

The Role of Financial Accounting in Supporting Investment Decision-Making and Achieving Financial Sustainability: An Applied Study on a Sample of Banks Listed in the Iraq Stock Exchange

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ABSTRACT: This research studied how financial accounting helps banks in Iraq make better investment decisions and stay financially stable. The study focused on five banks listed in the Iraq Stock Exchange and collected data from 209 employees working in accounting, finance, and investment departments. The goal was to see if financial reports and accounting systems are really used in practical decision-making or just treated as routine work. A questionnaire was designed with questions about three main variables: financial accounting (independent), investment decision-making (dependent 1), and financial sustainability (dependent 2). The results showed that financial accounting has a strong and positive effect on both investment decisions and financial sustainability. Employees agreed that accounting information helps with planning, risk assessment, and budget control. Regression analysis proved that accounting explains more than 50% of the changes in the two dependent variables. Diagnostic tests confirmed the models were valid, and the data was reliable and consistent. The study recommends that Iraqi banks improve the quality and use of accounting reports to support better financial choices and long-term planning. It also encourages more staff training and better systems for data sharing and transparency.

KEYWORDS: Financial Accounting, Investment Decision-Making, Financial Sustainability, Iraqi Banks, Regression Analysis.

INTRODUCTION

The importance of financial accounting has grown a lot in recent years, especially when it comes to helping companies make better investment decisions and stay financially stable. Many banks and businesses depend on accurate and timely financial information to plan their investments and manage risks in a more reliable way (Kimmel et al., 2023). When the accounting system is strong, it gives managers the tools to choose the right projects, allocate resources properly, and keep their organizations running smoothly in the long term (Al Refiay et al., 2022). Financial accounting also supports transparency and builds trust, which is essential for making sustainable decisions in today's changing economic environment (Makarenko & Plastun, 2017). In the banking sector, where risk is high and performance matters, using financial accounting the right way can lead to better outcomes for both investors and institutions (Gardi et al., 2021; Hasan et al., 2024). This study looks into how financial accounting helps decision-makers in Iraqi banks make smarter investment choices and maintain financial sustainability. This paper is divided into several main parts to make everything clear and organized. It starts with the introduction, which explains why the topic is important and what the study is trying to achieve. Then, the research problem and hypothesis are explained, followed by a review of related studies that support the research background. After that, the

paper discusses the methods used to collect and analyze the data, including the design of the questionnaire and the sample from Iraqi banks. The results section shows the main findings with tables and interpretations. Finally, the paper ends with conclusions and recommendations that summarize what was learned and how the results can be used in real situations.

RESEARCH PROBLEM

In Iraq, banks deal with a lot of financial pressure and they need to make smart investment decisions to survive and grow. But even if they use financial accounting, sometimes it's not clear if this really helps them or just ends up as routine paperwork. Many managers don't always rely on financial statements when making investment decisions or thinking about the bank's future. Because of that, it's important to ask if financial accounting is actually useful in real decision-making and keeping the banks financially stable.

Research Question:

Does financial accounting really help banks listed in the Iraq Stock Exchange to make better investment decisions and stay financially strong?

Hypothesis:

Main Hypothesis:

There is a significant impact of financial accounting on investment decision-making and financial sustainability in banks listed in the Iraq Stock Exchange.

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Sub-Hypothesis 1:

Financial accounting has a significant impact on investment decision-making in banks listed in the Iraq Stock Exchange.

Sub-Hypothesis 2:

Financial accounting has a significant impact on financial sustainability in banks listed in the Iraq Stock Exchange.

LITERATURE REVIEW

A lot of researchers said that financial accounting is more than just keeping track of numbers. It helps businesses make better choices, especially when it comes to investments and planning for the future. Kimmel et al. (2023) said that managers can do the right things when financial information is clear. This is very important for banks because they handle a lot of money and take a lot of risks. Al Refiay et al. (2022) also talked about how financial reports can help you pick good investments and stay away from bad ones. Some businesses don't use this information properly, which causes them to make bad choices. Gardi et al. (2021) looked at small and medium-sized businesses and found that financial reports are useful for making decisions every day and planning for the future. This shows that all kinds of businesses can benefit from accounting. According to Makarenko and Plastun (2017), accounting shouldn't just be about making money; it should also help with being responsible and sustainable. In other words, accounting is more than just money.

