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The legal and scientific responsibility of the manuscripts belongs to the authors.

The Third InTraders International Conference on International Trade provides Republic of Turkey, Council of Higher Education "International Conference" criteria.

The 5th InTraders International Conference on International Trade was held on 13-14 April 2020 with participants from 11 different countries; Turkey, Romania, The Republic Of North Macedonia, India, Iraq, Kosovo, Somalia, Malaysia, Philippines, Pakistan and Zambia. The 61 % of studies is presented by foreign authors out of Turkey.

In the program, just accepted and presented studies are mentioned.

Appreciation

I am gratified to have the honor to put forward the vote of thanks to all the Congressional Coordinators, Congressional Committees, Writers and Authors who provided the intensive work performnace for the Congress

First of all, i would like to convey my special thanks to the honorable

Keynote Speakers

PhD, Liza Alili Sulejmani. International Balkan University, Republic of North Macedonia

Dear Prof. Dr. Adriana Schiopoiu Burlea, University of Craiova, Romania

Dear Assoc. Prof. Dr. Omar Khalid Bhatti, İstanbul Medipol University, Turkey

Special Guest

Dear Dr. Ajay Kumar, Director, TIAS, Delhi, India

The Congress is scheduled for 2 days by using Zoom Live Sessions.

We aim to provide contribution international trade field by our International Spring Conferences, International Autumn Conferences, Academic Journal, Conference Alerts News and International Market Research.

There will be special issues in InTraders International Trade Academic Journal from the studies take place in our conferences.

InTraders conference is international and targets the participants from all over the world and shape the organization in this direction.

The congress aims to have papers from academicians and private sector managers. The written and presentation language is English.

Conference main topics; international trade, business, economics and supply chain management.

Thank you for your great work dear friends. Last but not the least, my little motivators Emre and Yunus ÇAPRAZ, you are great….

In upcoming Autumn Conference, a beautiful congress which carries more than international congress criteria is waiting for all of you.

Wish to meet you all in this new international conferences…

Kürşat ÇAPRAZ

Director of InTraders Academic Platform

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Keynote Speech

THE IMPACT OF DISPERSAL OF RESPONSIBILITIES ON PANDEMIC CORONAVIRUS CRISIS

Professor PhD Adriana Burlea-Schiopoiu

University of Craiova
Romania

This period is under the economic and social domination of coronavirus pandemic and the humanity is seeking solutions to overcome this invisible enemy. After these challenging times, the world will have to adapt to a ‘new normal’, but a new question stands out: How the new normality will look like after COVID-19 disruptions? The aim of this article is to underline the role of DISPERSAL OF RESPONSIBILITIES in the current international landscape, to identify the key levels of the dispersal phenomena in relationship with the new challenges caused by the coronavirus pandemic, and to find the solutions to tackle the crisis. We will find the answer to the following questions: How dispersal of responsibilities co-evolve during new challenges? How the new challenges affect people, organisations and society itself? How the DR mediates the decision-making process at national and international level? The dispersal of responsibilities is a complex phenomenon that acts on many various levels of influence (e.g. economic, social, legal) and provides irresponsible organisations with tools for illegal and unethical actions. In our opinion, the ethical attitude is related to some actions or inactions of people, because a large number of individuals has refused to get involved in actions to reduce the effects of COVID-19, there were also people who have taken the risk to work in a contaminate environment and the efficiency of the organisations depends on how quickly they can adapt to the a new dramatic situation. We arrived at the conclusion that the reasons for failure of strategies in REAL LIFE depends on many objectives elements as the lack of knowledge of existing guidelines and recommendations, the surprise element of this pandemic that has taken by surprise both the decision makers and the employees who faced an unpredictable and difficult to manage enemy and this is reflected by the unsecure attitude of the leaders toward pandemic coronavirus, and also by the levels of decisional experience of persons involved in the fight with this invisible enemy. The new situation appears to be a puzzle with many pieces as sources of dispersal of responsibilities generated by a preferential interpretation and application of some parts of the many pieces of legislation with the same meaning, bureaucracy, and unlimited power of the principals, bureaucracy and unlimited power of decision makers. Therefore, the dispersal of responsibilities occurs on the following pandemic coronavirus crisis levels: the citizens' attitude towards risk, the organisational change because of the decision-making process, the ambiguity between the role played by different actors at individual level, and several contradictory sources of information. Our conclusion is based on the fact that the dispersal of responsibilities increases the aversion to the risk of people face with new challenges and it will have a direct and negative impact on future landscape of the entire world.

Special Guest Speech

Global Economic outlook During the Covid-19 pandemic: A Changed World

Dr.Ajay Kumar Rathore Director
Tecnia Institute of Advanced Studies

New Delhi

The Covid -19 has spread around the world and millions of people infected with this virus and it has hit the global economic also.

All Sectors has been hit by this pandemic it may be Manufacture sector, Transport Sector, Tourism Sector or Education sector. Developed and developing countries both are facing big problem. In 2020 most of countries are going to down to face in the economics recession. Those countries are advanced they are going to shrink around 7%.Emerging market and developing economic will fall over to the outlook. In every domain substantial growth has been reduced. Due to these recessions millions of people growth will go downturns.

Developing economies and new trend market will struck .If we see in the trade all trade has been effected , International trades effected , transportation is not running due to Pandemic supply of goods has been stuck in the way. Airlines have been stop, tourism sector has been failed, and visitors are not there to visits the side due to social distancing. Education has been hit no school colleges has been running students are at home teacher are trying to teach their students through online. Living life style has been changed. Now no outing, no movies in theatre, no shopping in mall. All are in fear with this corona virus .The global economy has been fall in deep recession.

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*Live presentation by using Zoom Program.

Keynote Speakers (Joined)

PhD. Faculty Member, Liza Alili Sulejmani. International Balkan University, Republic of North Macedonia

Prof. Dr. ADRIANA SCHIOPOIU BURLEA, University of Craiova, Romania

Assoc. Prof. Dr. Omar Khalid BHATTI, İstanbul Medipol University

Special Guest (Joined)

Dr. Ajay Kumar, Director, TIAS, Delhi, India

The List of Abstracts Accepted and Presented at The Conference

(The written and presentation language; English)

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LONG RUN AND SHORT RUN EFFECTS OF FOREIGN DIRECT INVESTMENTS ON ECONOMIC GROWTH: EMPIRICAL EVIDENCE OF THE REPUBLIC OF NORTH MACEDONIA

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Abstract

The contribution and effects of foreign direct investments on economic growth have been widely discussed among scholars for the last four decades, yet there exist few empirical studies discussing the effects of FDI on the economic growth in the long run and short run on developing countries. In this regard, this paper tries to empirically investigate this nexus for the case of the Republic of North Macedonia for the last two decades, by providing relevant contribution and empirical evidence of the impact of foreign direct investments on its growth in the long run and short run, for the time spin 1998 – 2018. For this purpose, several econometric techniques have been employed such as Augmented Dickey fuller test for unit root, Johansen test for co-integration, Vector Error Correction Method – VEC model and Granger causality test for ensuring the robustness of the empirical findings.

In addition, empirical results suggest that FDI can stimulate the economic growth in the long run in the case of the Republic of North Macedonia, although showing insignificant effect in the short run. In the model, severe macroeconomic indicators included play crucial effects on the economic growth of the country. Gross fixed capital formation as % of GDP has negative while real exports have a positive impact on the countries growth rate.

Finally, FDI is assessed as an important factor that can stimulate and promote the economic growth in the long run in a developing country such as Republic of North Macedonia, thus

should be encouraged efforts for attracting FDI to supplement the domestic investments, by constructing effective policies with a long run view.

Keywords: FDI, economic growth, VEC model, Granger causality.
JEL Codes: C32, F21, F43

Introduction

Economic theory implies that the countries growth depend on a large scale from domestic and foreign investments. De facto, many scholars have stated that countries in order to pursuit their try to establish domestic and foreign investments. In addition, in many of their studies it is suggested the positive relationship foreign investment and economic growth.

According to the definition of the International Monetary Fund (1977), Foreign Direct Investment (FDI) it is defined as a major component of investment to acquire lasting interest in a company operating in foreign economy, being an important part of the management or control of the company.

The main macroeconomic objective of the Republic of North Macedonia is to obtain a relevant economic growth, although there is evidence of a lack of capital investment in the country to finance the needed investments for boosting the countries growth. Thus, this implies that during the last two decades the domestic investment has been lowered compared to the required investment, making the country deficient in investible capital, a deficit that time to time has resulted with a wide gap between domestic and required investment. Thus, no doubt as an alternative for domestic investments, revealed the important role of the foreign direct investments for the economy of the Republic of North Macedonia.

In this direction, having into consideration the crucial role that Foreign Direct Investments play in promoting the economic growth of the developing countries, the main aim of this paper is to empirically determine the long-run effects of the Foreign Direct Investments in the economic growth of the Republic of North Macedonia for the last two decades, by utilizing the Vector Error Correction Model. In addition, Granger causality test is performed in order to check the causal relationship between Foreign Direct Investments and economic growth in our country. Finally, having into consideration the set policy measures that have been achieved by the Macedonian government in order to attain a better climate investment for foreign investments, this analysis will try to give recommendations for further policy measures in the near future.

Thus, having into consideration the above mention, the objectives of this paper are as follows:

- To determine the long-run effects of the Foreign Direct Investments on the economic growth of the Republic of North Macedonia
- To determine the causal relationship between Foreign Direct Investment and the economic growth for the case of the Republic of North Macedonia

The structure of this paper is as follows: first part reveals the introduction part, second part deals with the relevant literature review of FDI and economic growth, third part illustrates the research methodology used in this analysis, fourth part interprets the empirical findings while the last part deals with the conclusions and recommendations regarding the long-run effects of the Foreign Direct Investment in the economic growth of the Republic of North Macedonia.

Literature Review

The relationship between Foreign Direct Investments and economic growth it presents a widely debatable and researched area, attracting the attention of many scholars as well and policy makers. In addition, having into consideration the role of foreign direct investments on the economic growth of developing countries, the empirical results resulted from different scholars have demonstrated mixed findings regarding this nexus.

In this regard, Bilic and Alili Sulejmani (2018) have investigated the relationship between trade openness, FDI and economic growth in the Republic of North Macedonia, by utilizing the VECM and Granger causal test for the time period 2000 – 2016. Their results revealed a positive and significant relationship between FDI and economic growth in the Republic of North Macedonia.

In their paper, Wai-Mun et al (2008) investigated the nexus between FDI and economic growth for the case of Malaysia. By using Augmented Dickey-Fuller and Phillips-Peron test and OLS regression analysis, the findings implied a positive relationship between Foreign Direct Investments and economic growth for the case of Malaysia.

Moreover, Awe (2013) has examined the impact of FDI on the economic growth in the case of Nigeria for the time period 1976–2006, suggesting a negative relationship between economic Foreign Direct Investment and economic growth. In addition again for Nigeria, Okumoko and Karimo (2015) have analyzed the effects of FDI and economic growth for the time spin 1988-2013, by using SVAR model. Their findings imply that in the short run, FDI and economic growth do not respond to nominal shocks.

Szkorupova (2014) analyzed the relationship between exports, FDI and economic growth for Slovakia for the time period 2001-2010, by utilizing Johansen co-integration test and VEC model. In addition, findings suggested a positive and significant effect of Foreign Direct Investments on the economic growth in the long run in the case of Slovakia.

Further, Fetahi Vehapi, et al. (2015) have investigated the impact of FDI and trade openness on the economic growth of SEE countries for the time spin 1996-2012. Their findings revealed a positive relationship between FDI and economic growth in this set of countries.

Although the relationship between FDI and economic growth is highly investigated, to our knowledge it is the first attempt in the context of the Republic of North Macedonia, to investigate the long run effects of Foreign Direct Investments on the economic growth, by utilizing quarterly time series for the time period 2000 – 201, through the VECM and Granger Causality test in order to investigate the causal relationship between FDI and economic growth.

Data And Model Specification

In order to accomplish the main objective of this paper, thus to analyze the long – run effects of the Foreign Direct Investments on the economic growth of the Republic of North Macedonia, quarterly time series have been utilized for the time spin 2000 – 2017. In addition, the data has been collected from National Bank of the Republic of North Macedonia.

Table1. Vaiables, abbreviation and sources

VARIABLES	ABBREVIATION	SOURCES
Real Gross Domestic Product	gdp	National Bank of the Republic of North Macedonia
Foreign Direct Investments	fdi	National Bank of the Republic of North Macedonia
Gross Fixed Capital Formation % of GDP	gfcf	National Bank of the Republic of North Macedonia
Exchange rate	exchrate	National Bank of the Republic of North Macedonia
Real exports	rexp	National Bank of the Republic of North Macedonia

Source: author's source.

In order to accomplish the main aim of this paper, the following linear regression model has been set and later VEC model and Granger causality test has been performed to determine the long run effects of FDI on the economic growth as well their causal relationship.

$$\boldsymbol{gdp = f(fdi, gfcf, exchrate, rexp)} \quad (1)$$

Transforming it into linear regression:

$$\boldsymbol{gdp = \beta_0 + \beta_1 fdi + \beta_2 gfcf + \beta_3 exchrate + \beta_4 rexp + \varepsilon_t} \quad (2)$$

where:
gdp – Real Gross Domestic Product rate
fdi – Foreign Direct Investments
gfcf – Gross Fixed Capital Formation as % of GDP
exchrate – exchange rate
rexp – Real exports
In addition, in order to improve the linearity of the model, natural logarithm has been included:

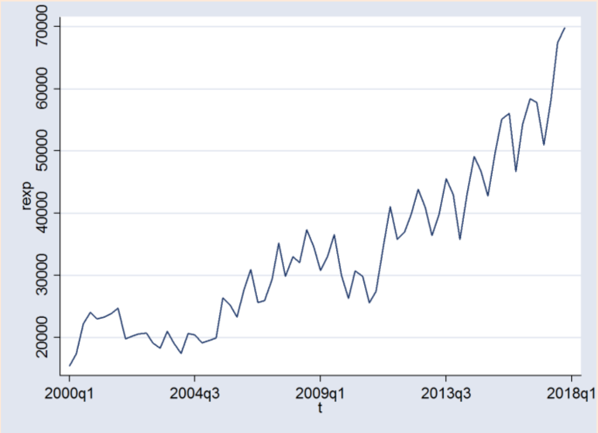
$$\boldsymbol{\ln\_gdp = \beta_0 + \beta_1 \ln\_fdi + \beta_2 \ln\_gfcf + \beta_3 \ln\_exchrate + \beta_4 \ln\_rexp + \varepsilon_t} \quad (3)$$

Further, VEC model has been employed in order to determine the long run effects of the FDI on the economic growth, while Granger causal test has been used in order to check the causality direction of the FDI and economic growth in the Republic of North Macedonia.

