

# The Strategic Approach for Accounting Information Systems and Its Role in Maximizing the Added Market Value of Private Banks

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## Abstract

The world is witnessing rapid development at the economic, political, social and technological level. And as a result of the depth and speed of this development in the field of information technology, the world has entered the age of the information society, and information technology is one of the requirements that facilitate the work of information systems, especially the administrative information system, where the accounting information system has become a method for business enterprises and an important pillar. To manage the institution and an important source to maximize the added market value and achieve new opportunities for participation in new market shares.

The use of the strategic accounting information system has grown in the last two decades by institutions, whether public or private, and strategic accounting information systems are one of the five most important subsystems of the computer-based information system represented in data processing systems, decision support systems, expert systems, intelligence industrial and management information systems.

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## I. Introduction

The importance of the strategic accounting information system is its ability to provide predictive future financial and non-financial information as well as the strategic role it plays in decision-making for the senior management in the bank and its rapid ability to communicate information about opportunities, challenges, strengths and weaknesses to the decision maker, as well as enabling it to provide information. A comprehensive integrated financial and non-financial activities and diagnosing problems before they arise and neglecting to develop competitive advantages leads after a period of time to their imitation by competing banks, which makes those banks that their share and market value added.

### The first axis: Research methodology and previous studies

#### First: Research methodology

##### 1- The Research Problem

Given the importance of accounting information systems and being a major part of the information system in the economic unit and what the accounting systems applied in the local environment suffer from the development required to support users' decisions. Therefore, the research problem lies in the lack of the accounting information systems applied in private commercial banks to the advantage and characteristics of the strategic systems, which was negatively reflected on the added market value.

##### Research hypothesis:

((The adoption of strategic accounting information systems maximizes the added market value of the banks, the research sample)).

##### 2- Objectives of the research

The research works to achieve a set of goals as follows:

- A. Studying the concept and importance of strategic information systems and explaining their role in providing appropriate strategic information to users.
- B. Shedding light on the reality of accounting systems applied in banks, the research sample, and identifying their shortcomings in light of the strategic approach to information systems
- C. Focusing on the importance of the outputs of strategic information systems for users of accounting information, considering it appropriate information for decision-makers.

D. Shedding light on the concept of the added market value as one of the basic criteria for determining the value of the economic unit and as a basis for evaluating its operational and competitive performance.

### **3- The Importance of Research:**

The importance of this research is evident in determining the overall effect of strategic information as outputs of the accounting system in the users' decisions, and thus, its direct reflection on the market value of the banks. The study sample, as strategic accounting information systems, represent a major source for feeding the various operations and activities of the banking system with information that enables it to collect, store, and classify, analyzing, disseminating, and benefiting from information according to objective scientific foundations.

The behavioral effect of strategic information and its provision of a predictive and future advantage makes it important for them to focus on the great and continuous interest in the technology of information and communication systems to face successive challenges as well as saving time and effort, improving the quality of services, improving the bank's image and increasing the customer base in addition to the research interest in a vital economic sector, which is the banking sector and working on Laying scientific and strategic foundations that enhance its future performance in order to improve it by improving its financial performance to achieve a competitive position in light of the era of openness to international banks, which is a major competitive challenge.

### **4- The Study**

The study seeks to test a specific hypothesis related to, as mentioned above, the evaluation of the level of the accounting system applied in banks, the sample of the study and the suitability of the strategic approach to accounting information systems in maximizing the added market value and identifying areas for development.

### **5- Research Methodology:**

The following theoretical and applied research approaches were adopted in light of the research problem and its hypotheses as follows:

1. The theoretical aspect of the research: Adopting the theoretical and descriptive approach to the research variables and its relationships through the use of various theoretical sources from books and specialized scientific periodicals.
2. The applied aspect of the research: Adopting the applied experimental study approach in testing the research hypotheses and reaching its results by studying and analyzing the outputs of the applied information systems represented in the financial reports.

#### **The Second Axis: The Theoretical Side of the Research**

##### **First: The Theoretical Framework for Strategic Accounting Information Systems**

###### **First: Defining Strategic Information Systems**

Strategic information systems are defined as "holistic systems that support the strategic plan of the economic unit to achieve strategic goals represented in organizational differentiation, increasing market share and achieving customer satisfaction" (Neumann, 1992: 228).