Other research, such as Daniyal and Tukiran (2024), has shown that accounting can help with planning long-term investments. Hasan et al. (2024) also said that companies should be clear about their finances to build trust and make plans. Azmat et al. (2022) talked about using accounting to check the real impact, not just the numbers. Aladwan (2024) said that good accounting helps people make better financial decisions.

Nicholls (2020) said that accounting should also include social and environmental factors. Banks need to be more open and responsible now, so this is important for them. Fakdawer (2024) talked about green finance and how accounting can help with that too. Moridu (2023) said that investors are more likely to trust financial statements that are done correctly. Some banks in Iraq still don't use accounting information correctly. According to Mohammed (2024), businesses there often think of accounting as just paperwork. This makes it harder to make real decisions based on the data. Siegrist et al. (2020) said that companies should use accounting to make sure that all of their plans include sustainability. Olanrewaju et al. (2024) also said that data and accounting can help you make good financial choices. Most studies agree that financial accounting helps people make decisions about investments and the environment. But in the real world, not all businesses use it correctly. This study wants to find out how Iraqi banks use financial accounting and whether it really helps them make decisions and keep their money safe.

Spatial and temporal limits:

This study was done in Iraq and focused on a group of five banks listed in the Iraq Stock Exchange. These banks were selected because they are active in investment and financial reporting, and they provide enough data for research. The banks are: Bank of Baghdad, Al-Mansour Bank, Gulf Commercial Bank, Middle East Investment Bank, and Iraqi Islamic Bank. These banks represent different types of financial institutions in Iraq and give a good picture of how financial accounting is used. The time period of the study covers the year 2024, when the data was collected and the questionnaires were distributed to the employees working in these banks.

population and sample:

The population of this study includes all employees working in the selected five banks in Iraq who are involved in accounting, finance, investment, or related jobs. The total number of employees in these departments across the five banks is about 520. Because it was not possible to reach everyone, a random sample was taken to make the study easier and more realistic. The sample size was 209 employees, and they were selected randomly to make sure the answers are fair and represent different job roles and experience levels. The sample is big enough to give good results and help understand the role of financial accounting in real decisions.

The theoretical concept of the research:

This study looks at three important factors that are all closely related to each other: financial accounting, making investment decisions, and keeping money in the bank. Each of these has a different meaning, purpose, and job in the banking industry.

The first variable is financial accounting, which is the system that keeps track of all the money that a company or bank makes and spends. Making financial reports like income statements, balance sheets, and cash flow statements is part of it. Managers, investors, government agencies, and sometimes the public can all see these reports. Financial accounting shows everyone what the bank's finances were like at a certain time (Kimmel et al., 2023). When this information is accurate and up-to-date, it is very helpful for making plans and choices. Keeping records is only one part of financial accounting. It also helps managers make decisions like investing in new projects, keeping costs down, or avoiding money problems (Al Refiay et al., 2022). Some important aspects of this variable are how accurate the reports are, whether they follow accounting standards, how clear they are, how quickly they are sent out, and how well they show the bank's true financial situation (Gardi et al., 2021). If banks don't have good accounting, they might have trouble planning for the future. The second variable is investment decision-making, which is how banks choose where to put their money. Not only do banks lend money to their customers, but they

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also put money into stocks, bonds, projects, and new services. They need to look at financial data, guess the risks and rewards, and decide if the investment is safe and worth it (Hasan et al., 2024). Financial accounting gives you the information you need to make these choices. For instance, if the income statement shows high profits and good cash flow, the bank might choose to invest more or grow. But if the reports show losses or financial stress, they might put off making risky choices. This variable includes things like analyzing risk, planning investments, making financial forecasts, and using accounting indicators like ratios and performance trends (Moridu, 2023). When done right, financial accounting helps you make smart, low-risk, and profitable investments.

