
(The extent to which IAS 7 is used in Iraqi companies and its impact on financial performance) **(Applied study at Al-Candi Company for the Production of Vaccines and Veterinary Medicines)**

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Abstract

The research aims to show the importance of preparing the list of cash flows according to the sound accounting bases in companies, as well as to know the compatibility of the list of cash flows with financial performance indicators, i.e. the researcher relied on the descriptive approach in the theoretical aspect and an analytical study of al-Kindi for years (2020,2019,2018), and the researcher reached a set of conclusions: the most important of which is that the use of indicators of the list of cash flows indicates the possibility of enhancing the results of the analysis i.e. the results of the financial analysis of liquidity indicators and profitability of the income list and financial center integrated with the integration of the financial list indicators Liquidity indicators and profitability quality of the list of cash flows for each of the research sample companies.

In the light of the findings of the research, a number of recommendations have been made, the most important of which are: companies need to train their employees to prepare a list of cash flows because they play an important role in determining the company's performance and profitability, providing a good basis for comparing its performance with that of other companies in the same sector, and comparing its financial performance on a consecutive basis.

Keywords: -, International Accounting Standard (7), Financial performance.

Introduction

The list of cash flow is considered to be detailed on activities resulting from operational, investment and financing processes, and this list is more accurate and detailed than the traditional lists, which does not reflect the real value of the net cash flow of the company's activities, and therefore the financial ratios due from this list This is often misleading and this promotes the role of cash flow in providing more appropriate information for industrial companies that are considered important companies that need to measure their performance by finding a range of ratios and indicators used to obtain a clear picture of effectiveness and efficiency Performance Income and financial position alone.

The first axis

"Research methodology and previous studies"

First: - Research methodology

1- the Research Problem

Is there enough interest by industrial enterprises in the preparation and examination of cash flows and analyzing their impact on corporate financial performance?

2 - Research Objectives

The search objectives are:

A-Statement of the importance of preparing a list of cash flows according to the basis of sound accounting in Iraqi economic entities.

B-Identify the consistency of the cash flow list with financial performance indicators where this is done by testing the selected study sample, which is determined between cash flow statements and financial performance indicators based on the income and financial position.

3. - Research hypothesis

The research is based on the following main hypothesis: -

(The results of cash flow indicators differ from those of financial performance indicators based on the financial position and income lists of the industrial company research sample).

4. Research the importance

This research derives its importance from the importance of applying IAS (7) the list of cash flows, because it is one of the most recent topics applied in the field of accounting and finance, due to its contribution to the provision of quality financial and accounting data, which makes it appropriate in assessing financial performance and making rational financial decisions both in the area of finance, investment, distribution of profits or operational activity in Companies, all of which are reflected in improving the financial performance of the Companies, which is one of the basic objectives Companies.

5. Community and sample search

The study sample is the Al Candi company for the production of vaccines and veterinary medicines, where the financial statements were studied and analyzed for years (2020,2019,2018). The researcher chose the research sample for the following reasons: -

A- The sample has been carefully chosen depending on the financial statements of the Iraq Stock Exchange, as this company is of a good financial center, and it is characterized by transparency and disclosure of its final accounts and financial statements integrated and audited from supervisory bodies such as the Financial Supervision Bureau, as well as the availability of data covered by the selected period for the research.

B- The industrial sector is one of the most important main sectors that have an active role in supporting the Iraqi economy, by offering an integrated structure of goods and services, which in turn will eliminate unemployment.

6. Data collection methods

Data and information collection methods are: -

A - Theoretical Side: -

Books, letters, magazines, articles and laws were relied upon.

B - Practical Side: -

Applied study for a sample of industrial companies listed on the Iraq Stock Exchange.

Previous studies – secondly:

Jafar Study (2020) "The role of financial analysis of the cash flow disclosure list in assessing financial 1- performance is an applied study at South Gas Company - Basra"

The study aims to identify the role of financial analysis to detect cash flow in assessing the financial performance of the production company, its results and to confirm the effectiveness of financial statements as a source of financial analysis and financial ratios derived from the list of cash flows, and to demonstrate its importance in assessing the quality of profits and cash liquidity and financial analysis an important role in identifying strengths and weaknesses, strengthening strengths and addressing weaknesses after examining the causes of weakness, as shown by the results that operational activities representing strengths, higher Other activities (investment and financing) represent a weakness. The results showed that the best variables in the interpretation of liquidity in cash flows from operational activities and in the most financial ratios period and adequacy of investment and financing activities.

