition to the presence of disclosure with a minimum proportion to apply the criteria of disclosure of profits distribution for the shareholders, the study recommended that the Palestinian monetary authority should obligate all Islamic banks to follow Islamic accounting standards in addition to the need for the preparation of financial statements in conformity with those standards.

1.6 Differentiate this Study from Previous Studies

This study concentrate about international standards in various sides.

This study concentrate about international standard from external auditor point view other than accountant, because auditor more professional in recent standards than accountant or internal auditors.

This study concentrate about Jordanian Public Shareholding Companies.

2. The Theoretical Framework

Recently, the attention given to disclosure and transparency and the risks surrounding it has increased which led to an increase the interest in the subject of credit and liquidity facilities for the study of risks resulted by it (Albeshtawi & Al Husban, 2012). The accounting disclosure came to show all the necessary information in which the beneficiaries are interested, and that help them in decision-making and reducing the uncertainty of economic events in the future, whereas the disclosure is one of the principles which the accounting work based on.

And the importance appears as a result of the appearance of money companies and the text in the corporate laws of most countries about the need to publish the financial statements of these companies before the annual meeting of public association, this law also stimulate the need to include a minimum amount of information in the financial statements published, and it annexed most of the time samples that are need to be followed in the presentation of information. Since the external parties often do not have the authority to bind the economic unit to provide what it needs from the necessary data to make the deal in the financial market fairer for providing equal opportunities for investors to get various information as well as the favorable investment climate and increase opportunities for market's growth, prosperity and continuity (Abdullah, 2005).

The preparation of financial statements and auditing their accounts are in accordance with the accounting standards and generally accepted auditing rules at the local level or internationally, as it can be seen, most companies follow specific standards when preparing reports and statements on its activities and the results of its operations and its financial samples known for these purposes, on this basis the accounting disclosure increases on the samples listed in a number of points that the most important one of them is the expression of accounting policy followed in the preparation of financial statements and the margins change in it which has the consequential impact on the financial statements, especially those relating to the investment policy of evaluating long and short term policies and estimation inventory costs and owning fixed assets and capital expenditure and revenue confirmation policy and the policy of capitalization of borrowing costs, and the disclosure of the value

of each loan and the range of benefits on it and the future capital commitment and contingent liabilities of the company whether financial or legal, or for any logical irregularities necessitated by the flexibility of the status quo and relates to any assumptions like the disclosure of the reasons of not following any of these assumptions in accounting.

The disclosure in the financial statements is considered to present the necessary information for the economics unity for the sake of optimum operation at of the effective capital markets. (Hundreds, 1990) as well as financial information that reflect the activity in a transparent manner which is necessary to make the statements not misleading (Thompson & Mathew, 2003) and show the financial statement for all the basic information in which the foreign groups are interested so that they can make good decisions (Abdullah, 1995).

And the disclosure with its totalitarian concept means that the financial statements are included in the essential information that is necessary for the proper display. And if the deletion of a certain information will make it misleading then the disclosure may be necessary (Meigs et al., 1974), and that what is generally agreed that the financial statements should disclose what is necessary to be non-misleading (Most, 1977). As well as the study and analysis of the sources of funds available for investment, implementation and interpretation of objective measurement of the profits generated by the foundations and rules and distribution (Shaheen, 2005).

And the company must disclose the accounting policies and methods used in the preparation of its financial statements and the ongoing changes, and this disclosure can be in the body of the financial statements themselves in the form of braces, margins or disclosed data supplement (Alshizari, 1990).

As a result of what came before the concept of the disclosure means: providing the external parties with useful and necessary information about the unity and its activities and the results of this activity at the right time and how they do not lead to influence the activity of this unit. Which leads to increase the ability to make rational decisions aimed at the sustain ability of the work of this unit and the continuation of its activities and developing them to serve the interests of these parties at the present time and the future as well as the knowledge of the future plans for economic union.