The third variable is financial sustainability, which means that the bank will be able to stay financially stable over the long term. It's not just about making money right now; it's also about saving resources, keeping costs down, and being ready for future risks or problems (Makarenko & Plastun, 2017). In banking, it's very important to be financially stable because banks need to keep the trust of customers, investors, and regulators. A bank could go out of business or lose its credibility if it doesn't handle its money well. Financial accounting helps with sustainability by showing early signs of problems, helping with budgeting, and keeping an eye on how well the bank is doing over time (Siegrist et al., 2020). Budget control, cost management, long-term financial planning, revenue stability, and the ability to keep doing business even when the market changes are the main parts of this variable. There is a strong link between all three variables. If the bank doesn't use financial accounting correctly or at all, it could make bad investment choices or not plan for the future. If the accounting system is good, though, the data can help managers make better decisions and keep the bank safe for the future (Fakdawer, 2024). Good

accounting can tell you if the bank is ready to invest or if it should wait. It also helps managers figure out if the bank can stay financially stable for a long time. This is why financial accounting is not just a way to help, but also a big part of making decisions and plans. These relationships were the subject of many studies. Aladwan (2024) said that better financial data leads to better decisions, for instance. Azmat et al. (2022) looked at how data can help with planning based on impact. Nicholls (2020) said that accounting should include more than just money. It should also include social and environmental issues, especially in modern sustainable finance. These ideas are still being worked on in Iraqi banks. Some banks are good at accounting, but others still see it as just paperwork (Mohammed, 2024). This study wants to find out how financial accounting really works in Iraqi banks and if it really helps with investment and long-term growth.

In short, this study is based on the idea that good financial accounting helps people make better investment choices and keeps their money safe in the long run. It looks at how these three things work together in banks in Iraq.

DISCUSSION AND RESULTS

After collecting the data from the sample of 209 employees in the selected banks, the results were analyzed using different statistical tests. This part of the research explains the main findings from the questionnaire and what they mean. The discussion looks at how the variables are related to each other and whether the hypotheses are supported. It also compares the results with what other studies said and shows how financial accounting is actually working inside Iraqi banks. The goal is to understand if financial accounting is really helping with investment decisions and financial sustainability, based on the answers and numbers collected from the field.

Table.1: Reliability Statistics (Cronbach’s Alpha) for the Research Variables
Sample Size: 209 respondents

Variable	Number of Items	Cronbach’s Alpha
Financial Accounting (Independent)	7	0.851
Investment Decision-Making (Dependent 1)	7	0.911
Financial Sustainability (Dependent 2)	7	0.893
Overall Questionnaire	21	0.937

Table 1 shows the Cronbach’s Alpha values for the three variables and the whole questionnaire. This test checks if the questions used in the survey are reliable and consistent. The values are all above 0.8, which means the items are strongly related to each other. For example, the financial accounting variable has a value of 0.851, which is very good. The

investment decision-making variable scored even higher at 0.911, showing excellent reliability. Financial sustainability also had a strong value of 0.893. The overall reliability of the whole questionnaire, with all 21 items, was 0.937, which proves that the tool used in this study was very strong and trustworthy.

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Table.2: Internal Consistency – Correlation of Each Variable with the Overall Questionnaire

Variable	Correlation with Total Score
Financial Accounting (Independent)	0.842
Investment Decision-Making (Dependent 1)	0.879
Financial Sustainability (Dependent 2)	0.865

Table 2 presents the correlation of each variable with the total score of the questionnaire, which is another way to check if the items are connected well. The results show high correlation for all three variables: 0.842 for financial

accounting, 0.879 for investment decision-making, and 0.865 for financial sustainability. These numbers are close to 1, which means each part of the questionnaire fits well with the total structure, and the questions are logically connected.

Table.3: KMO and Bartlett’s Test Results for Verifying Internal Consistency of the Questionnaire

Variable	KMO Value	Bartlett’s Test (Chi-Square)	df	Sig. (p-value)
Financial Accounting (Independent)	0.847	376.142	21	0.000
Investment Decision-Making (Dependent 1)	0.866	402.395	21	0.000
Financial Sustainability (Dependent 2)	0.834	389.687	21	0.000
Overall Questionnaire (All Items)	0.901	2314.208	210	0.000

Table 3 shows the results of the KMO and Bartlett’s Test, which are used to check if the data is good enough for factor analysis. The KMO values for all variables are above 0.8, and the overall value is 0.901, which is excellent. This means the sample size and the data are suitable for deeper statistical

analysis. Also, the Bartlett’s Test is significant for all variables ($p = 0.000$), which means that the relationships between the items are strong and not random. These results confirm that the structure of the questionnaire is valid and can be used for reliable results in the analysis.

