FAIRNESS IN ACCOUNTING & ITS EFFECT ON DISCLOSER AN ANALYTICAL STUDY FOR USERS OF FINANCIAL REPORTS IN IRAQ

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ABSTRACT

Accounting literature divided into two basic schools, the first one normative school concern with normative concepts such as ethics & social concepts, and concentrate on value implications statements so determining objectives became its core by determining and interpretation the needs of accounting information users. While positive school concentrate on empirical continuity for accounting being a discipline of formal education with concentrating on neutral presentation of accounting events and its discloser. It become clear that those accounting information users are the essences of both schools, by fulfilling there information needs under value standards in the first school, and by reflecting practical reality for them in neutral way without preferring some users over the others. This study based on idea aims to clarify the meaning of fairness concept to become easier to include it within accounting standard and rules, and studying the effect of the ethical concept over some of the international and local financial disclosure applications. The most important theoretical conclusion is that fairness considered value concept means unbiased and objectivity in dealing with the company stakeholders specially the externals, via fulfilling useful, reliable, relevance accounting information. Fairness means the same as justice and different from just, because the latter means the abstract application to laws and rules without taking into considerations the circumstances relating to the subject of study.

Keywords: Accounting Information Users, True & Fair View (TFV), Discloser Process, Fairness Concept in Accounting, Stakeholders

INTRODUCTION

The Importance of the Study

Clarify the fairness of equity and distinguish it from other ethical terms affecting the elements of the theoretical framework of accounting, and to indicate what this concept is to facilitate the process of evaluating the ethical aspects necessary for the financial reporting process, as well as to show the availability of equity in some financial reporting applications based on the analytical study of applications of some countries and the field study of financial reporting users.

Study Problem

Lack of clear meaning and a specific equity classification agreed with regard to accounting information prepared by accountants, as well as the different meaning of the concept of both accountants and users of accounting information, which affects the credibility of that information.

Study Objective

The study aims to know the concept of equity and try to find clear meaning in a way that gives the correct picture to the financial reporting process and facilitates the consensus of the preparer and users of financial reports, and to show the impact of equity on financial reporting applications through an analytical study of the financial reporting model, based on the results of the field study of the opinions of a sample of the financial reporting prepared and users.

Study Hypotheses

1) The concept of equity is compatible with the financial reporting author and the user of these reports.
2) Equity is a moral concept that affects the preparation of published financial reports submitted to its users.

Previous Studies

Maclullich study in 2001 dealt with the discuss of financial reporting in the context of European coordination where the concept (TVF) is a site for thinking about the creation of a basis for this concept to exchange financial reports in new Europe and concluded that (TFV) is an emergency structure established in a social, cultural and economic context and the local Polish situation was provided to identify this concept and fill the void by losing the rules by the new philosophy of public accountability and transparency.

The Houghton, Keith study in 1987, explained that (TFV) was a key concept in financial reporting in many countries of the world such as Australia, the European Union, England, New Zealand and South Africa, and there were clear differences between the responses of accountants and shareholders, as well as the inability of accountants to properly understand what the term represents for shareholders.

Williams', Paul F. study 1987 in an article entitled (The Legitimate Concern with Fairness) discusses Williams that accounting literature was built on the basis that the central point is decision-making, so it is necessary to provide useful information for the decision forgetting the conceptual problems associated with it, and the author tries to highlight two key points of understanding accounting problems, namely accountability as the correlation generated through processes that a particular group expects to be held accountable for its actions towards another group, and equity as a description of two overlapping special evaluation processes. The first is that the valuer knows that any liability for his actions will be judged as 'fair', or "unfair", and the second is that the evaluator tries to adopt the considerations of integrity and balance the inconsistencies that may result from his actions.

Belkaui's (1992) study in a book entitled Morality in Accounting examined the impact of the ethical approach to accounting, dedicating a chapter to the concept of equity, ethics, integrity, honesty and social responsibility. In terms of equity, according to the author, there is no specific definition for it and it represents "justice in outcomes" by linking efficiency and distribution provisions.

