

An Investigation of the Accounting Information and Its Role for Capital Expenditure Decisions in the Industrial Companies Listed in Amman Stock Exchange

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Abstract

The study has dealt with accounting information, and its definition as well as its importance. It's aimed to investigate the role of accounting information in making decisions in capital expenditure to industrial companies listed in Amman Stock Exchange. Thus to achieve this goal, the researchers were distributed a questionnaire to a sample of (70) the industrial companies. The researchers have used the necessary groups of statistical methods are available in the Statistical Package of Social Sciences (SPSS), to achieve the results of the study. An important result of the study, was apparent, that having a statistically significant effect of the three types of accounting information and of (About the expected cash flows at the end of the term of the asset investment, and information cash inflows and outflows, and information cash outflows (tax)). In capital expenditure decisions, and increase awareness of the departments of industrial companies and contribute to awareness of the role of accounting information will contribute significantly to the upgrading and advancement of capital expenditure decisions in the companies mentioned. The main recommendation reached by this study was the continuation of the industrial companies for using accounting information such as expected cash flows at the end of the life of the asset, information of cash outflows (taxes), and the annual cash flow information, which become of their significant impact on capital expenditure decisions.

Keywords: Accounting information, decisions capital expenditure, industrial companies.

1. Introduction

There are many of uncertainty and risk experienced by the global economy requires creating an investment climate that is characterized by the credibility of accounting information which helps to make investment decisions and thus achieve economic development, since the investment decision is one of the most difficult decisions and the most sensitive, this decision, in essence, represents the allocation of resources on one hand, on the other hand is one of the forms of distribution of national income (11).

There is a situation that traditional organizations that primarily responsible for the decision-making process of capitalism is the senior management. But the new concepts differed to enter each of the middle management, and the lower managerial class, to participate in management decisions, and because of the availability of information and spread in the organization that allowed for individuals in lower management decision-making, it is essential that these decisions are correct and add value to the business (9).

It also represents a decision on the termination of that stage of the selection process and stability on the one alternative, as it is the center of the administrative process; because these decisions will determine the strategic line of the company (10).

The study will address of accounting information of (Information cash inflows and outflows, cash flow information beyond the annual, the information expected cash flows at the end of the term of the asset investment, and information flows of operating cash outflows (tax)). On that basis, the study of the role of information accounting decisions in capital spending in industrial corporations listed in Amman Stock Exchange (ASE) will contribute to enhancing the ability of these companies to achieve the overall objectives of economic development, and the development of decision-making process with senior management to increase their efficiency, and effectiveness in the utilization of available resources on the best. Also, they do not differ that the decisions of capital spending as important when decision makers in companies of all types, and this has its causes, including the fear of the low rate of financial return compared to spending, add to it that such decisions capture the interest of the decision makers in the company on the differences of managers and investors, and the rest the relevant authorities of the company.

1.1 Objectives of the study

This study aimed to achieve the following objectives:

- 1- To clarify the concept of capital spending and its importance and its properties.
- 2- To identify the management's ability to use accounting information in making a decision in capital spending.

- 3- To stand on the mechanism of decision in capital spending in the Jordanian industrial corporations.
- 4- To Submit of proposals and recommendations that could contribute to the advancement of the process of decision-making capitalism and upgrade them to better contribute to industrial companies listed on the Amman Stock Exchange.
- 5- To identify any impact of accounting information and make a decision in capital spending for industrial companies to contribute to the community of study.

1.2 Problem of the study

As the success of companies or stumble is located in the most part on the failure of departments of these companies or their success in making a decision in capital expenditure which is based on a careful study of the economic feasibility of the project, and the area covered by this resolution, and take into account the current reality, and the future of the variables related effects including possible decision on the performance of companies in terms of financial, operational, and then on their ability to continue in the market in which it operates, and from the above, the problem of the research is based and centered around the following questions:

- 1- Is there a role for the cash inflows and outflows (the cost of the asset purchase, the sale of assets and property) in capital spending decisions in industrial corporations listed in Amman Stock Exchange?
- 2- Is there a role for the extra annual cash flows (the cost of management and operation of the original investment) decisions in capital spending in industrial corporations listed in Amman Stock Exchange?
- 3- Is there a role for the expected cash flows at the end of the term of the asset investment (the original sale as scrap) in capital spending decisions in industrial corporations listed in Amman Stock Exchange?
- 4- Is there a role for the emerging operational cash flows (taxes) to make decisions in capital spending in industrial corporations listed in Amman Stock Exchange?