Form what preceded, it appears that the disclosure is based on a number of requirements including identifying key users of accounting information as well as the quality and the timing and methods of disclosure of accounting information that must be disclosed (Alshizari, 1990).

2.1 Levels of the Disclosure

The accounting disclosure is specialized in all what is related to the financial statement from including terms and descriptive or quantum information and the way in which These terms are shown and it's style and the information within each list as well as the accounting policies that are followed in the measurement to determine the value of each item to help the users of these lists in decision making and to reduce uncertainty about their economic events in the future, in determining the appropriate amount to be disclosed, there are three levels: (Matar, 2004).

- i. adequate disclosure: the most commonly used and refers to the minimum of information to be disclosed and that must be included in the financial statements so as not to be misleading to the reader when deciding the appropriate investment.
- ii. the fair disclosure: it provide information that meets the needs of the parties involved in an equal basis to all users of financial statements.
- iii. the full disclosure: this means holistic financial statements on relevant information to all users of financial statements while it is theoretically possible to identify the factors and consideration that determine the ideal level of disclosure, but this level can't be provided realistically, and this is because of many reasons the most important one is unfamiliarity with the full nature of the different models and multiple decision that are accounting data as an input and the extent of its sensitivity of these decisions for different alternatives of accounting information, in addition to the great disparity in response to the decision makers of the patterns of information made available to them through the different alternatives of measurement systems of accounting which credibility is often questioned because of the fact that the subordination of these systems for many of the restrictions and limitations that are imposed on it by a group of assumptions and accounting parties that control the methods of collecting and measuring the outputs of these systems (Alshirazi, 1990).

The full disclosure is considered the most commonly used concepts, but it assumes that the minimum disclosure that makes the financial statements not misleading. However the fair disclosure involves moral requirements of the goal of equal treatment for all potential users of the financial statements while it is supposed from the full disclosure to offer all the relevant information, and it might be seen that the excessive information may be

harmful, the fact that the presentation of the non-important details hides material information and thus brings more harm than good and makes the financial reports difficult to interpret and long in length which might make it boring (Shirza, 2004).

2.2 Factors Affecting the Disclosure

There is a number of factors affecting the disclosure in the financial statements, these factors could be divided into environmental factors linked to the community, which is where the financial statements and other specialized financial information to be disclosed, and there are factors related to same economical unite that can be summarized as follows:

i. Factors related to the environment

Financial reports differ from one country to another for political, economic, and social reasons and factors resulted by the beneficiaries needs to more information about additional environment changes and their impact on the economic unit for the purpose of comparison between the economic units and determining their respective social responsibilities.

ii. Factors related to the information

It is affected by the degree of disclosure of information, especially in terms of the availability of appropriate and confidence in this information as well as the capability to check and compare the cost compared to returns(economical information).

iii. Factors related to the economical unity

The size of the economic unit, many studies have shown a relationship between field size and the degree of economical unit disclosure in the financial statements, this due to the fact that the cost of information will be important in few large projects compared to small projects.

The number of shareholders, there is a positive relationship between the number of shareholders and the degree of disclosure on the basis that the increase in the number of shareholders increases the degree of disclosure.

Registration of the company in the shock market and this has a direct impact in the increase of disclosure because of the conditions set by those markets.

External auditor, where the auditor's assessment of the degree of disclosure when auditing the company to determine the extent of its commitment to the fundamentals, the rules, principles, accounting policies, standards and professional rules imposed by the constitution of the profession.

Other factors, most notably the net protect and the desire of managerial and supervisory bodies of the companies contributing to the disclosure of information (Al-Nuaimi, 2004).

