

# The Role of Mark to Market on the Properties of Accounting Information in Kurdistan International Bank

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## Abstract

The general objective of financial reporting is to provide useful information to present potential investors, creditors, and others help them make investment, credit, and other decisions. The title of the paper is one of the subjects that get large concerns in the financial and business world in the present time. I'm examining the role of Mark to Market on the Properties of Accounting Information in Kurdistan International Bank (KIB).

The purposes of this research are as follows: knowledge of the consequences of the application of fair value accounting standards on the quality of financial reports for the Kurdistan International Bank which can be checked through the following: The impact of the application of international accounting standards oriented fair value and the corresponding Iraqi standards the suitability of accounting information in the financial reports of the Kurdistan International Bank (KIB), and the impact of the application of international accounting standards directs toward fair value and the corresponding standards Iraqi on the qualitative characteristics of accounting information in the financial reports of the Kurdistan International Bank. I argue that through the good results of statistical analysis could benefit from this remark conclusion in the areas of applications international accounting standards directed towards fair value and the corresponding standards Iraqi on the reliability and dependability of accounting information in the financial reports of the Kurdistan. The results from statistical analysis will show benefit with applying Fair value measurement particularly in the valuation of financial instrument without deteriorating qualitative characteristic of financial information

**Keywords:** Accounting information, qualitative characteristics, Mark to Market Accounting, Kurdistan International Bank (KIB).

## 1 - INTRODUCTION<sup>1</sup>

In recent years there has been a considerable debate on the advantages and disadvantages of moving towards a full mark-to-market accounting system for financial institutions such as banks and insurance companies. This debate has been triggered by the move of the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB) to make changes in this direction as part of an attempt to globalize accounting standards (Hansen 2004).

The market to market is controversy topic in the financial and business world in the last decade. The fact that the historical cost which represents the actual reality of the event time of the incident the moment of exchange is not in doubt in the accuracy and validity of the moment of acquisition or ownership, but appears to questioned the safety of principle after acquisitions or event occurs. The recorded value becomes a thing of the past which deviates more or less from its current value. Historical data is based on transaction which is by their nature easily subject to verification by third parties.

There are two sides to the controversy in the debate. Proponents of mark-to-market accounting argue that this accounting method reflects the true (and relevant) value of the balance sheets of financial institutions. This in turn should allow investors and policy makers to better assess their risk profile and undertake more timely market discipline and corrective actions. In contrast, opponents claim that mark-to-market accounting leads to excessive and artificial volatility.

At present, both financial accounting standard board and Iraqi accounting standard board are transferring from historical cost accounting to fair value accounting

That shift appeared clearly in most of the international accounting standards and then called International Financial Reporting Standards (IFRS).

Regarding the qualitative characteristics of the quality of accounting information, it is clear that both the entrances of historical cost and fair value have its own pros and cons on these properties. Kieso et al (2005), argued that the support of users of financial statements to the historical cost, they see that there is great interest to show items of assets and liabilities at fair value in providing users of accounting information useful in estimating the market value of the facility. According to Carroll et al., (2003) they are stated some criticism of fair value

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<sup>1</sup>\* In this paper, I use the terms mark-to-market accounting and fair value accounting interchangeably.

accounting after the emergence of the U.S. accounting standard on derivatives and accounting these criticisms revolved on impact (SFAS 133).

About the financial derivatives and accounting these criticisms revolved on measuring the impact played periodic and regular market movements on the assets and liabilities of the company, which will lead to fluctuations in income which produces in unequal financial statements. In contrast, supporters believe the fair value of that change can be a price for investor confidence, in reliable, fair value compared to the historical cost accounting; they are reliable and convenient.

All of the supporters of the fair value and historical cost agree that adjectives reliability and convenience of great importance, but supporters of the fair value of focusing on convenience, while supporters of historical cost are putting greater emphasis on reliability.

In this research, the fair value accounting is associated with the properties of accounting information in the Kurdistan international bank. I also investigate the impact of the application of fair value accounting standards on the quality of financial reports in the Kurdistan International Bank. I further examine whether important fair value accounting standards from the point of view of the respondents. So appear on the basis of accounting fair value "more suited to the needs of user's term fair value have a good impact on the listener's ears. The word fair value sounds good, (Penman, S.H. 2007) while historical Cost sounds, well obsolete the issue of when rather than how fair value measurement should be applied is still far from resolved. Have not completed the American Accounting Standard No (157) and who begun introduced after 15 November 2007 entitled fair value measurement His first year and that seemed ideal and tremendous development in accounting thought required many years of debate and controversy, but he bore in Untimeliness until seemed about strong differences and was suspended from Regulatory Authority and the U.S. Securities Trading SEC.

I will discuss in this research the application of international accounting standards towards Fair Value Accounting and corresponding Iraqi standards, and the impact on the qualitative characteristics of accounting information contained in the financial reports of listed companies in the financial services sector and banks in the Iraqi Stock Exchange in light of the global financial crisis.

The recommended (International Financial Reporting Standards Board) IFRS that the adoption of the fair value basis of accounting measure requires testing its impact on the four main characteristics that make accounting information useful for users

According to the above, it can be formulated as follows:

What are the reflections of the application of international accounting standards and local directed towards fair value of the quality of the accounting information contained in the financial reports of listed companies in the financial services sector and banks in the Iraqi Stock Exchange?