1.3 Research Methodology

The research problem is demonstrated in the following: Is there a role for the cash inflows and outflows (the cost of the asset purchase, the sale of assets and property) in capital spending decisions in industrial companies listed at Amman Stock Exchange? Is there a role for the extra annual cash flows (the cost of management and operation of the original investment) decisions in capital spending in industrial companies listed in Amman Stock Exchange? Is there a role for the expected cash flows at the end of the term of the asset investment (the original sale as scrap) in capital spending decisions in industrial companies listed in Amman Stock Exchange? Is there a role for the emerging operational cash flows (taxes) to make decisions in capital spending in industrial corporations listed at Amman Stock Exchange?

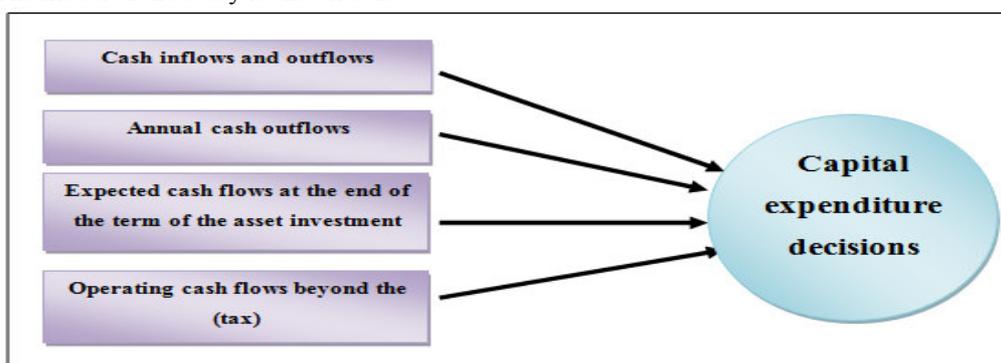
The importance of research is presented through the following:

1. Building and conscious thought about Accounting information and its role in capital expenditure decisions.
2. Highlighting the role Accounting information and capital expenditure decisions.
3. Measure the role Accounting information and capital expenditure decisions.
in the industrial companies operating in Jordan.
4. Find out how to apply this information in industrial companies listed in Amman Stock Exchange.

The study relied on a descriptive approach for the purpose of description of the responses of the sample of the study about their views on the level of Accounting information in industrial companies listed at Amman Stock Exchange, has been the use of the analytical method to measure the role of the application of Accounting information and capital expenditure decisions in the industrial companies listed in Amman Stock Exchange, through the use of statistical methods to test the suitability hypotheses of the study.

1.4 Study Model

The model of the study is shown below:



1.5 Research Hypotheses

The current study examines the following hypotheses in null form:

Ho: No statistically significant effect of accounting information in making decisions Capital expenditure for industrial companies listed and traded on the ASE.

This hypothesis can be divided to the following null hypotheses:

Ho₁: No statistically significant effect of cash inflows and outflows (the cost of the asset purchase, the sale of assets and property) when the level of significance ($\alpha \leq 0.05$) to make decisions Capital expenditure in industrial corporations listed in Amman Stock Exchange.

Ho₂: No statistically significant effect of the extra annual cash flows (the cost of management and operation of the original investment) at the level of significance ($\alpha \leq 0.05$) to make decisions Capital expenditure in industrial corporations listed in Amman Stock Exchange.

Ho₃: No statistically significant effect of expected cash flows at the end of the term of the asset investment (the original sale as scrap) at the level of significance ($\alpha \leq 0.05$) to make decisions Capital expenditure in industrial corporations listed in Amman Stock Exchange.

Ho₄: No statistically significant effect of operating cash flows beyond the (tax) at the level of significance ($\alpha \leq 0.05$) in the decision-making process Capital expenditure in industrial corporations listed in Amman Stock Exchange.