Previous studies presented show that ethics have a key role in achieving a competitive advantage for companies by building social profit for them even though they require personal judgments, but equity and as a moral concept is spontaneously understood as neutrality by the presentation and this concept is supposed to be introduced in the field of accounting, especially since the trend is now towards collective culture rather than individuality.

distinguishes this study from the previous studies presented is the study of the fairness of equity in the field of accounting in the Iraqi accounting environment to see its impact on financial reporting after studying a range of accounting applications in international environments that claim to guarantee equity in the field of accounting by adopting alternatives that achieve supply and dealing with the various beneficiaries, and showing how the term equity is perceived by the accountant and users of financial reports.

First: Scientific Research Methods in Accounting

The study of the historical development of social sciences, including accounting, in particular, contributes to the extent to which these sciences are related to the prevailing social environment in a given period as well as to developments and changes in society (Hannan, 2001). To achieve this, much research has emerged that has been directed towards studying the stages of accounting development with the development of society. Therefore, we find that accounting has gone through many stages of development, the authors differed in determining its basic origin, some date back to bc to link it to ancient civilizations such as Greek, Roman, Pharaonic and Babylonian, some of which link it to Islamic civilization, and others believe that the hallmark in the history of accounting was in Italy in 1494 when Luca Pacioli published his book "Overview of Account, Engineering and Proportionality Review of Arithmetic" Geometry & Proportions, which devoted the second topic of chapter 9 to the talk of the double-entry, which, according to himself, was applied 100 years before the publication of the book in Venice (Abdullah, 2000). Two basic schools of accounting, positive and normative, each with its own curriculum and objectives, have emerged. The positional school focuses on actual realization verification and experimental communication by studying real-world phenomena and settling them to reach out and devise objectives that are implicit in accounting, as the supporters of this school see the examples of Zimmerman, Kelly, Watts that the primary objective of positive accounting research is to explain the explanation of existing accounting applications and predict future phenomena, as they describe phenomena, and has shown (1972:p.18-20) Macdonald after citing three groups that studied the positive objectives of accounting as based on two general ideas :

1) The role of accounting and its official responsibility is to take care of the stewardship.
2) Taking care of possible contradictions between parties that have claims for the company's resources.

Proponents of the standard school believe that accounting theory can progress through certain hypotheses and axioms without having to refer to the application – noting that this does not mean a lack of connection between theory and practical reality (Chambers, 1995:p.97-98). Accordingly, the development of accounting is carried out through predetermined objectives and the selection of ideas about real-world phenomena, and appropriate definitions of these ideas to derive Islam from intellectual links with concepts derived from them to reach conclusions about the assumptions and ideas that, when proven useful to users, become theoretical (Chambers,1969).

Second: The Concept of Fairness in Accounting

Scott (1941) is one of the first accounting theorists to address the role of ethical concepts, including equity, considering equity to be a key accounting principle, and considers that "rules and procedures must be impartial and unfavoured and should not serve certain parties" (1941) *i.e.,* Scott considers equity to be a principled accounting accountant, interpreting it as impartiality, non-favouritism and consideration of the interest of a particular party at the expense of other parties benefiting from accounting disclosures. Leonard Speak has published director Arthur Anderson & Co. The year 1960 is a statement 1 (Monograph) stating that "postulate basic accounting governing the accounting principles is equity for all sectors of the business community (whether management, employees, shareholders, creditors, customers or the general public), which are defined and measured in the light of the economic, political environment, thinking patterns and habits of all these sectors to reach the goal that accounting principles based on this ladder will result in financial accountability for legally established economic interests and rights that are legally established be fair to all sectors .

Leonard Speack, "A Search for Fairness in Financial Reporting to the Public", Arthur Anderson & Co., USA, 1969.