The paper handles the following questions, which represents fundamental of problems:

1. Are the International Accounting Standards directed towards fair value and the Iraqi standards applicable in the Kurdistan international bank (KIB) and their importance from the point of view of financial managers and internal auditors, external auditors of KIB?
2. What are consequences of the application of international accounting standards directed towards fair value and the Iraqi standards on the qualitative characteristics of accounting information in the financial reports in Kurdistan international bank KIB?

The significance of this research is that it will look at the application of fair value accounting in the issued IAS the measurement and disclosure process provided for the former International Accounting Standards, as well as the recently released Board IASC for the International Accounting Standards Committee IFRS and known as international financial reporting standards IASB International Accounting Standards board and what corresponding Iraqi standards in the KIB.

What are the expected effects of this application on the qualitative characteristics in the Iraqi Stock Exchange Accounting information, and the impact on the quality of financial reporting this bank? Where it is banking sectors of Strategic and active sectors that contribute to the Forming the structure of Iraq's national economy, the purpose of this research are as follows:

- 1) Identify the fair value accounting standards and international Iraqi expected and the most important problems applied in KIB.
- 2) Recognize the importance of fair value accounting standards from the point of view of the respondents.
- 3) Knowledge of the implications of the application of fair value accounting standards on the quality of financial reports for the Kurdistan International Bank, which can be checked through the following:
  - The impact of the application of international accounting standards oriented fair value and the corresponding Iraqi standards the appropriateness of accounting information in the financial reports of the Kurdistan International Bank.

- The impact of the application of international accounting standards directs toward fair value and the corresponding standards Iraqi on the reliability and dependability of accounting information in the financial reports of the Kurdistan International Bank.
- The impact of the application of international accounting standards directs toward fair value and the corresponding standards Iraqi accounting information on the susceptibility of the understanding in the financial reports of the Kurdistan International Bank.
- The impact of the application of international accounting standards directs toward fair value and the corresponding standards on the susceptibility of Iraqi comparable accounting information in the financial reports of the Kurdistan International Bank.

## 2 - Theoretical Background for Fair Value Accounting

Indeed, fair value accounting is a hot topic in financial reporting research. Extensive research papers are concerned with the relevance and reliability of the fair value accounting treatment.

While agreeing on the relevance of the fair values, Sloan (1999) expresses concerns about the reliability of the fair value estimates. Muller (1999) and Choi, Collins, and Johnson (1997) report evidence consistent with the concerns that recent FASB's movement toward fair value measurements may result in accounting numbers that are subject to more manipulation and are poor measures of worth and performance. Euchre, Ramesh, Thiagarajan (1996), and Nelson (1996) found no incremental explanatory power for fair values relative to historical costs for investment securities gains or losses, bank loans and deposits, or balance sheet financial instruments

According to Ball (2006) investigated in International Financial Reporting Standards and concluded that IFRS provide more accurate and comprehensive financial statement information, so that investors are given more-timely information about economic gains and losses of the company. But there are many potential problems with the implication of fair value accounting, like reliability. In the research paper of (Dietrich, et, al, 2001), they studied the reliability of appraised property value estates for UK investment property firms and found out that fair value estimates are considerably less biased and more accurate measures of selling price than respective historical cost amounts. They further gave the evidence that appraisals conducted by external appraisers result in relatively more reliable fair value accounting estimates (i.e. Lower conservative bias, greater accuracy and lower managerial manipulation)

Even before the Financial Accounting Standards Board (FASB) it had issued Statement of Financial Accounting Standard No. 157 (SFAS 157), Fair Value Measurements in 2006, there was controversy over the use and application of Fair Value Accounting (FVA). This research influences FVA on the Properties of Accounting Information in Kurdistan International Bank.

The research was descriptive in nature. The paper depended heavily on primary data. The required data was collected from the high management of the Kurdistan international bank through a structured survey question. The research was conducted during the period between January and February, 2012.

The bank sector KIB has been chosen because of the recent growing competition from opened new bank in Iraq. In that regard, it has made intense, competitive and significant role in supporting the economy. Also, it is considered as the most affected one by technological developments such information technology. The wide variety of people that involve in bank within and outside the organization uses accounting information generated by this system for decision-making.

In order to collect the required information from the Kurdistan international bank the sampling design was carefully decided and properly chosen for the research.

The main objective of this research is to highlight the importance of Fair Value Accounting on the qualitative properties of accounting information adopted. The endeavor should give knowledge the Influence of Mark to Market on the Properties of Accounting Information in Kurdistan International Bank of Iraq in the global environment.

In addition, it attempts to present some influential aspects of the information systems. Meanwhile, the information has become one of the most important resources in the KIB use for tracking their competitors, serve their customers desire and keep pace with business environment rapid changes.

## 3 - General Hypotheses of Research

I'm trying through this research is to formulating a set of hypotheses on the theme of the research in order to investigation for the goals of research. In order to test the results of each hypothesis it must depends on a particular objective. Thereby we will be testing the following hypotheses:

This subject will show the null hypothesis so we will know what is the extending of relationship that is available in the form of a questionnaire distributed to managers departments in KIB.

Where formulation of the questions for each hypothesis of hypotheses below that answer it will show the type of the relationship between KIB and fair value accounting and over followed by bank management as well as the Properties of Accounting Information and what is the extending of its implementation by the bank.