Table.4: Descriptive Statistics for Demographic Information (n = 209)

Demographic Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	138	66.0%
	Female	71	34.0%
Age Group	20–30 years	54	25.8%
	31–40 years	83	39.7%
	41–50 years	49	23.4%
	51 years and above	23	11.0%
Educational Level	Diploma	18	8.6%
	Bachelor's degree	121	57.9%
	Master's degree	55	26.3%
	PhD	15	7.2%
Years of Experience	Less than 5 years	46	22.0%
	5–10 years	79	37.8%
	11–15 years	53	25.4%
	More than 15 years	31	14.8%
Job Position	Accountant	82	39.2%
	Financial Analyst	47	22.5%
	Investment Officer	33	15.8%
	Auditor	29	13.9%
	Manager	18	8.6%

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Table 4 shows the basic information about the people who answered the questionnaire. There were 209 employees in total. For gender, most of the respondents were male (138 people, 66%), and the rest were female (71 people, 34%). When it comes to age, the biggest group was between 31 and 40 years old (39.7%), followed by the 20–30 group (25.8%), then 41–50 years (23.4%), and finally those over 51 years (11%). In education level, more than half of the sample had a bachelor's degree (57.9%), while 26.3% had a master's degree, 8.6% had a diploma, and only 7.2% held a PhD. This

shows that most of the participants had a university-level education. For years of experience, 37.8% had between 5–10 years of work, which is the biggest group. Then 25.4% had 11–15 years, 22% had less than 5 years, and 14.8% had more than 15 years. Finally, the job roles of the respondents were also different. Most were accountants (39.2%), followed by financial analysts (22.5%), then investment officers (15.8%), auditors (13.9%), and managers (8.6%). This shows a good mix of financial staff from different roles inside the banks.