1.6 Sampling

The study population consists of all industrial corporations listed on the Amman Stock Exchange of (70), either the study sample of general managers and directors of administrative units and financial managers, internal audit exclusively, totaling (280) as director, due to the large size of the sample was selected a stratified random sample of each company to be a research sample and rate (50%) of them, totaling (140) director in companies included in the study. Note that distributed (140) questionnaires, but he was not subjected to statistical analysis only (110) because of the lack of returned or completion of the respondents, as shown in Table (1) as follows:

Table (1) Valid, collected, and distributed questionnaires

Job	Distributed	Collected	Response rate	Valid Questionnaires	Percentage of valid Questionnaires
General Manager	35	24	68.6%	20	83.3%
Managing Director	35	32	91.4%	30	%93.8
Financial Manager	35	33	94.3%	29	87.9%
Internal Audit Manager	35	32	91.4%	31	%96.9
Total	140	121	86.4%	110	90.9%

1.7 Data collection

To achieve the purposes of the present study aimed to identify the level of application of accounting information and its role in capital expenditure decisions in the industrial corporations operating in Jordan listed at ASE, the researchers were adopted two types of primary sources of data collection, namely:

A - Primary Data

It is designed to identify and collect data through field visits exploratory, interview and departments of industrial corporations operating in Jordan listed in Amman Stock Exchange included in the study.

B - Secondary Data

It is data that has been obtained through sources and references available in the libraries of the Jordanian universities, as well as previous studies relevant to the preparation of the conceptual and theoretical framework for the study of example: Arab and foreign sources, research and review of the literature, magazines and studies on the subject of accounting information, the capital expenditure decisions of companies operating in the industrial contribution Jordan listed in ASE, with the aim of preparing the theoretical framework for the study. Documents related to data and information on the capital expenditure decisions of industrial companies operating in Jordan contribution listed on the ASE. Benefit from data released by the Amman Stock Exchange and is available on the web sites.

2. Literature review

The accounting information relating to cash flow is useful in providing users of financial statements primarily necessary to measure the company's ability to generate cash or its equivalent, and require investment decisions to assess the ability of users of information and degree of certainty regarding the generation of flows. The objective

of IAS first to oblige companies to provide information on actual changes in cash or equivalent, and so prepare a list of the cash flows with the division of cash flows during the period to flow from operating activities, investment and financing, and attached analysts, investors, creditors and others involved and interested constituencies financial and economic importance on the statement of cash flows due to the difficulties and problems associated with the accrual basis, which entails hide cash flows, and the widening gap between them and the net profit, and convinced them that the net cash flow from operations is the ultimate guide on the quality of the profits, because the company's success is through access to the net inflows positive cash from its operating activities (8).

The aim of financial reporting is essential to provide users and stakeholders related to the project with the necessary information to help them make decisions for the various economic, as is the accounting information system concerned with the identification and measurement and delivery of quantitative information on the economic unit can be used in the evaluation and decision-making by the parties or categories used for this information (6).

The capital expenditure investment of funds in the assets used by the company for a long time, and in spite of capital spending that occurs in the current period, but the revenue implications will continue for a long time, so the success of the companies in the future depends on the integrity of investment decisions taken at the present time, although any error in the estimates of investment be serious consequences, and that it is impossible to correct these consequences, and so the risk increases as the amounts required to invest substantial and economic conditions in the rapid development, and it can be said that what distinguishes capital spending is: long-term commitment to invest money, and betting on the future; Because betting is risky and risky, and with one another, the investment is a bet on the disbursement uncertain at the moment, however, be achieved in the future is uncertain (4).

It can determine the factors to be taken into account when making decisions in capital spending:

By the statement the key factors public to be taken into account, there are several advance reservations are: These factors are not limited to, there may be some other factors may take into account in accordance with the conditions, you may not take all factors into consideration when studying the feasibility of a particular proposal when exposed to the ways and methods technical evaluation and comparison between the proposals may also take into account all the factors when using another method, so we try as much as possible comprehensive inventory factors to be taken into account when deciding capital expenditure (5).

1 - Cash inflows and outflows:

Fall under this heading the purchase price of fixed assets, which have been on for several years, such as the construction of a building or factory and residence, these expenditures represent the initial (cash outflow) is added to the automatic increase in current assets, and the expenses of installation of machinery and prepared for the run, and is considered a sale of assets (cash flow inside).

2 - Annual cash outflows related to the operation and management of the asset investment:

Sales are recognize as an important cash inflows, and also takes the burden and expense of cash for operations (cash outflows) and over the economic life of the asset investment. It is necessary to take into account whenever possible the expected changes in current assets during the period.