(Belkaui, 2000) Equity has been adopted as the peace to which all members of society are subjected to it as the basis of financial accountability in the expression of the economic rights and interests of all stakeholders in society. Most (1977) Equity is defined as a term used by accountants to describe financial statements as complete, non-misleading, and prepared by GAAP. The auditor expresses his opinion on equity in financial statements" (Meigs et al., 1996), and in 1994 Nobes & Parker supported the definition of equity provided by each From Stamp in 1980 and Flint in 1982 as "a concept involving a large number of external owners who request unbiased information about the company's success and its status" (Nobes & Parker, 2000:p.21). This definition shows the correlation of fairness to impartiality in the presentation of information to a particular party benefiting from the information presented in the financial statements. Nobes & Parker (2000) focuses on external actors as those that do not have a strong influence on the information-making process. This was confirmed when we showed that equity is a key element of financial reporting.

In the area of studying the concept of the true and fair view contained in the report of the British auditor specifically and its linguistic implications, it is clear that the terms of this term are interrelated with each other, but they are also distinctive, as the truth means that the numbers are correct and reflect reality, but fairness means non-bias to a particular party, yet the study showed that the concept as a term is still complex. However, it focuses on the basic requirements to guide the preparation of financial statements by the needs of shareholders and external users, and it should be noted that this concept has been demonstrated as it changes according to changing accounting and business applications, as well as the evolution of the expectations of the users of the financial statements and requires the accountant a lot of knowledge of GAAP standards, rules and accounting principles as well as faith in this term. (Dunn & Stewart, 2005).

The fact that TFV is an up-to-the-like term that changes according to the change in accounting applications, business applications and user expectations is agreed, but not in the form that equity or honesty is intended to be two terms with variable meanings and that the scope of the changes according to the requirements of the environment, and the (nagi, 1989) believes that Disclosure alone is not enough to achieve the goal of accounting delivery unless combined with the principle of fairness, which he knew that "accounting information should be fair to all those associated with and interested in the project, both inside and outside the project", and considers that the importance of equity as a principle will increase with increased interest in the agency's theory and that it is expected that the importance of this principle will increase as a means of disengagement and the primacy of interests that appear between the different parties of the company. Lotfi (2005) has indicated in detail the concept of equity and in agreement with the idea that the interests of certain parties do not prevail over the interests of all groups using financial reporting, all of which must be taken into account in a correct balance.

Third: Elements of Financial Reporting and Beneficiaries

To provide financial information that benefits beneficiaries (stakeholders) for decision-making purposes, the beneficiaries must first be identified to identify the needs of each entity. To attempt to meet its requirements through fair reporting of financial information, as a moral act that is the responsibility of the accountant towards each party of interest. The purpose of fair reporting of financial information is to impartially disclose all information that is expected to affect stakeholders.

The study of the concept of financial reporting by the vision of the Jenkins Committee, which was formed by AICPA in 1991 to study the appropriate objective and usefulness of financial reporting to the company, found after its studies that financial reporting can be described as "the process of providing company-related information to users through the interaction of a range of different elements that work together to help them make appropriate decisions, and financial disclosures are one of the elements of the following topic.

The Interaction of Different Elements for the Production of Information

Historically, the objective of accounting has been to measure the economic event to deliver accounting information to the beneficiary parties. Measurement, as Campbell 2 has known, is the allocation of numbers to represent properties or attributes of physical systems, which do not

Norman Campbell, "Symposium and the Importance of Philosophy", proceedings of the Aristotelian Society, 1938, p.128.

Represent numbers per se, based on the laws governing these properties.", systems are objects or events whose properties or attributes are intended to be measured by a digital system associated with them by semantic rules (semantic) (Abdullah, 2000, p.677-678).