It was also known as "information systems capable of providing information of high value and appropriate for the industry and making important strategic decisions in rationalizing the use of available resources and achieving the set goals."

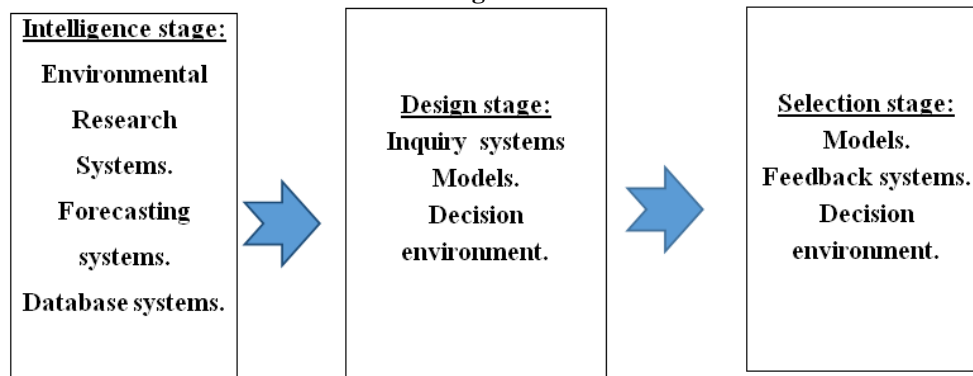
Strategic accounting information systems are defined as "integrated information systems that provide financial and other descriptive information appropriate for the management of the unit to take strategic decisions related to the financial performance of the unit on the one hand, and it is appropriate for external users, including investors and creditors, to make rational credit and investment decisions" (Abdul-Qadir, 2011: 8).

###### **Second: Elements and Mechanism of the Strategic Accounting Information Systems Work**

Opinions differ in determining the components of the strategic information system, and views differ too. Among these opinions is that the components of strategic information systems must be fully based on the process of making strategic decisions, and the Simon model in administrative decision-making is taken as a basis for identifying these components. Where the model included the stage of intelligence, which searches in the environment for situations that require decision-making, such as threats or opportunities in front of the organization, and the design stage, which is concerned with developing strategic alternatives and analyzing them to deal with those cases. This is followed by the selection and review phase, which includes selecting and evaluating strategic alternatives. It becomes clear to us at the decision-making stages of developing the strategic plan that part of it is flexible and translatable and some parts cannot be programmed. They are not important and complex new decisions dealing with an uncertain future. A formal information system may be of limited use in

this area, or according to Simon's stages of decision-making, which corresponds to its needs for each stage. As shown in the figure below (Saifi, 2008: 34-35).

**Figure No. (1) shows the components of the strategic information system for each stage of decision-making.**



James M. and Vincze Julian W, 1989, *Strategic Management: Text and Cases*, 4th ed., Saunders College Pub., N.Y. p 25.

Hence, it is evident to us that the intelligence stage is supported by the existence of a system that continuously searches the environment for opportunities, alternatives and threats, uses prediction methods, and secures access to the strategic database. As for the design stage, you need an integrated system that shows us an inquiry for the database and models used in data analysis and information centers (decision environment). As for the selection stage, it is supported by using models to evaluate strategic alternatives and feedback systems with information centers to secure and implement the system's needs. While seeing divides the strategic information systems into a group of elements as follows:

- ✓ **Interface Subsystem**
- ✓ **Model Subsystems**
- ✓ **Data Subsystems**

### **Third: The Importance of Strategic Accounting Information Systems**

Obviously, the importance of any information system is determined by the level of effectiveness of its outputs, i.e. the level of use, benefits, or achievements that result from its use, and on this basis, the importance of strategic accounting information systems stems from the role of its outputs - strategic information - that the higher management of the organization needs to practice its activities (Al-Najjar, 2019: 43). This importance with the following:

1. Appropriate timing in delivering the accounting information: Strategic accounting information systems provide large and fast capabilities to enter at the right time to build possibilities and formulate strategies needed by senior management during the formulation, application and evaluation of a comprehensive business strategy and for the purposes of strategic analysis of the organization's current situation and its competitiveness in the future market.
2. Comprehensiveness of strategic accounting information: it provides deep and comprehensive summary reports on the activities of the organization, including information from within, strength and weakness, and about the opportunities, challenges and conditions of competition in the external environment thanks to the ability of these systems to employ a package of analysis and modeling tools. Modeling and analysis (such as Excel, lotus), or spread sheets.
3. Flexible accounting information: it allows managers to produce information and see it from several different dimensions, as well as it equips them with flexible facilities that help to create more than one perspective, and form more than one view of the information easily and in a way that helps to achieve a better understanding of the problem, the threat or the available opportunities and expected.