3 - Expected cash flows at the end of the term of the asset investment:

Remind them of the cash inflows from the asset sale as scrap, and in spite of the difficulty of estimating this value, however, neglected to take the lead with the wrong decision not to overlook the expenses of scrapping the original.

4 - Cash outflows and actress in taxes:

On the grounds that the company make a profit, all the burden of investment are deducted from revenue before arriving at taxable profit it achieved savings or gains tax for each period, and it can be seen that the exemption from several angles:

A - must choose the method of depreciation allowable use of the tax, and that achieve maximum savings from this side, may be this method is associated with age-economic origin, and so can the amortization of assets within the period allowed by the tax, even if the asset value at the end of the period.

B - taking into account the increase in inventory (as current assets) must know and add the expected changes in reserves undeclared.

C - taking into account the tax on the gains expected after the depreciation of an asset accounting, The gains cash from scrapping the asset after owning diphtheria at the end of the period subject to tax (this represents cash flow within, such as the sale value of the asset as scrap, and the consequent cash flow external, and is tax the scrap value which exceeded the carrying value of the asset at the end of the period).

D - with respect to the cash flows resulting from financing and actress in interest rates on loans and repayments of these loans, cash outflows related to financing, you need such aspects of special treatment where does not take into account the feasibility studies of the proposals, but take into account the burden of funding (interest) and when we are studying the return on equity.

There are numerous studies on corporate governance and share price in the past few years such as: Abu Huwaydi's study (2011) entitled: "The role of accounting information in the rationalization of capital spending decisions - An Empirical Study on the companies listed on the Stock Exchange of Palestine." The aim of this study was to identify the importance of the use of accounting information in the rationalization of the decisions of capital spending, and determine the extent of the use of management in companies listed in Palestine Stock Exchange of accounting information in the rationalization of the decisions of capital spending, and constraints that limit this use, and to identify ways to evaluate decisions in capital spending by companies listed on the stock exchange. The study showed many of the most important results: facing the management of companies listed on the Palestine Exchange constraints lead to poor use of accounting information in the rationalization of the decisions of the capital expenditure which, according to the viewpoint of the study sample. The study recommended the need to strengthen the culture of the use of accounting information when making a decision and planning of capital spending, and the need to develop a strategic plan for capital investment projects, and attention to control the outcome of decisions in capital spending after the implementation of the resolution.

Abu Armelh's study (2008) entitled: "Capital Budgeting and planning budgets in the industrial and service companies at Jordanian public shareholding." The aim of this study was to identify the extent of the use of capital budgets and planning budgets in the industrial and service companies Jordanian public shareholding and determine the advantages and difficulties in the use of these types of budgets and to achieve these goals questionnaire was designed and distributed to (60) as finance director and head of the Department of Accounting and accountant in the industrial and service companies to contribute to the public Jordanian, and the percentage of responding (% 85.7) and was used in the statistical analysis program statistical package for social sciences, the results showed that most companies are using methods developed based on the discounted cash flow which takes into account the time value of money. The study recommended the need to enhance the experience of theoretical views that evaluates capital projects to familiarize them with the views theory that covers various aspects of the resolutions of capital spending, and the need to increase the use of methods of evaluating investment projects advanced.

Hamza's study, (2007) entitled: "The role of accounting information in the rationalization of investment decisions in the market Amman Stock Exchange." The aim of this study was to test the extent of the benefit of the information accounting for the decision makers of the investment companies listed on the Amman Financial Market, and test the homogeneity in accounting reports that have been disclosed by these companies, and have the researcher extrapolating the analytical results of previous studies to consolidate the scientific aspects of research from (2003 -1995), and quantitative analysis of the quality of each of the reports and the information disclosed by these companies and relied upon by investors to rationalize their investment decisions, and the study found a discrepancy between the companies in the quality of accounting information disclosed, and the quality of accounting reports are used, the study recommended requiring that companies disclose the appropriate information, and sufficient to rationalize investment decisions in this market.

