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Effect Of Management Accounting Techniques In Improving The Quality Of Financial Reports: A Case Study From Kurdistan Region

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Abstract.

Management accounts is a tool of management. In this respect, the conventional approach to management accountability reveals an opposition between strategic management, management control and operational control processes. The aims of this study is to provide the company with management accounting information systems, which will help the company to use its management accounting instruments to gain competitive advantage. Many organizations combine their strategic and priorities formally or informally with management accounting information in order to manage operational activities and participate in longer-term decision making. This research outlines the background of management accounting, early research on management account and a study to investigate the impact of management accounting techniques on Iraq companies' financial reports.

Keywords: *Management Accounting, Quality of financial reports, Kurdistan Region.*

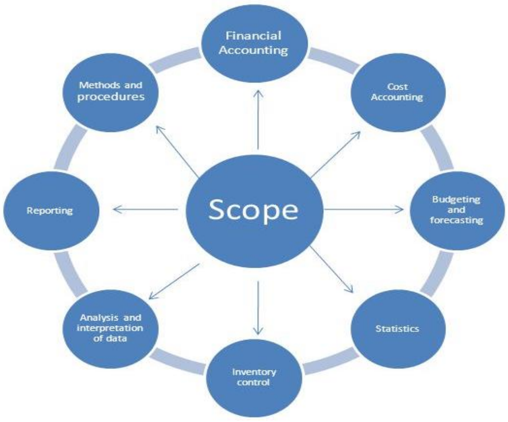
Introduction

The concept of management accounting has, in the last two decades, been concerned with the collection and presentation of internal financial data in order to facilitate decision-making (Scapens, 2006). Since management accounting is not required to comply with a national accounting standard, the company can customize management accounting methods according to company requests. To accommodate this, a series of advanced quantitative and qualitative approaches have been initiated in conjunction with the traditional approach to address the information need during the decision making process (Zimmerman, 2011). The Concept management accounting is a new subject that is still evolving. It is also facing the same obstacles as a relatively new field, sharpening theoretical methods and technology progress to make the application uncertainty. Understanding the concept of management accounting its key to gain knowledge on the scope and techniques used in management accounting (Rikhardsson and Yigitbasioglu, 2018).

The scope of management accounting

Management accounting focuses on utilization of accounting data and information with an aim of solving and settling business challenges and at the same time taking into account scientific decisions (Sunarni, 2013),(Nawzad Majeed Hamawandy, 2020). Researchers articulates that the scope of management accounting is wide and in most cases it is not easy to trace the major areas. However, through extensive research researchers have been able to pinpoint major areas of concern that relate to management accounting. Management accounting key areas of concern entail financial accounting, cost accounting, budgeting and forecasting, statistics, inventory control, analysis and interpretation of data, reporting, methods and procedures of accounting (Legaspi, 2014). All these elements play key role and contribute to the success of management accounting. The figure below clearly illustrates the relationship that exists within the above elements of management accounting.

***Figure 1.0*. The scope of management accounting**



Management Accounting techniques

To accomplish its objectives, management accounting employs a range of techniques, including:

margin analysis

The main focus of margin analysis is on the marginal gains of efficiency optimization. Marginal analysis is one of the most basic and relevant management accounting techniques (Batkovskiy et al., 2017). It involves calculating the break-even rate, which is the optimal profit balance for the company's products.

Constraints analysis

The audit of a company's production line determines key bottlenecks, defects caused by these bottlenecks, and their effect on the sales and benefit capability of the company (Bragg, 2012).

Capital budgeting

The capital budget is concerned with the statistical research that is used to make capital investment decisions (Pike, 1996). In capital budgeting research, the net present value (NPV) and internal rate of return (IRR) of executive accountants are calculated to assist managers in making new capital budgeting decisions.

Assessment of inventory and product costs

Stock assessment is the process of calculating and comparing the true costs of a company's goods and inventory (La Londe and Lambert, 1975). Estimating and allocating operating expenses, as well as calculating the direct expense of the product delivered, are all part of the strategy.

Review of trends and projections

Trend analysis and forecasts are concerned with identifying commodity cost trends and deviations, as well as interpreting unexpected discrepancies between expected costs and the explanations for such differences (Ossimitz et al., 2016).

Problem Statement

Banks aim to incorporate into their operations and objectives the idea of management accounting techniques, as the company bank obligation concept evolved significantly at the beginning of the new century (Chenhall and Langfield-Smith, 1998). Through collaborating with staff, customers, shareholders and the community as a whole, the banks are dedicated to contributing to sustained growth to meet the aspirations of the stakeholders and serve sustainable development at the same time (Utting, 2000). Business banks are under tremendous pressure from customers to increase the content and the information they contain, because they need facts and evidence to support them make their decisions (Ali et al., 2019). As a result, the poor consistency of these banks' financial accounts provides misleading and unclear facts, which affects the probity of decisions by stakeholders. In order to improve the accuracy of financial reporting, the importance in revealing the aspects of management accounting techniques and other financial and non-financial disclosures is significant. The objective of this analysis was to measure the impact on the content of financial reporting in Iraqi commercial banks of the management accounting techniques.

Research Objectives

This research aims to validate and produce the following results on the content of financial reporting through management accounting techniques in Iraqi commercial banks:

1. Awareness of financial report consistency principles, concepts and controls.
2. Knowing the effects of Iraqi commercial banks' management accounting techniques.

Hypotheses

The test hypotheses have been proposed as follows in order to accomplish the objectives of the thesis and to address the above questions of research:

1. There is a statistically important impact on the consistency of financial reporting by Iraqi commercial banks of effects of management accounting techniques.
2. There is a statistically important impact on the standard of financial reporting in Iraqi commercial banks by revealing the economic component.

LITERATURE REVIEW

Introduction

This chapter explains the concept of management accounting techniques and their significance for the business by assessing the effects of management accounting techniques on the quality improvement of financial reports.