Empirical Findings

As already mention, the main objective of this paper is to empiraclly determine the log runn effects of the FDI on the economic growth of the Republic of North Macedonia for the time period 2000 – 2017. In this regard, the following graph illustrates the trend of the variables: real GDP growth rate – gdp, Foreign Direct Investments – fdi, Gross Fixed Capital Formation as % of GDP – gfcg, Exchange rate – exchrate and Real exports – rexp, for the time spin 2000q1 – 2017q4.

Graph1. Variables trends for the case of Republic of North Macedonia, 2000q1 – 2017q4



Source: author's calculations.

The following table illustrates the descriptive statistics of the depended and independent variables in this analysis, indicating the value of their mean, maximum, minimum and standard deviation.

Table2. Descriptive statistics

VARIABLE	NUMBER OF OBSERVATIONA	MEAN	STANDARD DEVIATION	MINIMUM	MAXIMUM
gdp	72	2.96026	4.473727	-12.72352	14.36636
fdi	72	4.104493	5.501748	-.818086	40.7013
gfcf	72	22.49205	1.79733	18.86464	26.00912
exchrate	72	61.33046	.2632337	60.64823	61.68925
rexp	72	33563.8	13061.54	15417.2	69874.2

Source: author's calculations.

In order to apply the unit root test, the lag number according to three main criteria is set: Akaike, Shwartz and Benynsian and Hannah and Quinn. In addition, their results are indicated in the following table. Moreover, following the three criteria results, the lag number of the lag included in our analysis is determined to be one.

Table3: Lag order selection

Lag	AIC	HQIC	SBIC
0	6.10395	6.03929	5.94075
1	12.1329	11.7449*	-11.1537*
2	12.2065	11.4952	10.4113
3	12.4674*	11.4327	9.85617
4	12.3692	11.0112	8.94199

Source: author's calculations.

In addition, the time series has been investigated for their stationarity, thus Unit root test has been performed and in this regard Augmented Dickey Fuller test has been utilized and its results are presented in the following table below.

Moreover, the results of Augmented Dickey Fuller test imply that all the variables contain unit root in their level, thus we accept the null hypothesis that variables contain unit root, therefore they are not stationary in their level and reject the alternative hypothesis. In addition, the variables are converted in their first difference and then checked for their stationarity. During their first difference, all variables became stationary, thus we reject the null hypothesis and accept the alternative hypothesis that variables do not contain unit root, thus they are stationary.

Table3. Augmented Dickey Fuller test for unit root

	VARIABLE	AUGMENTED DICKEY FULLER	COMMENT
Level	ln gdp	-1.142 (-2.921)	H_0 – accepted H_1- rejected
	ln fdi	-2.287 (-2.921)	H_0 – accepted H_1- rejected
	ln gfcf	-1.787 (-2.913)	H_0 – accepted H_1- rejected
	ln exchrate	-2.561 (-2.913)	H_0 – accepted H_1- rejected
	ln rexp	-1.174 (-2.913)	H_0 – accepted H_1- rejected
First difference	d_ln gdp	-6.902 (-2.975)	H_0 – rejected H_1- accepted
	d_ln fdi	-7.902 (-2.928)	H_0 – rejected H_1- accepted
	d_ln gfcf	-3.606 (-2.915)	H_0 – rejected H_1- accepted
	d_ln exchrate	-7.710 (-2.915)	H_0 – rejected H_1- accepted
	d_ln rexp	-11.275 (-2.918)	H_0 – rejected H_1- accepted
Notes: † numbers in brackets represent lag length in ADF test			

Source: author's calculations.

The next table reflects the results of the Johansen test of co-integration which has been employed in order to test the existence of long run co-integration between FDI and economic growth in the Republic of North Macedonia, thus to determine the rank of co-integration. In case there exists at least one co-integrating vector, the results imply the existence of long – run relationship between variables, such the case in this analysis. Thus, with the presence of one co-integrating vector, the results imply the existence of a long run relationship between

Foreign Direct Investments and economic growth for the Republic of North Macedonia, for the time period 2000 q1 – 2017 q4.

Table4. Johansen test of co-integration rank vector

Null hypothesis	Alternative hypothesis	λ- trace	95 % critical value
r = 0	r > 0	83.5927	68.52
r ≤ 1	r > 1	43.6505 *	47.21
r ≤ 2	r > 2	24.2242	24.2242

Source: author's calculations.

Johansen test for co-integration results imply that based on the value of trace test there is at least one co-integrating vector in this model, thus they are I(1). These results reveal that we can reject the null hypothesis of no co-integration vector and accept the alternative hypothesis that there exist at least one co-integrating vector among the variables, thus there exist a long run relationship between Foreign Direct Investments and economic growth in the Republic of North Macedonia, regarding the time spin 2000q1 to 2017q4.

Following the results of the Johansen test of co-integration, Vector Error Correction - VEC model has been employed in order to determine the long run effects of the Foreign Direct Investments in the economic growth of Macedonia. In addition, the results of this technique are presented in the table below, indicating positive and significant effect of Foreign Direct Investments in the economic growth of the Republic of North Macedonia in the long run.

Table5: Vector Error Correction model results

Variables (co-integration vector 1)	β	z	P>|z|
ln gdp	1.000		
ln fdi	2.129374	10.87	0.000
ln gfcf	-9.64723	-3.43	0.001
ln exchrate	-52.64161	-1.00	0.316
ln rexp	2.583138	3.42	0.001

Notes: β – co-integrating vector and α - adjustment parameter vector; 1.000 - co-integrating vector normalized with respect to gdp. Brackets - p values for probabilities for β and α

Source: author's calculations

In addition, Gross Fixed Capital formation has negative effect on the real GDP growth rate, while real exports have positive effect on the growth in the long run for the case of the Republic of North Macedonia. Moreover, exchange rate is insignificant in this model due to its value of t-statistics and p – value.

Finally, in order to determine the causal relationship between Foreign Direct Investments and economic growth for the case of the Republic of North Macedonia, Granger causality test has been performed in this direction. Moreover, the last table presents the results of the causality analysis.

Table6. Granger causality test

		Dependent variables (equation)	
		ln_gdp	ln_fdi
Independent variables (lags)	ln_gdp		0.0693 (0.720)
	ln_fdi	4.5077 (0.034)	

Source: author's calculations.

The results from Granger Causality test, there exist a unidirectional causal relationship between Foreign Direct Investments and GDP, running from FDI to the GDP, thus implying that we reject the null hypothesis of FDI does not Granger cause GDP and accepted the alternative hypothesis that FDI granger cause GDP in the Republic of North Macedonia.

Conclusions and Recommendations

The main objective of this paper is to empirically investigate the long run dynamic effects of Foreign Direct Investments on the economic growth of Republic of North Macedonia, for the last two decades 2000q1 – 2017q4. In this regard, Johansen co-integration and VEC model technique have been utilized as well as Granger causality test has been applied to determine the causality between foreign direct investments and economic growth for the case of Republic of North Macedonia.

With respect to the lomg run effects of the Foreign Direct Investments in the economic growth of the Republic of North Macedonia, based on the Vector Error Correction model, they indicate positive and significant effect of FDI on the economic growth of the Republic of North Macedonian in the long run. As for the causality, there exist a unidirectional causal relationship between Foreign Direct Investment and economic growth, which is running from fdi to economic growth. Moreover, these findings are in line with theory and empirical findings regarding the developing countries and Western Balkan countires.

Based on the empirical findings, the following recommendations have been suggested to be considered by the government of the Republic of North Macedonia:

- Diversification of Foreign Direct Investments industries; ex. Agriculture, Information technology and tourism.
- Geographical diversification of Foreign Direct Investments
- Create a better business climate, a stable regulatory framework, improve the credit policy.

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Structuring Decisions of Food Sector Export Firms with Decision Making Methods under Uncertainty

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Abstract

Recent studies have shown that export companies, especially food industry enterprises, have become essential to use statistical and decision-making methods to identify export products. While making these important decisions, food export companies can use Decision Making Methods under Uncertainty among statistical methods.

The main purpose of the study is; assist in the delivery of optimal decision is to export food products to the food export companies operating in Turkey to South Africa. In the analysis of the study, chocolate, sugar, biscuit and chewing gum, which are among the export products of the relevant enterprise, were accepted as decision elements. These decision items are expressed in a table of payments under strong and weak economic conditions. Relevant decision items were analyzed separately with Maximax, Maximin, Minimax and Hurwicz Methods.

As a result of analysis of decision making methods under uncertainty; it is concluded that the export company of the relevant export company is exported biscuits in the first row and chewing gum in the second row. What makes this study different from other studies, in the literature, there is no study using decision making methods that produce solutions for which product export companies should export. In future researches, decision making methods can be used under probabilities to solve export companies' decision problems.

Keywords: Decision Making Methods under Uncertainty, Statistical Methods, Food Industry Export Businesses

JEL Codes: M11, C02, C51, C61

Introduction

Determining the most suitable export product is vital for export companies. Especially food export companies do not want to make mistakes considering the risk of deterioration during transportation.

When the related literature is examined; while making the decisions of export companies, there is no study that produces solutions using decision making methods, especially under Uncertainty Decision Making Methods.

Accordingly, decision making methods can be used under uncertainty in making the optimum export decision. In the study, the relevant enterprise was assisted in determining which products should be exported first for a company exporting many types of food products abroad.

Litreture Rewiev

As in many sectors of the business world in Turkey, they want to be successful in solving problems and make the right decisions. However, the uncertainty of the future results of the decision taken shows that the decision-making process is not an easy process at all (Ulucan, 2004).

If the results of behaviors related to any decision making process are known in advance, it is called decision making under certainty conditions (Öztürk, 2005).

According to all the researches, there are four types of decision making environments. These; Decision making under certainty, under uncertainty, under risk and under uncertainty and risk conditions (Tekin, 1999).

Decision making at risk requires that all possible outcomes of the decision are known to the decision maker and that the decision maker has the possibilities for each outcome to occur (Clemen, 1996).

In terms of the methods described above, it has been determined that export companies do not use scientific decision-making methods, despite the numerous decision problems. In the paragraphs mentioned, a few important problems related to the general problems of export companies are mentioned.

Export is very important for both developing and developed countries today. The increase in exports increases the national income and supports economic development **by contributing** to the elimination of the foreign currency bottleneck in the country. Thus; full use of production resources in the economy can be provided (Başar, 2004).

It has been observed that it takes at least a few years to create the necessary infrastructure to export directly from the experiences of the countries. Acceleration of this process depends on the creation of an export company that is independent of domestic sales units and provides sufficient financing (Anonymous, 1997)

Since increasing export is one of the main targets in all countries of the world, intense competition in this field is getting harder each year and competition is transformed into an international competition with the incentive and support systems introduced to export (Ansen, 2000).

Small and medium sized enterprises are difficult to export due to deficiencies such as technology, financing and human resources. Therefore, they need loans to sell their products in foreign markets (Khan, 1989).

Methodology

Decision Making Methods Under Uncertainty

Considering the possible situations of change, the uncertainty condition arises. In order to be able to get out of such a situation with an optimum decision, a payment table is prepared, which indicates different payment situations. Strong and weak economic conditions must be stated in this table. Considering this table,

A- Maximax (Optimism)
B- Maximin (Pessimism)
C- Minimax (Regret)
D- Hurwicz Method

Using the above methods, the most appropriate decision list is determined.

Purpose of the Study

The main purpose of the study is assist in the delivery of optimal decision is to export food products to the food export companies operating in Turkey to South Africa.

Scope of the Study

The study has been compiled from operating in Turkey exports food problems including decision making methods to be used in making decisions for their export businesses.

Arrangement of Decision Items and Payment Table

In the analysis of the study, chocolate, sugar, biscuit and chewing gum, which are among the export products of the relevant enterprise, were accepted as decision items. These decision items are expressed in a table of payments under strong and weak economic conditions. Relevant decision items were analyzed separately with Maximax, Maximin, Minimax and Hurwicz Methods.

Findings and Comments

Expressing the Basic Payment Table

In order to use decision making methods under uncertainty, firstable the payment table must be stated with strong and weak conditions.

Table 1. Basic Payment Values

Decision Items	Strong Economic Conditions (TL)	Weak Economic Conditions (TL)
Chocolate	3	2
Sugar	2.5	1.75
Biscuit	6	4
Chewing Gum	1.5	1.2

Solution with Maximax (Optimism) Method

In this method, the optimum decision is made by taking the maximum value under strong economic conditions. When Table 1 is examined, *biscuit* decision item is seen as the most appropriate decision.

Solution with Maximin (Pessimism) Method:

In this method, the optimum decision is made by taking the maximum value under weak economic conditions. When Table 1 is examined, *biscuit* decision item is seen as the most appropriate decision.

Solution with Minimax (Regret) method:

In this method, the maximum of the column values that express the strengths and weaknesses are determined. A new payment table is created by subtracting all relevant column values from these values. According to this table, the maximum value is taken under weak economic conditions. As a result of this method, the most appropriate decision is the *chewing gum* decision item. The new payment table is stated in Table 2.