Bennouna, et al, study (2010) entitled "Improved capital budgeting decision making: evidence from Canada." The purpose of this study is to evaluate current techniques in capital budget decision making in Canada, including real options, and to integrate the results with similar previous studies. A mail survey was conducted, which included 88 large firms in Canada. Trends towards sophisticated techniques have continued; however, even in large firms, 17 percent did not use discounted cash flow (DCF). Of those which did, the majority favored net present value (NPV) and internal rate of return (IRR). There is an overall between one in ten, to one in three were not correctly applying certain aspects of DCF. Only 8 percent used real options. One limitation is that the survey does not indicate why managers continue using less advanced capital budgeting decision techniques. A second is that choice of population may bias results to large firms in Canada. The main area for management focus is real options. Other areas for improvement are administrative procedures, using the weighted average cost of capital (WACC), adjusting the WACC for different projects or divisions, employing target or market values for weights, and not including interest expenses in project cash flows. A small proportion of managers also need to start using DCF. The evaluation shows there still remains a theory-practice gap in the detailed elements of DCF capital budgeting decision techniques, and in real options. Further, it is valuable to take stock of a concept that has been developed over a number of years. What this paper offers is a fine-grained analysis of investment decision making, a synthesis and integration of several studies on DCF where new comparisons are made, advice to managers and thus opportunities to improve investment decision making.

Khamees, et al, study (2010) entitled "Capital budgeting Practices in the Jordanian industrial corporations." The purpose of this paper is to provide additional empirical evidence about capital budgeting practices in an emerging economy. The study utilizes a questionnaire and interview to collect data from respondents. The results show that the JIC give almost equal importance to the discounted and undiscounted cash flow methods in evaluating capital investment projects. It appeared also that the most frequent used technique is the profitability index followed by the payback period. Based on these results, the researchers recommend putting a great attention to apply the concepts and techniques of capital budgeting in an appropriate manner. The

corporations should also consider importance of information technology and its applications in capital budgeting. This is the first study applied on the capital budgeting practices and its related issues in the JIC.

3. Study Instrument

After the completion of the study to determine the problem and questions and hypotheses, the researcher prepared a questionnaire study and develops a way that covers all variables model study, which included a questionnaire study in its final form to the following parts:

3.1 Personal and occupational characteristics: These are characteristics (sex, and scientific specialization, and educational qualification, position and career, and the number of years of experience, and professional certification).

3.2 Independent variables: The accounting information, namely, (Cash inflows and outflows, the annual cash outflows, expected cash flows at the end of the term of the asset investment, operating cash flows beyond the (tax)).

3.3 Dependent variable: The dependent variable b (Decisions Capital expenditure) for industrial companies listed at Amman Stock Exchange.

3.4 Study Instrument scale

Five points Likert scale has been selected, for being one of the most metrics used to measure the opinions and responses, due to its ease of understanding, indicates where the study sample under test for the extent of their agreement for each paragraph of the questionnaire as follows:

Strongly Agree	Agree	Not sure	Disagree	Strongly Disagree
5	4	3	2	1

Has been the adoption of a measure of the degree evaluation of the study sample with the principles of accounting information, is divided into three levels, where the calculated cut-off grade and by dividing the product of the difference between the highest value of the scale (5) and the lowest value in it (1) at three levels, namely, that the cut-off grade are as follows: $\{(5-1) / 3 = 1.33\}$

Thus, the three levels as follows:

A - Low degree of agreement (1 - 2.33).

B - The degree of agreement Medium (2.34 - 3.67).

C - A high degree of agreement (3.68 - 5).

Test standard was identified amounting of (3) through dividing the sum of the highest value for the scale (5) and the lowest value in which (1) over (2), that is $(5 + 1) / 2 = 3$, and for the purpose of diagnosis of positive and negative responses to the study sample, and as follows:

Limit of the response negative are (1 - 2.99).

Limit of the response positive are (3 - 5).

Therefore, study instrument which is directed to study sample subjects in industrial companies operating in Jordan is consisted of (50) items, (as described in Appendix 1).

3.5 Instrument Validity

Face validity has been verified through a group of experts and referees who had experience and knowledge in accounting and methodology of scientific research and applied statistics to take advantage of their expertise and their stocks of knowledge, making the tool more accurate and objective measurement. It has reached the number of (10). The purpose behind questionnaire was to verify the affiliation of paragraphs to the variables of the model, and the paragraphs language formulation accuracy. It has been taking into account all the observations of experts and referees, where been reworded some paragraphs of questionnaire and delete others of them, and add some of the other paragraphs of the dimensions of the variables of the model, so that the questionnaire was prepared in its final form contained in Appendix (1).