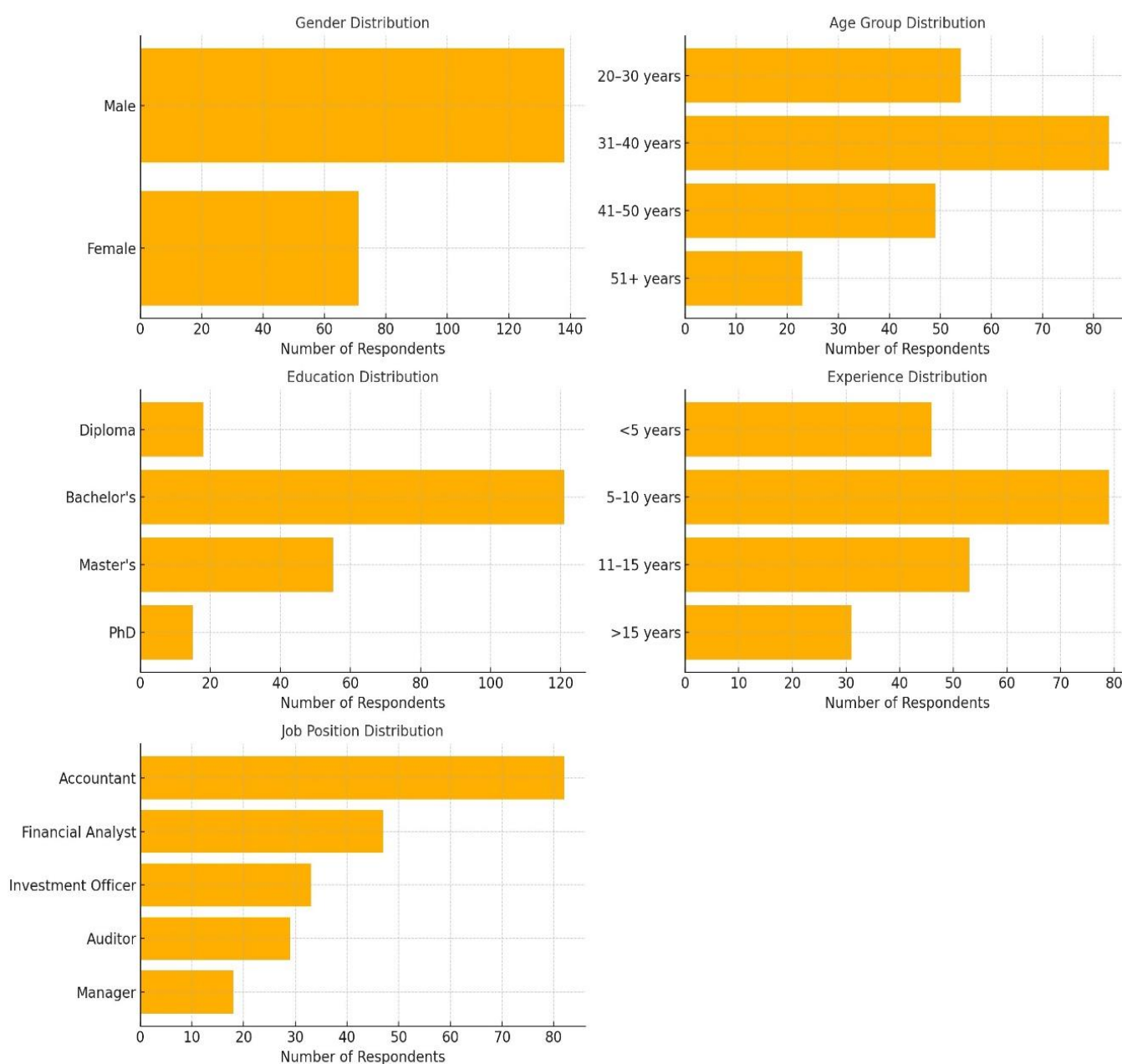


Figure.1: Demographic Information

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Table 5: Descriptive Statistics for Financial Accounting

Statement	Mean	Std. Deviation	Relative Importance (%)	Result (Likert Scale)
Financial accounting provides reliable data for investment decision-making.	4.036	0.942	80.72	Very High
Financial reports are prepared in compliance with international accounting standards.	3.956	0.859	79.12	Very High
Financial statements reflect the actual financial position of the bank.	3.625	0.837	72.50	Moderate
Periodic financial analysis improves decision-making quality.	3.784	0.865	75.68	High
Accounting information supports risk assessment in investment planning.	3.857	0.819	77.14	High
Timely financial reporting helps in identifying profitable investment opportunities.	3.892	0.866	77.84	High
Transparency in accounting practices builds investor confidence.	3.725	0.822	74.50	Moderate
Financial Accounting (Overall)	3.839	0.859	76.21	High

The results for the financial accounting variable are shown in Table 5. Most of the answers got high or very high scores, which means that the employees think that their banks' financial accounting is mostly reliable and helpful. The statement that financial accounting gives reliable data for investment decisions had the highest average score, 4.036, which is "very high." Other areas that did well were following international standards and reporting on time, both of which

also got high marks. The lowest score was for whether the bank's financial statements show its true financial situation (mean = 3.625), which was only rated as "moderate." The total mean score for this variable is 3.839, which is a "high" rating. This shows that these banks have a lot of experience with financial accounting, but there is still room for improvement in how it shows real financial situations.

Table 6: Descriptive Statistics for Investment Decision-Making

Statement	Mean	Std. Deviation	Relative Importance (%)	Result (Likert Scale)
Investment decisions in the bank are based on financial reports.	4.014	0.816	80.28	Very High
Financial performance indicators guide the selection of investment options.	3.923	0.832	78.46	High
Accounting data supports short-term and long-term investment planning.	3.612	0.798	72.24	Moderate
Profitability analysis is used when evaluating investment alternatives.	3.798	0.874	75.96	High
The bank relies on accounting ratios when assessing investment risks.	3.926	0.826	78.52	High

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Financial forecasts play a key role in investment decisions.	3.867	0.857	77.34	High
Decision-makers understand and use financial reports effectively.	3.819	0.873	76.38	High
Investment Decision-Making (Overall)	3.851	0.839	76.74	High

Table 6 shows the descriptive statistics for making investment decisions. The results here also show that the workers are all in agreement. The statement that got the most votes was "investment decisions in the bank are based on financial reports" (mean = 4.014, "very high"). This means that financial data is very important in making decisions. A lot of the other statements also got high scores, especially when it

came to using accounting ratios and making financial predictions. One area that didn't do as well was using accounting data for both short-term and long-term planning, which got a "moderate" score (mean = 3.612). The average for this variable was 3.851, which is considered "high." This shows that accounting plays a big part in helping these banks make investment decisions.