Table 2. Minimax (Regret) Table

Decision Items	Strong Economic Conditions (TL)	Weak Economic Conditions (TL)
Chocolate	**3**	**2**
Sugar	**3.5**	**2.25**
Biscuit	**0**	**0**
Chewing Gum	**4.5**	**2.8**

Solution with Hurwicz Method:

For this method to be applied, the optimism value of α must be known. For each decision item, the values of strong economic conditions are multiplied by the coefficient, while the values of the weak economic conditions are multiplied by (1-α) and summed up. Thus, the most appropriate value is found. When the solution steps of this method are applied; with this biggest value of 4.08, the *Biscuit* decision item has been determined as the most appropriate value.

Calculatings:

Chocolate: 3*0, 4+2*0, 6=2.4

Sugar= 2.05

Biscuit = 4.08 Chewing Gum = 1.32

Results and Suggestions

Export companies do not want to make a mistake in determining the most suitable export product, especially for food export companies, considering the risk of product disruption and return status during transportation.

Ask to be a scientific study on the granting of an export firm operating in Turkey optimal decision in this regard is the biggest factor in the formation of the study.

The data of the relevant company was taken and turned into a basic payment table. Based on this table, decision making methods were applied one by one under uncertainty.

When the analysis results made with four different decision making methods are examined; Three times a *Biscuit* and once a *Chewing gum* result were encountered. This indicates that the relevant export business is advised to select the *Biscuit* decision item as a priority.

In academic studies that are planned to be carried out in the future, decision making methods can be used under the probabilities of export companies' decision problems.

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Romanian Terms of Turkish Origin Related to Trade and Food as Part of the Intercultural Dialogue Bewteen Orient and Occident

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Abstract

The study explores the intercultural relations between Romanian and Turkish peoples as reflected by the Turkish loanwords in the Romanian language as part of the larger picture of the Orient-Occident dialogue. The trade and culinary Romanian vocabulary reveal an old and close relationship with the Turkish language generated by the activity of the Ottomans on the Romanian territories starting from the fourteenth century CE. Although Romanians and Ottomans had a long tensioned relation, the first ones were deeply influenced by their conquerors not only in their lifestyle but also the Romanian language was shaped by the Turkish idiom for nearly 500 years. For instance, Romanian borrowed 2750 words from Turkish over time but many of them became gradually archaisms, being used just by writers to create a historical background for their pieces of fiction. Currently, only about 1000 words of Turkish origin are still used in the Romanian language, representing daily activities, food, parts of the house, furniture or adjectives. Apart from administration and army, traders represented one of the main agents of cultural exchange and dialogue. Romanian cuisine was also influenced by Turkish cuisine: *sarma*, , *iahnie*, *baclava*, *ciulama* etc. In the current study, I will focus my historical, linguistic and intercultural analysis on the trade and culinary vocabulary to stress how the two languages interacted during their half-millennium relation, on the one hand, and to point out the striking resemblance between the two peoples' lifestyle, on the other.

Keywords: culinary vocabulary, interculturality, international trade, loanwords.

JEL Codes: B17, B27

Introduction

The East-West Intercultural Dialogue

Since the dawn of history, the intercultural dialogue between the Orient and the Occident has been performed continuously. This kind of dialogue is the main component of globalization and the ability of humans to travel all over the planet represents another cause for globalization:

> "Uniquely, humans spread round the globe, using reflective consciousness to devise ways of surviving in any environment, without diverging into different species. Globalization, rather than global dispersal, began to accelerate after the development from the mid-twentieth century onward of affordable international travel. This, in turn, increased racial interbreeding and reduced physiological and cultural differences" (Hands 2015: 551).

Since Prehistory the European continent represented the stage of some of the migrations that shaped the history of the entire world: populations originating in Africa or Asia came to Europe, "the forefathers of dark-haired inhabitants of Wales and Cornwall today" may have African origin (McDowall 1989: 4). The Indo-Europeans originated in a region overlapping Europe and Asia and they migrated in the two continents, creating what Marija Gimbutas called "the Kurgan culture" or "the Kurgan people" that radically changed Old Europe:

> "The drastic upheaval of Old Europe is evident in the archaeological record not only by the abrupt absence of the magnificent painted pottery and figurines and

> the termination of sign use but by the equally abrupt appearance of thrusting weapons and horses, introduced by patriarchal and warlike horse riders from the Eurasian steppe infiltrating the Danubian Valley and other major grassland of the Balkans and Central Europe. Their arrival initiated a dramatic shift in the prehistory of Europe, a change in social structure, and in residence patterns, in art, and in religion, and it was a decisive factor in the formation of the Europe of the last five thousand years. Europe became a cultural mélange" (Gimbutas 1997: 240).

The cultural mélange that Gimbutas spoke about represented an aspect of the intercultural dialogue and assimilation which generated a total transformation of Europe and determined its transition from Prehistory to Antiquity. Old Europe was characterised by a matriarchal, peaceful society while the Indo-European invaders brought a patriarchal pattern together with the art of war (the used metals and produced weapons). Another important change generated by the Indo-Europeanization was that the Kurgan people spread pastoralism across Europe.

By the end of Antiquity, the intercultural dialogue between European and Asian peoples has intensified. There are lots of records in this respect. The Bible mentioned the clash between the Philistines and the Israelites. The Philistines (a part of the Sea Peoples) were Indo-Europeans, originating in the Aegean region: "[…] the Philistines were not of Semitic but of Indo-European origin. There are many similar cultural traits that verify the hereditary relationship and historical connections between the Philistines' customs and those known in the Aegean-Mycenaean world" (Barton 2002: 493). Other historical and literary records of the East-West intercultural dialogue can be found in Herodotus' *Histories*, in Homer's epic poems *the Iliad* and *the Odyssey,* in Thucydide's *History of the Peloponnesian War* etc.

War and trade represented the most important causes of the cultural exchanges between Europeans and Asians. The majority of these wars begun because of the invasion of some Asian peoples over Europe: the Huns, the Avars, the Pechenegs, the Cumans, the Mongols or the Tatars. Many of them settled in Europe, either being assimilated by other peoples or founding reigns and empires in Europe.

On the other hand, there is much historical and linguistic evidence of trading activities between the two continents. The symbol of the Euro-Asian trade is the Silk Road, a trade route that linked the Far East and Europe for many centuries. People traded goods such as silk, paper, tea, spices or gunpowder along the Silk Road. Philosophies, technology or even diseases (plague for instance) spread along this ancient route.

The Orient-Occident intercultural dialogue further intensified after the Great Geographical Discoveries and the development of the colonial empires. A large number of travellers and explorers carried on the contact between Asia, Europe and Africa.

Marco Polo (1254-1324), the Venetian traveller and explorer, travelled from Europe to Asia and recorded his travels *Il milione*, considered a piece of travel literature. Ibn-Battuta (1304-1377) travelled across Africa, Asia and Europe in the XIVth century CE and presented his travels in a book entitled *Ri lah* (*Travels*). Antonio Pigafetta (1492-1531), the Venetian chronicler of Magellan, recorded the first expedition around the world and his travel journal was the first account of Cebuano language (a native language from the Philippines). Nicolae Milescu (1636-1708), a Moldavian scholar and traveller, travelled to Peking (1675-1678) as the ambassador of the Russian tsar Aleksey Mikhaylovich and wrote a travel book entitled *Russia, Mongolia, China*.

Alexandra David-Néel (1868-1969), a Belgian-French scholar and explorer, was the first European woman to travel to Tibet in 1924, at that time The Roof of the world was closed to foreigners but she managed to reach Lhasa disguised as a beggar monk. She presented in detail the Tibetan people, culture and religion in her books, especially in My Journey to Lhasa (1927). Another important explorer who visited Tibet was the Austrian sportsman and writer Heinrich Harrer (1912-2006). He presented his adventures in India and Tibet during World War II in *Seven Years in Tibet*. Harrer had a close connection with His Holiness the XIV Dalai Lama, whose teacher was back in Lhasa. Harrer visited again Tibet in the early 1980s and wrote another book – *Return to Tibet: Tibet after the Chinese Occupation* (1998). These are just a few of the many explorers of the Orient, adventurers who shed light on Asian cultures and civilizations; Europeans discovered a new and fascinating world in their books.

Colonialism supported the intercultural dialogue, although the European colonisers exploited the colonised peoples. In spite of the destructions caused by colonialism, there were some positive aspects as well, especially the modernization of colonies. The colonised peoples adopted some customs from their colonisers and even their language. The colonial activity represented an opportunity for mutual understanding, for instance, on the occasion of his activity in colonial India, Sir William Jones noticed the similarities between Sanskrit and the classical languages of Europe: Greek and Latin (this was the starting point of the comparative linguistics and the Indo-European theory).

Westerners also adopted many many habits from Asian peoples, for instance, they started consuming spices, coffee and tea. The English word *tea* was an abbreviation of the

Portuguese expression: Transporte de Ervas Aromaticas (transport of aromatic herbs); Catherine of Braganza (1638-1705), after marrying king Charles II, came to England and brought her loose-leaf tea in boxes marked as Transporte de Ervas Aromaticas (TEA). She set the fashion and tea consumption increased significantly after her arrival in England because before that tea was considered too expensive due to the fact that British people had no direct trade with Chinese people:

> "Tea was too expensive for an active trade in England, where the purchase cost could not be recovered, especially while cheaper imports were available from Holland. As a result, tea, like porcelain and lacquer wares, was what contemporaries a 'drug upon the market': a commodity in great supply for which there was so little demand that it had become unsellable. Imports of tea by the East India Company from China, by whatever route, remained small and sporadic throughout the 1690s" (Ellis, Coulton, Manger 2015: 37).

So, the popularization of tea drinking in the British Empire was generated by the English queen of Portuguese origin Catherine of Braganza.

One can assert that we are part of the intercultural dialogue between Orient and Occident. Despite the recent tension between the USA and some Asian countries, common people from the West and East are interested in interacting with each other. So, the intercultural dialogue seems to become an intercultural quarrel at the governmental level but the majority of people want to live in a peaceful and open world.

Romanians and Turkic peoples

Romanians encountered for the first time Turkic peoples in the 6th and 7th centuries CE, these were the Avars and the Bulgars. After that, in the 11th century CE, the Pechenegs and the Cumans invaded the Romanian territory coming from the eastern steppes of Ukraine. The Cumans who invaded Moldavia and Wallachia were part of the southern branch of the Cuman people, called the black Cumans, and they replaced the Pechenegs. The newly arrived nomads (though the Cumans were less nomadic than the Pechenegs) established close relations with Romanians:

> "[…] for about 150 years between the end of the 11th century (around 1090) and the mid-13th century (around 1240) when they fled before the great Mongol wave, the Cumans formed a relatively stable, organised polity, enough for Wallachia to appear as 'Cumania' in the Byzantine and western chronicles of the time. And for the first time, under the rule of these barbarians, we sense a political presence

> from the Romanians. Nicolae Iorga spoke of the ‘Cuman-Romanian symbiosis’” (Djuvara 2018: 58).

The first Turkic loanwords entered the Romanian language from the Pecheneg and the Cuman languages. The first voivode (ruler) of Wallachia – Basarab I – was of Cuman origin. Neagu Djuvara gave reasons for the Cuman descent of Basarab I (*ibidem*: 70-78). Even the ruling core of the first Romanian state was of Cuman origin according to Neagu Djuvara, the foundation of Wallachia occurred due to “the forceful action carried out by a small noble group, the majority of its members being of Slavic origin and this group was led by a core of Cuman origin” (Djuvara 2011: 17). The first Turkic loanwords in the Romanian language can be mainly found in toponymy (from Pecheneg and Cuman languages): “*Peceneaga*, *Pecenegul* (of Pecheneg origin), *Caracal*, *Coman*, *Comana*, , *Teleorman* (of Cuman origin)” (Cvasnîi Cătănescu 1996: 87). In the meantime, in Anatolia, Osman I (1299-1326) founded the Ottoman Empire. The first contacts between Ottomans and Romanians occurred under the rule of Mircea the Elder (1386-1418).

After the Battle of Rovine (May 17, 1395), when Mircea the Elder defeated Bayezid I, the Romanian territories gradually entered under the Ottoman rule:

> “Sporadic Romanian victories did not prevent the gradual passing of the Romanian lands under Ottoman control: first Wallachia, which was the most exposed, and then Moldavia, followed (in a situation of somewhat greater autonomy) by Transylvania, which remained a principality in its own right after the fall of Hungary. At first, it was only a matter of paying tribute. In time, however, the Romanian lands entered the Ottoman political, military and economic system” (Boia 2001: 67).

Even though the Romanian voivodes fought against the Ottoman armies, and sometimes they defeated the Turks, they could not maintain the independence of their countries. As a consequence, they had to pay tribute to the Ottoman Sublime Porte: gold, animals, cereals, wood, honey etc. Wallachia, Moldavia and Transylvania acted as a buffer between Central Europe and the Ottoman Empire; the Romanian states and other Balkanic states stopped the advance of Turks towards Central and Western Europe.

Papa Sixtus IV considered the Romanian voivode Iancu of Hunedoara *athleta Christi* due to his long anti-Ottoman activity. Other important voivodes who fought against the Ottomans were: Vlad the Impaler (1448, 1456-1462, 1476), Stephen the Great (1457-1504) and Michael the Brave (1593-1601). But in spite of their efforts to keep the Turks away, they did not succeed because of the disproportion between the two armies. Consequently, between XVIII and XIX centuries the Ottomans established the Phanariot rule in Wallachia and Moldavia. The Phanariot reign was a period of implementation of many Greek and Turkish customs in the Romanian Principalities.

The intercultural dialogue between Romanians and Ottomans mainly worked on two levels: military and commercial. In the XVII century, the Danube became an important trading route for Ottomans and they brought from Wallachia and Moldavia a huge range of goods:

> "Adrianople, Brusa, Istanbul brought sheep flocks from Wallachia and Moldavia because the local production did not cover the demand [...] The Porte had to import huge quantities of honey, wax and cereals from the two principalities, Wallachia and Moldavia, where the wood came from as well, the main construction material in that period" (Mantran ed. 2001: 108-109).