Definition of Management Accounting techniques

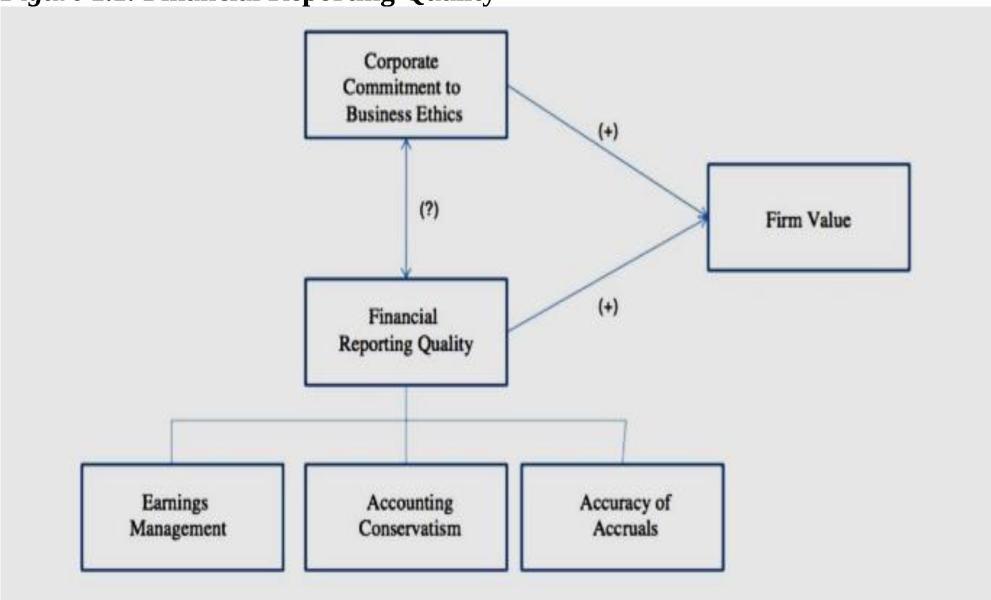
Management accounting techniques have equipped corporate administrators with the essential knowledge to take judgment and deal with daily timely and constantly evolving company dealings such as the order issued, order backlog, power usage, and sales (Al-Khasawneh et al., 2020). Other analytical studies are designed to reduce profitability, market share shrinkage, consumer satisfaction disruption against the company. In all scenarios, it is normally achieved by matching real outcomes with the expected results or benchmarks (Ossimitz et al., 2016). Management accounting techniques are about “the method of defining, calculating and distributing financial details to permit educated assessments and decisions by consumers of the information (Nielsen, 2018, 44). Management accounting strategies typically play a shaping function for preparing, coordinating, guiding, and managing managers of the enterprise. Planning operation is achieved mainly by budgeting, regular costing, goal costing, cost-volume-profit analysis, and leading or organizing by process reengineering, just in time (JIT), task-driven costing (ABC), flow path, benefit proposition (Scapens, 2006). Leading and monitoring by overall quality management (TQM), balanced scorecard (BSC), real and budgeted results compare, and benchmark review.

Management accounting techniques are renowned for being valuable accounting tools that extensively help companies combine cost accounting details and financial and non-financial info (Ahrens and Chapman, 2007). This knowledge is imperative for effective financial performance. In the present day today, organizations require growth and continuous change in their success for sustaining their operation and surviving in complex, competitive environments (Ayedh and Houssem, 2015, 5). The skills and capacities by productive and successful utilization of the organization’s resources are implemented as the essential instruments for enhancement of corporate efficiency that gaining from it demands aware management (Burns and Scapens, 2000). Therefore, gathering and supplying related details to the results is indispensable for companies where the need may be fulfilled using management accounting techniques. Furthermore, management for accomplishing the organizational goals includes concrete plans that management accounting may employ various solutions in the plans by effective operational approaches and assist managers in attaining the objectives (Ali, 2010). The modern advancement of researchers in competitive industry proposes that companies require management accounting to increase their efficiency according to the changing competitive conditions (Nielsen, 2018). Public sector offices are primarily responsible for economic development because of their engagement in various economic activities (Hamawandy & Omer, 2021). Public sector offices are primarily responsible for economic development because of their engagement in various economic activities (Hamawandy & Omer, 2021). Many previous studies have emphases on service quality and customer satisfaction in various sectors of research distributions (Nawzad M Hamawandy, Humran, 2020).

Quality of Financial Reports

Accounting information represents the actual state of the company correctly and reasonably. With the concern in the quality of financial reporting, the consistency and importance of accounting details presented to its consumers is becoming quite relevant (Kumar et al., 2006). Various research analyzed the implications of the consistency and the accounting facts of the financial accounts (Munsif et al., 2012). The discretion of the internal auditor has a beneficial effect on the accuracy of financial reporting, a major aspect of internal regulation. One of the main reasons for reforms in internal management is the extensive practices of gross business corruption. In addition, the impact of the release of these facts on stakeholders with an involvement in the company changing the potential expectations.

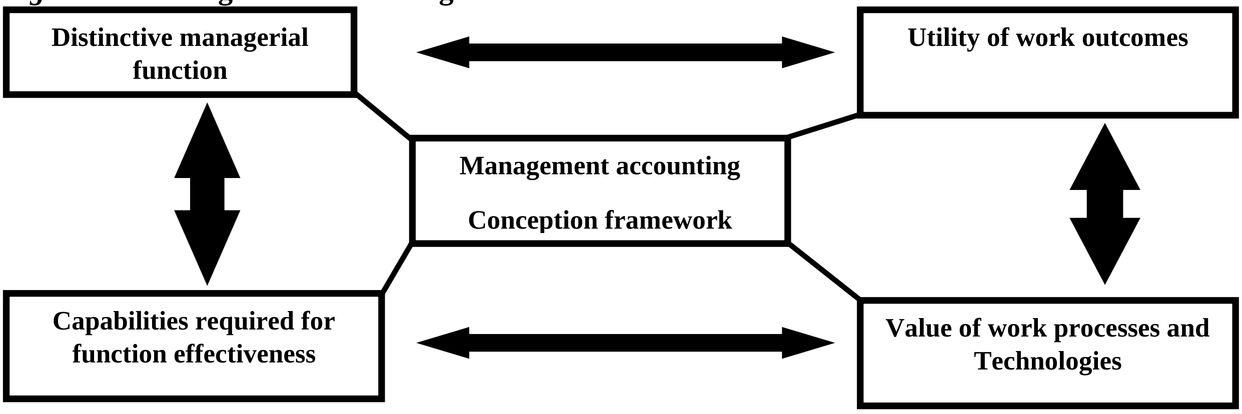
***Figure 1.1.* Financial Reporting Quality**