2.3 Types of Disclosure

Due to the different views of users, where what could be considered appropriate and necessary for a person with sufficient experience may not be the case for someone else does not have the same level of experience, moreover the management's desire to disclose or not to disclose, the variation of the information required for the last sector of the different economical sectors, as well as the business environment and the needs for different users, all this has led to the emergence of multiple types of disclosure including:

2.3.1 The Overall Disclosure

it means inclusive financial statements of all the necessary information which will help to give a clear and true picture of the property, and as well as the basic financial statements referred to above reports are expanding to include quantitative information, and another descriptive that are all disclosed in the following ways:

i. The accompanying notes to the financial statements is an integral part of the financial statements and include marginal notes, lists and additional statements attached.

ii. Management report often includes a speech to the board of directors and shareholders analyzes and management's expectations about the future.

iii. The report of the external auditor.

The comprehensiveness of the disclosure doesn't mean the show of all details without discrimination because of the increasing burden of the application to the large number of non-critical details that make financial statements lengthy, the way which make the users of the financial statements far from recognizing the essence of the important things and this is what explains the concept of the relative importance which depends upon the accountant in interpreting the scope of the disclosure and the comprehensive application and it is considered

important if deleting it cause hiding of clarifications or displaying it improperly which will influence the effectiveness of the lists of finance negatively (AICPA, 1999).

2.3.2 Preventive Disclosure

Preventive disclosure is intended to protect the financial community and in particular, the average investor who has a limited ability to use financial information this is because it must be the highest financial information possible to form the degree of objectivity and impartiality, justice and that the general rule is that the financial statements must be disclosed where all is what make it misleading to shareholders.

The preventive disclosure requires a detection of the following accounting policies, a changes in accounting policies, changes in accounting practices, correct errors in the financial statements, the change in the nature of the economic units and gains, potential losses, financial commitments and subsequent events (Al-Nu'aimi, 2004).

2.3.3 Informative Disclosure

This concept appears as a result of the growing importance of appropriate as a qualitative characteristics of accounting information and so it reflects the contemporary trend of the disclosure of appropriate information for decision making purposes, examples of the informative disclosure is the disclosure of financial forecast and separation of the elements of regular and non-regular in financial lists.

3. Society and the Sample of the Study

The community of the study included Jordanian public shareholding companies where a questionnaire was distributed to auditors working for the major audit firms in Jordan, the number of auditors has reached 120 auditor, 100 random sample took from them, recovered from questionnaires distributed 83 from suitable for statistical analysis.

3.1 Statistical Analysis and Results

After theoretically explaining the theme of the disclosure, it will be displayed and the results of the study will be discussed in this chapter and specially those including the stability and credibility of the results and that discuss the hypotheses and text hypotheses.

3.2 The Stability and Credibility of the Result

The text of the alpha credibility was done, and that was in order to determine the degree of internal consistency (stability) between the responses of the respondents to the questionnaire, and alpha can be interpreted as the correlation coefficient between the answers and so the value of alpha can range between zero and one, and the value of alpha is statistically acceptable at least 60% for the dissemination of results (Sekaran, 2006) and the value of alpha has become 76% it can be disseminate the results of the study as it represents a statistically acceptable ratio.

3.3 The Base of the Decision to Accept the Hypotheses of the Study

The study has been established on the community of the Jordanian Public Shareholding Companies and have been relying on the use of descriptive statistics of the data, and it has been using Likert scale consisting of five degrees was arranged as follows, 5 strongly agree, 4 agree, 3 neutral, 2 disagree, 1 strongly disagree. In order to accept the hypotheses it has been relying on the arithmetic mean of the vertebrae which represents the accept or reject the hypotheses and it has been relying on the center of supposedly 3 and which in the light of the media comparing calculations for each hypotheses with the center hypotheses. In order to test the hypotheses that have been relying on regression tests to make sure the degree of accepting or not accepting the hypotheses.

3.4 Analysis of the Demographic Characteristics of Sample

The following tables show the distribution of the sample of the study variables (general information).