The Ottomans used to transfer people from one part of their empire to other parts, creating a melting-pot in the Balkans, and not only. As a consequence, there are many Turkish communities in Romania nowadays, especially in the south-eastern part (Dobrudja). Some Romanian surnames of Turkish origin represent a proof of this practice, for instance:

(from Turkish *arnavut – Albanian*), *Bojneag* (from Turkish – *Bosniak*), *Caraman* (from Turkish – *from Karaman*) or *Cerchez* (from Turkish *çerkes – Circassian*) etc.

Apart from the military and the commercial activities of the Ottomans in the Romanian Principalities, the first important turcologist of Europe was Dimitrie (Demetrius) Cantemir (1673-1723), he spoke eleven languages, including Turkish, Persian and Arabic. Cantemir was also well acquainted with the Ottoman history and culture because he spent more than twenty years as a hostage in Istanbul. Dimitrie Cantemir wrote an important book on the Ottoman history: *History of the Growth and Decay of the Ottoman Empire*, with the original Latin title *Historia incrementorum atque decrementorum Aulae Othomanicae*. He was one of the first orientalists and was named a member of the Royal Academy of Berlin in 1714.

After almost five centuries of Turkish influence over the Romanian territories, on 9 May 1877, Romanians gained independence from the Ottoman Empire and after that, the intercultural dialogue between Turks and Romanians significantly diminished.

A glimpse of the Turkish influence on the Romanian lifestyle

The Romanian lifestyle was deeply influenced by the Turkish people due to their rule over the Romanian territories, on the one hand, and, on the other, due to the importance of Turkish culture in the Balkan Peninsula for a long period of time. The Ottomans played an important role in the shaping of the urban culture of the Balkans:

> “The Ottoman imprint on the peoples of Eastern Europe shows the role of Turks and the fact that they established the foundation of urban civilization. One can say that the Porte played, in the shaping of the Balkanic urban civilization, the role that Germans played in the Slavic and Hungarian Europe” (Mantran 2001: 119).

The daily life of Romanians has been influenced by the Ottomans more intensively starting with the Phanariot rule. Romanians adopted new foods and drinks from their rulers, as well as some customs. The Romanian cuisine was mainly shaped by the Ottomans, they adopted many Turkish dishes: *sarmale, iahnie, sarailie, baclava, ciulama, iaurt, magiun, ghiveci, halva* etc. Romanians started drinking coffee due to the Ottoman influence, the noun *cafea* came from Turkish language too (the word *ceai* is considered of Russian origin): *cafea* from *kahve*. A traditional alcoholic Romanian drink, , was also named *rachiu*, after the Turkish *raki*. A vice of Oriental origin that entered the Romanian Principalities through Ottomans was the opium consumption, called in the old times “ (Oișteanu 2014: 94) (*to drink afion – opium*) from the Turkish word *afyon* (*opium*).

During the Phanariot rule, Romanians adopted some Turkish customs and institutions, such as (tc.), (tc. *hatti-*), *haraci* (tc. *haraç*), *havaet* (tc. *avaid*), *zapciu* (tc. *zabtçi*), *rahtivan* (tc. *rahtvan*), *ciohodar* (tc. *çokadar*), *zabet* (tc. *zabit*), (tc.), (tc.) etc. All these loanwords were adopted to designate new realities which Ottomans introduced in the Romanian Principalities. The population replacements operated by Ottomans contributed to the intercultural dialogue between Europeans and Turks: “In the Ottoman period, there were recorded the most important migrations since the Slavic ones. People moved to clear the way for armies and they were replaced for strategic and political reasons” (Pavlowitch 2002: 14).

After the instauration of the Phanariots, the Oriental fashion in clothing, ceremonies, culture and alimentation became more and more common among the boyars, spreading from city to countryside; the political, administrative, military, economic and juridical structures imitated the ones in Istanbul as well. The Pre-Phanariot and the Phanariot period brought some economic progress: there were established new manufacturies, the number of craftsmen increased, traders associated in guilds, there were acclimatized new plants (*maize* and *tobacco*), new cultural reforms took place and the economic level of the Romanian Principalities increased. There is an expression in the Romanian language related to tobacco smoking: *a bea tutun* which comes from the Turkish *tütün içmek* (*to drink tobacco*). So, one can infer that smoking is a Turkish influence.

The Turkish influence on Romanian language

The Romanian terms of Turkish origin were borrowed in an old historical period (XV-XIX centuries) and they reflect the realities of those times. The Turkish language started its modernization in the mid-eighteenth century when its influence on the Romanian language stopped, so the main part of the loanwords migrated before that. These loanwords entered in the Romanian language from the regional varieties of Turkish, not from the literary/standard Turkish. So, these loanwords cannot be explained using dictionaries of modern Turkish but using archaic and dialectal etymons.

Many of these loanwords have other origins but they were conveyed by the Turkish language, some of them were Persian, others had Arabic origin. From all these words conveyed by the Turkish language only "37% were really Turkish" (Suciu 2011: 34). The Romanian words of Turkish origin pertain to all aspects of life, but I will select some terms related to trade and food because Romanians borrowed many Turkish dishes and they learnt how to do trade mainly from Ottomans, they were not previously a people of traders but farmers.

The terms related to trade refer to currencies, units of measurement, trade jobs and trading products, and the majority of them are no longer used (they were discovered in old papers and documents, being in use at that time). The food-related terms represent new dishes introduced by the Ottomans and the Phanariots in the Romanian Principalities.

Altalâc – this word is no longer used, it designated a Turkish currency that was equal to six piasters, from tc. (*tc.* for Turkish) (from – six).

Anadol – is the name of a fur imported from Anatolia, from tc. *Anadol kürkü*.

– unit of measurement equal to 0,711 m used in the past in Moldova for which linguists considered as etymon a Russian / Ukrainian term, but Emil Suciu stated that it could have Turkish origin because there was a Turkish synonym for this word in Romanian: *halep* (a unit of measurement from Aleppo). Suciu also stated that in Dobrudgea there is an etymological doublet for (Suciu 2006: 21).

Baclava – is the name of an Oriental dessert, from tc. *baklava*.

Basargiu – it was not mentioned in dictionaries but it was found in a document from 1821; it meant merchant and its etymon was the old Turkish ( ), from tc. *bazar* (*pazar*).

Basmagelâc – it was used to designate the craft of making coloured prints on textiles, it was not mentioned in dictionaries but it was found in a document from 1823. It comes from tc. .

Bardac – glass or clay pot, from tc. *bardak*.

Catertai, *minghinitai* and *vitai* – three types of wool bales. *Catertai* was a light wool packet carried by mules, from tc. . *Minghinitai* was a pressed wool bale, from tc. . *Vitai* designated a single bale of wool, from tc. (which was transformed into *, vitai*).

, , chiurchi-calem, eli-calem, -calem – these words of Turkish origin were found in a document from the eighteenth century (1726-1733) and they designated different qualities of textile, according to their value and variety: from tc. , from tc. (45), *chiurchi-calem* from tc. (fourty types), *eli-calem* from tc. *elli kalem* (fifty types), *-calem* from tc. (thirty-five types).

Chiligiu – this noun designated a worker who carried cereals sacks in ports, it was found in a newspaper dating back in the XIX century and it was thought that it has been derived from (a unit of measurement for cereals) (from tc. *kile*).

– is the Romanian term for *soup*, from tc. *çorba*.

Ciulama – is a thick sauce with meat or mushrooms, from tc. *çulama*.

Coroftie – designated a type of fabric used to make different kinds of clothing, this noun was found in a traditional poem and it was explained as a form of *cofterie* – fabric (from tc. *kufteri*).

Dulghet – this noun is used for muslin, its etymon is tc. *dülbent*/*dülbet*, after the borrowing its labial consonant was palatalized. It is an etymological doublet for rom. *tulbent* – *dulbent* – *turbent*, used for headwear.

Emen-cafe – it was found in some documents from the XVIII-XIX centuries having some varieties: *cafea imen*, *cafea emen*, *cafe emen*. This compound noun originates in the tc. *Yemen kahvesi* / *Yimen kahvesi* (*coffee from Yemen*).

Gezvea or *gejvea* – these are two versions of (*coffee kettle*). This noun is mainly used in the south-eastern part of Romania (Dobrudgea), where the number of Turks is significant. Its etymon is tc. *cezve*.

Ghiaur-cafe – this compound noun was found in a document from 1765 and it was used for types of coffee originating in western countries considered *pagan* (*gavur*/*ghiaur*) by Ottomans. Its etymon was tc. *gavur kahvesi* (*coffee from pagans* or *pagan coffee*).

Ghiveci – is a dish made of a mix of vegetables, from tc. *güveç*.

Gingirliu – it was used in the expression *cafea gingirlie*, a semi-calque from tc. *zincirli kahve* (*coffee with kaimak*).

Gurut – it is a porridge made of buckwheat and wheat flour mixed with cheese, milk and egg, its etymon is tc. *kurut*/*gurut* (*strained yoghurt*). In this case, when the Romanian meaning does not perfectly coincide with the etymon, it must be supposed a semantic evolution in Romanian language or a dialectal meaning in Turkish.

– means Persian carpets, it was derived from (*h*)*agem* (*Persian*) + the collective suffix – or it could come from tc. (Persian textiles, fabric, handwork).

Harbuz – a dialectal term for *watermelon* (in the north-eastern part of Romania – Moldavia), from the Ukrainian *harbuz* which comes from tc. *harbuz*.

– is an Oriental dish made of boiled meat and vegetables. It is a newly borrowed word, introduced after 1989 by the Turkish traders, its etymon is tc. .

Hindiu – means both *Indian* and *Indian fabric* and its etymon is tc. *hindi*.

Iaca – is a type of tobacco (the best quality) and its etymon is tc. *iaka tütünü* (*tobacco grown on slopes*).

Lahur – is a type of fabric originating in Lahore, Pakistan, *shawl*, from tc. *Lahur* ( ).

Maia – means *leaven*, *sourdough* and it comes from tc. *maya* (*leaven*, *sourdough*).

– is goat or sheep meat preserved by salting and/or smoching, from tc. *pastirma*.

Pinir – is a noun used in southern Transylvania for *cow cheese*, its etymon is tc. *peynir* (*cheese*). The Turkish word *peynir* comes from the Persian *panir*, which is related to the Indian *paneer*.

Sarailie – is another version of baclava, from tc. *sarayli* (*what belongs to the palace*).

Sarma – is a dish made of minced meat mixed with diced onions, rice and spices, rolled up in cabbage or vine leaves, from tc. *sarma*.

Tarabuz – used in the expression *sopon tarabuz* (*tarabuz soap*), means *from Trabzon*. This word was explained as a form of the ancient name of the Turkish city of Trabzon: *Tarabuzan* (*Trebizond*, *Trapezunt*).

Conclusion

The intercultural dialogue between Orient and Occident is as long as the history of the two parts of the world. Migrations, trade and war represented the main causes of the contacts between Oriental and Occidental peoples. As a consequence of these activities, people started living together and sharing their knowledge and customs, and new cultural symbioses took place. Romanians, for instance, came into contact with a Turkic people in the 6th century CE (with Avars and Bulgars) and in the 11th and 12th centuries CE they lived together with Pechenegs and Cumans, the latter playing an important role in the political organisation of Wallachia. Then, Romanians encountered the Ottomans (14th century CE) and started an almost 500 years tensioned relationship. During this period the Romanian lifestyle and language were deeply influenced by the Turks and the Phanariots. The influence manifested in all the aspects of life, but the Romanian language bore the most significant influence, borrowing more than 2000 words (many of them are considered archaisms nowadays). The analysed loanwords (especially the food-related ones) show the compelling Turkish influence on the Romanian language.

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The relationship between e-service quality and time spent on the site: A research on news sites

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Abstract

The new media is increasingly almost involved in every stage of life. One of these phases is news sites. News is a concept that transmits instantaneous developments to people in general, improves the audience's knowledge, and provides the most reliability among promotion tools. According to TUIK's research in 2013, it is seen that most internet users (75'6%) use the internet to read news, magazines, and newspapers. The main purpose of this study is to examine the relationship between e-service quality levels of news sites and the time spent on the site. In the universe of Duzce province, data were collected from 345 people using questionnaire technique. Frequency, factor analysis tests were applied to the collected data by using SPSS package program. According to the frequency analysis results, the top three news categories consumed are news related to the agenda, economy and the world. The top five most followed news sites are haberturk.com, internethaber.com, hurriyet.com, mynet.com, and haberler.com. According to the results of the factor analysis, two factors emerged. These are information and design. According to the results of the difference test there was a

significant difference between the perception of the quality of news sites and the time spent on news sites.

Keywords: E-service quality, time spent on the site, news sites.

JEL Code: M3 Marketing and Advertising, M31 Marketing

Introduction

In today's time when change is the only thing that doesn't change, change is felt in every field, in the deepest way. As consumption has shifted to the internet environment, traditional media is also replacing it with the new media. The new media is increasingly almost involved in every stage of life. One of these phases is news sites. News is a concept that transmits instant developments to its users in the heat of heat (Gurcan, 2003), which improves the knowledge of its audience and provides the most reliability within the tools of promotion.

According to Satista's 2019 data, 56% of the world's population (4.13 billion people) use the Internet. In Turkey, 69 million people use the internet. Turkey is the 12th most use of the Internet (CNNTurk, 2019). According to TUIK's research in 2013, it is seen that most internet users (75'6%) use the internet to read news, magazines, and newspapers. In addition, in recent years, the internet has been used more for social media.

The time to start internet journalism in different countries is almost the same. Internet journalism in the United States began in 1995 when the New York Times and The Washington Times posted its content online. In Europe, it began with the International Herald Tribune and The Daily Mirror posted its content online. With the formation of internet infrastructure in the 1995s, The Journal of Aaktuel, Zaman, Milliyet, Hurriyet, and Sabah newspapers have transferred their content to internet journalism. In fact, after the 2000s, there was a revolution in internet journalism in Turkey.