The accuracy of financial reporting can be measured in a number of ways. Qualitative knowledge characteristic was used by Ayedh and Houssem (2015, 8) as a measure of income efficiency although this measure is problematic to use since these are difficult to measure. As a measure of the quality of financial reporting, Al-Khasawneh, Endut and Rashid (2020, 215) used benefit quality as a measurement of the quality of financial reporting by management earnings. Studies of Soleh, Sutarti and Rosita (2020, 200) depended on the accounting reserve level to assess the consistency of financial reporting by examining the position of the reservation in knowledge improvement by decreasing the level of no identical information. Depending on the multiplicity of metrics by means of accounting retention measures, the accuracy of the financial reporting would be based on the utilization of the market-value-to-book (MTB) ratio since it represents a company's overall reserve and realistic application ability.

The Components of the Management of Quality of the Accounting Services

***Figure 1.2*. Management accounting framework**



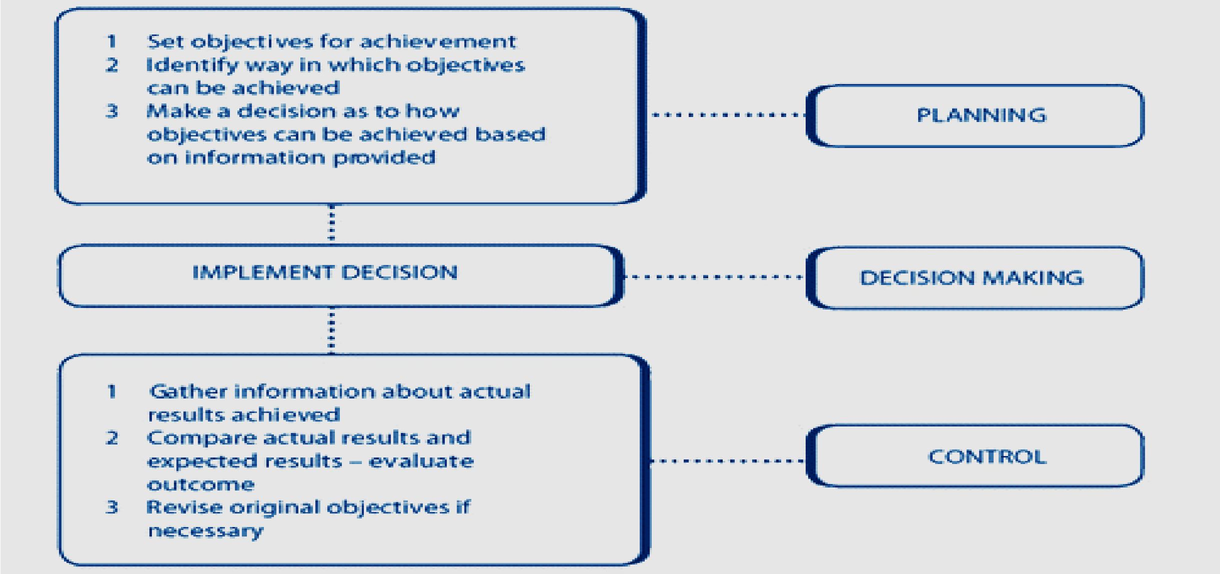
To maintain the best functioning of an economic entity, the accounts department represents financial and economic decisions (Aifuwa, Embele and Saidu, 2018, 32). It may be seen as a facility for the processing and communication of accounting material. The quality of accounting services is determined by the nature of the processes used to produce and disclose accounting information and the accuracy of the accounts, their adherence to fact, and current rules (Ali, 2010, 118). A qualitative accounting methodology involves skilled procedures, processes, operating approaches, and staff as these facts guarantee the trust of accounting knowledge consumers. The accounting services would continue to generate information that reacts to the needs of the different customers and otherwise confidence in the approaches utilized and the accounting practitioners that generated it (Darmawan and Saragih, 2017, 10). The role of the accounts department is to provide details sufficient to handle the economic institutions and compile the decisions; thus, timely information is of particular significance to the top managers and to establish the decisions they take to exercise a corresponding managerial power (Sunarni, 2013, 620). Understanding the customer or the recipient of accounting details as to the degree to which the service they access fulfills their requests is an integral element of the Satisfaction standard. Therefore, the economic agency must expand its customer's happiness with the goods it sells among its strategic goals (Searls, 2012). The preparation and introduction of a customized quality assurance scheme for accounting services and quality control are necessary conditions for the stability and growth of the economic institutions in the current economic crisis (Abdel Al and McLellan, 2013, 4). The economic theory suggests that the worth of a commercial good or service is calculated by the usefulness, that is, the consumer's happiness, which is relevant to the manufacture and communication of accounting products. Regardless of the intent and contact means, customer satisfaction needs must be calculated and consistently ensured (Ameen, Ahmed, and Abd Hafez, 2018, 2). In addition to the chronological registration of accountability, the service, i.e., the Financial Accounting Department, must be able to provide the preparation of financial accounts, reports, budget statements, financial and fiscal advisory services, and assistance for annual checking of auditing facilities, solutions to increase taxation and decrease taxes (Munsif et al., 2012). The objective of the economic entities' accounting quality should be geared towards meeting the needs and expectations of the users of the accounting information for professional ethics and compliance with actual legislation, constant improvement of the accounting information, including the means of communication that has been made public (Ayedh and Houssem, 2015, 5). To meet their goals, accounting practitioners need to adhere to those fundamental standards: honesty, objectivity, professionalism, professional competence and goodwill, confidentiality, professional responsibility, and technological and legal legislation (Bruggeman and Slagmulder, 1995).