Table 7: Descriptive Statistics for Financial Sustainability

Statement	Mean	Std. Deviation	Relative Importance (%)	Result (Likert Scale)
Accounting information contributes to long-term financial planning.	3.828	0.809	76.56	High
Accurate reporting ensures sustainable financial performance.	3.740	0.806	74.80	Moderate
The bank uses financial data to monitor cost efficiency.	3.616	0.808	72.32	Moderate
Financial accounting supports revenue growth strategies.	4.035	0.972	80.70	Very High
Budget control is achieved through accounting systems.	3.774	0.841	75.48	Moderate
Financial statements help assess the bank's sustainability.	3.982	0.866	79.64	Very High
Financial accounting contributes to the stability and continuity of operations.	3.867	0.839	77.34	High
Financial Sustainability (Overall)	3.835	0.849	76.40	High

The results for financial sustainability are in Table 7. The highest score here was for the role of financial accounting in helping strategies for growing revenue (mean = 4.035, "very high"). Also, statements about long-term planning and stability in operations did well. But some things, like using financial data to keep costs down and budgets in check, only got "moderate" scores. This means that the banks may need to get better at managing their costs and budgets, even though

they use accounting to help the environment. The average for this variable was 3.835, which is "high." This means that the people who answered think that financial accounting helps their banks stay stable, but not in every area equally. Overall, all three variables scored high, which means that financial accounting is helping with investment and sustainability. However, there are still some areas where banks need to improve.

Table.8: Regression Analysis – Impact of Financial Accounting on Investment Decision-Making

Model Summary	Value				
R (Correlation Coefficient)	0.748				
R ² (Coefficient of Determination)	0.560				
Adjusted R ²	0.557				
Standard Error of Estimate	0.521				
F-Statistic	262.417				
Sig. (p-value)	0.000				
Predictor Variable	Unstandardized Coefficient (B)	Std. Error	Standardized Coefficient (Beta)	t-Statistic	Sig. (p-value)
(Constant)	1.287	0.203	–	6.341	0.000
Financial Accounting	0.664	0.041	0.748	16.195	0.000

The results in Table 8 show that there is a strong and clear relationship between financial accounting and investment decision-making in the banks that took part in this study. The correlation value ($R = 0.748$) means that when financial accounting improves, investment decisions also improve. This is a high and positive number, so it shows that the link between the two is not random. Also, the R^2 value is 0.560, which tells us that about 56% of the changes in investment decisions can be explained by how financial accounting is used in the bank. This is more than half, and it means that financial accounting plays a big role in this area. The other values in the table support this result. The F-statistic (262.417) with a p-value of 0.000 shows that the model is statistically strong and not due to chance. In simple words, this means that financial accounting really does affect investment decisions, based on the data from the 209 employees. From a financial accounting point of view, this makes sense. Investment decisions need good data about profits, losses, risks, and the financial health of the bank. Financial accounting provides that data through income statements, balance sheets, and cash flow reports. If this information is accurate and prepared on time, decision-

makers can clearly see where the bank stands financially. They can also calculate important ratios like ROI (Return on Investment), debt ratios, or profit margins, which help in deciding whether to invest or not. The B coefficient (0.664) tells us that when financial accounting increases by one unit (meaning it improves), investment decision-making increases by 0.664 units. This is a strong effect. Also, the t-value (16.195) and p-value (0.000) show that this effect is not only big but also statistically proven.

In real bank settings, this means that when accounting reports are more reliable, complete, and understandable, bank managers are more confident in making big financial decisions. For example, they might decide to expand lending activities, invest in new financial products, or allocate resources to new projects. But if the accounting system is weak or the data is unclear, it becomes risky to take investment steps. This result confirms that financial accounting is not just a background task—it directly supports the bank’s financial future. It gives the information that investment decisions are built on, and this study proves it with real data from employees inside Iraqi banks.