3.6 Instrument Reliability

To check the reliability of study tool, the researchers were using Cronbach Alpha instrument variables reliability coefficients (to measure the internal consistency of the questionnaire paragraphs). The percentage of stability of the instrument overall was ((89.5%), which is very high in order to approve study results, the mean percentage that the internal consistency of the vertebrae high, since the acceptable percent to generalize Humanities and Social Research results are (60%) or more, and as shown in Table (2) as follows:

Table (2) Results of study tool reliability test (internal consistency of the questionnaire paragraphs)

Variables model study	Number of paragraphs	Cronbach's alpha)Reliability coefficient(The proportion of stability
Cash inflows and outflows	10	0.849	%84.9
Cash outflows annual	10	0.744	%74.4
Expected cash flows at the end of the original investment	10	0.759	%75.9
Operating cash flows beyond the (tax)	10	0.802	%80.2
Share price	10	0.822	%82.2
The tool as a whole	50	0.895	%89.5

3.7 Statistical Techniques

After he had finished a researcher from the process of collecting data on variables model study, have been entered for Computer -mail for the purpose of extracting statistical results needed, where it was drawing on some statistical methods available in software packages Statistical Social Sciences (SPSS), in order to process the data that have been obtained through the study field of the surveyed sample, specifically the researcher used statistical methods the following:

- 1- **Cronbach's alpha coefficient:** was used to test the reliability tool to study under which the data were collected, in other words, is used to test (internal consistency of the paragraphs of the questionnaire).
- 2- **Frequencies and percentages:** they are used to identify the characteristics of the study sample of accountants and auditors in industrial companies operating in Jordan contribution listed on the ASE.
- 3- **Mean:** it is used to identify the level of severity of the answer to the sample of the study on the principles of corporate governance in industrial corporations operating in Jordan.
- 4- **Standard deviation:** it is used to determine the dispersion of the study sample answers from the values of the arithmetic average.
- 5- **Test (VIF) Variance Inflation Factors:** This test is used to verify the existence of the problem of overlapping multiple linear (Multicollinearity) between the independent variables, the lack thereof.
- 6- **Test Kolmukrov - Samir Nov:** (One-Sample K-S Test) was used to verify that the data variables of the study are subject to the normal distribution (Distribution Normal) or not.
- 7- **Simple linear regression analysis:** has been used to measure the role of accounting information each separately on the capital expenditure decisions in the industrial corporations listed in Amman Stock Exchange.
- 8- **Multiple linear regression analysis of the progressive (Stepwise):** was used to measure the impact of the accounting information on the capital expenditure decisions in the industrial corporations listed in Amman Stock Exchange.

4. Results

4.1 Results of the main test the hypothesis

No statistically significant effect at the level of significance ($\alpha \leq 0.05$), accounting information to make decisions in Capital expenditure in industrial corporations listed on the Amman Stock Exchange. The results of testing the hypothesis major general, to have a statistically significant effect at the level of significance ($\alpha = 0.05$), for the three types of accounting information and of b (About the expected cash flows at the end of the term of the asset investment, and information cash inflows and outflows, and cash flow information operational outflows (tax)), the decision-making process Capital expenditure in industrial corporations listed in Amman Stock Exchange. It is clear from the previous result to increase awareness of the departments of industrial companies contribute about accounting information, will contribute significantly to the advancement of the process of making decisions Capital expenditure in the company's mentioned.

4.2 Results of the test sub hypothesis

4.2.1 Test results of the first sub- hypothesis

The results of the first sub-test the hypothesis, the presence of statistically significant effect at the level of significance ($\alpha = 0.05$), for the information of the cash inflows and outflows on the decision-making process Capital expenditure in industrial corporations in Amman Stock Exchange. It is clear from this that the increased awareness of the departments of industrial companies to contribute to the information mentioned, will contribute significantly to the advancement of the process of making decisions capital expenditure in the companies mentioned.

Table (3) the results of the first test sub-hypothesis

T Calculated	T Scheduled	T Significant	Result of hypothesis	Mean
18.627	1.96	0.000	Reject	3.93

4.2.2 Test results of the second sub- hypothesis

The results of the second sub-test the hypothesis, the presence of statistically significant effect at the level of significance ($\alpha = 0.05$), for the information of annual cash outflows on the decision-making process Capital expenditure in industrial corporations listed in Amman Stock Exchange. It is clear from this that the increased awareness of the departments of industrial companies to contribute to the information mentioned, will contribute significantly to the advancement of the process of making decisions capital expenditure in the companies mentioned.