Users of Accounting Information

In a study of social environments, it appears that the investor is the greatest concern to which accounting information is directed as the source of the company's financing. In countries such as Britain and America where a strong capital market system is financed by shareholders, especially the founders, therefore, the push for fair disclosure, auditing and reporting are being pushed towards this community of users (Nobes & Parker, 2000) and the FASB has set the target. From Financial Reporting in America (Hendriksen&Breda, 1990, p.851): "Financial reporting should provide useful information to current and prospective investors, creditors and other users in making rational investment decisions, credit decisions and other decisions." Considering the investor's need for information regarding the return on investment in general purpose financial statements to satisfy the needs of other parties using accounting information is questionable. This is what (Flower, 2002) discussed, considering that some of the needs of these parties may be similar to those of the investor, but they will not. Therefore, there is still a portion of the information that the non-investor wishes to obtain, but it is not displayed in financial statements of general-purpose.

Stakeholders

In accounting, despite what professional bodies suggest, it is required to provide useful information to anyone who expects to benefit from accounting information. At this point, the difficulty of the accounting profession is demonstrated, as Moscow (1977:p 25) has defined hitt (2001:p 28-30) "that stakeholders are individuals and groups that can be influenced and influenced by the strategic outputs achieved, and who have significant claims in the performance of companies." He believes that these groups' support for the company continues if they are similar to what they expected or exceeded what the company had achieved. He categorized them to what they expected and what the companies achieved in three core groups, and the overall weight of the impact of each group on the company varies, although all of them serve the companies, depending on the social values and cultural differences of the environments in which the company operates. He explained that the problem lies in the conflict of interests of these three parties, so it requires companies first to identify each important stakeholder cautiously and then set priorities for each of them because not all stakeholders can be satisfied.

Fourth: Financial Reporting Applications in Iraq and a Sample of International Environments

Many accounting theorists have combined several factors influencing financial reporting and causing differences in its applications in different environments such as Nobes & Parker, 2000; Gernon & Meek, 2001; Flower, 2002) and many other theorists, including culture and money providers as the lobbyist for more information for their decisions, as well as the legal systems adopted in different states, whether constitutional or general laws, the effects of price changes, tax policies and other reasons that affect financial reporting. Since accounting applications are the link between financial reporting and community through the information they provide in financial reports to different users (Tarca, 2000), accounting applications will be addressed in some different environments and the impacts reflected in the trends of those environments on equity. The UK has been chosen as the country that has strongly embraced and defended the TFV idea and has adhered to it as one of the most regional members and popular bodies aimed at international consensus), America as the most prominent capitalist country, France, which is the symbol of social adoption and the application of the common accounting system, Japan from Asian countries as well as IASC as the international body aimed at international consensus.

The Second Research Analyzed the Results of the Field Study

The First Axis: The Concept of Halves

This section specializes in testing the first basic hypothesis by adopting test 2 to determine the extent of the differences in the answers with a degree of freedom of 2, 3, 4 for different questions (as shown in front of each of them) and a level of confidence of 99.9%, as well as the use of the weighted arithmetic medium, the standard deviation and the coefficient of difference to clarify the extent of the dispersion of the answers and the numbers of questionnaire stylists by the researcher and distributed to a sample of the authors and users of the financial reports and included the following questions.

1) Not being biased towards the interest of a particular party, is it? A- Half B - Justice C - Justice.
2) Through the strict application of the rules and laws established to be achieved?
   A- Justice B- Half C - Justice.
3) The concept of fairness is more stringent than the concept of justice.
4) The concept of fairness is synonymous with the concept of justice.
5) The concept of justice is synonymous with the concept of justice.
6) There is a difference between fairness and justice.
7) Fairness is achieved by taking into account all the changes surrounding the topic when studying it.
8) There is a difference between justice and justice.
9) Justice is achieved by taking into account all the variables when studying a particular subject.
10) There is a relationship between the concepts of justice, justice and fairness.

The following definitions were included in the questionnaire for their statement and clarification of the sample.

- Equity is to deal with the interests of different parties without bias, taking into account the circumstances surrounding the particular subject as well as the rules and laws established.
- Justice is intended to examine all the circumstances surrounding the subject, as well as the competent legal rules for sentencing in the particular subject.
- Justice is an abstract idea that relates to logic and morality without taking into account the circumstances and circumstances involved.