The consistency of the accounting procedure should be considered to provide customers with accounting services, reliable accounting reports, and fair prices (Pedroso and Gomes, 2020). The provision sees the accounting method of detailed, reliable, and reasonably priced accounting services for the users (Nielsen, 2018, 34). The quality may relate to the efficiency, corroborated by the time component, of accounts and services. The failures in accounting could, on the other hand, include time charges, false records, unsatisfied customers, unskilled personnel and negligence for accounting practitioners, inaccurate financial statements, and breaches of existing law (Hajjawi, 2012, 3). The basic issue with the organization of an accounting method is how the accounting information is compiled and reported. Accounting must register, assess, supply, search, provide and transmit a full spectrum of records, continue by financial and management accounting to shape and report transactions (Pavlatos and Paggios, 2009).

Management Accounting Techniques and Quality of Financial Reports

To ensure quality of the financial reports produced through management accounting all the processes and steps undertaken should demonstrate transparency. Managers and accounting experts need to understand the key steps that need to be taken in order to ensure each and every member understand their responsibilities which in turn will result in quality. For better understanding of the key steps and processes that are undertaken within management accounting the figure below clearly illustrate each and every step. The first step entail planning which involves setting of objectives and developing means and ways of achieving them. This is followed by decision making which is the foundation of implementing the developed strategy of operations. The last process is the control step which includes monitoring and gathering data to assess the quality and success of the management accounting process.

***Figure 1.3*. Management accounting process and key activities.**



A multi-situation model was proposed by Cleary (2015, 13) to analyze the consequences of the combination of dependency between departments and cooperate structure within the financial management framework. The model has been validated using the real data gathered by 160 production managers on a questionnaire. The share of communications was 82.5%. These findings reinforce the view that organizations respond to the situation management accounting framework architecture and assess the effect of two internal variables on MA model organization. The hierarchical framework and the dependence between divisions are two internal considerations (Learned, 1992).

The study by Ali (2010, 115) found that the manager should evaluate the role of divisions for cost management by using the traditional costing approach and descriptive reports for costs variance and identify reasons for cost variance. From there on, the boss identifies systemic and proper cost-saving solutions.

Fullerton, Kennedy, and Widener (2013, 60) discussed possibilities for green accounting to apply business-based costing and explained the costs and variations in this method and conventional approaches for activities. In the ABC system, direct costs are clustered. Whereas, indirect costs are assigned to the artifacts that create such operations, to each good and service (Hortaçsu et al., 2013). It also poses green accounting advantages and drawbacks in an ABC business. The ABC approach allows the accountant to calculate the true manufacturing costs and environmental effects of each operation in Romania more accurately (Grosu et al., 2014). Different cost classification and identification approaches are provided by the complicated cost calculation and assignment processes, the capacity of the accountant, and the usage of modern technologies (Scapens, 2006, 19). Based on his analysis of sugar companies, he suggested a cost identification approach in any phase of the development process

McLellan and Moustafa (2011, 23) analyzed the Gulf Cooperation Board member nations, namely Saudi Arabia, Qatar, and the United Arab Emirates, on production companies. In the Gulf Cooperatives, administration accounting activities are the title of the report. Orthodox cost management and control tools such as budgeting, task-dependent costing, and cost standard identification, along with changes measurement, are the most often used in these countries (Becker et al., 2010). Cost management accounting practices

Munsif, Raghunandan, and Rama (2012, 204) believed budgeting for companies to be an MA process, the budgeting efficiency depends not just on the budgeting methodology but on the cost estimator composability and cost estimates should be linked to the goals of the company. To meet particular goals for each organization, coordination between departments of the company must be strengthened (Nassereddine, 2019, 99). According to these authors, there are three expenditure estimates: bottom-up estimate, top-down estimate, and agreement model. Albalaki et al. (2019, 12) also said that cost estimation helps to monitor expenses and evaluate the efficiency of each agency by establishing the discrepancy between actuality and inspection cost estimates. However, the report only referred to public-sector cost estimates and did not address cost estimates in industrial-production industries and scalable estimates.

Vizgunov and Trifonov (2017, 33) discussed the function of analyzes and the basic and very critical methods for short-term decision-making in the cost-quantity-profit relationship. The authors considered that the cost-quantity-profit relationship study depended on accounting estimates, considering short-term costs, primarily contingent costs, according to activity. Costs, incomes, and quantities have almost the right relationship in a proper range, and costs are split into varying costs and fixed costs. The complete cost has a straight line equation for a limited proper range (Cadez and Guilding (2012, 34). Therefore, the proposal for a theory on the direct relationship between short-term costs leads to some benefits: The rapid determination of net costs at different stages of production and variable costs was the same with each unit of quantity of activity (Ali, Hameedi and Almagtome, 2019, 302). Furthermore, the research indicated the drawbacks of analyzing the cost-quantity-profits relationship centered on variable costs and the disadvantages of detail. However, the report only referred to theoretical issues and the example model and did not analyze the current implementation in a specific area or company.

Legaspi (2014, 356, 254) carried out an analysis in Philippine Industries to assess the effect of Management Accounts and concluded the following. The current managers' position as management accountants cannot be ignored as competition is progressively driving mandate for quality goods and services. Secondly, Legaspi (2014, 356) identified that the managers prioritized for any industry involved in the research. To do this, administrators decided they required a solid management and management accounting structure as the key instrument for directing them to achieve the specified objectives (Legaspi, 2014, 286). Finally, the study showed that management accounts become more valuable and applicable to industrial companies because they actively need to track output prices, administer pricing, budget their resources to maximize the current situation and the potential sustainability and make efficient decisions. These results of Legaspi (2014, 286) summarize observations and findings of other researchers that managers will better grasp their existing activities by means of management accounting and plan for the potential. It directs the vision, strategic goals, and preparedness of the company for potential risks.