Table 1. Years of respondents' experience

Years of experience	Repetition	Percentage
Less than 6 years	20	24%
From 6 to less than 10 years	30	36%
From 10 to less than 15 years	25	30%
15 years and more	8	10%
Total	83	100%

We notice from the first table that the auditors of the study sample have sufficient experience in the field of auditing Jordanian public shareholding companies, where the responses were by 24% to less experienced category ranged between one year and six years, while the correspondence to the sample came by 36% for the years of experience between 6 to less than 10 years, and the category of years of experience came between 10 to less than 15 years, and the answers of the respondents came by 30% and the percentage of 10% came for the years of experience more than 15 years.

This gives a positive indication of the reliability of the answers of the sample relative to honesty and paragraphs resolution which is reflected on the results and recommendations of the study.

Table 2. The degree of the respondents

Type of Certificate	Repetition	Percentage
College	13	16%
Bachelor	46	55%
High studies (master, diploma, etc.)	22	29%
Total	83	100%

We notice from the second table that the respondents of the study sample class represents a majority of them from the bachelor degree, which may indicate the pretense of an academic qualification which is suitable for the study sample, which reflects positively on the sincerity and the stability of the results and recommendations of the study and the sample of the individuals came by 55% for the holders of masters degree or doctorate from the sample. This confirms that 63 checker from those who hold high academic degrees by the percentage of 84% which demonstrates the increasing trend that the paragraphs of the study which has been read from people who specialize in the fields of accounting and auditing and have a degree and practical manner to answer the paragraphs of the questionnaire specialized in the fields of accounting and auditing standards.

Table 3. The specialization of respondents

Specialization	Repetition	Percentage
Accounting	78	94%
Business administration	3	4%
Other economical sciences	2	2%
Total	83	100%

We notice from Table 3 that the scientific discipline of members of the study sample in the field of accounting, where the answers of respondents came by 94% for accounting and it represents the Major of specialists in accounting and auditing who have a sufficient knowledge to the accounting disclosure in the financial statements and this is what also emphasizes that the paragraphs of the resolution addressed to specialists in accounting greater proportion of specialists in order academic discipline.

3.5 Discussing the Hypotheses of the Study with the Statistical Results

3.5.1 The First Hypotheses

There is no effect of the application of disclosure requirements on the balance sheet according to the international accounting standards.

Table 4. Explains the views of a sample study of the impact of the application of the disclosure requirements on the balance sheet according to the international accounting standards

Number	Paragraph	Arithmetic mean	Ranking
1	The disclosure in the financial statements for the item of the other provisions	2.83	8
2	The disclosure in the financial statements for the rights of minorities.	3.43	5
3	The disclosure in financial statements for statutory reserve	3.07	3
4	Disclosed components which determine depreciation method used in financial statements.	2.85	7
5	The disclosed in financial statements and associated risks in the financial statements.	3.57	3
6	The disclosure in totals for fixed assets and traded on its own.	2.49	4

7	The disclosed total for fixed assets on its own	3.64	2
8	The disclosure in the financial statements for inventory adjustments for that have been reached at the end of the year	4	1
The arithmetic mean of the total.		3.24	

We notice from the table above that the study sample tend to accept the eight paragraphs of the existence of the disclosure of inventory adjustments at the end of the year and their impact on the financial statements this gives an indication of the truth of the financial statements with an average of 4 we also notice that the seventh paragraph occupies the second place in the opinion of the study sample members and the disclosure of the existence of the offer for the assets of identity and current asserts separately from the other and this indicates that the process of insertion of the financial statements, we also notices that the disclosure of the legal reserve separately from the rest of the reserves ranked third in the opinion of the study sample members. We also notice that the hypotheses average is 3.24 and it is higher than the hypotheses mean 3. This may give an indication of the truth of the terms of disclosure on the balance sheet according to the international accounting standards, and this indicates the presence of efficiency in the disclosure of balance sheet items.

3.5.2 Second Hypotheses

There is no effect of the application for disclosure requirements on the income list according to the international accounting standards.