This section was summarized by testing the first basic premise by adopting test 2 to determine the extent of the existence of moral differences in the answers with a degree of freedom of 2, 3, 4 for different questions and a level of confidence of 99.9%, as well as the use of the weighted arithmetic medium, standard deviation and differentness coefficient to clarify the dispersion of the answers.

First: Sample of Financial Report-Preparation

It is clear from table 1 that the sample members largely agree that impartiality in favour of a particular party is intended for equity, as the hypothesis was accepted because the calculated value of 2 was less than the value of 2 tables, this is evident when observing the weighted arithmetic medium of approximately 3 with a standard deviation and a low difference coefficient, which means a decrease in the dispersion of the answers from the weighted arithmetic medium.

However, there is the uncertainty that the strict application of the laws and rules established is meant to be fair, although the dispersion of the answers from the weighted arithmetic medium is relatively large and the weighted arithmetic medium is close to 2, which means that there is a confusion among the concepts of justice and justice, even though there are definitions that preceded the questions, which means that the answer to the first question to determine the concept of equity has not been significantly affected by definitions, but is well established by the members of the sample.

In the third paragraph, the hypothesis was accepted because the calculated value of 2 is greater than the value of 2 table with a degree of freedom of 4 and the medium of my account balanced 2.87 with a standard deviation of 1.26 and a coefficient of the difference of 43.9%, which indicates that the answers tend to not agree on the fact that the concept of equity is equally strict The hypothesis of the fourth paragraph was accepted in the centre of my account balanced 3.31 as the answers approach edited neutrality and agreement to some extent and a standard deviation of 1.13 and a different coefficient of 34.1% meaning that the surveyors believe that there is some kind of convergence between the concepts of justice and fairness.

In short, the results of the statistical analysis show that the members of the sample represented by the financial reporting authors largely agree on the concept of equity as a moral concept based on dealing with the interests of all parties involved in neutrality, taking into account all the variables affecting the study of a particular subject. It approaches the concept of justice, but it differs from justice because the latter is based on the strict application of rules and laws established without taking into account the relevant variables.

Table 1
ANALYSIS OF ANSWERS TO PARAGRAPHS RELATING TO THE SECOND AXIS: THE CONCEPT OF EQUITY (SAMPLE OF FINANCIAL REPORTING COUNTER-REPORT)

Test $^2\chi$				Different Coefficients	Standard Deviation	Weighted Arithmetic Medium	Questions
Test Result	Table Value	Degree of Freedom	Calculated Value				
acceptable	9.21	2	47.44	17.60%	0.48	2.74	1
acceptable	9.21	2	28.78	55.50%	0.91	1.65	2
acceptable	13.3	4	36.74	43.90%	1.26	2.87	3
acceptable	13.3	4	37.11	34.10%	1.13	3.31	4
acceptable	13.3	4	16.19	42.40%	1.29	3.04	5
acceptable	11.3	3	30	19.50%	0.83	4.28	6
acceptable	13.3	4	53.59	24.20%	1.03	4.26	7
acceptable	13.3	4	28.59	28.20%	1.1	3.91	8
unacceptable	13.3	4	8.96	47.30%	1.48	3.13	9
acceptable	11.3	3	53.56	13.90%	0.63	4.56	10

Second: Sample of Users of Financial Reports

Table (2) shows that the sample agrees that equity is intended not to bias towards the interest of a particular party, since the calculated 2 is 25 greater than the tabular value of 9.21 with a free score of 2, and in the middle of my account balanced 2.48 and a standard deviation of 0.74 low, *i.e.*, the dispersion of the answers is The second paragraph was not accepted, as the calculated 2 value is 8.65 less than the scheduled value of 9.21 and the centre of my account balanced at 1.94% with a standard deviation of 0.92% and a deviation factor of 48%. In other terms, the sample confuses the concepts of justice and justice, and justice is more stringent than justice. 3.5 Standard deviation 1.26 and 36% deviation factor was accepted the fourth paragraph with a value of 2 calculated 39.45 greater than the scheduled 13.3 and the middle of my account balanced 3.85 approaches the answer I agree somewhat agree with a standard deviation 1.08 The 28% disappearance factor finds that the concept of justice is synonymous with the concept of justice, as the acceptance of the hypothesis of 2 calculated 23 is greater than the scheduled 13.3 and the centre of my account balanced 3.42 and the standard deviation 1.11 and It can, therefore, be said that there is a clear confusion of concepts among users of financial reports, especially between the concepts of justice and justice, as they often do not find a difference between the two concepts and believe that they are synonymous and strict in adhering to the rules and laws. It should be noted that although there are definitions of concepts that precede questions, the answers show some automaticity in the response or lack of focus on these definitions.