### **Fourth: Objectives of Strategic Accounting Information Systems**

In light of the foregoing, the objectives of strategic accounting information systems can be defined through the role that its outputs "information about the external and internal environment" play in supporting the organization's senior management, which has been confirmed by researchers' proposals in this regard (Al-Abadi, 2016 81), and can be presented briefly as follows:

1. Providing appropriate accounting information with predictive value. The strategic decision-making process operates through the database of these systems, which includes financial and non-financial data related

to strategic operational and investment activities, external information that results in identifying "opportunities and challenges" as well as internal sources of them to determine their capabilities, points of strength and weakness".

2. It represents an integrated database to provide financial standards and non-financial indicators to help the higher management of the business organization in facing unstructured problems during their occurrence by providing them with strategic information, as that department is concerned with unstructured decisions.

3. Increasing users' satisfaction with the information provided to them, which contributes to rationalizing their decisions and thus increasing the market share and circulation of the shares of economic units and helping the business organization in how to achieve what is known as the concept of competitive progress, which is one of the flexible concepts that can take more than one meaning, it can mean growth market share, increase sales numbers, acquire new customers or reduce costs of production operations and others, and achieving these matters is the prerogative of senior management. Thus, the decisions taken regarding them are strategic decisions that are based on strategic information, most of which relate to the future.

4. Availability of detailed, quantifiable, quantifiable, easy-to-understand information and enhance the endeavors of senior management to access detailed information for the purposes of unstructured decision-making by providing comprehensive summaries of that information, whether by using graphic problem production programs or by using the available programmatic capabilities to produce reports of all kinds and forms.

5. The contributions for the true assessment of the financial and operational performance of the economic unit and provides information on critical success factors, which he (Curtis, 1995: 21) describes as: "The limited areas in the organization's operations, which, if they are satisfactory, will ensure the achievement of its objectives" in addition to providing information on the strategic performance indicators of the organization with exceptional reports, or when requested by the higher management, provided that these reports include information on the strategic performance in the three strategic levels (the organization, and strategic, functional or operational business units).

6. Non-financial descriptive information is provided in the Board of Directors report that reflects the activities of the Environmental and Social Economic Unit and provides a friendly interface for the final beneficiary "Strategic Management Managers". This interface includes reporting functions, graphics production, and dropdown list facilities. (Menu-driven), command language, natural language, multimedia support means and other technologies and capabilities that provide efficient and capable support to the final beneficiary.

7. They are considered appropriate and supportive inputs for the purposes of operational and strategic planning, as well as providing long-term performance evaluations that contribute to following up the drawn plans and their implementation levels. The strategic database adopted by these systems enables the senior management to provide the necessary information for planning and control processes, unstructured decision-making and all supporting activities. For the process of designing and implementing organizational strategies, it also provides an opportunity to manage information in an efficient and effective manner.

#### **Fifth: The Relation of Strategic Accounting Information Systems to the Added Market Value:**

For the purpose of determining the relationship and correlation of strategic accounting information systems and the added market value, the researcher provides the following:

1. There is an indirect, but clear and measurable relationship between the quality of financial reporting and information provided by the strategic information system and the added market value through the appropriateness of that information and its ability to influence users in a way that reflects the transparency of the unit's management and provides positive signals to shareholders, investors and creditors clearly the financial activities of the unit's management. It contributes to increasing investment in banks' capital and thus achieving its goals, the most important of which is enhancing the added market value.

2. The importance and impact of strategic accounting information systems is related to the appropriateness of that information and its ability to provide a clear picture of the outcome of the unit's activity and its financial position and reduce the gap of expectations between management, shareholders and creditors, and thus the market value of the unit's shares, thus maximizing the added market value.

