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INVESTORS RESPONSE TO THE REPORTING OF FINANCIAL PERFORMANCE INDICATORS: EVIDENCE FROM IRAQ

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ABSTRACT. Accounting literature demonstrates that various financial statement items impact the company's financial market value and investor behavior. The purpose of this article is to examine the usefulness of financial performance measures in providing investors with information on how well a company performs. These three financial performance metrics, operating income, total revenue, and dividend, are compared to market indicators, including stock prices and the total number of shares traded. Based on an eight-year sample of 33 Iraqi Stock Exchange registered banks (2010-2017), this study includes 264 observations. Operating income, total sales, and dividends are all shown to be essential value indicators. Suppose you compare operating income to other performance indicators. In that case, you will see that the operating income index has a stronger connection with stock prices and total traded stocks (total revenue and dividends). According to the findings, capital markets benefit from this research since it helps investors better grasp the significance of various financial performance indicators and how they impact stock prices.

JEL Classification: example
H38, M41, R53

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