Table 5. The opinion of the study sample members of the effect of the application for the disclosure requirements on the list of the income according to the international accounting standards

Number	Paragraph	Arithmetic mean	Ranking
1	the disclosure in the consolidated financial results of operating activities	3.26	3
2	the disclosure in the financial statements for financing costs	3.23	5
3	the disclosure in the financial statements for the tax expense	3.93	1
4	the disclosure in the financial statements for the profit or loss from ordinary activities	3.01	4
5	the disclosure in the financial statements for the unusual item	3.56	2
6	the disclosure in the financial statements for the profit or loss of the financial period	2.59	6
The arithmetic mean of the total		3.26	

We notice from the table above that the third paragraph occupies the first rank in accepting the study sample members by the mean of 3.93, and this paragraph represented by the existence of the disclosure of tax expense may be the reason that this expense is not law demonstrates how to access it and is one of the compulsory expenses it is revenue for the state so it is natural that it will be disclosed, and we notice that the fifth paragraph occupies the second rank in the degree of acceptance for the study sample members and this paragraph is represented to disclose extraordinary items in the income statement by an average of 3.56 and we also notice that the first paragraph occupies the first paragraph occupies the third rank in the degree of acceptance for the study sample members and this paragraph is represented by the disclosure of operating expenses in the process of preparation of financial statements and we also notice that hypotheses average is 3.26 and it is higher than the center all premise 3 this shows that the study sample trend to accept that the disclosure of the income statements items where there is effective according to the requirements of the international accounting standards.

3.5.3 Third Hypotheses

There is no effect of the application of disclosure requirements on the list of changes in equity, according to international accounting standards.

Table 6. The view of the sample study members of the impact of the application of the disclosure requirements on the list of changes in equity according to the international accounting standards

Number	Paragraph	Arithmetic mean	Ranking
1	The disclosure in financial statements for each item of income or expense or gain or loss	2.84	5
2	The disclosure in the financial statements for the cumulative effect of changes in accounting policies	3.57	2
3	The disclosure in the financial statements for capital operation with the owners of the project and their distributions	3.12	3
4	The disclosure in the financial statements for the balance of profit and loss accumulated at the beginning of the financial period.	4.11	1
5	The disclosure in the financial statements for the settlements between the caring amounts of each type of capital ownership.	3.16	4
6	retained earnings are included in the financial statements at the beginning and at the end of the year.	3.16	4
The arithmetic mean of the total		3.46	

Notes from the table above that the fourth paragraph occupies the first place in the opinion of the study sample members and an average of 4.11 and the disclosure of the existence of the balance of cumulative gain or loss of the beginning of the financial period it also notes that the second paragraph of the disclosure of the cumulative impact of changing accounting policies in the list of property rights occupies the second place in the opinion of the study sample members. It also notes that the disclosure of capital occupies third place in the degree of acceptance by the opinion of members of the study sample, and it also notes that the average hypotheses 3.46 and is higher than the central premise 3 and this shows that there are policies that the disclosure of the terms of the Change in equity.

3.6 The Hypotheses Testing

It has been alpine to simple regression test (simple regression) three hypotheses as follows:

3.6.1 First hypotheses

There is no effect of the application of the disclosure requirements on the balance sheet according to the international accounting standards. And the Table 7 shows that:

Table 7. Data

The variable	Squares	Degrees	Square mean	F value
	32845.46	1	32845.46	57.063
	46623.062	81	575.593	
Total	79468.522	82		

The Value $0.672=r^2$ and the value of $0.82=r$ and the value of f tabulated at the level of significance table 7 shows that the value of f calculated is 57.063 and the value of tabular f confidence level 95% is 3.8, as the value of f calculated is higher than the tabular value this means that there is a relationship and statistically significant effect of the impact of the disclosure on the balance sheet and this means rejecting the premise of nihilism and accept the alternative hypotheses, which states the existence of the effect of the application of the disclosure requirements on the balance sheet according to the international accounting standards and also show the strength of this relationship of the value $r=82\%$.