I'm attempting to answer the questions about the research and testing of hypotheses. The hypotheses have been developed the tool that appropriates to measure this purpose (questionnaire). In order to collect the necessary raw data, was used Likert scale quintet, which consists of 1-5. Where they were given answer positive absolute five degrees, and answer the positive four degrees, the answer neutral has been given three degrees, while it was to answer negative two degrees, and one degree to answer negative absolute all paragraphs resolutions.

The paper answers the questions in the problem of the research through the following assumptions in its nihilism:

I'm trying to identify the fair value accounting, international standards and Iraqi standards and the most important problems that expected when applied in KIB. In addition, I show the importance of the fair value accounting standards from the point of view of the respondents.

I'm using the other way to formulate some hypothesis to test, the five-samples (independent samples) t-test is a choice between two possibilities; a null hypothesis and an alternative hypothesis. The null hypothesis is that the researchers' predictions are not true. The alternative hypothesis is that the researcher's predicted difference is true. Because the fifth edition of the APA (2001) publication manual includes information on the importance of reporting effect sizes and confidence intervals, an author should provide specific examples (as might be published in a journal) of what to do following a statistically significant outcome. I'm also suggesting reporting effect size for non-significant outcomes. I have prepared the below null hypothesis that said:

**H 1** There is no considered the international accounting standards directed towards fair value and the corresponding standards and applied in the Iraqi Kurdistan International Bank and how Important from the point of view of financial managers and internal auditors and external auditors to the bank.

On the other hand, I try to know the extent of the implications of applied of fair value accounting standards on the quality of financial reports for the KIB, in order to tame us preparing below sub null hypothesis about the case problem. In light of this problem I research the extent of effect the application international accounting standards on the relevance of accounting information in the financial reports of KIB. This through prepare the below null hypothesis.

**H 2** There is no affect the applying of international accounting standards directed towards fair value and their corresponding Iraqi standards on the relevance of accounting information in the financial reports of the Kurdistan International Bank.

I try to know the effect of applying international accounting standards on the reliability and dependability of accounting information in the financial reports in KIB. In order, the author is putting the below null hypothesis to testing him.

**H 3** There is no affect the application of international accounting standards directed towards fair value and the corresponding standards Iraqi on primary qualitative characteristics of accounting information in the financial reports of the Kurdistan International Bank.

I'm discussing a case saying that the impact of the application of international accounting standards on the susceptibility of the understanding in the financial reports of the KIB. Through preparing a null hypothesis below

**H 4** There is no affect the application of international accounting standards directed towards fair value and the corresponding standards Iraqi accounting information on secondary qualitative characteristics in the financial reports of the Kurdistan International Bank.

The author has tried to deal with this problem that saying the impact of the application of international accounting standards on the susceptibility comparable accounting information in the financial reports of the KIB. Test that by making the null hypothesis to knowing the extent of responding and accepting through the questionnaire.

**H 5** There is no affect the application of international accounting standards directed towards fair value and the corresponding standards on the susceptibility of Iraqi comparable accounting information in the financial reports of the KIB.

The T-test showed that there was a significant difference between perceived importance and the extent of practice for each factor by the firms at 0.05 significant levels. Since all the factors have exhibited p-value less than 0.05, it means the result is significant. It tells us that the mean perceived importance were better than the mean extent of the practice. It can be concluded that the importance placed by the bank on all the factors has not been translated into practices successfully.

#### 4 -Testes for Normal distribution (Sample Kolmogorov-Smirnov)

In order to verify how far the sample obtained from the survey is a true representation of the population. I used The Kolmogorov-Smirnov Z test, also called the Kolmogorov-Smirnov, D test, and is a goodness-of-fit test which tests whether a given distribution is not significantly different from one hypothesized (ex, on the basis of the assumption of a normal distribution). The table (1) illustrates the result of the Testes for Normal distribution (Sample Kolmogorov-Smirnov) the Z values for the three titles are appearing on the Features natural distribution the significance level is 0.01. (Sig. > 0.05). This test is necessary in the case of hypothesis testing because most of parametric tests require that the normal distribution of data. The results are reported for all combinations of distribution of data are following Normal distribution and it must use Parameter Tests.

**Table 1 Testes for Normal distribution (Sample Kolmogorov-Smirnov)**

Aspects	Value Z	Number	Significance
Aspect 1	5.998	6	0.000
Aspect 2	5.705	6	0.000
Aspect 3	6.165	6	0.000
Aspect 4	5.576	6	0.000
Aspect 5	6.041	6	0.000
	13.214	30	0.000

Source (prepared by author)

#### 5 -Analysis the relation of Mark to Mark on Quality Characteristics of Accounting Information

##### 5.1 Impact of IAS from the Point Of View of Financial Managers and Internal Auditors, External Auditors

When checking in response to the effect of the IAS in the point of view of financial managers and internal auditors, external auditors, I set six questions, I can find the results of the average and for each question as shown in Table (2) As shown in the overall average responses in questions they get a high degree of completely agree, and the average value is 3.81, which indicates that the contribution of IAS in the point of view of financial managers and internal auditors, external auditors.