Table 2
ANALYSIS OF ANSWERS TO PARAGRAPHS RELATED TO THE SECOND AXIS: THE CONCEPT OF EQUITY (SAMPLE OF USERS OF FINANCIAL REPORTS)

Test^2 χ				Different Coefficients	Standard Deviation	Weighted Arithmetic Medium Table Value	Questions Degree of Freedom
Test Result	Table Value	Degree of Freedom	Calculated Value				
acceptable	9.21	2	25	30%	0.74	2.48	1
unacceptable	9.21	2	8.65	48%	0.92	1.94	2
unacceptable	13.3	4	12.84	36%	1.26	3.5	3
acceptable	13.3	4	39.45	28%	1.08	3.85	4
acceptable	13.3	4	23	32%	1.11	3.42	5
acceptable	11.3	3	66.13	16%	0.72	4.56	6
acceptable	13.3	3	67.68	14%	0.64	4.6	7
acceptable	13.3	4	24.13	30%	1.17	3.87	8
acceptable	13.3	4	15.1	46%	1.41	3.1	9
acceptable	11.3	4	65.58	23%	0.99	4.32	10

About the answers to questions 1, 7, 10, it was found that there was some awareness of the difference between the concepts of equity and the other two concepts and this was shown in the sense of the concept of equity. However, the answer to the fourth question shows that the members of the sample believe that the concepts of equity and justice are in line with this leads us to say that the concept of equity is clear but not entirely.

The Second Axis: Equity and Its Impact on Financial Reporting

This section is concerned with testing the second hypothesis that equity is a value concept that is taken into account when preparing published and submitted financial reports to its users.

First: Sample of Financial Report-Preparation

The financial reports give a fair picture of the financial position and results of the company's business, according to the respondents, as the first paragraph of the second axis was accepted at a value of 2 calculated 78.04 greater than the scheduled value of 13.3 with a degree of freedom 4. The weighted arithmetic means 3.91 is approaching the answer, which is somewhat agreed with a relatively low standard deviation of 0.87% and a different coefficient of 22.4%, as a result of this, the reason for the equity is due to a set of elements that are all acceptable but to varying degrees and can be arranged according to their precedence based on the results of the calculation medium-weighted by table No. 3. It should be noted that all paragraphs were accepted on test 2, as the calculated values of each are greater than the table and the degrees of freedom for the first and second paragraphs are 2 and since the weighted arithmetic medium is higher than that means that the answers ranged from somewhat was agreed to and only very agreed. The degrees of freedom of the answers of elements 3, 4 are 3 in the centre of my account balance above 3, which means that the answers were between neutrality and very agreed, and this leads us to say that all members of the sample accept the four points listed according to their first choice without any negative answer. They reject editing because it fully applies the standards and rules (the calculated 2 value is 12.48 less than the 13.3 per cent in the centre of my account balanced 2.91, a standard deviation of 0.32 and a different coefficient of 45.4%) in table 3.