When looking at news sites in Turkey, although their designs are similar, different uses stand out, but news sites are in the race to attract readers with different designs and visuals (Dingil, 2015: 251). Accordingly, it becomes important which criteria should be taken into account in the evaluation of news sites. Various models and variables are included in the measurement of e-service quality. However, these models either contain items that take into account commercial purposes or more are included in web design items. In this case, it is important to focus on the studies on which quality dimensions should be included in the news sites. The generally accepted concepts in the evaluation of news sites are accuracy, competence, neutrality, up-to-dateness, and scope. (Gurcan, 2003).

The aim of this research is to examine the e-service quality levels of news sites and to examine the relationship between the time spent on the news site and the quality of e-service. While suggestions will be presented to the news sites that are in competition, the measurement of e-service quality of news sites will be tried to fill the gap in the literature.

Literature Review

The quality of e-service of news sites can be evaluated according to two main criteria. These are content and design-related situations. The fact that people can access and share the Internet more and more can cause millions of information to form on the Internet. In this case, there are question marks about the reliability, accuracy, and neutrality of the content. In this context, it has become important who is the source of the information. Another evaluation criterion is the design. In response hierarchy models, the first step, in general, is to activate the cognitive element. In this case, concepts such as attention, awareness, presentation, and exposure, in general, are important within news sites. The news site needs to be designed to attract the attention of the viewer with an intriguing visual. When designing a news site, it is necessary to focus more on some concepts. These include simplicity, hierarchical structure/organization, highlighting visuality, taking into account target users, interacting with the user and adapting to different technological tools (Derel, 2002: 12-14).

A study has surveyed 723 news site editors, most of them in America and Canada, about what quality indicators of news sites can be. As a result of the research, it was concluded that 38 items collected under 6 basic variables were suitable for news sites. These basic variables include content, easy operation, design, functionality, relationship, and interaction with society (Gladney ve diğ., 2007: 63).

A study also examined the top five most visited news sites (Hurriyet, Milliyet, Haber7, Sozcu, and Sabah) in Turkey in 2017 according to web designs. According to the research results, the entry speeds of the news sites in the top five are very good, they make user-friendly advertising applications, emphasis on corporate identity, work smoothly in various browsers, they have rich content, white and red colors were found to be used extensively (Kahraman ve Yavuz, 2018). According to the research by similarweb research company on visitor numbers, the most visited news sites in 2019 are respectively; hurriyet.com.tr, sabah.com.tr, sozcu.com.tr, milliyet.com.tr, and mynet.com.tr (https://www.similarweb.com/).

Method

The aim of this research is to examine the relationship of e-service quality levels of news sites with the time spent on the site. Within the scope of this purpose, data from 350 people were collected by survey technique by convenience sampling in the universe of Duzce province. Frequency, factor, ANOVA tests were applied to the collected data. The study was conducted between 01.11.2019 and 31.01.2020.SPSS program was used in the analysis of the study. There are a total of 29 expressions on the scale.

The basic hypothesis: $H_{1a,b,c,d}$: There is a difference in terms of the time period spent by the participants on the news sites and the perception of the quality dimensions of the news sites

Findings

In this section, demographic findings, factor analysis findings, and difference test results will be examined. When table-1 is examined, it is seen that the number of male and female participants is close together. It is understood that the age range of 18-28 and the 29-38 age range are more likely to participate in the research. It is observed that 60% of the news sites that are followed do not fit the lifestyle. When the education situation is examined, it is seen that more university graduates participated in the research. When looking at the job group, it is understood that more private-sector employees, government officer, and students participated in the research.

Table 1
Demographic findings

		N	%			N	%
Gender	Male	178	51,6	Job	Worker	10	2,9
	Female	167	48,4		Government Officer	70	20,3
Age	18-28	173	50,1		Private-sector	131	38,0
	29-38	111	32,2		Housewife	9	2,6
	39-48	42	12,2		Self-employment	22	6,4
	≥ 49	19	5,5		Student	78	22,6
The fit of the lifestyle of the news site	Yes	138	40		Not working	21	6,1
	No	207	60		Retired	4	1,2
Education	Primary	3	0,9	Marital status	Married	140	40,6
	Secondary	3	0,9		Single	205	59,4
	High	50	14,5	Income	≤2020 TL	22	6,4
	University	253	73,3		2021 – 3500 TL	78	22,6
	Graduate	36	10,4		3501–5000 TL	106	30,7
					5001–6500 TL	55	15,9
					≥ 6501 TL	84	24,3

Depending on the marital situation, it is seen that singles are more likely to participate than married. When looking at the state of income, it is understood that the distribution, in general, is close to each other, but the participants with an income of ≥2020 TL are involved in a small number of studies.

The findings of the time spent on news sites, which are one of the main variables of the study, are shown in table-2. When Table-2 is examined, it is seen that the majority of those who spend 10 minutes a day in news sites (27.8%). It is seen that those who spend 11-20 minutes (23.5) and 21-30 minutes (23.8) in news sites are close to each other. The proportion of those who spend 31-40 minutes on news sites is 11% and ≥41 minutes of time is 13.9%.

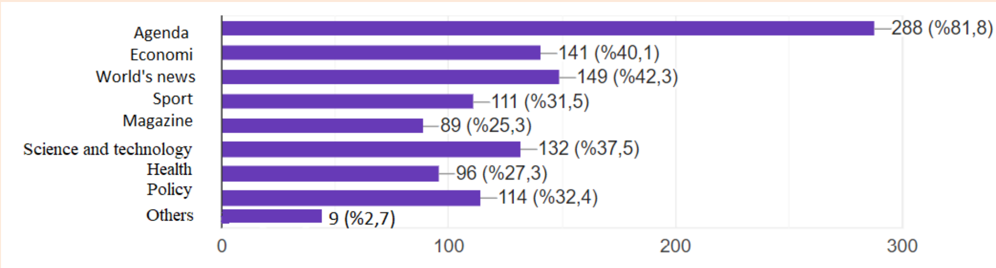
Table 2
How many minutes a day do you spend on news sites?

	N	%
1-10 minute	96	27,8
11-20 minute	81	23,5
21-30 minute	82	23,8
31-40 minute	38	11,0
≥ 41 minute	48	13,9
Total	345	100,0

One of the important sub-goals of the study is which category of news is the most passed on news sites. When table-3 is examined, it is understood that the most time-spent news category is on the agenda with an 81.8% rate. In the second place, 42.3% of the world's news is seen. In the third place, the economic news is seen with 40.1%. Other categories include science and technology (37.5%), policy (32.4%), sport (31.5%), health (27.3%) and magazine (25.3%) news.

Table 3

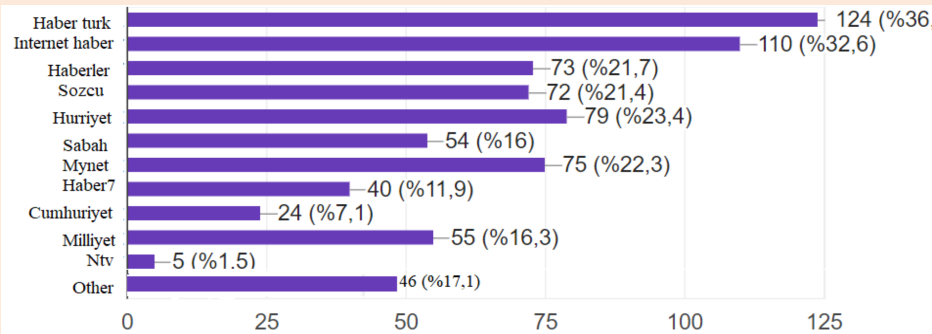
What category do you spend most time on news sites?



When Table-4 is examined, it is observed that the most followed news site in the study sample is the haberturk.com (36%). In the second place, the internethaber.com news site is followed (32.6%). In the third place is followed the hurriyet.com (23.4%). In the fourth place is followed the mynet.com (22.3%) and the fifth-place is followed the sozcu.com (21.4%).

Table 4

Related to the most frequently visited news site



When table-5 is examined, it is seen that the number of news sites that the participants follow daily is concentrated on 1 news site. In the second place is followed 2 news sites. In the third place is followed 3 news sites. In general, it can be said that 1 and 2 news sites are followed daily.

Table 5

Findings daily news sites tracking

	N	%
1 news site	132	38,3
2 news sites	98	28,4

3 news sites	59	17,1
4 news sites	32	9,3
≥5 news sites	24	6,9
Total	345	100

Factor analysis findings for Quality of News Sites scale in Table 6 shows that KMO sample adequacy is 0.959, while Barlett test result is significant (p <000). In conducting the factor analysis for Quality of News Sites, the research has used principal component analysis and varimax rotation technique. The research has identified two dimensions from the remaining items, as shown in Table 6. According to the factor analysis results, the first factor consists of 17 items and the second factor consists of 8 items. The first factor is called to be information when the items in the survey are evaluated together. The second factor is called to be design when the items in the survey are evaluated together.

Table 6
Factor analysis findings on the quality of news sites

Dimensions and items	Loads	Variance	Eigen V.	Cronbach's Alpha
Information				
1. item	,809			
2. item	,799			
3. item	,772			
4. item	,765			
5. item	,755			
6. item	,747			
7. item	,737			
8. item	,727			
9. item	,724	54,264	13,566	0,960
10. item	,708			
11. item	,693			
12. item	,671			
13. item	,670			
14. item	,664			
15. item	,659			
16. item	,641			
17. item	,573			
Design				
18. item	,828			
19. item	,790			
20. item	,779	7,580	1,895	0,907
21. item	,726			
22. item	,712			

23.	item	,648
24.	item	,648
25.	item	,600

Evaluation Criteria
Kaiser-Meyer-Olkin Measure of Sampling Adequacy: 0,959 Approx. Chi-Square: 6760,428
Barlett's Test of Sphericity: 0,000 Extraction Method: Principal Component,
Rotation Method: Varimax, Total Variance Explained: 61,843

It is seen that there is a significant difference between the perception of the information dimension of the participants and how many minutes they spend on news sites per day (Table 7). It is observed on the news site that those who spend ≥41 minutes have a more positive perception than those who spend 1-10 minutes. In this respect, the H1a hypothesis is accepted.

Table 7
ANOVA Test Findings

Dimension	Source of variance	Sum of squares	df	Mean squares	F	p	Groups	N	x̄
Information	Between g.	5,653	4	1,413	2,579	0,037*	1-10 minute	96	3,49
	Within g.	186,280	340	0,548			11-20 minute	81	3,60
	Total	191,933	344				21-30 minute	82	3,74
	Meaningful difference (A-B); between spend 1-10 min. time on						31-40 minute	38	3,69
	the news site and ≥ 41						≥ 41 minute	48	3,87

*The mean difference is significant at the 0.05 level.

Results and Discussion

Tests were carried out to measure frequency, factors and differences within the scope of the objectives determined in the study. According to the results of factor analysis, two factors have emerged. Although the scale used in the study was 4 dimensions, two dimensions were revealed in factor analysis results. The items are named under the dimensions of information and design. The "efficiency " dimension expressions on the E-S-Qual scale (Parasuraman et al. 2005) and the "design" dimension expressions on the eTailQ scale (Wolfinbarger and Gilly 2003) are named design size as a result of this work. Expressions in the dimension of "Experience and Information" from the WebQual scale (Barnes and Vidgen 2000) are also named as the dimension of the information. In this direction, research can lead to this conclusion that the universe is different. In addition, differences in participants' perceptions of expressions can lead to this result. According to the results of factor analysis, the most variance was the result of the dimension being the informational dimension. According to the results of factor analysis, the dimension with the most variance is information. In other words, it can be said that the dimension that the participants care most about the quality of news sites is the information dimension.

When the frequency analysis results were examined, it was understood that the news site, which is generally followed (60%), does not fit the lifestyle of the participants. This may be because participants want to follow news sites with different perspectives. According to the results of the difference analysis, it was understood that the quality of the news site was more positive than those who were not fit for the lifestyle of the news site. The design dimension is the same. In this respect, following a news site suitable for lifestyle can positively affect the perception of quality.

Another result is the number of news sites followed in one day. As a result of this study, it was revealed that the news site was followed between 1-5 in one day. In addition, the most followed news category is the agenda, world and economic news, respectively. Ince's (2017) study results and the results of this study are similar. According to the results of the difference analysis it was understood that those who spend time ≥ 41 minutes on the news site in a more positive perception than those who spend 1-10 minutes. Accordingly, as the time spent on the news site increases, it can be said that the quality of the news site is perceived positively.

According to the frequency analysis results, the top five news sites followed are haberturk.com, internethaber.com, hurriyet.com, mynet.com, and sozcu.com, respectively. This result is similar to the work of Kahraman and Yavuz (2018) and similarity to the SimilarWeb research report, but it differs.