**Table 2 Impact of IAS from the Point Of View of Financial Managers and Internal Auditors, External Auditors**

Questions	Completely Agree	Agree	Neutral	Not Agree	Completely Not Agree	Average
The individuals of financial community in the banks do not enjoy the same level of awareness of the concept of fair market value	21	22	2	2	2	4.18
Application of fair value accounting does not contribute to mislead users of financial statements	20	23	3	2	1	4.2
The financial statements that based on fair value are providing interest information for decision making	9	26	3	8	3	3.61
The financial statements that based on fair value are providing the neutral information	12	29	2	5	1	3.94
The financial statements based on fair value can be verified from the representation of reality by the administration or any party from outside the bank	12	26	3	7	1	3.84
The financial statements that based on the fair value are rendered faithful representation of accounting information	15	24	3	5	2	3.92

Source (prepared by author)

**Table 3 Effect of Application of IAS Directed Towards FVA on the Relevance in the KIB**

Questions	Completely Agree	Agree	Neutral	Not Agree	Completely Not Agree	Average
Non- adopt international accounting standards by banks, making it difficult to apply the proceedings.	17	27	3	2	0	4.20
discontinue the application of fair value lead to transparency	15	28	2	4	0	4.10
The application of fair value accounting of all listed banks in the financial market assisting to accelerate the detection of crises.	13	23	3	7	3	3.73
Back-to measures the historical cost of the assets of the financial instrument lead to relevance	8	27	2	11	1	3.61
The fair value accounting, which is leading to mislead users of financial statements and not application of fair value accounting itself.	10	26	1	9	3	3.63
Application of fair value accounting does not contribute to mislead users of financial statements.	9	27	2	8	3	3.63

Source (prepared by author)

### 5.2 Effect of Application of IAS Directed Towards FVA on the Relevance in the KIB

Table (3) shows the average, and approval of the questions which indicate the contribution of IAS directed towards FVA on the relevance in the KIB. The value of the average of question is 4.2, 4.1, 3.73, 3.61, 3.63 and 3.63 respectively. According to the result of the other indicators specified in tables like (average) has got a good level and higher acceptance by the sample individuals. The General average for the five questions is 3.81.

### 5.3 Effect of Application of IAS Directed Towards FVA on the Reliability in the KIB

When observation the result of approvals that show in table (4) according to the result of the other indicators specified in tables like (average) has got a good level and higher acceptance by the sample individuals. The average value for five questions is 3.7, which indicates the good results of IAS towards FVA on the reliability in the reliability in the KIB.

**Table 4 Effect of Application of IAS Directed Towards FVA on the Reliability in the KIB**

Questions	Completely Agree	Agree	Neutral	Not Agree	Completely Not Agree	Average
The measurement of financial assets and liabilities according to fair value provides high reliability information	15	24	2	6	2	3.90
Relevant will not increase the reliability and appropriate accounting information contained in the financial statements	9	26	2	10	2	3.61
Weakness of knowledge and awareness of the community financial banks for the foundations of the application of fair value accounting that making measurement difficult	9	23	4	9	4	3.49
The lack of an active market for the trading of some of the assets, thereby hindering the application of fair value	10	30	3	4	2	3.86
Work environment of economic In the region is still not formatted perfectly for the application of fair value.	11	27	2	6	3	3.76
The procedures for the application of fair value accounting are taking into account changes in the purchasing power of the currency unit.	5	32	1	7	4	3.55

Source (prepared by author)

#### 5.4 Effect of application of IAS directed towards FVA on the ability to understand in the KIB

Table (5) shows the average, and approval of the questions which indicate the effect of application of IAS directed towards FVA on the ability to understand in the KIB. The average of are 3.9, 3.61, 3.49, 4.02, 3.84 and 3.3.61 respectively. The general averages for the five questions are 3.75, which show the good result.

**Table 5 Effect of Application of IAS Directed Towards FVA on the Ability to Understanding in the KIB**

Questions	Completel y Agree	Agree	Neutral	Not Agree	Completely Not Agree	Average
The financial statements that based on fair value are providing the accounting information that related with high predictive value	15	24	2	6	2	3.90
The fair value is considering of financial instruments are more suitable to the needs of users of financial information that taking into account the basis of cost and return when choosing the style of the fair value measurement	9	26	2	10	2	3.61
The financial statements that based on fair value are providing the accounting information to retrieve value	9	23	4	9	4	3.49
The use of standard fair value more appropriate for decision-making and conduct financial analyzes and forecasts a better foundation for the results of the business and cash flows	19	19	6	3	2	4.02
There is a need to get the data and sufficient evidence and Support the process of measurement at fair value	12	26	4	5	2	3.84
The assessment of assets at fair value is disproportionate with all the requirements of users of financial reports	8	26	4	10	1	3.61

Source (prepared by author)

#### 5.5 Impact of the Application of IAS Directed Towards FVA on the Ability to Comparison in the KIB

Checking the Impact of the applying of IAS directed towards FVA on the ability to comparison in the KIB, I identify six questions, the result of the average and standard deviation for each question as shown in Table (6). As shown in the table, the first questions get a high degree of acceptance, and the average value is 3.67, which indicates that the contribution of IAS directed towards FVA on the ability to comparison in the KIB. The average value of the second question is 3.63 which indicates the importance of the research of the strengths and weaknesses of the competitors continually by Comparison with the output of information systems which lead to knowledge of market position of competitors and the pursuit of expanding the market share of the bank the average value of the residuals question is 3.49, 4, 3.69 and 3.92, which is a good degree value and shows the importance of accessibility for the bank website for the customer desires to achieve outcomes through ability to comparison accounting information.