2- Study (Yasin and Mebeid, 2018) "The extent to which compliance with accounting standard 7 requirements has an impact on enhancing the importance of financial analysis indicators for the list of bank cash flows"

The study aims to determine the extent to which the World Bank is committed to trade and finance in the numbers of the list of cash flows in accordance with international accounting standard No. 7 and the impact on the importance of financial indicators. The scientific importance of the study stems from the need to research the subject of international accounting standards for the development of accounting work academically and practically, particularly in the financial sector, and to demonstrate the compliance of Syrian private banks with these standards and their impact on accounting disclosure and financial analysis and to focus on standard 7 in preparing the list of cash flows as a non-mandatory accounting list, and one of the most important findings of the researcher is the bank's failure to comply with the requirements of the said standard in terms of disclosing its cash flows from operational activities. Investment while committed to it in relation to its financing activities, and therefore the lack of accurate disclosure of information.

3- (Ogbeide, S., & A kanji) " the relationship between cash-flow and financial performance of insurance companies: Evidence from a developing economy"

The study aimed to find out the relationship between cash flow and the financial performance of insurance companies in Nigeria's developing economy. Using time series data for 2009-2014. The importance of the study stems from the fact that it used a series of diagnostic tests to ensure the stability of the time chain used, as well as to ensure that the model meets the normal list assumption. The study found that cash flow had a statistically significant impact on the financial performance of insurance companies, and that cash flows from operational activities more affected the financial performance of insurance companies in the period examined. Cash flow from financing activities had no statistically significant impact, the size of the company did not increase the financial performance of insurance companies and was not statistically significant.

Second axis The

"Theoretical framework"

1-The most basic concepts guaranteed by IAS (7)

Cash Flow: - cash and its internal and external judgment. (Saladin and Amina, 2018: 81)

Cash equivalents: - High-liquidity short-term financial investments that are immediately convertible into a known amount of cash and are subject to the risk of insignificant changes in value. (Al-Jaarat, 2015: 53)

Operating activities: - are the main revenue generation activities in the economic unit and other activities that are not considered investment or financing activities. (Arab Society of Chartered Accountants, 2004: 635).

Investment activities: - activities that include acquisition and disposal of long-term assets such as machinery, real estate, debt, equity instruments and equipment in the other economic unit (Tarek, 2004:154).

Financial activities: -are activities that result in changes in size and The borrowing processes carried out by Company (Arab Council for Legal Accountants, former Source: 285).

2-Requirements for International Accounting Standard (7)

First - Foreign currency cash flows

On the Economic Unit, cash flows resulting from foreign currency in accordance with the functional currency of the economic unit should be registered with the exchange rate of the amount in the foreign currency between the functional currency and the foreign currency at the date of cash flow. The economic unit must measure its results and financial status in its functional currency any major economic currency for the environment in which company is employed. Economic Unit has turned an item in its career when it was identified for the first time under international financial standards for small and medium-sized economic entities by applying the current exchange rate to the amount in foreign currency between the functional currency and the foreign currency at the date of treatment (International Financial Reporting Standards Foundation, 2009: 21).

II, Interest and dividends

(A) The resulting cash flows and paid profits and dividends must be disclosed, and each should be classified as a consistent manner from one period to another, as operational activities or investment activities.

(B) The total amount of interest paid during the period in the list of cash flows is disclosed, whether they are expensed as expenses for profit or loss or received in accordance with the International Accounting Standard "borrowing costs."

(C) The benefit paid and benefit and dividends are usually desired as operational cash flows in economic unity, and thus there is no consensus on the classification of these cash flows in other economic entities, the benefit paid, benefit and distribution of Muslim profits can be classified as operational cash flows In addition to the determination of profit or loss, alternatively, the paid benefit and benefit and dividend distributions received as funded cash flows and investment inflows are consecutive, because they are costs for financial resources or returns on investments.

(D) The distribution of paid profits can be classified as a funding cash flow because they are costs for a financial resource, although they can classify paid dividends as component of cash flows resulting from operational

activities in order to assist users in identifying the ability of company Payment of dividends from operational cash flows. (International Financial Report Standards, 2020: 745)

III. Income tax

(A) Must be disclosed from cash flows arising from taxes on income and must be classified as inflows of operational activities, unless specifically linked to investment and financing activities

(B) Income taxes arise from transactions resulting from cash flows are classified in the list of cash flows, as operational activities and funding activities, and that tax expenses can be easily linked to investment or funding activities, but tax cash flows are often It is not possible to identify and be established in a while for the period of cash flows for the tire, and therefore, taxes paid are usually classified as cash flows from operational activities (International financial standards, previous source: 969).