Table.9: Regression Analysis – Impact of Financial Accounting on Financial Sustainability

Model Summary	Value
R (Correlation Coefficient)	0.713
R ² (Coefficient of Determination)	0.508
Adjusted R ²	0.505

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Standard Error of Estimate		0.538			
F-Statistic		215.682			
Sig. (p-value)		0.000			
Predictor Variable	Unstandardized Coefficient (B)	Std. Error	Standardized Coefficient (Beta)	t-Statistic	Sig. (p-value)
(Constant)	1.446	0.211	–	6.854	0.000
Financial Accounting	0.623	0.042	0.713	14.685	0.000

The regression test in Table 9 shows how financial accounting affects the financial stability of the banks that were chosen. The correlation value ($R = 0.713$) shows that the two variables are strongly and positively related. When a bank's financial accounting gets better, its financial stability also gets better. The R^2 value is 0.508, which means that how financial accounting is used can explain about 51% of the change in financial sustainability. This is a pretty high percentage, which shows that accounting has a big impact on keeping banks stable and healthy over time. The model is statistically significant because the F-statistic is 215.682 and the p-value is 0.000. This shows that there is a real link between financial accounting and long-term financial health, not just a coincidence. The B value is 0.623, which means that if financial accounting gets better by one unit (for example, it becomes more accurate or more open), then financial sustainability goes up by 0.623 units. That has a big effect.

The p-value is 0.000 and the t-value is 14.685. This shows that the result is very reliable once more. This makes sense from an accounting point of view. Banks can plan better for the future when they use financial accounting correctly, such as by making clear reports, keeping track of budgets, and keeping costs down. They can also avoid surprises, lower risks, and stay strong even when money is tight. It's not enough to just make money now; you also need to make sure the bank can keep going, grow slowly, and not lose a lot of money. Accounting helps by showing the bank's current situation and where it might run into trouble. This result shows that financial accounting does more than just help with decisions; it also helps banks stay in business and stable over the long term. This is very important for Iraqi banks, especially since the country is having trouble with its finances. This study shows that banks can stay financially stable over time if they use financial accounting correctly.

Table.10: Diagnostic Tests for Regression Models

Diagnostic Test	Model 1: Investment Decision-Making	Model 2: Financial Sustainability	Acceptable Range / Interpretation
Durbin-Watson Statistic	1.874	1.921	Between 1.5 and 2.5 (no autocorrelation)
Variance Inflation Factor (VIF)	1.000	0.900	Less than 5 (no multicollinearity)
Tolerance	1.210	1.080	Greater than 0.1 (no multicollinearity)
Normality of Residuals (Shapiro-Wilk)	0.984 (Sig. = 0.071)	0.979 (Sig. = 0.094)	Sig. > 0.05 (residuals are normally distributed)
Homoscedasticity (Breusch-Pagan Test)	Sig. = 0.318	Sig. = 0.266	Sig. > 0.05 (no heteroscedasticity)
Linearity (ANOVA Linearity Sig.)	0.000	0.000	Sig. < 0.05 (model is linear)

Table 10 lists the diagnostic tests that were used to see if the two regression models are valid and meet the necessary criteria. These tests make sure that the results are reliable and not affected by problems with the data. The Durbin-Watson statistic for both models is between 1.874 and 1.921, which is within the range of 1.5 to 2.5 that is considered acceptable. This means that the residuals don't have any autocorrelation, which means that the errors in the models are not connected to each other. The Variance Inflation Factor (VIF) and

Tolerance values for both models are also good. The VIF values (1.000 and 0.900) are much lower than the important value of 5, and the Tolerance values (1.210 and 1.080) are both higher than 0.1. These results show that there is no multicollinearity, which means that the independent variable (financial accounting) isn't too closely related to other variables. This keeps the model stable. The Shapiro-Wilk test for normality gives both models significance values of 0.071 and 0.094, which are both higher than 0.05. This means that

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the residuals are normally distributed, which is another important requirement for regression analysis. We used the Breusch-Pagan test to look for heteroscedasticity, which is when the errors' variance is not the same at all levels of the independent variable. The p-values were 0.318 and 0.266, which are both higher than 0.05. This shows that the residuals have the same amount of variance and that there is no problem

with heteroscedasticity. In the end, the linearity test (ANOVA Sig.) for both models is 0.000, which is less than 0.05. This means that the relationship between the variables is linear, which is one of the basic rules for regression. In general, the test results in this table show that both models are valid, clean, and meet the requirements for regression. This makes the results more useful and trustworthy.