According to the result of the other indicators specified in tables like (average), it has got a good level and higher acceptance by the sample individuals. The general average for these questions is 3.73. The results indicate to high level depend on the IAS directed towards. FVA on the ability to comparison in the KIB.

**Table 6 Impact of the Application of IAS Directed towards FVA on the Ability to evaluation in the KIB**

Questions	Completely Agree	Agree	Neutral	Not Agree	Completely Not Agree	Average
Requires the preparation and presentation of financial statements in accordance with the standard of fair value Long period of time, which may result in the delay in the arrival of information to users of financial statements	8	28	4	7	2	3.67
Fair Value as a method for measuring the financial assets and real estate investments is not responsible for the occurrence of economic crises in the financial markets and mislead users of financial statements	12	21	4	10	2	3.63
Professional associations in the region do not lead the required role in education, rehabilitation and training to assist in the application of fair value accounting to banks.	9	21	8	7	4	3.49
The financial statements that based on the fair value are achieving property timely accounting information because they reflect the latest fair assessment of the menu items and the financial implications of this assessment in the income statement.	9	34	3	3	0	4.00
The financial statements that based on fair value are assisting investors in assessing the degree of certainty of future cash flows of the Bank.	7	31	2	7	2	3.69
The financial statements that based on fair value are assisting investors in estimating the timing of future cash flows of the Bank	12	29	1	6	1	3.92

Source (prepared by author)

### 6- Analysis of hypothesis by one simple T Test

First null hypothesis: H1 Null hypothesis (Ho) there is no considered the international accounting standards directed towards fair value and the corresponding standards and applied in the Kurdistan International Bank is Important from the point of view of financial managers and internal auditors and external auditors to the bank. When the significances are level is 0.05.

The T table value under level 0.05 of significance (alpha) and 48 degrees of freedom equal to 1.677. In table (7), the answers were put according to the pentagon scale (completely agree, agree, naturally, disagree, and completely disagree). In this respect, we note that the all questions have got better evaluate of the other question assessments as bellow: SD is between 0.735-1.185 this indicates the existence of harmony Clear and the lack of variation between individual respondents to answer questions- survey questionnaire.

This indicates that the KIB takes over a great importance to customers and gain their satisfaction. T-test=11.461 its highest one as compared into a T - table is equal 1.677 in freedom degree 48 and level significant is less than 0.05, Sing =0.000 it means higher significant to this question. Can be traced in Table (7) the residual questions, all of the results as looked good in general. At first, where we note that all questions rates situated on the acceptable level (greater than 60%). With regard to the standard deviation, the results indicate the existence of a large harmony and lack of contrast between the respondents' answers to questions. This means there is a good positive relationship at this level significance. Thereby the alternative hypothesis would be:

Ha: there is no considered the international accounting standards directed towards fair value and the corresponding standards and applied in the Kurdistan International Bank is Important from the point of view of financial managers and internal auditors and external auditors to the bank.



H 2 In order to check whether the Null hypothesis (Ho) (there is no affect the applied of international accounting standards directed towards fair value and their corresponding Iraqi standards on the relevance of accounting information in the financial reports of the Kurdistan International Bank) is accepted or rejected. According to that we try to debate on the results in the table (7).

**Table 7 (IAS) Directed Towards (FVA) and the Corresponding Iraqi Standards and Applied In (KIB)**

Questions	Value T	T Table	S D	Sig.
Non- adopt international accounting standards by banks, making it difficult to apply the proceeding	11.461	1.677	0.735	0.000
Discontinue the application of fair value accounting and suspension of accounting standards	9.377	1.677	0.823	0.000
The application of fair value accounting of all listed banks in the financial market assisting to accelerate the detection of crises and not the cause of its existence	4.335	1.677	1.186	0.000
Back-to measures the historical cost of the assets of the financial rather than the application of fair value will not stop the economic potential within the financial market	3.981	1.677	1.077	0.000
The bad understand and analyze a crisis based information fair value accounting, which is leading to mislead users of financial statements and not the application of fair value accounting itself	3.738	1.677	1.185	0.000
Application of fair value accounting does not contribute to mislead users of financial statements	3.854	1.677	1.149	0.000
Total	6.143	1.677	0.934	0.000

Source (prepared by author)

**Table 8 Apply of IAS Directed Towards Fair FVA Corresponding Iraqi Standards on the Relevance of Accounting Information in the Financial Reports of the KIB**

Questions	Value T	T Table	S D	Sig.
The individuals of financial community in the banks do not enjoy the same level of awareness of the concept of fair market value	8.343	1.677	0.993	0.000
Application of fair value accounting does not contribute to mislead users of financial statements	9.478	1.677	0.889	0.000
The financial statements that based on fair value are providing interest information to making the investment decision	3.722	1.677	1.151	0.001
The financial statements that based on fair value are providing the neutral information.	6.958	1.677	0.944	0.000
The financial statements based on fair value can be verified from the representation of reality by the administration or any party from outside the bank.	5.699	1.677	1.028	0.000
The financial statements that based on the fair value are achieved the property faithful representation of accounting information.	5.969	1.677	1.077	0.000
Total	7.241	1.677	0.917	0.000

Source (prepared by author)

In table (8), Indicator indicates the significance level for the five answers subsequent (1, 2, 4, 5 and 6) has got the highest significance of the other question assessments is equal zero (Sig=0.000) the rest of questions result are indicating to sign at the significance level at 0.05. Thereby the residual of question (3) is less than level 0.05.