IV. Investments in subsidiaries, suppliers and joint ventures:

When dealing with investments in the associate and the company using the cost or equity, the mother or investor is included with the cash flow with an invested in the cash flow list, such as providing advances for associates or affiliated or obtaining those on dividends or predecessors Companies. (Abu Nassar and Hamidat, 2016: 106)

V. Non-Cash Transactions

A. The investment and funding transactions that do not require the use of cash or cash equations from the list of cash flows must be excluded and such transactions must be disclosed anywhere else in the financial statements in the manner that provides all appropriate information on such investment and funding activities.

B- There are no direct investment and financing activities on current cash flows, although they affect the assembly of capital assets assessed the exclusion of non-monetary transactions, from the list of cash flows with a list of cash flows, as these items do not involve flows Cash in the current period (Saudi Authority for Legal Accountants, 2018: 692).

Sixthly- unusual items

During the financial periods, the economic unit can be achieved or spend casual expenses other than the exercise of its normal activity and the expenses or expenses regularly, such as unusual items such as compensation they receive or incurred as a result of surprise events (Noor, 2000: 787).

3- Cash Flow Indicators: -

The most important measures of the cash flow list consist of a range of indicators that can be summarized as follows:

First - Liquidity Quality Indications: Liquidity provides all Economic entities as a safety aspect of its activities by providing the ability to face current monetary obligations. The strength or weakness of company liquidity is linked to the extent to net cash flow from operational activities. It represents the basis Providing the State (Noor, former source: 165), the cashbox provides important information on the efficiency of achievement and efficiency of the policy of receivables, and most important indicators (Shoaib, 2012: 196)

A- Cash Coverage:

This indicator explains the ability of company to repay the obligations traded through its cash flow from operational activities and so good when approaching 1: 1 The more the percentage increases the level of liquidity

risk, so that company is able to fulfill all or part of the obligations traded through Its cash flows are generated (internally and extracted according to the following equation: -kieso, et.al, 2018: 373)

Current debt coverage = (net cash flows) / (traded obligations)

B - Adequacy of cash flows from operational activities:

This percentage measures the ability of the Company to meet these needs and its availability. (Matar, previous source: 162)

Cash flows of operational activities = (net cash flows from operational activities) / (core cash needs)

The basic cash requirements are: (Patro Sweet, former exporter: 268)

- Extract cash flows for operational activities.
- Debt burden payments of interest and installments due during the year.
- Capital expenditures needed to maintain productivity
- Payments for payment of cash dividends.

C. The proportion of operational cash flows to capital expenditures:

If the index is greater than (1), this economic unit can use the cash increase of operational activity in the payment of its outstanding debts and extracts according to the following equation: (Grew, 2013: 66)

The proportion of operational cash flows to capital expenditures = (net cash flows) / (extra budgetary cash flows)

D- Percentage of operational cash flows to net cash flows:

Net cash flows are net cash flows generated from all operational, investment and funding activities. (Fallouh and others, 2009: 125)

Operational cash flows to net cash flows = (net cash flows) / (net cash flows)

E- Percentage after consumption

This indicator illustrates the impact of consumption on cash expenditures generated from operational activities. Economic unit can be more efficient if they have a little consumption on their cash flows and are extracted according to the following equation: (Grew, former source: 66)

Percentage of consumption = (consumption expenses) / (net cash flows of operational activities)

II. Profitability Quality Indicators

These ratios indicate the mutual impact of liquidity and loan management and asset management on the profits achieved in the end, and measure the profitability of the efficiency of company in optimization of profits, which provide information through which net income can be discriminated by the basis The merit and net cash flow determined under the monetary basis, and on this basis, the achievement of the economic unit of a high income net number does not necessarily mean that they have made a high cash division and vice versa. (Matar and Swait, 2008: 268) and most important indicators come:

A - Operational Cash Index

Cash flow is also called and reflects the policy of economic unit in production and sale, which affects liquidity at the company. (Chotkunakitti, 2005: 54)

Operational Cash Indicator = (Net cash flows of operational activities) / (net income)

This ratio shows how much company profits are created to generate an operational cash flow.