Table (4) the results of the second test sub-hypothesis

T Calculated	T Scheduled	T Significant	Result of hypothesis	Mean
12.221	1.96	0.000	Reject	4.14

4.2.3 Test results of the third sub- hypothesis

The results of the second sub-test the hypothesis, the presence of statistically significant effect at the level of significance ($\alpha = 0.05$), for the information of the cash flows at the end of the term of the asset at the annual investment decision-making process Capital expenditure in industrial corporations listed in Amman Stock Exchange. It is clear from this that the increased awareness of the departments of industrial companies to contribute to the information mentioned, will contribute significantly to the advancement of the process of making decisions capital expenditure in the companies mentioned.

Table (5) the results of the third test sub-hypothesis

T Calculated	T Scheduled	T Significant	Result of hypothesis	Mean
21.115	1.96	0.000	Reject	4.22

4.2.4 Test results of the fourth sub- hypothesis

The results of the second sub-test the hypothesis, the presence of statistically significant effect at the level of significance ($\alpha = 0.05$), information flows, operating cash outflows (tax) on the decision-making process Capital expenditure in industrial corporations listed in Amman Stock Exchange. It is clear from this that the increased awareness of the departments of industrial companies to contribute to the information mentioned, will contribute significantly to the advancement of the process of making decisions capital expenditure in the companies mentioned.

Table (6) the results of the fourth test sub-hypothesis

T Calculated	T Scheduled	T Significant	Result of hypothesis	Mean
17.553	1.96	0.000	Reject	4.16

5. Recommendations

1 - The study recommends the need to provide accounting information with a high degree of credibility and objectivity to increase reliability in capital spending decisions and thus earn the trust of dealers in the Amman Stock Exchange.

2 - The study recommends requiring companies listed in Amman Stock Exchange to publish all the financial information in a timely manner, as well as the introduction of a range of new financial instruments that are not used in the Amman Stock Exchange.

3 - The study recommends the need to identify the nature of the information that you need in each category and the administrative account for the different categories of information used and the multiplicity of their needs, as well as providing the necessary information for decision-making models, so as to raise the efficiency and effectiveness of accounting information.

4 - The study recommends the need for future studies similar in other companies, which is the study of other variables related to other types of accounting information so that different variables addressed in this study, with the need to measure the impact of such information on the decision-making process in capital spending in the companies under study, and study the impact of accounting information on each of the financial and operational performance.

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**Appendix 1
 Questionnaire**

Dear Respondent:

Greetings:

The researchers have conducted a study tagged (An investigation of the accounting information and its role in **capital expenditure decisions** in the industrial companies listed in Amman Stock Exchange), a field study on industrial companies in Jordan listed in Amman Stock Exchange,

Kindly requested to answer all the questions you deem fit and that through Department

1. General manager
2. Managing Director
3. Financial Director
4. Internal Audit Manager

We are confident that the best source to gain access to the required information, the fact that you people of experience and competence. Please kindly answer the questions attached, note that they will be dealing with these answers confidentially, and that use will be for research purposes only, hoping to return the results of this study benefit industrial companies listed in Amman Stock Exchange and scientific institutions together, with our sincere thanks and appreciation to you for your effort in order to accomplish this study.

Section I: personal information and functional:

• Please kindly put signal (X) at the appropriate choice:

- 1- Gender: Male Female
- 2- Scientific specialization: Accounting Business Administration Financial and other banking
- 3- Qualification: Diploma Bachelor Masters Doctorate
- 4- Job title: General manager - Managing Director - Financial Director - Internal Audit Manager
- 5- Years of Experience: Less than 5 Years 6-10 Years 11-15 years 16 + years
- 6- Professional Certificate: CPA CMA JCPA CIA

Section II: Accounting Information:

1- Accounting information related to the cash flows from inflows and:

Paragraphs	5	4	3	2	1
1 The company relies on information the cash inflows and outflows while doing various activities in making their investment decisions.					
2 Contributes to the use of information related to increased specificity degree of certainty about the decision alternatives.					
3 Is available at the company's management information about the quality of the cash inflows and outflows characterized by a high degree of clarity.					
4 Available to the management of the company sufficient information regarding the purchase of fixed assets, which may take place over several years.					
5 Available to the management of the company sufficient information regarding the automatic increase in current assets.					
6 Available to the management of the company sufficient information regarding the expenses of installation of machinery and prepared for the run.					
7 The company relies on the ability of accounting information with predictive Department assists in the formulation of plans for the future and design.					
8 The Company's management to carry out studies on the economic feasibility of projects for the purposes of decision-making capitalism.					
9 Based on the company's management processes capitalism relevant fixed assets for projects.					
10 Depend on the company's operations banknotes and commercial paper that is released to the order of others.					