3.6.2 Second Hypotheses

There is no effect of the application of disclosure requirements on the income statement in accordance with the international accounting standards and Table 8 shows that:

Table 8. Data

The variable	Squares	Degrees	Square mean	F value
	18723.43	1	18273.43	40.808
	34575.84	81	426.86	
Total	52849.27	82		

The Value $r^2=0.484$ and value $r=0.696$ and value of tabular f at the level morale $3.8=5\%$. Table 8 shows that the value of calculated f has reached 42.808 and the value of tabular f at a confidence level 3.8 is 95%, and as the value of calculated f is higher than the tabular value this means that there is a relationship and effect statistically significant effect of the of the impact of the disclosure on the income statements and this means rejecting the premise of nihilism and accept the alternative hypotheses. Which provides for the existence of the effect of the application of the disclosure requirements on the income statements in accordance with international accounting standards and also shows the power of value of this relationship $r=0.696$.

3.6.3 Third Hypotheses

There is no effect of the application of the disclosure requirements on the list of changes in equity according to the international accounting standards, and Table 9 shows that:

Table 9. Data

The variable	Squares	Degrees	Square mean	F value
	24357.48	1	24357.48	40.297
	48960.11	81	604.445	
Total	73317.59	82		

The value $r^2=0.626$ and the value $r=0.791$ and the value of tabular f at the morale level $3.8=5\%$. Table 9 shows that the value of calculated f has reached 40.279 and the value of tabular f at the confidence level 3.8 is 95%, and as the value of calculated f is much higher than the tabular value this means that there is a relationship and effect statistically significant effect of the impact of the disclosure on the list of changes in equity and this means rejecting the premise of nihilism and accept the alternative hypotheses, which states that there is no effect on the application of the disclosure requirements on the list of changes in property rights according to the international accounting standards, and as it shows the power of the relationship value $r=0.791$.

4. Conclusion and Recommendations

4.1 Conclusions

The study found a set of conclusions, most notably:

- 1)- That there is a disclosure of inventory adjustments that have been reached at the end of each year and by comparing the payments and receipts.
- 2)- That there is disclosure about the show and the inclusion of the balance sheet and the separation of the fixed assets and current assets so that disclosed for each item separately from the other and as stimulated in international standards of accounting.
- 3)- The determined style and method of depreciation calculated in the financial statements so that disclose the method used in the calculation of depreciation from time to time with the fortitude to use that method.
- 4)- The process of disclosure applicable to tax expense, which is considered on of the backbones of revenue for the treasury, and this means that the tax expense should be disclosed separately from the rest of the items.
- 5)- The extraordinary items are disclosed in the income statements separately from the rest of the items because of their importance in financial analysis.
- 6)- The balance is disclosed cumulative gain or loss at the beginning of the financial period and thus be an indicator of the truth of the financial statements of audit and the opening balances of the beginning of the following year.
- 7)- The disclosure about the cumulative impact of changes in accounting policies and the application of the principle of stability, accounting judge not to change accounting policies from time to time, but if they are justified.

4.2 Recommendations

Based on the results of the study could be developed the following recommendations :

- 1)- The need to disclose the inventory system used in inventory and determine how and disclosed in the financial statements.
- 2)- The need for disclosure of the provisions separately from each other, and especially in joint stock companies in addition to the disclosure of the legal reserve.
- 3)- The need for disclosed the net profit or loss for the financial period in the income statements and the implications of these value on the other lists.
- 4)- The need for disclosure of financing costs related to the benefits of the banking and this means that the disclosure of the bank loans and determine the schedule and how to get it and how to choose between loans from several banks and test them better.
- 5)- That is the disclosure of gains and losses and expensive and revenues independently of the other which is reflected in the applications of the principle accounting disclosure and this access to the transparency and fairness of truth and financial statements.

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