B - Percentage of operational cash flows

This indicator illustrates the degree of credit policy efficiency in cash collection and not to apply this ratio in banks for lack of sales and extracts according to the following equation: - (Fadl, 2002: 9)

Operational cash flows = (net cash flows of operational activities) / (net sales)

C- Cash Flow Ratio from Operating Activities Per Common Share

This figure describes the normal share of net cash flows from operational activities and reflects the ability of company on dividends (GIBSON, 2001: 366)

This ratio shows the following relationship:

Percentage of cash flows of operational activities for normal shares = net cash flows of operational activities - Cash dividends of excellent shares / weighted average of regular shares

D-The Ratio of Return on Equity from Operating Cash Flows

This represents the return on property rights, where this percentage is a positive indicator of Company (Obeidat, 2006: 68)

This ratio determines the following relationship:

Return on property rights from operational cash flows = (net cash flows from operational activities) / (equity)

E - Return on assets of operational cash flow

This ratio shows the ability of the economic unit's assets to generate operational cash flows, when this percentage indicates that company is indicated in the use of its assets. And an incentive for investment in the future (Cars Law & Mills, 1991: 45)

This ratio determines the following relationship: -

Return on assets of operational cash flow = (net cash flows of operational activities) / (total assets)

Third - Funding Policy Evaluations: Funding Policy Assessments

There are a set of proportions that serve this purpose: (Ghosin and Consular, 2013: 214)

A - Percentage of Cash Distribution

This ratio shows the policy of economic unit in the distribution of profits and indicates whether company brings enough cash to push these distributions. Also, investors are also compared to the previous years to determine the stability of annual distributions On shareholders.

It is determined by the following relationship:

Cash distributions = (net cash flows of operational activities) / (cash dividends for shareholders)

B-Percentage of interest and distributions received

This ratio shows the importance of investment returns both from loans or securities. The ratio determines the following relationship: (Grew, former source: 62)

Benefits and distributions rejected = (Cash obtained from interest income and distribution) / (cash flows of operational activities).

4 -Financial Performance Indicators

Among these indicators find: -

First - Liquidity ratio

Liquidity ratios behalf of short-term financial analysis ratios, is one of the most important measurement tools and specifically for financial performance, by knowing the risk of fulfilling financial obligations and among the ratios, including: (Abu Al-Zaid, 2009: 131)

A - Trading Ratio:

The current assets are divided on traded liabilities and their stereotypes (1: 2) and this ratio is an initial measure of the ability of company on its external debt interview (Idris and Meghar, 2009 179), as high as high is the economic unit with high capacity to meet its obligations It is determined by the following equation: -Brigham & ehrhardt, 2011: 98))

Trading ratio = (traded assets) / (traded liabilities) x 100%

B - Quick Liquidity Ratio:

Liquidity ratios are trying to measure the capacity of company to fulfill short-term commitments from other cash and deceased commitments that can be converted into a relatively short period of trading. On traded liabilities and its stereotype are (1: 1) (Brigham & Ehrhard, 2008: 123)

Quick liquidity ratio = (traded assets - inventory) / (traded liabilities)

Second - Profitability Ratio

This ratio gives indicators on the ability of company on an operational income or net income of assets or rights or sales, and is the most important ratios here:

A. Return on sales: This ratio is calculated by dividing net income after sales tax, and information can be obtained for his account from the income and height list indicates good control of costs in the business organization and the return of investment is a good return and called this The ratio also returns on sales.

Return on sales = (net income after tax) / (net sales)

B-Return on assets: - This ratio shows the contribution of each cash unit invested in assets, where the greater the ratio has been better while if this percentage is low, this indicates that the companyThe assets cannot effectively or product and information needed to calculate this ratio can be obtained from the income and budget list.

Return on assets = (net income after tax) / (total assets).