More specifically, the questions of acceptance were dramatized. Perhaps because of the importance of the subject of the research, affect the applied of international accounting standards directed towards fair value and their corresponding Iraqi standards on the relevance of accounting information in the financial reports of the Kurdistan International Bank. Interestingly, the values of standard deviation in the table are (0.993, 0.889, 1.151, 0.944, 1.028, 1.077 and 0.917) respectively. As explained above, the all of them value of standard deviation is

the existence of harmony clears and the lack of variation between individual respondents to answer questions survey questionnaire. I can observe the results indicate that sample individuals are the existence of a large harmony and lack of contrast between the respondents' answers to questions about the effect the applied of international accounting standards directed towards fair value and their corresponding Iraqi standards on the relevance of accounting information in the financial reports of the Kurdistan International Bank.

In turn, the relationship between T-tests computed and T –table in table (8) describes the results of T-tests value (8.343, 9.478, 3.722, 6.958, 5.699, 5.969 and 7.241) respectively, and each value of T-test computed is higher than T-table when compared with the value of T- table. (The T- table is equal 1.677 at the freedom degree 48 and level significant is less than 0.05, Sin =0. 000). Thereby the alternative hypothesis would be:

Ha: the affect the applied of international accounting standards directed towards fair value and their corresponding Iraqi standards on the relevance of accounting information in the financial reports of the Kurdistan International Bank.

H 3 In the course of third null hypothesis (Ho),they are saying (there is no affect the application of international accounting standards directed towards fair value and the corresponding standards Iraqi on the reliability and dependability of accounting information in the financial reports of the Kurdistan International Bank). I'm trying to reach the result of a test null hypothesis if they're accepted or rejected by dependence on six questions comprehensiveness about this topic studied. According to that I'm trying to debate on available results in the table (9).

Depending on the results, significance in table (9) the Indicator significance, indicating of four questions that subsequent (1, 2, 4, 5and 6) has got highest significance assessments is equal zero (Sig= 0.000). The rest of question results are indicating to sign at the significance level at 0.05. On the other hand, I can observe that result of the other indicators specified in tables like (average) has got a good level and higher acceptance by the sample individuals. More specifically, the questions of acceptance were dramatized. Perhaps because of the importance of the subject of the research, there is affecting the application of international accounting standards directed towards fair value and the corresponding standards Iraqi on the reliability and dependability of accounting information in the financial reports of the Kurdistan International Bank. As regards the values of standard deviation in the table is (1.104, 1.133, 1.227, 0.979, 1.128, 1.119 and 0.996) respectively. Despite, the all of clears and the lack of variation between individual respondents to answer questions- survey questionnaire.

**Table 9 Affect the Application of IAS Directed Towards FVA and the Corresponding Iraqi Standards on the Reliability and Dependability of Accounting Information in the Financial Reports of the KIB**

Questions	Value T	T Table	S D	Sig.
The measurement of financial assets and liabilities according to fair value provides information which have high reliability	5.694	1.677	1.104	0.000
Relevant will not increase the reliability and appropriate accounting information contained in the financial statements	3.782	1.677	1.133	0.000
Weakness of knowledge and awareness of the community financial banks for the foundations of the application of fair value accounting that making it difficult measures applied	2.795	1.677	1.227	0.007
The lack of an active market for the trading of some of the assets, thereby hindering the application of fair value	6.129	1.677	0.979	0.000
Work environment of economic In the region is still not formatted perfectly for the application of fair value accounting	4.686	1.677	1.128	0.000
The procedures for the application of fair value accounting are taking into account changes in the purchasing power of the currency unit	3.446	1.677	1.119	0.001
Total	4.876	1.677	0.996	0.000

**Source (prepared by author)**

Finally, the relationship between T-tests computed and T –table in table (9) describes the results of T-tests value (5.694, 3.782, 2.795, 6.129, 4.686, 3.446 and 4.876) respectively, and each value of T-test computed is higher than T-table when compared with the value of T- table. (The T- table is equal 1.677 at the freedom degree

48 and level significant is less than 0.05,  $Sin = 0.000$ ). In conclusion, I reach the most important result that is a rejection of the null hypothesis (there is no affect the application of international accounting standards directed towards fair value and the corresponding standards Iraqi on the reliability and dependability of accounting information in the financial reports of the Kurdistan International Bank) and acceptances the alternative hypothesis (there is affect the application of international accounting standards directed towards fair value and the corresponding standards Iraqi on the reliability and dependability of accounting information in the financial reports of the Kurdistan International Bank). The author argues that through the good results of statistical analysis could benefit from this remark conclusion in the areas of applications in a bank.

H 4 In order to check whether the fourth null hypothesis (there is no affect the application of international accounting standards directed towards fair value and the corresponding standards Iraqi accounting information on the susceptibility of the understanding in the financial reports of the Kurdistan International Bank) is accepted or rejected. According to that I'm trying to debate on the results in the table (10).