Managers used to rely on management experience and theories that inspired management practices such as scientific management, which focused on achieving economic growth by enriching workers by their work (Kaplan, 2001, 287). Others, such as Theory X and Y, demanded that administrators always inspire their staff, claiming that only highly motivated employees would achieve better performance (Pavlatos and Paggios, 2009, 23). Although these ideas established the standards for an efficient organization, they mostly focused on the interaction between employees and the organization. With ongoing global trading and demand for a wide range of goods and services, and research and technological developments, it was no longer successful merely to concentrate on the employees, as the company has many resources that impact organizations' results (Al-Naser and Mohamed, 2017, 213). The science management strategy sought to consider the devices and their impact on productivity by noting that machinery would contribute to quicker service distribution with improved technology as long as the employees would still optimize their stations. This and other methodology is nevertheless based on the philosophy of mass manufacturing, where most companies only worked to increase productivity. Pavlatos and Paggios (2009, 23) report that this has negative consequences, such as overwork, failure to satisfy the dynamic demand demands, and high waste levels. However, MA will contribute to the cost of output and activities in relation to skills, resources, and consumer demands, as defined by this publication (Al-HASHIMY and Al-hashimy, 2019, 943). Management accounting reflects how the manufacturing inputs used by the organization impact chosen technology, ways to selected innovations impact personnel's productivity, how employee output affects finished items, and how certain items or services influence the customer and limit management to the impact of employees (Pedroso and Gomes, 2020, 12). Therefore, it is a broad decision-making approach that would guide short-term objectives while influencing long-term objectives for the enterprise's growth. MA maintains that the products and services are diversified as markets get more dynamic.

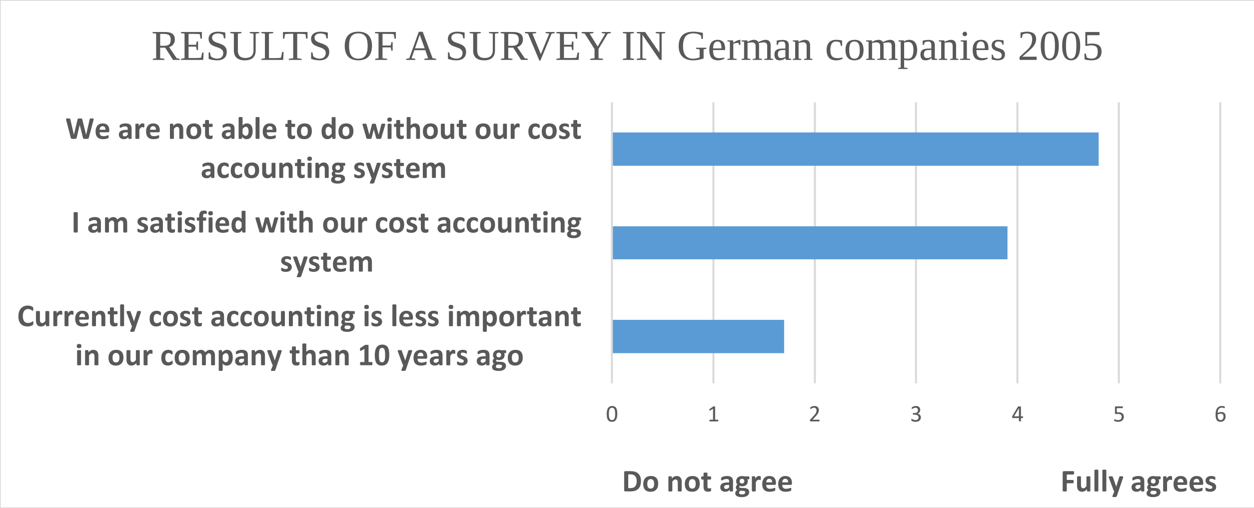


***Figure 1.4*. Survey in Germany Companies**.

The chart below show a survey conducted in German to determine the degree of satisfaction of cost accounting among employees of the selected various companies.

According to Wegmann (2019, 167), American executives have been more inclined to use German-based GPK costing systems to manage American businesses in recent years. According to Ossimitz, Wieder, and Chapman (2016, 78), this is partially attributed to the GPK's particular arrangement, which allows the German management team to accept all contingent and fixed costs. Wegmann (2019, 169) found that the GPK provided businesses with passable evidence for management decision-making and an IT system that sustain the organization's whole operation. This cost accounting approach has favored ABC as GPK provided additional instruments such as SAP, which provide the plant and organizational managers with essential operating and output details in sectors (Bhimani, 2020, 7). However, studies carried out by Wegmann (2019, 167) found that, amid preference for GPK in the United States, organizations that only used GPK cannot be identified. This is support for Weaver, Rutledge, and Karim (2010, 95), who developed that a company cannot optimize the position of an MA in its industry by implementing only one method of MA. Ostensibly, Munsif, Raghunandan, and Rama (2012, 210) urged it to be important to recognize at least two or three approaches and optimize them to ensure that the MA's position is completely realized based on organizational capital. GPK is a long-term solution, while ABC is a shorter-term approach. In the United States, it was also decided that all approaches should be used with greater inclinations towards GPK, as the ABC was not sufficient. In contrast, GPK resulted in comprehensive costing and analysis.

GPK's main benefits in a company include segment data to enable management and plant management to review their IT programs in detail (Hiebl and Richter, 2018, 60). This encompasses increased corporate efficiency and cost reduction, effective short-term decision-making, reliable estimates, smoother indirect costs, stronger organizational systems, employee motivation, enhanced operational practices, and support for the decision-making process (Rikhardsson and Yigitbasioglu, 2018, 40). With these two benefits in mind, effective service and cost controls will contribute to waste elimination and ensuring activities remain within the organization's budget, improve organizational mechanisms to ensure successful accountability, inspire staff to improve their efficiency and develop business processes to ensure improved profitability. Certain transparent internal processes within organizations add to the organizations' overall external specifications. For example, efficient cost accounting by MA can mean that FA analyses are reliable, consistent, and informative, that consumers can get the market value of goods. That management would keep company processes running for clients for a longer period.