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Conceptual Framework Changes For Accounting Between Prudence And Conservatism: Discussion

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Abstract

The emergence of the concept of Prudence provokes controversy in accounting thought in the recent period as a result of the absence of Conservatism with the quality of the conditional and unconditional form. Wise ”and“ good judgment. ”However, applying dictionary definitions to financial reporting is not very easy, and Prudence must be associated with particularly good judgment in financial reporting because many amounts require estimation, so that assets or income are not overestimated, The obligations or expenditures are not underestimated, however, the practice of Prudence does not allow, for example, the creation of hidden reserves, excessive provisions, or deliberate appreciation of assets or income, or the overestimation of liabilities or is incomplete and does not meet the needs of users at a rate of 6.67%, and then most banks have errors in the published data, which delude users to make wrong decisions

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Keywords: Prudence, Conservatism, The Conceptual Framework for Accounting
: M41

Introduct

The financial sector is one of the important sectors in the country's economy, and the continuity of the sector represented by banks and companies operating in the banking field and its growth is considered the success of their financial strategies, and accordingly faces many risks in the business expenditures, and that most Iraqi commercial banks have not applied the conceptual framework for accounting in a problem The correct view is that the elements of the traceability feature were not applied to many banks, so the percentage of predictive and confirmatory value decreased to approximately 33%. As for the honest representation of the data with regard to completeness, the pain Information environment, whether legal, financial or operational, and these risks constitute an obstacle to performing their activities, especially Financial risks represented by declining operating cash flows, instability of profits and weak growth in the market value. Therefore, the banks administration is trying to face these risks by following sound accounting principles to protect their operating cash flows, and banks are trying, through following international accounting standards, to hedge and protect their activities from the aforementioned risks Most of those banks have adopted their accounting Conservatism, which has prevailed for a long time despite its conflict with many accounting concepts. In the absence of Conservatism from the conceptual framework, it is faced with the failure to justify the choice of its accounting practices

In addition to following international accounting standards, it makes an obstacle to the activities of companies and financial institutions in justifying some accounting actions and procedures on the one hand, on the other hand, the emergence of the concept of Prudence is a controversial reasoning in accounting thought in the recent period as a result of the absence of Conservatism with the quality of the unconditional and unconditional form Prudence is a key element in the framework Conceptual as it is more fair than accounting Conservatism, different Prudence concepts in the dictionary are similar, such as "accurate", "cautious", "wise" and "good judgment". However, applying dictionary definitions to financial reporting is not very easy, and Prudence should be Coupled with good judgment especially in financial reports because many amounts require an estimate, so that assets or income are not overestimated, and obligations or expenditures are not underestimated, yet Prudence does not allow for example the creation of hidden reserves or excessive provisions Or a deliberate estimate of assets, income, or exaggeration of liabilities or expenditures, because the financial statements in this case will not be neutral and therefore do not have quality reporting, as it contributes to Reducing uncertainty and helping the economic management unit maintain a reasonable level of profit and an acceptable level of risk, including operational cash flow risks

Study methodology

The problem of the study: Conservatism arose as one of the limitations in accounting measurement and was controversial in accounting thought as it is one of the professional restrictions that focus on giving accountants the freedom to choose appropriate accounting policies and methods in light of uncertainty except that after the changes taking place on the conceptual framework and that are reflected in changes in concepts and characteristics The principles and assumptions, which in turn led to raising Conservatism from the conceptual framework for the year 2010 due to its conflict with neutrality and consequently the effect of this on the accounting procedures, including facing the risks of operating cash flows to the company, which are the risks of the ability of the economic unit to fulfill its obligations when due and the main driver of the various economic unit activities, so the problem lies in Knowing how to deal with these risks in the absence of Conservatism with the quality of unconditional and unconditional accounting thought, and is the concept of accounting Prudence a substitute for it? Which represents a degree of caution and whether it directly affects these risks and their response, especially in light of the application of international accounting standards

The importance of the study: The importance arises from the importance of studying the changes in the accounting field by examining the value that the conceptual framework of accounting gives to the value of accounting procedures in the absence of a unified accounting theory, just as the importance of the study increases the employment of these changes in recognition, measurement and accounting disclosure for what gives a broader understanding, Focusing on the changes in Accounting Conservatism and raising the conceptual frameworks for the year 2010 and beyond, and the controversy and addition of Accounting Prudence in 2018, and dealing with these changes in a smooth and concise manner contributed to the importance of the study

The objectives of the study: Consistent with the importance of the study and its problem, the objectives can be formulated according to the following:

- A philosophical study on the concept of Prudence in accounting and the most important developments in the conceptual framework and its impact on it
- Explaining the difference between Prudence in Accounting Thought and Accounting Conservatism
- Explain the impact of Prudence Accounting on the quality of information, financial reporting and the market value of the company

Study hypothesis: The study is based on the following hypothesis: Prudence and Conservatism affect the most prominent changes in the conceptual framework of accounting on the financial statements

Previous studies: Dobre 2013 believes that the concept of Prudence in accounting for non-profit organizations and its reflection on the accounting records, as well as focusing on the differences in the application of the principle of Prudence that produces differences in the purpose, activities and methods of asset management in these organizations, while the Bulletin 2013 study aims of this study is Explaining Prudence's accounting idea and its main role in preparing financial reports as a recognized principle in the European Union accounting directives that have been agreed upon, but can be dated far beyond that. Prudence’s assets may return somewhat to the use of financial statements to show the amount of money available For distribution, the Cooper 2015 study focuses on looking at the economic results of accounting reservation by studying the relationship between conservatives and the cost of equity capital, and the study also assumes that the strength of the relationship is conditional on the company's information environment, being the strongest for companies with high contrast in information and weakest for companies with variance The information is low, while the Happe 2016 study aims at changes in the conceptual framework Mai Accounting, which occurred in 2011 to cancel Conservatism as a basic concept and the impact of that on the accounting information of Brazilian companies, and also the goal of research is whether the Brazilian accounting standards are organized according to the conceptual framework for the preparation and presentation of financial reports, which was modified in 2011, and that puts Conservatism outside the qualitative characteristics Accounting information or according to local laws

The current study contributes to touching on an accounting knowledge field related to the accounting Prudence, which is considered one of the new concepts that emerged after the changes of the conceptual framework issued in 2013 and confirmed in the revised framework in 2018 and a statement of its effects on principles and standards His appearance in the last conceptual framework

The dialectic of conceptual framework changes

The changes in the business environment were reflected on many concepts and foundations, including accounting, as they affected events that were almost radical to each other, and that those changes resulted from foundations that were tested and with the absence of accounting theory and reliance on the conceptual framework of accounting, so the changes in it directly affect the foundations and applications And the concepts of accounting, and therefore these changes created a debate about many contemporary accounting issues such as sustainability, virtual money and the digital revolution, but those issues fall under the problem of dialectical versions of the conceptual framework for accounting

Before entering the topic of conceptual framework changes, the concept of dialectic, which represents the language of the origin of the word, can be clarified as the art of the argument, and it is an approach in logical research based on asking and answering the question. This concept was developed by the German idealist philosopher Hegel in the nineteenth century to a method by which natural and historical processes are understood. Something for him is subject to a dialectical process that begins with the issue and then reverses it and finally the outcome, just as everything carries its opposite in itself and the outcome is summarized about the conflict between them, and a controversial interlocutor is said: Whoever masters the answer and puts the questions and the same . (https://www.almaany.com/ar/dict/ar-ar/)

As for the term dialectic, it is the exchange of arguments and argument between two parties in defense of a particular point of view, and this is within logic, and the debate is the basis that leads to theories and rules that govern society and the conduct of their political, economic and social lives. The dialectic came under the title dialectical materialism is the global view of the Communist Party and its economic and scientific orientation And the name was called dialectical materialism because it has an approach to natural phenomena and a method for studying these phenomena and understanding them in a dialectical manner, there are so-called when interpreting natural phenomena historically and materially in historical dialectic and is an extension of dialectical principles on the study of social life and its phenomena and the history of societies. (https://ar.m.wikipedia.org/wiki)

Accounting theory and conceptual framework

The controversy that has been raised in this field resulted from the discussion on the subject of the study. Perhaps the most prominent discussion is related to the conceptual framework of accounting and its theory. They did not ask themselves: How is accounting theory constructed? Is there an approved theory of accounting? And if there is no theory, what are the foundations on which the accounting standards are built? Since the beginning of the twentieth century, professional organizations and researchers, such as Patton (1922) Littleton & Patton (1940) and others, have placed great emphasis on building an accounting theory and presenting the best proposals for building principles, assumptions and accounting concepts, but this put researchers on two groups, the first called accreditation to derive Those good accounting practices and generalizing them from principles and concepts The normative theory that its pioneers began in 1928 is called the MacNeal (1939), Paton and Littleton (1940), Littleton (1953), Chambers (1966), and Ijiri (1975), where each of them introduced treatments and foundations for the theory. Accounting The standard accounting theory aims to find a comprehensive theoretical basis from which accounting practices emerge and this basis is a general applicable in different environments with a focus on recognition and measurement issues and users' information needs, and the normative theory is a representation of deductive theories that start from assumptions and devise accounting procedures from them and generalize them, Although it has been accepted, but it has been refuted because of the difficulty of generalizing procedures to all countries and accounting by nature, social science is difficult to establish on a uniform basis. (Kabir, 2005: 2)

As for the second group, the opposite sees the derivation of principles and concepts from good practices called positive theory, and the result of criticisms directed at the normative theory. The work of positive theory holders conducting many studies. Watts & Zimmerman, 1978) is one of the most important studies that dealt with the scientific concept of positive accounting theory as a new approach to theorizing accounting knowledge. As the study focused on choosing good methods and methods to describe the general characteristics of accounting practice as they already exist in practice, the aim of which is to develop the financial report within the scope of accounting by clarifying the motives towards choosing the most appropriate alternative among the policies and alternative accounting methods and then forecasting the effects of those policies Accounting for economic unity, and although this theory is based on best practices and generalization, it has been refuted by the increase in the number of practices, which made the difficulty in comparison and creating a gap in the similarity of information. (Sterling, 1990: 2)

However, those efforts began to diminish due to the absence of this adopted theory, and with the acceleration of development in the surrounding environment, these conditions contributed to the transition to what is called the conceptual (conceptual) framework for financial accounting. The accounting idea was built mainly on the goals for which the accounting for providing information was useful for decision makers, Then he moved on to define the principles and concepts of the profession, and it was not satisfied that a set of criteria or guidelines were issued to achieve the objectives that were previously determined using agreed professional concepts and terms and that are derived from that framework. The conceptual framework of accounting aims to find a way to justify the use of evaluation methods and procedures and the prevailing accounting practices And predict the effects of their application

Compatibility project between FASB and IASB

Initially there were informal meetings between a group of countries, namely Australia, the United Kingdom, Canada, and the United States of America, and at the beginning of 2002, the cooperation gained the formal character between the American Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB). The important step was to reach a consensus between the preparation standards IFRS financial reports and GAAP US generally accepted accounting principles

On September 18, 2002 the American Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) signed a memorandum of cooperation at FASB headquarters in New York, where the two parties agreed to commit to developing consistent accounting standards and to be of high quality and these standards can be used internationally. The word compatibility does not mean that All criteria are completely word-by-word, but rather mean that there are no fundamental differences between the set of standards for both houses (Deloitte, 2012: 1) and it was agreed between the two parties to do their utmost to (IASB, 2002: 25)

- Make existing financial reporting standards compatible as quickly as possible
- Coordination of their work programs in the future in order to ensure the maintenance of continuity of compatibility after it has been achieved

During the year 2005, significant progress towards international consensus was achieved through the commitment of many countries to adopt IFRS financial reporting standards or to reconcile their local standards with IFRS, in 2006 the FASB and IASB Councils issued a Memorandum of Understanding (MOU) describing the progress they plan to achieve through The project of rapprochement between them and this memorandum outlines the objectives of their rapprochement program until 2008. In this memorandum, they emphasized the common goals of developing accounting standards of high and uniform quality, where the guiding principles that work towards convergence verification (FASB, 2011: 15) were identified

- By developing standardized, high-quality standards that enable the achievement of a convergence of accounting standards over time

- The two boards should set new common accounting standards that develop and improve the quality of information rather than wasting time trying to reduce differences between those standards that need to be significantly improved
- The two councils should strive to achieve convergence to adopt the best standards among US or international standards to serve the needs of investors.

The two councils identified short-term and long-term convergence projects where the goals were defined more precisely for each individual project, the aim of which is to set a time ceiling for convergence efforts and achieve all goals and eliminate differences between US standards and international standards and implementation of the agenda for both FASB and IASB (Deloitte, 2007 : 1-2)

Convergence is an improvement on two sides: closing the gaps to achieve completion, and removing internal contradictions to improve consistency, so it is noted that qualitative characteristics were approved on that date while elements and characteristics of recognition were the subject of discussion for the year 2008 the rest of the axes of the agreement were not identified, which was reflected in the accounting work at the time And creating problems and crises, including the problems of the New York Stock Exchange and the accounting and auditing problems of Enron, and on September 11, 2008 IASB and FASB issued an update to the Memorandum of Understanding (MOU) issued in 2006 to know the progress made in this period (2006-2008), and these updates determine the priorities and stages that are achieved In joint projects by 2011, the two councils recognized that despite significant progress in a number of specific projects, the completion of some other projects was limited for various reasons, among these reasons are differences of views on matters related to the size of the agenda and the project and the difference on the best methods and approaches To solve similar matters in ongoing projects, as a result of these differences, several project objectives were reviewed (FASB, 2011: 30)

Conservatism in Accounting

In spite of the role that the game Conservatism in the process of preparing financial statements, as well as the clear implications for that, especially the case between choosing alternatives to accounting policies such as the immediate recognition of some expenses such as research and development expenses instead of capitalizing them, and the application of some method is finally presented first rather than some way It is firstly presented first when calculating the cost of the sold goods, and the application of diminishing (accelerated) depreciation methods instead of the fixed installment method when calculating the depreciation of fixed assets, and applying the cost or market base, whichever is less when assessing the current assets, except that the noticeable is the absence of an official definition or concept. What was issued by the official authorities is only what was stated in the FASB Appendix Recommendation Concepts No. (2) issued by the Financial Accounting Standards Board within the project of the conceptual framework for financial accounting where the Accounting Conservatism is a way to deal with cases of uncertainty and the risks of the activities undertaken by the company, and submitted Conservatism A wide debate in accounting and one of the main arguments for conservatism is that it serves the needs of creditors well. Haller states: The Conservatism principle is not understood that It is a subsidiary property as it is in the United States of America or the United Kingdom, but it is a basic accounting principle that logically follows the goal of protecting creditors even in the United States of America, where companies are largely going to the stock market to obtain financing, Conservatism is one of the most fundamental principles Accounting has an impact, however this opinion has been subjected to numerous criticisms that did not appeal to everyone, so the idea of systematically reducing assets and liabilities, and recognizing revenue upon verification and expenditures at an expedited time has been interpreted by critics as a way to reduce the importance of accounting information. (92: 2003 Haller)

Emphasized that (Hendrickson, 1982: 83) Conservatism is at best a very bad way to address the presence of uncertainty in valuation and income, in the worst case resulting in complete distortion of the financial statements

In general, the need for Conservatism is often associated with reliable reporting of past events, which means that oversight and audit feedback functions are emphasized, and therefore over time international accounting standards are becoming increasingly oriented towards the future, indicating the utility of the decision as the primary goal of accounting so Conservatism has become less influential (Hellman, 2008: 72)