C-Return On Equity: - The owners are always seeking to know how they benefited from investing in economic unity, and they use this percentage under another is the return on investment, where the higher the return on the right of ownership was more efficient, while If you fall, it may need administrative action. This ratio is calculated: -

Return on property rights = (net income after tax) / (equity)

D. Earnings per share: - The data on the share of the stock is used by investors to compare the performance of economic entities with each other. This is an important percentage because in addition to other factors determines the value of shares in the financial market and therefore can be positive in shareholders' returns, and this ratio is measured: -

Earnings per share = (net income) / (number of shares)

Third - Leverag Ratios: -

How does company fund their assets? Are they relying on loans by greater or dependent on equity? These questions can be answered using debt rates in this area: - (Tim, 2011: 32)

A - Percentage of Total Debt: -

The total debt is intended for total liabilities and long-term liabilities, so this ratio measures the proportion of the contribution of loans in the financing of assets, and therefore the proportion of equity contribution. (Tim, former source: 33), where it is measured through the following equation: - (Abbas, 2008: 92)

Debt rate = (total debt) / (total assets) x 100%

B- Long-Term Debt-To-Equity Ratio: -

This percentage is an alternative measure of the Ministry of Company and therefore their ability to pay long term. The total debt also refers as in the previous share of shares, prejudice and retained profits. (TIM, previous source: 31) The increase in the increase in the possibility of economic uniformity is inability to serve its religion and increase the risks of investors and lenders because the inability to serve religion may lead to bankruptcy. Its decline in better protection for creditors and the existence of potential on borrowing to economic unity. (Ameri and Raccapes, 2007: 116). It is measured through the following equation: - (Slays and Amari, 2010: 78)

Debt ratio of property rights = (total religion) / (right property) × 100%

C- The percentage of dividends: On the policy followed by management. It is measured according to the following equation :-(Naimi and Social, 2007: 99)

Percentage of dividends = (dividends on shareholders) / (net profit after tax)

Fourth - Activity Ratio

Measures the efficiency of the management in generating sales of assets, which measures the efficiency of asset management, and among these ratios: - (Shritlie, 2010: 58)

A -Rotation Rate of Assets: -Measures the efficiency of investment in assets and reflection on sales and through this ratio are recognized as efficient use of assets in sales.

Asset rotation rate = (net sales) / (total assets)

B- Fixed asset rotation: - measures the efficiency of company in the use of fixed assets in sales generation if he is high indicating good use of productivity.

Fixed asset rotation = (net sales) / (fixed assets)

E- Working capital rate: -

There are two types of capital. Calculated through the following equation: - (Aqeel, 2008: 329)

Money Rotation Rate = (Net Sales) / (Average Working Capital)

V. Market Ratios :-

Market ratios are the importance of shareholders, for potential stock investors, investment, investment and access to lenders, which measures the impact of company in stock prices in the market as well as the efficiency of company in attracting capital and investors to invest in economic unity, Market ratios are important for both creditors and lenders. It is the most important market ratios that are analyzed: (Yemen, 2014: 640)

A - Share or return per normal arrow:

This ratio measures net profits achieved by one normal arrow, net profit The company's owner achieves after the stake of each of the excellent stock campaign and retained earnings. The more The normal share of the earnings rose to increase the efficiency of economic unity, because height affects a positive price at the market price (Qasim and others, 2011: 88) and calculated during the following law: - (Bhattacharya, 2007: 291)

Ordinary arrow share = (net income distributed to shareholders) / (Normal stock number)

The third axis

"Practical Study"

Al-Candi Company for the production of vaccines and veterinary medicine The company was established year (1990/1/10) under the establishment certificate with a number of companies issued by the Corporate Registrar Department and under Establishment.) For the year (1983 issued by the Ministry of Industry for the production of vaccines and veterinary materials, where the company has launched its work on (1990/25), subject to the provisions of the Corporate Law No. (21 of 1997) prepared and adhered to its texts, ie, the nature of the company's activities is concentrated in The production of vaccines, veterinary medicines and marketing is the only company in Iraq that produces veterinary vaccines and does not have branches at present, where the goal of this company is contributing to supporting the national economy.

First: - Analysis of the financial statements of Al- Candi Company for the production of vaccines and veterinary medicines

1-Analysis of Cash Flow Indicators for Al-Candi Vaccines and Veterinary Pharmaceutical Production

Table (1) Al-Candi cash flows indicators for the production of vaccines and veterinary medicines