Indicator indicates the significance level for the five answers subsequent (1, 2, 4, 5 and 6) has got the highest significance of the other question assessments is equal zero ( $Sig=0.000$ ).

The result of question (3) is indicating to significant at the significance level at 0.05 that= $0.007$  Thereby that is less than level 0.05.

I observe that result of the other indicators specified in tables like (average) which has got a good level and higher acceptance by the sample individuals.

**Table 10 Effect the Application of IAS Directed Towards FVA and the Corresponding Iraqi Standards Accounting Information on the Susceptibility of the Understanding in the Financial Reports of KIB**

Questions	Value T	T Table	S D	Sig.
The financial statements that based on fair value are providing the accounting information that related with high predictive value	5.694	1.677	1.104	0.000
The fair value is considering of financial instruments are more suitable to the needs of users of financial information that taking into account the basis of cost and return when choosing the style of the fair value measurement	3.782	1.677	1.133	0.000
The financial statements that based on fair value are providing the accounting information to retrieve value	2.795	1.677	1.227	0.007
The use of standard fair value more appropriate for decision-making and conduct financial analyzes and forecasts a better foundation for the results of the business and cash flows	6.674	1.677	1.070	0.000
There is a need to get the data and sufficient evidence and Support the process of measurement at fair value	5.590	1.677	1.048	0.000
The assessment of assets at fair value is disproportionate with all the requirements of users of financial reports	4.054	1.677	1.057	0.000
Total	5.310	1.677	0.982	0.000

**Source (prepared by author)**

More specifically, the questions of acceptance were dramatized. Perhaps because of the importance of the subject of the research, this is trying affect the application of international accounting standards directed towards fair value and the corresponding standards Iraqi accounting information on the susceptibility of the understanding in the financial reports of the Kurdistan International Bank.

Interestingly, the values of standard deviation in the table are (1.104, 1.133, 1.227, 1.070, 1.048, 1.057 and 0.982) respectively. As explained above, the all of them values of standard deviation are indicating the existence of harmony clears and the lack of variation between individual respondents to answer questions survey questionnaire. I can observe, the results indicate that sample individuals are the existence of a large harmony and lack of contrast between the respondents' answers to questions about the affect the application of international accounting standards directed towards fair value and the corresponding standards Iraqi accounting information on the susceptibility of the understanding in the financial reports of the Kurdistan International Bank.

In turn, the relationship between T-tests computed and T –table in table (10) describes the results of T-tests

value (5.694, 3.782, 2.795, 6.674, 5.590, 4.054 and 5.310) respectively, and each value of T-test computed is higher than T-table when compared with the value of T- table. (The T- table is equal 1.677 at the freedom degree 48 and level significant is less than 0.05,  $Sin = 0.000$ ).

According to them, the paper can reach the most important result that is a rejection of the null hypothesis (there is no affect the application of international accounting standards directed towards fair value and the corresponding standards Iraqi accounting information on the susceptibility of the understanding in the financial reports of the Kurdistan International Bank).

Thereby acceptances the alternative hypothesis that say (there is affecting the application of international accounting standards directed towards fair value and the corresponding standards Iraqi accounting information on the susceptibility of the understanding in the financial reports of the Kurdistan International Bank). The author argues that through the good results of statistical analysis could benefit from this remark conclusion in the areas of applications in a bank.

H 5 In order to check whether the Null hypothesis ( $H_0$ ) (there is no affect the application of international accounting standards directed towards fair value and the corresponding standards on the susceptibility of Iraqi comparable accounting information in the financial reports of the Kurdistan International Bank) is accepted or rejected. According to that I'm trying to debate on the results in the table (11).

Indicator indicates the significance level for the five answers subsequent (1, 2, 4, 5 and 6) which has got the highest significance of the other question assessments is equal zero ( $Sig=0.000$ ). The rest of questions result is indicating to significant at the significance level at 0.05. Thereby the residual of question (3) is less than level 0.05 that equal 0.006.

More specifically, the questions of acceptance were dramatized. Perhaps because of the importance of the subject of the research, affect the applied of international accounting standards directed towards fair value and their corresponding Iraqi standards on the relevance of accounting information in the financial reports of the Kurdistan International Bank. Interestingly, the values of standard deviation in the table are (1.049, 1.185, 1.192, 0.707, 1.025, 0.975 and 0.892) respectively. As explained above, the all of the value of standard deviation is the existence of harmony clears and the lack of variation between individual respondents to answer questions survey questionnaire. I can observe, the results indicate that sample individuals are the existence of a large harmony and lack of contrast between the respondents' answers to questions about then there is no affect the application of international accounting standards directed towards fair value and the corresponding standards on the susceptibility of Iraqi comparable accounting information in the financial reports of the Kurdistan International Bank.

In turn, the relationship between T-tests computed and T -table in table (11) describes the results of T-tests value (4.496, 3.738, 2.875, 9.899, 4.740, 6.590 and 5.768) respectively, and each value of T-test computed is higher than T-table when compared with the value of T- table. (The T- table is equal 1.677 at the freedom degree 48 and level significant is less than 0.05,  $Sin = 0.000$ ). Thereby the alternative hypothesis would be:

$H_a$ : there is affecting the application of international accounting standards directed towards fair value and the corresponding standards on the susceptibility of Iraqi comparable accounting information in the financial reports of the Kurdistan International Bank.