Weaver, Rutledge, and Karim (2010, 95) note that it has often been a significant drawback to its implementation and application to evaluate different MA methodologies and techniques effectively. This means that companies expend a great deal on the MA campaigns despite being poorly served in decision-making (Ward, 2012, 223). According to Cadez and Guilding (2012, 112), one of the main ways to ensure an organization may profit from integrating methods and the adoption of emerging technology helps to restrict the various cost centers in organizations that continue to be enhanced. Cost centers in the management accounting organization contribute to the number of causes increasing or reducing operating expenses within organizations. Brandau et al. (2013, 453) say that smaller companies would see a rise in cost centers as their organizations grow, whereas big organizations assume that they would likely decline with time. Suppose the costing centers increase or decrease within the organization.

Legaspi (2014, 23) has shown continued preparation in Philippine and US organizations to apply management accounts. Although the current execution requirements are at best satisfactory, Germany's companies are optimistic about integrating processes, implementing flexible methods, and implementing new software such as the SAP Platform in the GPK. Moreover, ERP's roles are limited to administration accounts, as seen by the IFAC, tax planning, and financial accounting. In this sense, if the Corporation adopts an MA operations ERP scheme, the chances of complying with all other rules on financial statements, such as taxation and financial planning, as laid down in the ERP schemes, would be improved. Whereas different vendors sell certain services according to certain features, the whole operation explains these cost factors, like taxation and other forms of accounts. The use of MA increases total financial management and helps the company achieve the advantages mentioned above, such as efficient management, capital productivity, increased personnel, and consumer loyalty.

RESEARCH METHODOLOGY

This research study is based on the analytical method of the data obtained. It often depended upon the scientific approach to provide findings and recommendations by analyzing data and evaluating hypotheses. The methodology of research includes presenting the research population, sample, and the study model.

Research Sample

The analysis included all commercial Iraqi banks mentioned on the Baghdad stock exchange. The study analyzes the annual financial reports released between 2012 and 2018 by thirteen Iraqi banks.

Study Model

Based on the above presented of the study problem, its goals, and its assumptions, the study model was developed to measure the effects of management accounting techniques (dependent variable) on the quality of financial reports (independent variable).

Figure 1.5. **Study Model**

Management Accounting Techniques
Activity-based management (ABM) target costing (TC)
reengineering of business processes (BPR)
just in time (JIT)
Total quality management (TQM), Costing-based activities (ABC).

↓

The quality of financial reports

Research Finding and Analysis

3: Statistical analysis of the questionnaire:

The questionnaire was distributed for a sample included (100) researches in the Kurdistan Region, (92) forms were valid for analysis. The questionnaire was analyzed through the SPSS statistical program and EasyFit.

3.1: Statistical description of general information:

The general information of the researches is summarized in Table (1).

Table (1): Statistical description of general information

General Information	Frequency	Percent
1. gender:		
Female	35	38.0
Male	57	62.0
2. Academic level:		
Diploma	20	21.7
Bachelor's degree	48	52.2
Master's degree	21	22.8
Ph.D. degree	3	3.3
3. Which institution granted your qualifications?		

A local institution	67	72.8
Foreign institution	21	22.8
Both	4	4.4
4. Years of Experience:		
Less than 5 years	25	27.2
6– 10 years	33	35.9
11– 15 years	14	15.2
16-20 years	10	10.9
20 years and more	10	10.9
5. The current position in your organization		
Managerial	57	62.0
Middle staff	21	22.8
The lowest cadre	14	15.2
6. What is your job title?		
Senior Accountant	58	63.0
Chief Financial Officer	10	10.9
Account Manager / Manager	8	8.7
Others	16	17.4
7. Which of the following describes your company category?		
Solidarity	38	41.3
Contribution	24	26.1
Limited	30	32.6
8. When was your company established?		
1980-2000	81	88.0
After 2000	11	12.0
Total	92	100

Table (1) shows that the sample studied included gender, 38% of the (Female) class and 62% of the (male) class, Academic level, 21.7% of the (Diploma) class, 52.2% of the (Bachelor's degree) class, 22.8% of the (Master Degree) class, 3.3% of the (PhD degree) class.

For "Which institution granted your qualifications?" 72.8% of the (A local institution) class, 22.8% of the (Foreign institution) class and 4.4% of the (Both) class. For years of Experience, 27.2% of the (Less than 5 years) class, 35.9% of the (6-10 year) class, 15.2% of the (11-15 year) class, 10.9% of the (16-20 years) and (20 years and more) class.

For "The current position in your organization", 62% of the (managerial) class, 22.8% of the (Middle staff) class, and 15.2% of the (The lowest cadre) class. For "What is your job title?" 63% of the (Senior Accountant) class, 10.9% of the (Chief Financial Officer) class, 8.7% of the (Account Manager / Manager) class and 17.4% of the (others) class.

For "Which of the following describes your company category?" 41.3% of the (Solidarity) class, 26.1% of the (Contribution) class, and 32.6% of the (Limited) class. For "When was your company established?" 88% of the (1980-2000) class and 12% of the (After 2000) class.

3.2: Description and diagnosis of study variables:

In this analysis, the Minimum, Maximum, Mean, and Standard deviation of study variables will be calculated, which included (32) questions Segmented into five variables, and the arithmetic means of each of the equation from questionnaire study evaluated by Likert scale (Totally not agree = 1, Not agree = 2, Not sure = 3, Agreed = 4, and totally agree =5). On this basis, the level question means according to the importance of agreement with the hypothesis of the research and summarized in the following tables:

First variable: Activity-based costing technique: one of the strategic management accounting techniques that is concerned with analysis the activities of Jordanian companies for the human pharmaceutical industry and considering the cost of their products as the cost of those activities that add value to their products, leading to increased production efficiency: it includes (8) questions illustrated in table (2):

Table (2) shows that the general average (Mean) for the first variable is (4.0775), which is greater than the level of Likert Agreement (3), with a standard deviation (0.7991). Also, question (13) had the highest mean equals (4.7609) which is greater than the average agreement for Likert scale that equals (3) with a standard deviation is (0.47739). While question (11) had the lowest mean equal (3.2283), it is also greater than the average agreement for the Likert scale with a standard deviation is (0.91511), while the rest of the first variable questions at different means and range between them.