#### **Second: The Added Market Value - A Theoretical Approach**

##### **1- The concept of added market value**

The accounting rate of return is often criticized for its inability to measure economic profit, due to the presence of intentional and unintended fundamental distortions, errors and distortions in the financial statements as a result of the different arithmetic treatments of the traditional profit calculation. In 1982, Stewart Stern developed the residual income model to a model it called the economic value-added (EVA) model on it. The rest is thus referred to the theoretical basis of the economic value-added input to the economic model of enterprise value, as well as in advanced studies in the areas of organizational behavior and agency costs (Karunaratne, 2009: 8).

The major credit is attributed to transforming these theoretical concepts into an easy-to-understand system that helps the management by optimally directing the resources of the unit to the joint effort that lasted more than half two centuries steward and stern, but the difference between the two inputs lies in the field of use. The first is a tool for evaluating the internal performance of companies of all its units, and it also takes into its calculations the internal cost of the opportunity represented by internal expenses, and therefore it is a measure of the surplus, as for the entrance to the MVA is the measure that has gained great popularity all over the world, as the added market value can indicate relative success in maximizing value for shareholders through indicating efficiency in allocating and managing scarce resources in the organization as well as indicating the effectiveness of management in the company's market positioning in the long term (Zaima, 2005: 36).

The added market value is an effective investment tool, and it is basically the market estimate of the net present value and represents the difference between the market value of the company and its book value. If the market value of the company is greater than the value of the invested capital, this means that the company creates a value for shareholders. The money invested means that the company is destroying the value (Shrieves & Wachowicz, 2001: 37)

Spero defined market value added as "an accounting measure of current operating performance, which represents the income left after investors obtain the minimum required return, as compensation for them for the risks they face as a result of investing their money in the unit (Spero, 1997: 3).

It was defined by Scott as "the difference between the capital holder" investments in the unit and what they obtain from the sale at current prices prevailing in the stock market (Scot, 2001; 3). The economic value added was also defined by Hilton as equal to the company's operating income after taxes minus the company's total assets after deducting the company's current liabilities and multiplied by the weighted average of the invested capital (Spero, 1997: 3).

The market value-added approach is based on the idea of linking the management of the economic unit and pushing it to improvement in terms of results / means, and through the relationship between results and capital, which is under the responsibility of management, and according to the cost of capital, it represents the compensation that the owners of funds receive. Here, the distinctive applied aspect of the market value-added input from the residual income entry appears by ensuring that the amount of capital for each activity, path, product, and market is determined, whether they are investments in the form of fixed assets, or current assets, The aim is to determine the extent of the contribution of each element in the unit based on the applied classification as a product, market, or activity and according to the value recorded in the stock market of the unit mainly, and this also helps to know the value of the unit as a whole, even if it is not priced in the stock market. (Zaima, 2005: 38)

There are two methods of calculating the added market value (Kim & Ahn, 2004; 53):

1. The first method: the market value = the market value of the property right - the book value of the property right.
2. The second method: According to this method, the added market value is calculated through its relationship with the added economic value, as it represents the added market value = the current value of the added economic value and by increasing the added economic value, the companies will increase the added market value, in other words by increasing the difference between the value of the company and the amount of The capital invested in it.

### **Second: Factors affecting the added market value:**

There are a number of factors affecting the added market value. Some of them increasing and some decreasing, as follows (Al-Zubaidi, 2013: 224):

1. Growth rate: It means the relationship between growth in revenues and net operating profit and capital invested in the company. The value in revenues will exceed the cost of invested capital, so the market value is positive in the event that there is growth.
2. Capital intensity invested: It means the amount of invested capital to achieve a monetary unit of revenue, i.e. whenever the amount of invested capital decreases to achieve a monetary unit, it will lead to an increase in the market value of the company as a result of the decrease in the costs of invested capital.
3. Profit margin: It means the minimum profit margin to increase the value of shareholders, and the lower this margin to achieve the increase in ownership rights, the greater the added market value.