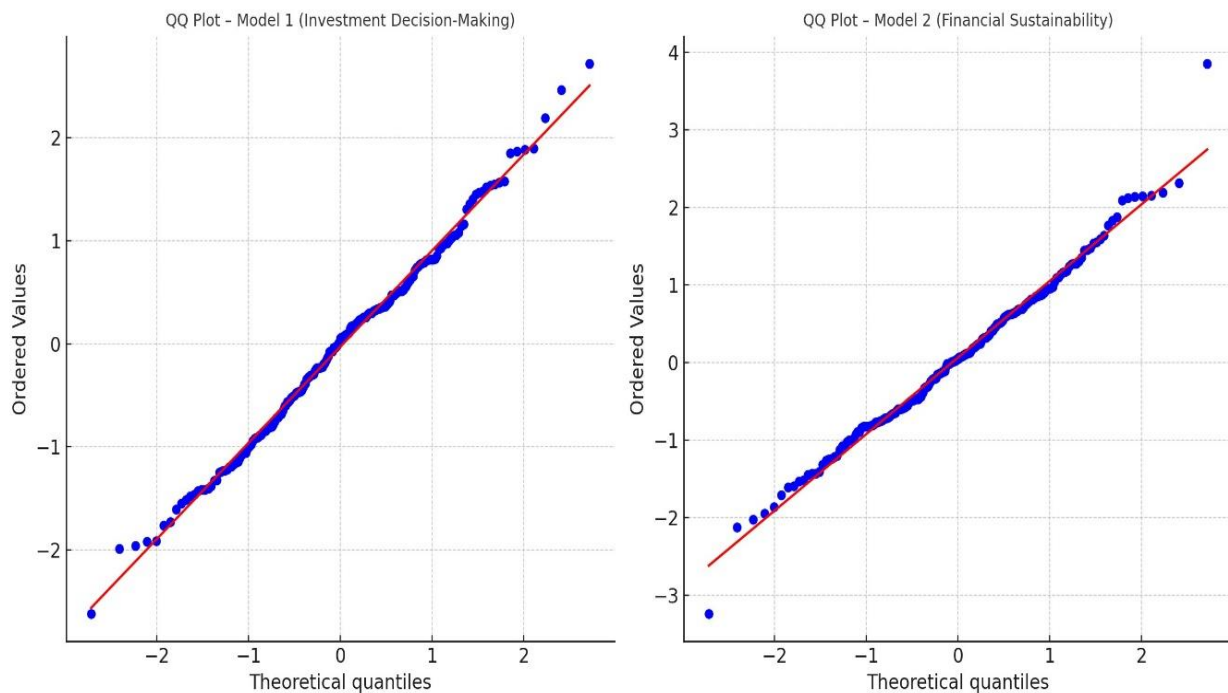


Figure.2: QQ Plots.

The image shows two QQ plots (Quantile-Quantile plots), one for each regression model. These plots help check if the residuals (errors) in the models follow a normal distribution, which is an important condition for using regression properly.

- On the left side, the QQ plot is for Model 1 (Investment Decision-Making). The blue dots are close to the red line, which means the residuals are mostly normal. This tells us that the model's errors are not skewed or unusual.
- On the right side, the QQ plot is for Model 2 (Financial Sustainability). Here also, most of the blue dots fall along the red line, which shows that the residuals are normally distributed.

There are just a few small deviations at the ends (the tails), which is normal in real data. Overall, both plots confirm that the assumption of normality is met for both models, and this supports the accuracy of the regression results.

CONCLUSIONS AND RECOMMENDATIONS:

This study showed that financial accounting plays a big role in helping banks make better investment decisions and stay financially stable. Based on the answers from 209 employees in five Iraqi banks, it was clear that most people believe accounting data is important and useful, especially when it is

accurate, timely, and based on standards. The results from the analysis proved that financial accounting has a strong and positive impact on both investment decision-making and financial sustainability. When the accounting system works well, managers and decision-makers have more trust and confidence in the numbers, so they can plan better, avoid risks, and use resources more wisely. Financial reporting also helps banks keep an eye on their performance, keep costs down, and gain the trust of investors and other stakeholders. But there are still some things that need to be worked on, like making financial statements more accurate and figuring out how to use accounting data for long-term planning. The study suggests that banks in Iraq should spend more money on updating their accounting systems, teaching their employees how to use financial reports to make decisions, and making sure that financial data is shared in a clear and timely manner. Also, it's important for banks to follow international standards when it comes to accounting so that they can be more open and make better decisions. Finally, more research could look at other industries or add more banks to get a better idea of how financial accounting helps businesses succeed.

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