S	Indicators	S	Standards	2018	2019	2020
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1-	Liquidity Quality Index	A	Ratio of coverage of current debt = cash flows for operating activities ÷ current obligations	-0.448	0.499	-0.792
		B	Cash flow adequacy ratio = cash flows from operating activities ÷ basic cash requirements	-0.147	0.075	0.200
		C	Ratio of operating cash flows to capital expenditures = net operating cash flows ÷ cash outflows of investment expenditures	-0.148	0.204	-2.743
		D	Ratio of operating cash flows to net cash flow = net operating cash flows ÷ net cash flows	-2.651	0.525	1.084
		E	The impact of consumption = consumption expenses ÷ net cash flows from operational activities	-0.498	1.052	-0.767
Average liquidity quality				-0.778 %	0.471%	0.683%
2-	Profitability quality indicators	A	Operating Cash Index = Net Operating Cash Flows ÷ Net Income	-6.269	0.338	24.298
		B	Ratio of operating cash flow = cash flows from operating activities ÷ net sales	2.651	0.095	-0.272
		C	Common share = Net cash flow from operating activities - cash distributions of premium shares ÷ number of common shares	0.050	0.030	-0.048
		D	Equity return ratio = net cash flow from operating activities ÷ equity	-0.047	0.025	-0.040
		E	Ratio of return on assets = net cash flows from operating activities ÷ total assets	-0.042	0.024	-0.038
Average quality profitability				-0.7314 %	0.1024 %	-4.923%
3-	Funding policy assessment indicators	A	Cash distribution ratio = net cash flow from operating activities ÷ cash distributions to shareholders			
		B	Interest rate and distributions received = cash receipts from interest income and distributions ÷ cash flows from operating activities			

Average assessment of funding policy indicators	-3.0985 %	0.114%	- 12.14 4%
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By referring to the company's data, where it is noted through Table (1) above: -

Where the trading debt coverage index was the highest index (0.499) in 2019, as this indicator refers to the provision of appropriate liquidity to pay the obligations due without delay, with the rise of this percentage to reduced liquidity risk so that company is able to meet by all or part of the obligations traded through their cash flows that are generated internally. Where the adequacy of the adequacy of operational cash flows is high (0.075) in the year (2019) because of its high flows, which covers the company's needs and this is a good indicator, while the operational cash flow index reached its highest level (0.204 in 2019) as a result of height Net operational cash flows, which is an indication that is an indication of measuring net operational cash flows for capital expenditures as well as an appropriate cash surplus, while the net operating cash flow index reaches its highest level (1.084) years (2020), this indicator high On the ability of company in achieving the necessary cash flows of its ongoing activity, and this indicates that a good indicator of cash generation, where the high rate of consumption is an indication of an indication of an indication of (1.052) in 2019 while its lowest level In 2018 (2018) due to low net operational cash flow, which is negative and though it is not good, While notes the operational cash index reached the highest level (0.338) in a year (2018, where the policy of economic unit reflects production and sale, affecting liquidity at the economic unit, either cash flows, the highest index of (2.651) in a year (2018 where he explains This indicator is the degree of credit policy efficiency in cash collection while declined in 2020, and explains the normal arrow share index of net operational cash flows possibility AL-Canadian vaccine production company in dividends and its level (0.050) in the year (2018) as a result of high operational cash flows, which is a good indicator, which describes the normal share of net cash flows from operational activities and reflects the ability of company on the distribution of profits , The net cash flow index on equity explains the company's possibility to generate operational cash flows from the resources provided by the Malacon. This is a positive indication of the efficiency of economic unity. Through the cash dividend index, the company's stability is shown in the distribution of its shareholders, with its highest level (0.213) in 2019, as well as indicating the index of interest and distributions following the measurement of importance Relative investment benefits where he is the highest level (0.016) in the year (2018) as a result of high benefits and cash dividends and is a good indicator, as this percentage is important for investment returns, both loans or securities.

Analysis of Financial Performance Indicators for Al- Candi Vaccines Production

(Table 2) Financial Performance Indicators for Al- Candi Vaccines and Veterinary Pharmaceutical Production

S	Indicators	S	Standards	2018	2019	2020
1-	Liquidity ratios	A	Trading ratio = traded assets ÷ current liabilities	7.826	14.899	15.202
		B	Fast liquidity ratio = current assets - inventory ÷ current liabilities	6.154	6.979	4.936
Average liquidity index				6.381%	10.939%	10.678%
2-	Profitability ratios	A	Return on sales = net profit after tax ÷ net sales	0.073	0.450	0.018
		B	Return on assets = net profit after tax ÷ total assets	0.009	0.112	0.002
		C	Return on equity = net profit after tax ÷ equity	0.010	0.118	0.002
Average profitability ratios				0.0306%	0.226%	0.007%