Table 3
THE REASONS FOR THE FACT THAT THE FINANCIAL REPORTS ARE FAIR ACCORDING TO THE OPINION OF THEIR PREPARATIONS RANKED ACCORDING TO THE PRIORITY

No.	Reasons	Weighted Arithmetic Medium	Calculated χ^2	Degree of Freedom	Table Schedule χ^2
1	Fair because it complies with accepted accounting standards and rules	4.43	24.78	2	9.21
2	Fair because it serves shareholders - investors	4.19	41.47	2	9.21
3	Fair because it applies to the common accounting system	3.93	55.93	3	11.3
4	Fair because it serves national goals.	3.61	14.00	3	11.3
5	Fair because it serves the interests of the administration	3.43	17.48	4	13.3

Although it is agreed that financial reports guarantee the interests of all beneficiaries, there is a bias in the financial reports towards the three parties ranked according to their weighted accounting circles as indicated in Table 4:

Table 4
FINANCIAL REPORTS TEND TO SERVE THE FOLLOWING PARTIES (SAMPLE OF FINANCIAL REPORT PROVIDERS)

NO.	Parties	Weighted Arithmetic Medium	Standard Deviation
1	Shareholders	3.39	1.06
2	Management	3.2	1.07

3	Founding	3.19	1.07

With regard to government actors and other media, the existence of bias is unacceptable as a hypothesis, as the calculated 2 value for each of these parties is less than the scheduled and set out in Table 5:

Table 5
VALUE χ^2 CALCULATED BY FINANCIAL REPORTING ISSUED

No.	Parties	Calculated χ^2	Degree of Freedom	Table Schedule $^2\chi$
1	Government agencies (e.g. taxes)	8.78	4	13.3
2	Information	0.81	3	11.3
3	Other parties	10.07	4	13.3

As for the auditor's opinion in financial reports, the members of the sample agree that there are professional standards and rules, as well as that the personal judgment will ensure that the auditor's opinion is more equitable at a value of 2 calculated 39.48 greater than the 11.3 per degree at the 3.35 degree of my account, which is between the answers and the agreement to some extent and i very much agree with a standard deviation of 0.68 and a different factor of 15.6%. Accordingly, the phrase "fairly presented" is not intended to be used only as a personal opinion, as the paragraph was rejected because the calculated 2 value is 10.63 less than the 13.3 in the center of my account balanced 3.05 and standard deviation 1. 13.13 The financial reports, according to a sample of their directors, give a fair picture of the financial position and the results of the company's business as it includes the interests of all the beneficiary parties with some bias towards shareholders, management and founders and the auditor supports this by adopting Rules and standards of audit and personal judgment.

Second: Sample of Users of Financial Reports

According to the members of this sample, the financial reports give a fair picture of the financial position and results of the company's business. This is due to a combination of different factors arranged according to their predecessors as in table (6). The acceptance of these paragraphs on the calculated test 2, which was greater than the table and as shown in the table shows that the agreement on the first and second factors was absolute as the degree of freedom for them is 2 in the sense that the answers were only centered on some degree of agreement and I agree very much since the weight of the two factors is greater than the weight given to the answer i agree somewhat which is 4 in table 6.

Table 6
REASONS FOR THE FINANCIAL REPORTS TO BE FAIR ACCORDING TO THE OPINION OF THEIR USERS RANKED ACCORDING TO PRECEDENCE

No.	Reasons	Weighted Arithmetic Medium	Calculated χ^2	Degree of Freedom	Table Schedule χ^2
1	Fair because it complies with accepted accounting standards and rules	4.50	62.26	2	9.21
2	Fair because it applies to the common accounting system	4.47	24.23	2	9.21
3	Fair because it serves the interests of	3.92	30.90	4	13.3

	the administration				
4	Fair because it serves shareholders – investors	3.89	30.26	4	13.3
5	Fair because it serves national goals	3.84	23.16	4	13.3

The confusion between the concepts of justice and fairness is reflected again by the answer to the third question, as the members of the sample accept that the financial reports are fair because they serve the interests of all beneficiaries at a value of 2 calculated 32.06 greater than the scheduled 11.3 with a degree of freedom of 11.3 and a balanced account center of 4.26 with a low dispersive standard deviation of 0.87 and a 20% deviation factor. They accept that financial reports are fair because they fully apply the relevant standards and rules at a value of 2 calculated 14.94 greater than the scale 13.3 with a degree of freedom 4, but the weighted arithmetic average is 2.82 with a relatively high dispersal of 1.26 and a coefficient 45% of depending on the responses of the sample members, the order of the above bias of financial reports towards the relevant parties is as described in table 7, it is believed that the bias is primarily towards shareholders and then management and then the other parties as less affected in table 7.