Table (2): Descriptive Statistics for first variable

Questions	Minimum	Maximum	Mean	Std. Deviation
Q.9	1.00	5.00	3.2500	1.47227
Q.10	3.00	5.00	4.0652	0.78172
Q.11	1.00	4.00	3.2283	0.91511
Q.12	3.00	5.00	4.5435	0.54295
Q.13	3.00	5.00	4.7609	0.47739
Q.14	3.00	5.00	4.7065	0.56526
Q.15	2.00	5.00	3.9457	0.77551
Q.16	1.00	5.00	4.1196	0.86243
Average			4.0775	0.7991

Second variable: Target cost technique: One of the strategic management accounting techniques that works to reduce product costs in Jordanian companies for the human pharmaceutical industry during their life cycle: it includes (8) questions illustrated in table (3):

Table (3): Descriptive Statistics for second variable

Questions	Minimum	Maximum	Mean	Std. Deviation
Q.17	1.00	5.00	3.9457	0.97625
Q.18	1.00	5.00	4.0326	0.87015
Q.19	2.00	5.00	4.1522	0.85079
Q.20	1.00	5.00	3.6848	1.00471
Q.21	1.00	5.00	3.9891	0.93167
Q.22	1.00	5.00	4.0217	1.00524
Q.23	2.00	5.00	4.1630	0.86795
Q.24	1.00	5.00	3.7935	1.11472
Average			3.9728	0.9527

Table (3) shows that the general average (Mean) for the second variable is (3.9728), which is greater than the level of Likert Agreement (3), with a standard deviation (0.9527). Also, question (23) had the highest mean equals (4.1630) which is greater than the average agreement for Likert scale that equals (3) with a standard deviation is (0.86795). While question (20) had the lowest mean equal (3.6848), it is also greater than the average agreement for the Likert scale with a standard deviation is (1.00471), while the rest of the second variable questions at different means and range between them.

Third variable: Benchmarking technique: It is one of the techniques of strategic management accounting that expresses the cost of one unit of the products of Jordanian companies for the human pharmaceutical industry that they bear in the manufacturing process in line with the planned cost that achieves the targeted profit from selling one unit: it includes (8) questions illustrated in table (4):

Table (4): Descriptive Statistics for third variable

Questions	Minimum	Maximum	Mean	Std. Deviation
Q.25	1.00	5.00	3.9022	0.99515
Q.26	1.00	5.00	3.5652	1.09248
Q.27	1.00	5.00	3.8261	1.03360
Q.28	1.00	5.00	4.0326	0.91928
Q.29	1.00	5.00	4.0870	0.86000
Q.30	1.00	5.00	3.7174	0.97582
Q.31	1.00	5.00	3.9891	0.84508
Q.32	1.00	5.00	3.9130	0.77958
Average			3.8791	0.93760

Table (4) shows that the general average (Mean) for the third variable is (3.8791), which is greater than the level of Likert Agreement (3), with a standard deviation (0.9376). Also, question (29) had the highest mean equals (4.087) which is greater than the average agreement for Likert scale that equals (3) with a standard deviation is (0.86). While question (26) had the lowest mean equal (3.5652), it is also greater than the average agreement for the Likert scale with a standard deviation is (1.09248), while the rest of the third variable questions at different means and range between them.

Fourth variable: Convenience: it includes (4) questions illustrated in table (5):

Table (5): Descriptive Statistics for fourth variable

Questions	Minimum	Maximum	Mean	Std. Deviation
Q.33	1.00	5.00	4.1087	0.87022
Q.34	1.00	5.00	3.9565	0.82426
Q.35	1.00	5.00	3.4457	1.08298
Q.36	1.00	5.00	3.8696	0.90441
Average			3.8451	0.9205

Table (5) shows that the general average (Mean) for the fourth variable is (3.8451), which is greater than the level of Likert Agreement (3), with a standard deviation (0.9205). Also, question (33) had the highest mean equals (4.1087) which is greater than the average agreement for Likert scale that equals (3) with a standard deviation is (0.87022). While question (35) had the lowest mean equal (3.4457), it is also greater than the average agreement for the Likert scale with a standard deviation is (1.08298), while the rest of the fourth variable questions at different means and range between them.

Fifth variable: Understand ability: it includes (4) questions illustrated in table (6):

Table (6): Descriptive Statistics for fifth variable

questions	Minimum	Maximum	Mean	Std. Deviation
Q.37	1.00	5.00	4.0217	0.91361
Q.38	1.00	5.00	3.7717	1.03884
Q.39	1.00	5.00	4.0435	1.04737
Q.40	1.00	5.00	4.0435	1.01541
Average			3.9701	1.0038

Table (6) shows that the general average (Mean) for the fifth variable is (3.9701), which is greater than the level of Likert Agreement (3), with a standard deviation (0.1.0038). Also, question (39) and (40) have the highest mean equals (4.0435) which is greater than the average agreement for Likert scale that equals (3) with a standard deviation is (1.04737) and (1.01541) respectively. While question (38) had the lowest mean equal (3.7717), it is also greater than the average agreement for the Likert scale with a standard deviation is (1.03884), while the rest of the fifth variable question at different mean and range between them.

3.3: Test reliability coefficient (consistency):

Of the basic elements of the validity of relying on the results of the questionnaire tested in terms of reliability coefficient, which means the stability of scale and lack of contradiction with itself (Answers stability of the respondents and not the random use in the selection of the answer), that is, it gives the same results if re-applied to the same sample. On this basis it will be used Cronbach's alpha coefficient. To measure the consistency with sincerity (which represents the root of the reliability coefficient) questionnaire for two variables and summarized by the following table:

Table (7): Reliability Statistics

Variable	Cronbach's Alpha	Validity	N of Items
First	0.657	0.8106	8
Second	0.681	0.8252	8
Third	0.783	0.8849	8
Fourth	0.664	0.8149	4
Fifth	0.835	0.9138	4
All	0.855	0.9247	32

The reliability coefficient Cronbach's alpha for two variables of questionnaire for the measurement tool has a high degree of consistency and the truth because it is greater than 60% and validity greater than 80%, since there is an internal consistency of the questions the questionnaire for two variables.