Just as the accounting Conservatism did not agree on its interpretation, it is also a subjective tendency for a person to be conservative. Through reviewing the literature, it became clear that Conservatism was considered an accounting principle before 1989 and then it was considered an imposed restriction due to the circumstances of uncertainty, as well as being considered part of the qualitative characteristics of information. , And in 2010 it was canceled, despite its presence in many accounting practices

Accounting criticism

Accounting Conservatism does not require verification in order to recognize expenses in the financial statements compared to revenue, therefore expenses are recognized in the financial statements more early than revenue, and current research did not specify an agreed opinion on whether the accounting Conservatism is a good or bad thing, some are considered Conservatism is an accounting phenomenon as a positive phenomenon because it may be beneficial to the company under conditions of uncertainty. On the other hand, accounting

Conservatism can be considered a bad thing because it gives financial statements that do not reflect a true and fair view of the company's performance

Accounting Conservatism requires a higher degree of assurance of good news than bad news, so many research (LaFond & Watts2003, 2008 Lyengar & Zampelli, 2010; Watts) provided that accounting Conservatism affects the quality of financial information and affects investor's decision as a result of the financial performance of exaggerated companies In his estimation, which in turn led to the adoption of International Accounting Standards for Financial Reporting to improve the quality of accounting information and thereby reduce the inconsistency of the information (Zhang, 2011: 2)

Accounting Prudence

Prudence in the language: prudence: think, think, understand, and realize, the mind of the thing: understand it, perceive it for its truth (glossary of all meanings), and Prudence idiomatic: Prudence means, cautious need to be careful in (Dictionary 2019) With the concept of rationality among economists, as the rationalization or economic rationalization of Rationalization, meaning the sense of economic behavior aimed at achieving economic benefit in any behavior, and with the development of economics, the concept of economic rationality has evolved to include rationalization of goals in terms of their harmony among them in addition to rationalization using appropriate resources to achieve that Objectives, Prudence was defined as wisdom and regarded as a moral virtue where a concept was given as "practical knowledge of things to search for and things to avoid" (Maltby, 2000: 56) and the Oxford English Dictionary (1989) provided the first meaning of reasoning as `` Ability to discern the Most suitable politic or profitable course of action especially as regards conduct " and under the concept of Prudence do not overestimate recognized revenue or reduce the size of For expenditures, you must also be reasonable in recording assets, and not reduce obligations, so that the result is a financial statement that is neutral and objective. (Bragg, 2018: 1)

Hence, the concept of Prudence has become one of the accounting concepts that increase the reliability of the figures in the financial statements of the economic unit and gives the concept that the financial statements of the economic unit must always appear cautious and Prudence when reporting any numbers that particularly affect income and expenses, this means that the preparation of those data It must always show an unreasonable approach of caution while reporting profits, revenues and assets, at the same time the economic unit must adopt a proactive approach optimistic about the recognition of obligations, losses and expenses, in other words the economic unit must not overestimate its profits and assets until it is obtained Adequate and irrefutable evidence, and should not reduce the value of its losses and expenses if it is confirmed that they occurred. (Dobre, 2013: 622)

The concept essentially urges that the financial statements should provide a realistic perspective for every event that might influence the users ’decision of the financial statements, as International Accounting Standards (IAS) and GAAPs include the concept of Prudence in many of the standards, and there is a method Another to consider Prudence is to record the transaction of revenue or assets when this is certain, record the expense account or obligations when possible, and on the other hand that the concept of Prudence is that you tend to recognize revenue or assets and tend to record expenses and liabilities until you are sure of them, as well as evaluate Assets regularly to see if their value has decreased, and obligations to see if they have increased. In short, the trend in the Prudence concept is to delay recognition of earnings at least until the underlying transactions become more certain and it is less cautious than Conservatism in not recognizing profits except when it is realized. (Georgiou, 2015: 32)

The Prudence concept does not go very far to force the recording of the least appropriate position but rather seeks to record transactions that reflect a realistic assessment of the probability of occurrence and therefore if you want to create a continuous chain of optimism for certain elements and pessimism from other elements, then the concept of Prudence makes you in the midst of things for the purpose of achieving Continuity. Prudence is usually used, for example, to create an allowance for doubtful debts or to settle the fair value of investments. In both cases a specific element has not been identified but the wise person records a provision in anticipation of a reasonable amount of expenditures arising at some point in the future. (Happe, 2016: 690)

Therefore, Prudence defines accountability as not overestimating revenue, assets, and profits, and at the same time not to underestimate liabilities, losses, and expenses, and it gives another concept that it is the wisdom in preparing financial reports and reducing personal judgment (Cooper, 2015: 2), and it is defined as being cautious When issuing judgments under conditions of uncertainty, that is, pessimism and exaggeration of each of the assets, liabilities, or income and expenses are not exaggerated (IFRS, 2018: 16)

While he knew that it was a degree of caution shown by the accountant for not overestimating the assets, expenditures, revenues and liabilities (CON.FRAMEWORK IFRS, 2018), it can be said that Prudence in general is the management in certain situations so therefore Prudence in accounting is no longer this concept where we can know that It is the recognition of assets and revenues when it is confirmed and not necessarily realized and recognition of liabilities and expenses when it is possible and not simply by expecting it.

Accounting Prudence & Accounting Conservatism

Table 1: Difference Between Accounting Prudence & Accounting Conservatism

Item	Prudence	Conservatism
the aim	Failure to overestimate assets, liabilities, revenues and expenses	Postponing recognition of revenues and profits, and expediting recognition of expenses and losses
Recognition	It appeared first in 1976 within the framework of international standards IASB and was abolished in 1989 and was basically returned as one of the main elements in the framework of 2018	Appeared as one of the basic determinants and principles in the conceptual framework for financial accounting FASB from 1976 to 2001 and finally raised to 2010 (common framework)
Concept	That he exercise caution when issuing judgments under conditions of uncertainty, that is, pessimism and exaggeration in the estimation of each of the assets, liabilities, or income and expenses are not exaggerated	Profits respond to bad news faster than good news, as good news requires a higher degree of verification by accountants
Compatibility	Consistent with all principles, assumptions and qualitative characteristics of information	It conflicts with impartiality, consistency, sincere and periodic representation
Types	There are no divisions, but it is an essential element to adopt caution in not exaggerating	It is divided into two types, conditional on the occurrence of certain events and non-conditional events
Business results and financial position	Show the financial position and business results with more transparency and clarity	It is a distortion of the fact of the financial position and the business results due to the lack of showing the true picture of these results
Effect	Give a comprehensive view of	Shading information users as a result of

	beneficiaries and stakeholders	distorting financial statements

Is "Prudence" a synonym for "Conservatism" or an alternative?

There are many semantic meanings that researchers used for the same term, and they interpreted this differently. The influence of the accounting culture and the lack of linguistic interpretations created in the field of competence still creates difficulties, hampering the more comprehensive discussion and results, although “Prudence and” Conservatism "They are widely used by researchers as synonyms, and this is a common line which puts ambiguity or misunderstanding, so it is important to achieve accuracy in the definition of Prudence and to formulate the definition based on a clear understanding of its essence

explains that (Barker, 2015: 515) "Conservatism" refers to the accounting method leading to the book value being lower than the economic value, while "Prudence" is a type of Conservatism resulting from a "cautious" response to uncertainties, and we can differentiate Prudence and Conservatism through theoretical Conservatism is a comparison between economic and book value, whereas Prudence means wisdom, and thus it is a theoretical concept far from being an issue of not overestimating assets or liabilities. (Oreshkova, 2017: 350)

It expresses the "economic value" of the present value of the expected cash flows of the net equity of shareholders, which is an estimated value based on the prediction of discount transactions, and the "book value" indicates the historical value of the net assets, thus accounting is inherently conservative by making the book value always less and thus losing Standards of impartiality and prudence The accounting Prudence requires wisdom in that decision, although some express it as the same Conservatism but it is a scientific alternative

From the foregoing, Prudence Accounting includes some basic rules that accountants must follow in order to represent the economic performance of the unit in a fair and impartial manner, and thus honest, sound and verifiable information for stakeholders. Prudence Accounting must be seen as a wise philosophy and strategy whose long-term benefits to the economic unit and its associated parties must be considered, and in this way the professional bodies seek to establish scientific and ethical foundations through the Prudence accounting concept to seek to achieve sustainability, efficiency and sustainable growth of the unit Economic

Society and study sample

The banking sector plays a prominent role in collecting economic resources and financing economic growth, as well as its role in achieving financial and monetary stability for modern economies. Although the Iraqi banking sector is one of the oldest systems in the Arab region, it remains a traditional system in its slow work in its development, as conditions of war that Iraq passed since 1980 and the economic blockade in 1991 and the economic philosophy that prevailed in the Iraqi economy cast a shadow. The banking sector in the country should leave a legacy, human frameworks, labor contexts and laws that created a huge gap between it and the prevailing banking systems in the region and the world. The Iraqi banking system consists of the Central Bank of Iraq, in addition to (49) banks, including six government banks: Al-Rafidain, Al-Rashid, the bank Iraqi Trade, Cooperative Agricultural, Industrial and Real Estate, as well as (43) private banks in addition to (15) branches of foreign banks, and there are seven Arab and foreign partnerships in the capitals of Iraqi banks, where the Banking Law No. 94 of 2004 and the instructions issued according to it allowed participation Foreign banks in the capital of Iraqi banks, and this participation ranged between 45% and even more than 85% in some banks

Analyze the results and test the hypotheses

The conceptual framework for accounting is the general variable and through it can derive the basic independent variables represented by the accounting and international accounting standards and accordingly, the extent of the ability of Iraqi banks to study the number of the study sample of 30 banks will be examined from their application to that framework, and whether it has achieved the basic accounting goal of providing useful information to investors and creditors And other users of financial data? Is the accounting information provided in the financial reports appropriate and honest representation? How did banks rely on the accepted accounting principles? And all these questions were answered in the table below, which shows the extent to which the conceptual framework of accounting has been taken into account when preparing financial statements:

Table 2: the level of application of the conceptual framework levels of accounting

Accounting conceptual framework levels	The content of banks' financial statements			
	Not applicable		applicable	
		fi		fi
The first level: goals	The relative weight of the target level is approximately 25.7%			

Second Level				
Elements of the financial statements				
Qualitative characteristics				
Basic characteristics				
Convenience feature				
Predictive value				10
Confirmation value				10
Physical (relative importance				15
Honest acting				
Completion				2
Neutrality				10
Free from mistakes				12
Promotional characteristics				
Comparability				6
Verification				6
Timing				0
Understanding				15
Elements of clarity				
Accounting Prudence				15
Administrative Supervision (Governance)				7
Measuring uncertainty				0
Putting the essence in the shape				0
The third level				
Accounting assumptions				
Continuity				30
Periodicity				30
Monetary Unity				30
Independence				0
Accounting principles				
Principle of measurement				15
Revenue recognition principle				15
The principle of verification of the expense				15

Accounting Disclosure Principle				10
Accounting determinants				
Cost				30
Total				313

The relative weight of the level of objectives was adopted in relation to the level of application of the specific characteristics of accounting information. Banks that lack information for relevance and honest representation are not useful and therefore did not achieve the goal of accounting so

Relative weight of targets = (property application points ÷ sum of property points) × 100%

× 100% = 25.7%

It is noted from the above table that most of the banks did not apply the conceptual framework for accounting properly, as the elements of the appropriate property were not applied to many banks, so the predictive and confirmatory value ratio decreased to approximately 33%, i.e., for ten banks, including the Commercial, Gulf, and Baghdad, which are considered successful banks, as for honest representation For data regarding completeness, the information is incomplete and does not meet the needs of users by 6.67% except for the Baghdad and Gulf banks, and then most of the banks have errors in the published data that delude users to make wrong decisions.

As for the elements of clarity, the percentage of Prudence accounting application is 50%, i.e. banks applying to standards and governance are adopted in seven banks, i.e. 23%, and all of these constitute a weak percentage and do not provide accuracy for the decision-maker, and when noting accounting assumptions and principles were not adequately applied, there is no independence of the unit Because of the owners 'interference and their influence on most investment and trading decisions, as for the principles, the banks applying the standards are almost better in terms of measuring according to the fair value basis and by 50%, but most of the banks did not disclose all the necessary information to the users

From the aforementioned, it is noted that the application of the conceptual framework for accounting constitutes 43.5%, which is a small percentage because the levels of the framework are the main pillar for understanding and communicating financial statements and therefore these reports did not provide the minimum accounting information and its characteristics and therefore rejects the first research hypothesis because the conceptual framework of the calculator has not been applied properly

Conclusion

Through a study, it became clear that what came in the conceptual frameworks of accounting before 2010 was the treatment of specific cases and problems in the environment, and they were not radical solutions, but it contributed to creating a new school represented by the positive theory through selecting best practices and generalizing the results, in after 2010 the trend became To build a comprehensive coherent conceptual framework based on the normative theory based on deriving consistent standards from theoretical foundations and concepts, Conservatism means that good news is recognized only when it is achieved while bad news is recognized as soon as it is doubtful that it has occurred, and this resulted from Conservatism's interpretations of contracting, Litigation, taxes, and interpreters of criteria that gave justifications for the reservation, but they were not sufficient to continue Conservatism, so every interpretation achieves a simple part of the accounting work and thus everyone lacks inclusion, which is one of the main pillars for building principles of theory, while the existence of Prudence as a basic element and in the introduction Elements of clarification are sufficient evidence for the change of accounting thought towards a policy of transparency and sustainability, which are recent concepts of accounting and which give turns in the field of In the opinion of an accountant, Prudence of accounting differs from Conservatism, but the latter means an emphasis in the application of accounting practices, for example revenue is not recognized only when it is realized and expenses are recognized once expected, while Prudence gives a different concept as it means not exaggerating the evaluation of assets and liabilities, and it is noted that most banks The Iraqi commercial company did not apply the conceptual framework for accounting with the correct problem, as the elements of the appropriate property were not applied to many banks, so the predictive and confirmatory value ratio decreased to approximately 33%. As for the honest representation of data regarding completeness, the information is incomplete and does not meet the needs of the users by 6.67%, and then Most banks have errors in the published evidence that delude users to make wrong decisions

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THE IMPACT OF PRICE ON CONSUMER’S BUYING BEHAVIOR IN NORTH MACEDONIA: CASE STUDY OF ‘VIOLETA’ WET WIPES

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Abstract

This paper aims to analyze the impact of price on consumers' psychology and on their buying behavior accordingly. It is widely accepted that price plays an important role in consumer buying behavior, especially in low-income countries with high unemployment. For this reason, this study investigates the impact of price on the buyer behavior of consumers from Skopje, North Macedonia that are regularly using baby wipes from the Bosnian brand ‘Violeta’. The primary data has been collected through a structured self-designed questionnaire and filled by the walk-in customers at various stores in Skopje. The study also conducts an interview with the CEO of the main distributor of ‘Violeta’ brand products in North Macedonia. One of the main findings of the research is that in North Macedonia, a medium-income country, price plays an important role in the consumer’s decision.