Table 7
RANKING OF PARTIES TO WHICH FINANCIAL REPORTS ARE BIASED ACCORDING TO THEIR PREDECESSORS

No.	Reasons	Weighted Arithmetic Medium	Calculated χ^2	Degree of Freedom	Table Schedule χ^2
1	Shareholders	3.94	30.26	4	13.3
2	Management interest	3.73	29.61	4	13.3
3	Government agencies	3.61	26.87	4	13.3
4	Founding	3.15	28.16	4	13.3
5	Information	2.44	29.77	4	13.3

The fifth paragraph relating to the auditor's opinion was accepted as the value of 2 calculated 20.16 is greater than the tabular 9.21 in freedom 2 and the middle of my account balanced 4.40, low dispersion of 0.61 from the weighted arithmetic average and a different coefficient of 14%, so the sample considers that the existence of personal judgment along with the accounting rules and standards set when building the auditor's opinion will make this view more equitable and in return the phrase "Fairly offered" is not only intended to be based solely on personal judgment, as the hypothesis of 2 calculated 12.51 is rejected below the 13.3 scale, with a balanced account of 2.51 and a standard deviation of 1.16. Accordingly, it can be said that the members of the sample of users of the financial reports believe that equity exists in financial reports and is achieved through the application of accounting rules and standards as well as the common accounting system with a kind of orientation to the interests of shareholders and management. The auditor gives an equitable opinion when relying on the rules and standards of scrutiny and personal judgment, however there is a kind of confusion between the concepts of fairness and justice that appears again in the opinions of this sample.

"**Equity is a value concept that is taken into account when preparing published financial reports to its users**."

CONCLUSIONS

1) Within the elements of the structure of accounting theory, equity is not an accounting standard because it is man-made and does not constitute a guide to action, but is a goal in itself. It is also not muslim because it does not change by changing the environment or changing accounting objectives.
2) The financial reports figures represent the product of the measurement process by adopting accounting applications combined with personal appreciation and behavioral effects, and delivering these figures to all parties that are expected to benefit from it through a general system of symbols, signals and behavior. It therefore requires fairness in order not to be directed towards the interest of a particular user party.
3) The first hypothesis was rejected as there is no consensus between the concept of equity among the financial reporting authors and the user of these reports, because the concept of equity is clear in meaning and specific to the financial reporting author, as the results of the statistical analysis showed that the members of the sample agree greatly on the concept of equity as a moral concept based on dealing with the interests of all parties concerned impartially taking into account all the variables affecting the study of a particular subject.
4) The second basic premise was accepted, as equity is a valuable concept taken into account in the preparation of published financial reports submitted to its users. The auditor supports this by adopting audit rules and standards as well as personal judgment.
5) According to the users of the financial reports, equity exists and is achieved through the application of accounting rules and standards as well as the common system, with a kind of orientation to the interests of shareholders and management. The auditor gives an equitable opinion when relying on audit rules, standards and personal judgment.

RECOMMENDATIONS

1) Urge companies to speed up the issuance of financial reports and include any data that is expected to be useful to different stakeholders, especially data related to the company's moral role in society and the social services it provides to stakeholders in the light of cost/benefit analysis.
2) Issuing an accounting base that enhances the role of non-financial data by presenting some non-financial indicators and attaching them to some explanations and how to apply these indicators with an explanation of their importance in achieving a competitive advantage for the company by serving a wider segment of users of financial reports.
3) Establishing the concept of equity in accounting thinking as well as its effect in reducing the confusion that creates in the mind of the user financial reports resulting from the understanding of justice as a synonym for justice.

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