3-	Debt ratios	A	Total debt = total debt ÷ total assets × 100%	0.095	0.048	0.048
		B	Ratio of debt on equity = total debt ÷ title × %100	0.105	0.050	0.050
Average debt ratios				0.300%	0.049%	0.049 %
4-	Activity ratios	A	Asset turnover = net sales ÷ total assets	0.132	0.250	0.140
		B	Fixed asset turnover = net sales ÷ fixed assets	0.526	0.884	0.526
		C	Working capital turnover = net sales ÷ average working capital	0.202	0.375	0.204
Average activity ratios				0.286%	0.503%	0.29%
5-	Market ratios		Common share = net income distributed to common stockholders ÷ number of common shares	0.011	0.141	0.003
Average market ratios				0.011%	0.141%	0.003%

Through table(2) above for Al- Candi data for the production of vaccines and medicines, we notice the trading index (15.202) in a year (2020), either the fast liquidity index in(2019) was the highest index (6.979), whenever they are This ratio is highlighted on the existence of assets traded at the economic unit enabled them to pay their opponents from late debts and receivables on company without having to convert part of fixed assets to liquidity or obtaining new loans, while if low is indicative Of traded liabilities, where company is unable to pay their short-term opponents and indicate that the company in financial status is not good. As for the statement of profitability indicators, where we note the sales rate index in (2019) the highest index (0.450), "he said. (2019) The more the ratio has been better, as this indicator (0.002) is noted in (2020) indicating that the economic unit has not been effectively using assets. The revenue on equity has reached the highest index (0.118) in Year (2019) The (Where the greater the performance was more efficient, while in 2020), which (0.002) has been reduced. percentage of debt rates reached the highest index (0.095) in 2018, while in 2020, with 0.045 (0.045). The increase in this percentage is to increase the possibility of the ability of company to serve its religion and increase the risks of lenders and investors. The percentage of activity notes is the highest indicator of the asset rotation year (2019) at a rate of (0.250) where this indicator can identify the efficiency of assets in achieving sales and measures the efficiency of investment in the assets of company and reflecting this to achieve sales. While the highest index of fixed asset rotation in (2019) was at a rate (0.884), which indicates a good use of productivity capacity, while the rate of capital turnover has reached its highest index in (2019), with (0.375) once, where whenever increased The rotation times in the financial period is evidence of the ability of company on the operation of the Monetary Unit from the Working Capital in its various fields, which allows greater access to profits. The market ratios note the original arrow stake index reached the highest index of (2019) at a rate الشركة(0.141), where the rise of the normal share of profits indicates an increase in efficiency of unity.

Through the analytical applied study of the sample companies in which we relied on financial statements, cash flow list, income list, financial position list and some other detailed lists for the period

showing us that the cash flow list indicators are complementary to the (traditional) financial (2018-2020) analysis indicators, although there is a difference in the results of both, i.e. the list of cash flows is a significant addition by supporting the results reached through financial statements.

Conclusions and recommendations

Conclusions

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- 1- The use of cash flow list indicators indicates that the results of the analysis can be enhanced, i.e. the results of the financial analysis of the liquidity and profitability indicators of the income list and the financial position in integration with the liquidity indicators and the quality of profitability of the list of cash flows of each of the companies sampled research.
 - 2- Negligence in the use of cash flow list indicators, failure to use those indicators on the Iraqi stock market and limited to financial analysis indicators based on the income list and the list of financial position.
 3. There is not enough interest on the part of the Management of Iraqi Industrial Companies in preparing the list of cash flows in accordance with IAS (7), i.e. a large section of the cash flow list numbers correctly because they are following the indirect method in doing so, which is contrary to what is preferred by IAS (7) because the direct method provides more useful information and this reflects the use of that list and the financial ratios from which it can be derived.
 - 4-Financial statements (financial position list, income list and cash flow list) are complementary and it is impossible to rely on one list but not the other because they all provide specific information.

Recommendations

- 1-The need to pay more attention to the indicators of the list of cash flows to assess the liquidity of the economic unit when making financial decisions.
- 2-Companies need to train their employees to prepare the list of cash flows because they play an important role in determining the company's performance and profitability, providing a good basis for comparing its performance with that of other companies in the same sector as well as comparing its financial performance on a consecutive basis.
- 3-Work to use financial ratios based on the financial position list and income list, and financial ratios derived from the cash flow list side by side when assessing the financial performance of industrial companies.
- 4- The focus must be on net operating cash flows when analysing the cash flow list where the higher the net operating cash flow, the lower the investment risk in that economic unit.

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