The added market value has many advantages that can be listed (Keim & Hillman, 2001; 124):

1. The ability to determine the future value of the cash inflows to the company in a way that is more superior to the rest of the accounting measures, being the cost of capital and the right of ownership invested in the company.
2. The ability to approximate the future value of cash flows from the discounted net present value and thus avoiding the accounting problems related to the discount factor.

3. The added market value has surpassed the Tobin ratio as well as it is subject to a deficiency in the valuation of intangible assets. Thus, the added market value is the most appropriate option because it determines the creation of value without being subject to the shortfall in the accounting accounts.

**The Third Axis: The Practical Side of the Research**

**First: A Brief Overview of Banks Research Sample:**

Two banks were selected from the private banks registered in the Iraq Stock Exchange, namely:

1. International Development Bank.

**1- International Development Bank for Investment and Finance:**

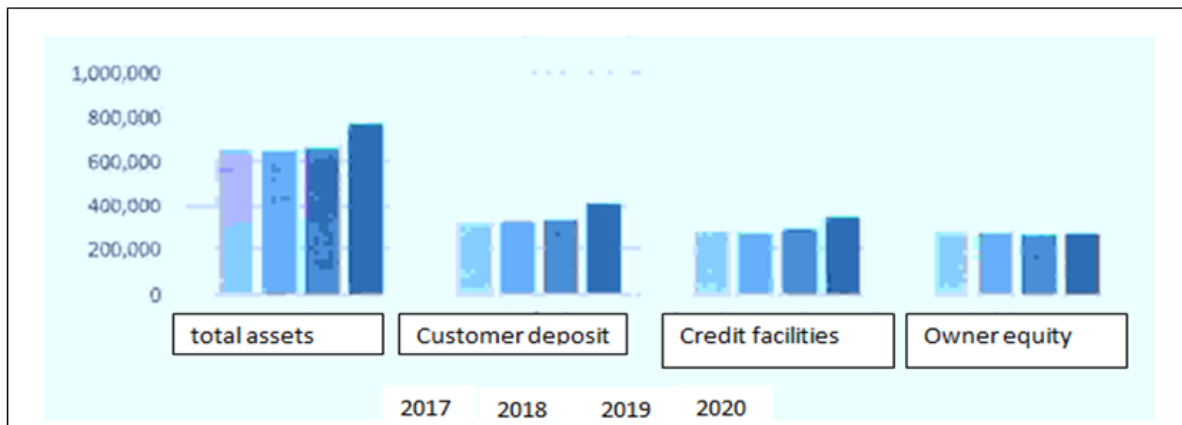
**A- Brief summary**

The International Development Bank was established in the year (2011) with a capital of (100,000,000,000) Iraqi dinars, and according to the requirements of the Central Bank of Iraq, the bank increased the capital in stages during the years (2013-2015) to become with a paid-up capital of (250,000,000,000) Iraqi dinars equivalent to (210,000,000) dollars An American bank and quickly became one of the leading banks on the local and regional levels, providing advanced banking services to all of its customers in the individual and corporate sectors.

The bank's management efforts continued to preserve the funds of depositors and shareholders and to develop the volume of deposits and shareholders' rights by maintaining a balance between profitability and investment, avoiding investments with high risks and maintaining the cash liquidity necessary to meet the bank's obligations and rational use of the bank's resources in order to achieve the goals of all beneficiaries. The most prominent successes were achieved. The bank is that between the two years (2016-2018) the International Development Bank obtained a license to issue electronic bank cards (Master Card - Visa) and managed by the international payment companies "Master" and "Visa", thus becoming the first Iraqi bank authorized to issue all types of electronic bank cards Starting with credit cards and ending with prepaid cards.

**B- Analysis of the bank's financial position for the fiscal year 2019:**

Figure (2) is the comparative financial performance of the International Development Bank



The International Development Bank raised the value of its assets by (768) billion dinars at the end of 2019 compared to (661) billion dinars by the end of 2018, as the efforts of the executive management continued to reach the rational use of the bank's resources and increase the confidence of customers in the bank and its reflection on the value of assets, liabilities and property rights. I contribute to achieving a balance between profitability and investment.