2- Accounting information related to the cash flows beyond the annual:

Paragraphs	5	4	3	2	1
11 The management of the company sales activity of the most important annual cash outflows within her.					
12 The company is the burden and expense of cash for operations as a cash flow beyond them over the economic life of the asset investment.					
13 Take into account the company's management anticipated changes in current assets during the period of circulation.					
14 Can be classified as capital expenditures as fixed assets (tangible and intangible).					
15 Should be on the management of the company to know the nature and purpose of the alimony granted by the annual capital services.					
16 Should be on the management of the company not to repeat the exchange capital expenditure during normal activity cycle has.					
17 Enjoy the Company's management of capital expenditures for more than a year.					
18 Classification of capital expenditure in the company by type of activity and nature.					
19 The company operates 19 to provide the necessary liquidity and guarantee to cover emergency situations that may face the production process.					
20 The company seeks to provide the liquidity needed to cover the requirements of the work and the production process.					

3 - Accounting information relating to the expected cash flows at the end of the term of the asset:

Paragraphs	5	4	3	2	1
21 Company is interested in entering the cash flows related to assets.					
22 Company is interested in accounting information relating to the expected cash flows at the end of the term of the asset investment.					
23 Company has the capacity to assess the assets before they are sold as scrap.					
24 Take the company's management decisions at the wrong neglect value of the asset.					
25 Recognizes the company's management expenses scrapping parent and not be overlooked.					
26 Is the registration of all expenses related to assets appropriate for decision-making capitalism?					
27 Are a commitment download depreciation costs and expenses, appropriate to take the appropriate decisions?					
28 The company seeks to preserve the value of the assets of the truth by conducting feasibility studies.					
29 Contains accounting information on the adequacy of information to make decisions suitable capitalism.					
30 Insurance accounting information for people stakeholders in a timely manner helps to take the appropriate decisions.					

4 - Accounting information related to the cash flows from operating beyond the (tax):

Paragraphs	5	4	3	2	1
31	Is tax accounting information in making decisions affecting capital expenditure?				
32	Defines the way the company ownership permitted use of the tax rate that would maximize savings.				
33	The company is the amortization of assets within the period allowed by the tax, even if the value of the asset at the end of the period.				
34	The company operates to add the expected changes in reserves undeclared (stock).				
35	Recognizes the company's tax imposed on gains after the expected depreciation of an asset accounting.				
36	Should be available in the accounting information sufficient amount of objectivity, for the purpose of achieving an adequate return for the investor.				
37	The need for the accounting information neutrality and impartiality, in order to make good decisions.				
38	Should be displayed in honest accounting information in order to reflect the financial position of the company.				
39	Company avoids taxes by privileges granted to them through new investments.				
40	Should be on the company's management commitment to a policy of consistency with the principles and methods of accounting.				

Section III: Paragraphs relating to the dependent variable (Capital expenditure decisions):

Paragraphs	5	4	3	2	1
41	The process of Capital expenditure decisions by senior management in the company.				
42	The company relies on scientific foundations in the process of making investment decisions and decisions taken in order to be rational.				
43	The company is based in making decisions related to capital expenditure forecasts.				
44	Affects decision-capitalist financial structure of the company, it should take into account the relationship between return and risk.				
45	Should be the decision of the capitalist taken by the company in line with its objectives and its policy.				
46	Should be on the company's decision to take the capital in a measured way and not inconsistent with its goals.				
47	Is an investment decision taken in the company of the most dangerous decisions, cannot be undone when taken.				
48	8 includes a decision to invest huge financial closely for a long time in order to get a return in the future.				
49	Should be the decision-maker to adopt an appropriate strategy serve the company and the investor alike?				
50	Depend on the company's expenses (replacement, expansion, improvement, strategic, and contractual) in the decision-making capitalism.				

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