3.4: Test data distribution:

Here will test questionnaire variables and means have a normal distribution or not through the use of non-parametric test (Kolmogorov-Smirnov) and parametric test χ^2 (by using Easy Fit program) on which determines the tool and the appropriate test to test the study hypotheses, test the following hypotheses:

H_0 : The means of the questionnaire variables have normal distribution.

H_1 : The means of the questionnaire variables have non-normal distribution.

The test results are summarized under the significance level (5%) by the following table:

Table (8): Test of Normality

Variables Means of study	K.S.			Chi-Squared			Result
	Statistic	p Value	Critical Value	Statistic	p Value	Critical Value	
First	0.1192	0.1348	0.1397	22.778	0.001	12.592	Normal
Second	0.1581	0.0178	0.1397	22.724	0.001	12.592	Non-Normal
Third	0.1188	0.1376	0.1397	9.6848	0.0847	11.07	Normal
Fourth	0.1269	0.0945	0.1397	9.1639	0.1646	12.592	Normal
Fifth	0.1985	0.0012	0.1397	11.476	0.0427	11.07	Non-Normal

Table (8) shows that by using (K.S.) test for the means of the (first, third, and fourth) variables are distributed normally because the p-values are more than the significance level (0.05), and Statistic test are less than (0.1397) and by using Chi-Squared test for the means of the (third, and fourth) variables are distributed normally because the p-values are more than the significance level (0.05), and Statistic test are less than (11.07 and 12.592) respectively. While the second and fifth variables do not have a normal distribution.

3.5: Test hypotheses of the study:

H_0: There are no the impact of management accounting techniques in improving the quality of financial reports financial reports.

H_1: There are the impact of management accounting techniques in improving the quality of financial reports financial reports.

Will be here to test there are the impact of management accounting techniques in improving the quality of financial reports financial reports, by testing the importance of the means to the questionnaire questions which were answered by the (92) Researched according to Likert scale depending on the extent of their agreement with the hypothesis of the research and specifically test arithmetic mean equal to the (3) of the respondents (because mean of Likert equal to 3) against the arithmetic mean is greater than the number (3), and on this basis test was used t-test to one sample under a significance level (0.05), It summarized the results in the following table:

Table (9): One-Sample –t- test for first hypotheses

Mean test value = 3						
Mean	P value	t tabulated	t calculated	Standard Error Mean	Mean Difference	Result
4.0774	.000	28.465	1.96	.03785	1.07745	Sig.
3.9728	.000	17.543	1.96	.05545	.97283	Sig.
3.8791	.000	14.202	1.96	.06190	.87908	Sig.
3.8451	.000	12.405	1.96	.06813	.84511	Sig.
3.9701	.000	11.321	1.96	.08569	.97011	Sig.

Table (9) show that all the means of the agreement with the hypothesis, its greater than the mean of Likert scale, while the p-values equal to (0.000) which is less than the level of significance of 0.05 (t-calculated was greater than the t-tabulated value (1.96)) which means rejection of the null hypothesis and accept the alternative hypothesis, that's mean, there are the impact of management accounting techniques in improving the quality of financial reports financial reports, by sample opinions surveyed and tested. Figure (1) shows the means of the variables.

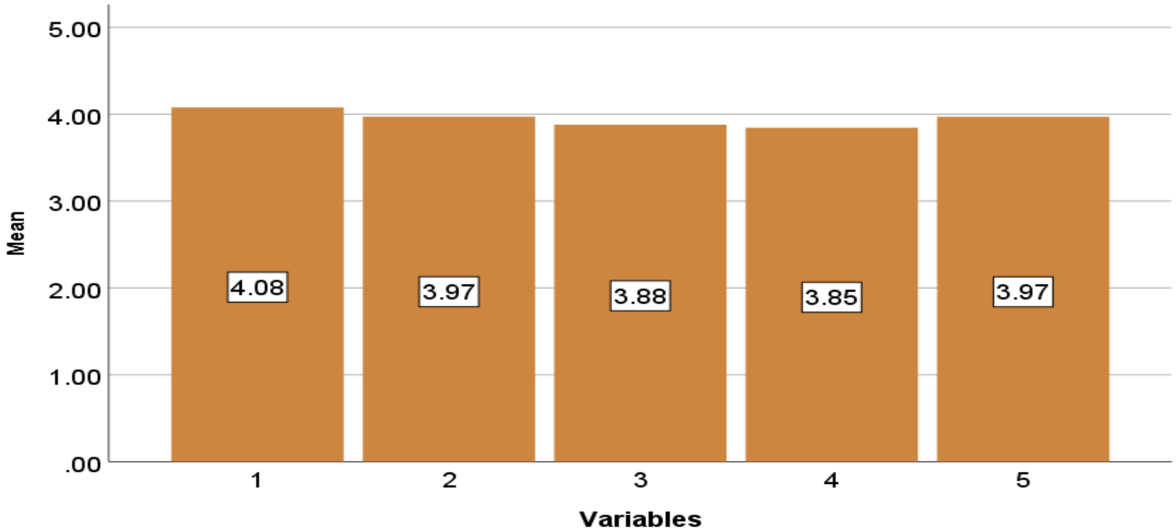


Figure (1): The means of variables

Conclusion

In applying management accounting techniques, the impact of transparency has been measured on the output of the banks. The findings revealed that Iraqi commercial banks are interested in disclosing economic and financial performance details as banks are trying to achieve economic prosperity, economic well-being and market position. In addition, this study finds that there is a low application of management accounting techniques in Iraqi business banks in view, yet there is the effect on the content of the financial reporting of these two components. The findings show that revealing the aspects of management accounting as a whole has a beneficial effect on the content of financial reports in Iraqi commercial banks. It proposes more study and research into the aspects of management accounting techniques for other industries such as the manufacturing and service sectors in future, tying it to other factors such as capital expenditure, or knowledge inconsistency.

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