Table (1): Developments in assets of the Development Bank by the end of 2019 (amounts in thousands of dinars)

Relative importance		Amounts in thousands of dinars		Assets
2019/1/1	2020/1/1	2019/1/1	2020/1/1	
33%	28%	218,859,358	215,347,186	Cash and balances
8%	13%	52,597,029	101,635,967	bank balances
44%	45%	288,003,981	345,327,296	Credit facilities
14%	12%	90,321,798	91,717,591	fixed assets
2%	2%	11,177,841	14,350,686	other assets
		660,960,008	768,378,726	total assets

It is noted from the previous table the clear increase in the balances with banks and other institutions, which in itself is a margin of safety and an indication of the availability of liquidity to meet the challenges of future financial obligations, As well as the remarkable increase in the volume of credit, advances and loans granted, which is an indicator of operating and periodic activity, which contributes to the collection of the bank's regular revenues and thus the increase in operating profits, which are the main part of the bank's profits, while the following table shows developments in property rights according to the following:

Table (2) developments in the property rights of the International Development Bank (amounts in thousands of dinars).

Relative importance		Amounts in thousands of dinars		Owner equity
2019/1/1	2020/1/1	2019/1/1	2020/1/1	
95%	93%	250,000,000	250,000,000	capital
2%	2%	6,456,404	6,715,505	the reserve
0%	3%	356,803	7,623,625	retained earnings
3%	2%	7,280,953	4,922,510	Profits for the current period
100%	100%	264,094,160	269,261,640	Owner equity

This account is usually used to manage the profits of the economic unit because this account has the flexibility to change, close accounts in it and treat operational and non-operational retained earnings. The big change in it is a non-positive indicator, as well as a clear change in the profits of the current period, which decreased by a large and clear percentage, which is an indicator of the decrease in the effectiveness of management in directing the unit's resources to contribute to reducing the contribution margin and the return on shareholder investments.

**C- Analyzing the indicators of the added market value of the International Development Bank**

The researcher will depend on determining the indicators of the added market value on the bank's financial reports for the last six years (2014-2016) to show the changes in the added market value as follows:

**First: Measuring the adequacy of the accounting system in the Development Bank in accordance with the requirements of the strategic approach**

The researcher analyzes the relationship of the strategic approach to accounting information systems with the added market value to determine the appropriateness of the information as a basis for measuring the quality of the outputs of the strategic information systems The Return On Equity Model is adopted to show the extent to which the quality of accounting information affects the decisions of investors and creditors by influencing the percentage of profits realized from current equity. The appropriate investment and credit decision inputs shall be as follows:

Table (3) Measuring the adequacy of accounting information (amounts in millions of dinars)

Change in Return on Ownership	Return on Ownership	Net Income	Equity	Fiscal year
-0.90272	0.123263	23,067	187,137	2013
-0.94013	0.097285	27,436	282,018	2014
-0.9424	0.059874	16,296	272,172	2015
-0.95515	0.057604	15,709	272,708	2016
-0.97245	0.044854	12,085	269,430	2017
-0.98076	0.027549	7,280	264,261	2018
-0.94317	0.019242	5,181	269,261	2019
-0.90272	0.05683	16,054	282,494	2020

Source: Prepared by the researcher based on the bank's financial reports

When analyzing the results of the previous table, it is noted the clear decline in the values of the return on equity, and assuming the stability of the rest of the other factors, the researchers find that the accounting information was not a clear incentive to invest in the capital of the economic unit and was not significantly important to maximize the value of profits and thus the return on equity, which is an indicator Targeted by investors wishing to buy shares of the economic unit.

### Second: Measuring the added market value of the bank

The researcher adopted the market value-added model based on the market value of ordinary shares and the book value of equity, updated from (J. Cuby and G. Herigoyen, 2001) according to the following:

#### Added market value = The market value of the company's shares- Book value of equity

Whenever the result of the model is positive, this indicates that the market value of the company's shares is higher than the book value of property rights, which indicates an improvement in the added market value and thus the value of the economic unit as a whole and the ability of the company to remain in the competition market.