## 7 Analytic Aspects of the Research

In this respect the author is using T-tests on a holistic to analysis the aspects of the research collectively this as showing in table (12). According to the results in a table which show the views of individuals of the research sample in the aspects of the research indicate the result to exist a high significance for every aspect separately (assessments are equal zero ( $Sig=0.000$ )). Similarly, the total value of three aspects of research collectively are indicated too high significance ( $Sig = 0.000$ ) as showed in a table (12). According to that the result is approved of very good relationship between the three aspects of the research.

**Table 11 affect the application of IAS directed towards FVA and the corresponding Iraqi standards on the susceptibility of Iraqi comparable accounting information in the financial reports of the KIB.**

Questions	Value T	TTable	S D	Sig.
Requires the preparation and presentation of financial statements in accordance with the standard of fair value Long period of time, which may result in the delay in the arrival of information to users of financial statements	4.496	1.677	1.049	0.000
Fair Value as a method for measuring the financial assets and real estate investments is not responsible for the occurrence of economic crises in the financial markets and mislead users of financial statements.	3.738	1.677	1.185	0.000
Professional associations in the region do not lead the required role in education, rehabilitation and training to assist in the application of fair value accounting to banks	2.875	1.677	1.192	0.006
The financial statements that based on the fair value are achieving property timely accounting information because they reflect the latest fair assessment of the menu items and the financial implications of this assessment in the income statement	9.899	1.677	0.707	0.000
The financial statements that based on fair value are assisting investors in assessing the degree of certainty of future cash flows of the Bank	4.740	1.677	1.025	0.000
The financial statements that based on fair value are assisting investors in estimating the timing of future cash flows of the Bank	6.590	1.677	0.975	0.000
Total	5.768	1.677	0.892	0.000

Source (prepared by author)

**Table 12 Analysis aspects of the research collectively**

ASPECTS	Value T	S D	Average	Sig.
(IAS) Directed Towards (FVA) and the Corresponding Iraqi Standards and Applied In (KIB)	6.143	0.934	3.820	0.000
Apply of IAS Directed Towards Fair FVA Corresponding Iraqi Standards on the Relevance of Accounting Information in the Financial Reports of the KIB	7.241	0.917	3.949	0.000
Affect the Application of IAS Directed Towards FVA and the Corresponding Iraqi Standards on the Reliability and Dependability of Accounting Information in the Financial Reports of the KIB	4.876	0.996	3.694	0.000
Effect the Application of IAS Directed Towards FVA and the Corresponding Iraqi Standards Accounting Information on the Susceptibility of the Understanding in the Financial Reports of KIB	5.310	0.982	3.745	0.000
Affect the application of IAS directed towards FVA and the corresponding Iraqi standards on the susceptibility of Iraqi comparable accounting information in the financial reports of the KIB	5.768	0.892	3.735	0.000
Total	6.060	0.911	3.788	0.000

Source (prepared by author)

I can observe that the result of T-tests for three aspects research are collectively and indicated to high value for every aspect separately (6.143, 7.241, 4.876, 5.310 and 5.768) respectively.

That show higher than a T - table is equal 1.677 (at freedom degree is 48 and signs  $>0.05$ ) when compared with T-table. According to the total result of three aspects of research collectively, the T-tests value is equal (6.060) that indicated too higher than a T - table value. As for, other residual (Standard deviation) indicators are getting good results as shows in a table (12). The author sees through the results of the table (12) that there is the possibility to achieve.

## Conclusion

This research provides value added for practitioners and academics in mark to market given the scarcity of works dealing with the impact and relationship between using of IAS directed towards fair value and the corresponding standards are important from the point of view of financial managers and internal auditors and external auditors to the bank. This opens the possibility of further studies on this topic in future.

The findings indicate that there is a significant and positive to apply international accounting standards directed towards fair value and the corresponding standards in the Iraqi Kurdistan International Bank is important from the point of view of financial managers and internal auditors and external auditors to the bank.

The findings reveal that there is a significant positive application of international accounting standards directed towards fair value and their corresponding Iraqi standards on primary secondary qualitative characteristic of accounting information in the financial reports of the Kurdistan International Bank.

We conclude that using their affects the application of international accounting standards directed towards fair value and the corresponding standards Iraqi on the reliability and dependability of accounting information in the financial reports of the Kurdistan International Bank.

The most interesting thing is the application of the fair value concept in the bank section generates many ideas and real opportunities for reflecting the financial statements desirable to the investors. All those applicable opportunities should be exploited practical from an economic perspective.

The most important result is affecting the application of international accounting standards directed towards fair value and the corresponding standards Iraqi accounting information on the susceptibility of the understanding in the financial reports of the Kurdistan International Bank.

The results indicate that sample individuals are the existence of a large harmony and lack of contrast between the respondents' answers to questions about then there is no affect the application of international accounting standards directed towards fair value and the corresponding standards on the susceptibility of Iraqi comparable accounting information in the financial reports of the Kurdistan International Bank.

We conclude that affect the application of international accounting standards directed towards fair value and the corresponding standards on the susceptibility of Iraqi comparable accounting information in the financial reports of the Kurdistan International Bank.

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