Returning to the financial reports of the International Development Bank for Investment and Finance for the years 2014-2019, the results were according to the following table:

Table (4) the added market value of the Development Bank (amounts in millions of dinars)

Financial year	The closing price of the share at the end of the financial age	The number of ordinary shares Exporting	The market value of the shares Exporting regular	Book value of equity	Market value added
2017	0.8	250,000	200000	269430	-69430
2018	0.81	250,000	202500	264094	-61594
2019	0.82	250,000	205000	269261	-64261
2020	0.81	250000	205000	269320	-64320

When analyzing the results of the above table, the researcher finds the following:

1. The added market value of the bank of the study sample is low throughout the years of listing in the Iraqi market for securities, although there is an improvement in the final closing price of the share from one year to another, but this is not sufficient to exceed the book value of property rights and thus it shows that the added market value is a tool Effective investment, which is basically the market estimate of the net present value and represents the difference between the market value of the company and its book value. If the market value of the company is greater than the value of the invested capital, then this means that the company creates value for shareholders. But if it is less than the invested capital, it means that the company is destroyed the value.
2. The most important indicators that the added market value gives is the ineffectiveness of the economic unit's management in directing its money and thus suffers from the problem of increasing its market share through the exploitation of entrepreneurship or focusing on certain services because the market value of the share is linked to several factors, the most important of which is gaining customer satisfaction by providing Satisfactory services as well as the return on investment targeted by investors is the basis for encouraging the acquisition of shares of the economic unit.

### The Fourth Axis: Conclusions and Recommendations

#### First: Conclusions:

1. The strategic approach for accounting information systems represents a developmental entry for the information system function, thus enhancing its ability to provide appropriate information to users.
2. The accounting information is strategic if users rely on it to make future decisions, so it must be predictive and future.



3. The added market value is a good indicator for determining and evaluating the financial performance of economic units, as it clearly reflects the value of the economic unit and the ability of the administration to manage the resources of the economic unit.

4. By measuring the profit quality index to determine the appropriateness of the information provided by the accounting system applied in the Development Bank and the availability of the requirements of the strategic approach, it was found that the bank's management practices profit management in a way that negatively affects the appropriateness of the information and makes it shaded and non-strategic.

5. Through the application of the research model to measure the added market value, it was found that the index of the added market value is remarkably low, and one of the reasons for this decrease is the decrease in the selling price of the bank's shares, resulting from a set of reasons, including the low quality of information provided to users, which affected their behavior and investment decisions.

#### **Second: Recommendations:**

1. The necessity of adopting the strategic entry for accounting information systems as a developmental entry for the accounting information system in the International Development Bank.

2. The necessity to provide appropriate and strategic information to the users to encourage them to invest in the bank's capital and thus increase the market value of the bank.

3. Reducing profit management practices by strengthening internal auditing, the internal control system and governance practices in a way that serves the provision of requirements for maintaining the unit's resources and transparency of financial reporting.

4. Adopting the XBRL language to develop the current accounting information system to serve the provision of appropriate information for decision-making.

### **The Fourth Axis: Conclusions and Recommendations**

#### **First: Conclusions:**

1- The strategic approach to accounting information systems represents a developmental approach to the function of the information system in a way that enhances its ability to provide appropriate information to users.

2- The accounting information is strategic in the event that users rely on it to make future decisions, so it must be predictive and future.

3- The added market value is a good indicator for determining and evaluating the financial performance of the economic units, as it clearly reflects the value of the economic unit and the management's ability to manage the resources of the economic unit.

4- By measuring the return on equity index to determine the appropriateness of the information provided by the accounting system applied in the Development Bank and the availability of the requirements of the strategic approach, it was found that the information is inappropriate and does not comply with the requirements of the strategic approach to accounting information systems

5- By applying the research model to measure the added market value, it was found that the market added value index is significantly low, and one of the reasons for this decline is the low selling price of the bank's shares, which is the result of a group of reasons, including the low quality of information provided to users, which affected their behavior and investment decisions.

#### **Second: Recommendations:**

1- The necessity of adopting the strategic approach to accounting information systems as a developmental approach to the accounting information system in the International Development Bank.

2- The necessity of providing appropriate and strategic information for users to encourage them to invest in the capital of the bank and thus increase the market value of the bank.

3- Reducing the profit management practices by strengthening the internal audit, the internal control system and governance practices to serve the requirements of maintaining the unit's resources and the transparency of its financial reporting.

4- Adopting the expanded financial reporting language (XBRL) to develop the current accounting information system in order to provide appropriate information for decision-making

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