Keywords: price, consumer’s buying behavior, North Macedonia

JEL Codes: D4, D11, L66

Introduction

It is not an easy task for companies to attract and sustain loyal customers, particularly nowadays when there is a wide variety of choices that satisfy different types of tastes and preferences. If a company wants to survive and to do well on the market, it should be able to compete well and offer something better than its competitors. This is not easy because all companies and brands have this same task and they compete simultaneously to sustain customers and get abundant profits. To make better marketing strategies and offer a better experience for their customers to keep them interested in the brand, marketers are studying consumer buying behavior and the factors that influence it.

Marketing departments and R&D departments are usually responsible for conducting surveys to customers and analyze their buying behavior, particularly when companies are planning to introduce a new product/service on the market or to develop an existing one. Several variables are analyzed closely, the timing of purchasing the product/service, the buying mode, quantities purchased, and the type of products/services that are purchased most frequently. The main goal from these analyses is to satisfy consumers and to make them loyal to the brand, which at the same time will generate maximum revenues for the companies.

Globalization and the increasing use of technology in all spheres of life had a vast influence on the marketing strategies and the techniques of attracting and sustaining consumers. The increasing amount of consumers who use online shopping through websites and social media, makes the job of marketers even harder. Consumers have the chance to make comparisons between products and services in terms of prices and other consumer's experiences. Therefore marketers need to think twice as hard and smart to attract consumers and to compete with their competitors, sometimes even on a global level. They know that consumers buy products/services for several reasons: they need them, want to try them, someone strongly recommended them or they buy them to give them away as gifts, so they create marketing strategies for all of these situations.

The 4 P's (price, product, place, and promotion) are always in the center of every marketing strategy. Price as part of this marketing mix, and as the main factor which provides an obvious signal of success or failure of a product/service, is in the main focus of this study.

Purpose of the study

The purpose of this study is to evaluate and measure the impact of prices on consumers' buying behavior, though the case study of the brand *Violeta*, particularly one product from their assortment, the *Violeta* baby wipes. Since parents of small babies are the most frequent buyers of wet wipes, this study will focus on them as a target group.
Violeta is a Bosnian company that was founded in 1990 and was initially involved in the commercial trade business for the distribution of famous brands in the field of foodstuffs such as *Ferrero, Barilla,* and *Paladin*. Today, it is present in the tissue market with its *Violeta* product range and *Teta Violeta* distinctive brand (Perini Journal, 2020). Violeta wet wipes are

present on the Macedonian market since 1995. The main distributor of this brand in North Macedonia is *Actiff.*

The hypotheses that this study tests are the following:
H0: There is no significant association between the price of wipes and consumer's buying behavior.
H1: There is a significant association between the price of wipes and consumer's buying behavior.

Literature review

The study of consumer buying behavior has always been enticing and challenging for many scholars. Researchers have conducted many studies to understand the potential influence of price importance on the degree of price awareness among consumers and how it affects their buying behavior.

Consumer behavior is comprised of all the thoughts, feelings, and actions that an individual has or takes before or while buying any product, service, or idea. Buyer behavior is the concept which answers what, why, how, when, and where an individual makes a purchase. The outcome of the buyer behavior is the buyer's decision (Khaniwale, 2015). According to Kotler & Keller (2012) consumer behavior is the study of how individuals, groups, and organizations select, buy, use, and dispose goods, services, ideas, or experiences to satisfy their needs and wants.

Khaniwale (2015) analyzed the theoretical aspects of consumer buying behavior and the factors that influence it. His research proves that the consumer's buyer behavior is significantly influenced by the consumer's internal and external factors. External factors are cultural and social factors, while internal are personal and psychological factors.

Price is the main factor that generates revenue, and increasing the price of a certain product that our competitors offer at a lower price is a tricky decision because this can result in a decline in the company's growth. For this reason, companies that enter a new market with significant local and international competition, need to enter with a similar price and if possible with higher quality than their competitors to gain consumers' attention and attraction. According to Rosa et al (2011), the importance of price as a purchase stimulus has a key role in price management since not only does it determine the way prices are perceived and valued, but it also influences consumer purchase decisions (Rosa, 2004; Simon, 1989; Vanhuele and Dreze, 2002). Studies have shown the price as an important factor in the purchase decision, especially for frequently purchased products, affecting choices for the store, product, and brand (Rondan, 2004). Dickson and Sawyer (1990) and Kujala and Johnson (1993) proved that the greater the attention paid to prices, the more accurately they are remembered, which indicates the importance of prices in the decision-making process. Al-Salamin et al. (2015) showed that the price of well-known brand products affects the purchase process negatively.

Lovelock (1996) suggested that pricing is the only element of the marketing mix that produces revenues for the firm, while all the others are related to expenses. Diamantopoulos (1991) argued that price is the most flexible element of marketing strategy in that pricing decisions can be implemented relatively quickly in comparison with the other elements of the marketing strategy. It is capable of determining a firm’s market share and profitability. Kellogg et al., (1997) point out that if effective product development, promotion, and distribution sow the seeds of business success, effective pricing is the harvest. Although effective pricing can never compensate for poor execution of the first three elements, ineffective pricing can surely prevent those efforts from resulting in financial success.

There is an existing literature analyzing as well the impact of the price of wet wipes on consumer behavior. The results show that in developed countries the consumers of wet wipes, particularly parents of small babies, do not pay attention to the price, but they are interested more in the quality of the product. On the other side, in less developed countries, parents are paying equal attention to the price and the quality of the wet wipes. As an example, Dixit, S. (2018), in her study on consumer buying behavior concerning Kara skincare wipes found that the buyer’s behavior in Chandigarh city, India (lower-middle-income country) in respect of wet wipes depends majorly on the price of the wipes.

Methodology

This research paper, analyzes the impact of price on the buying behavior of consumers. As a case study are taken the wet wipes for babies from the brand *Violeta*, and the perception of their price in the eyes of the parents of small babies from Skopje.

The study uses primary data collected using a set of questions that were posed to the intended participants. The questionnaire was delivered to a random sample of parents of small babies that were walking in or out from various stores in Skopje. Results from 25 parents who answered all the questions were collected and analyzed. The questions were coded with given options to choose from. Excel and SPSS were used to provide a descriptive analysis.

To process the survey data and analyze the Likert scale questions, the range on the Likert scale had to be determined. To determine this range and find the minimum and maximum length of the 5-point Likert scale, the range is calculated by (5 − 1 = 4), then divided by five as it is the greatest value of the scale (4 ÷ 5 = 0.80). Afterward, number one which is the lowest value in the scale was added to determine the upper limit for the first cell (Table 1).

Table 1. The length of cells

Strongly Agree	5 – 4.20
Agree	4.19 – 3.40
Neutral	3.39 – 2.60
Disagree	2.59 – 1.80
Strongly Disagree	Less than 1.80

Apart from the questionnaire, an interview was conducted with the CEO of *Actiff*, the main distributor of *Violeta* products in North Macedonia. The responses from the interview were also analyzed and disclosed in the findings.

Findings and discussions

In this section the results from the questionnaire and the interview are presented, analyzed, and compared to test the hypothesis of the research paper.

Based on the responses received from the interview with the CEO of Actiff, which is the main distributor of the products from the brand *Violeta* on the Macedonian market, the following conclusions were discovered:

1. *Actiff*'s main strategy is to distribute high-quality products with affordable prices
2. Sales of *Violeta* wet wipes on the Macedonian market are gradually increasing every year
3. The majority of consumers of *Violeta* brand are satisfied with their products
4. Consumers of products from the *Violeta* brand, rate them as high-quality products
5. Consumers agree that the price for the wet wipes is suitable
6.

To test these statements by the CEO of *Actiff*, taken as a representative of the *Violeta* brand on the Macedonian market, the study uses the responses from the questionnaire distributed to consumers of this brand where they were asked to share their opinion and rate the quality and price of these products.

The tables below show the answers from the questionnaire presented as frequencies and percentages. The first two questions were posed to determine the basic demographic characteristics of the respondents.

Table 2. Distribution of participants according to gender variable

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	10	40.0	40.0	40.0
	Female	15	60.0	60.0	100.0
	Total	25	100.0	100.0	

Table 2 presents the results concerning the gender of our respondents. The results show that 40% of our respondents are male and 60% are female.

Table 3. Distribution of participants according to the age variable

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-25	14	51.9	56.0	56.0
	25-30	8	29.6	32.0	88.0
	30 >	3	11.1	12.0	100.0
	Total	25	92.6	100.0	

It is clear from Table 3 that the majority of the respondents (56%) are at the age of 20-25, followed by 32% of parents who are at the age of 25-30, and 12% of the parents who are 30 or older.

For a better review, the results from Tables 2 and 3 are presented in the graphs below.

Figure 1: Parent's age

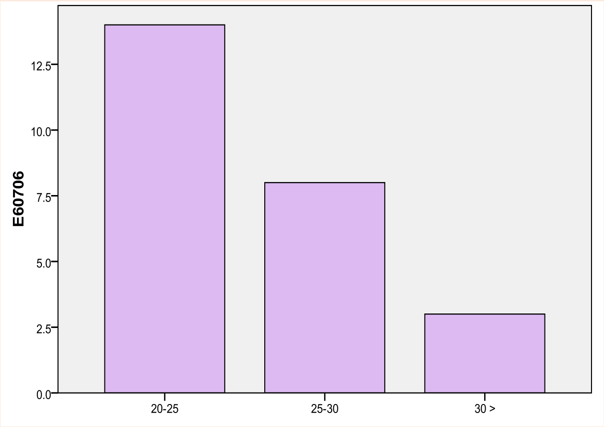
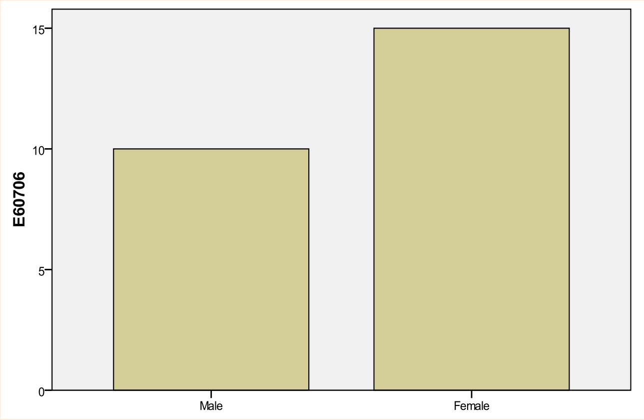


Figure 2: Parent's gender



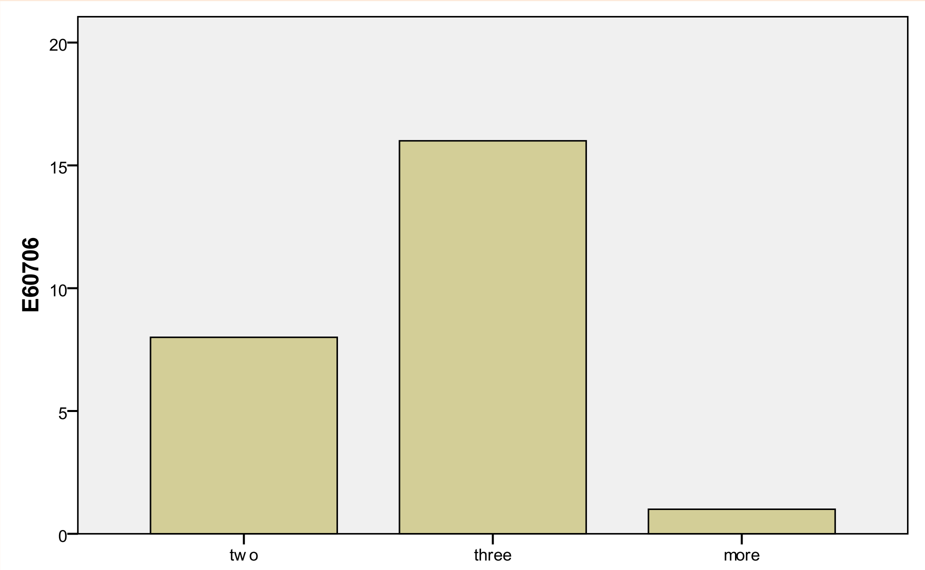
The third question was regarding the number of baby wipes boxes from the *Violeta* brand that parents from Skopje buy monthly. The results received from the parents are as follows:

Table 4. Distribution of participants according to wet wipes boxes used monthly

Wet wipes boxes/month

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Two	8	32.0	32.0	32.0
	Three	16	64.0	64.0	96.0
	More	1	4.0	4.0	100.0
	Total	25	100.0	100.0	

Figure 3: Distribution of participants according to wet wipes boxes used monthly



The results from Table 4 show that the majority of parents are using three boxes of *Violeta* wet wipes per month for their babies, or in percentage, 64%, followed by parents that use two boxes of *Violeta* wet wipes monthly, or in percentage 32%, and only 4% of the respondents answered that they use more than three boxes of wet wipes per month. Considering that parents of small babies are the most frequent users of baby wet wipes, these results are not too optimistic, which may indicate that parents from Skopje are buying baby wipes from other brands present on the market.

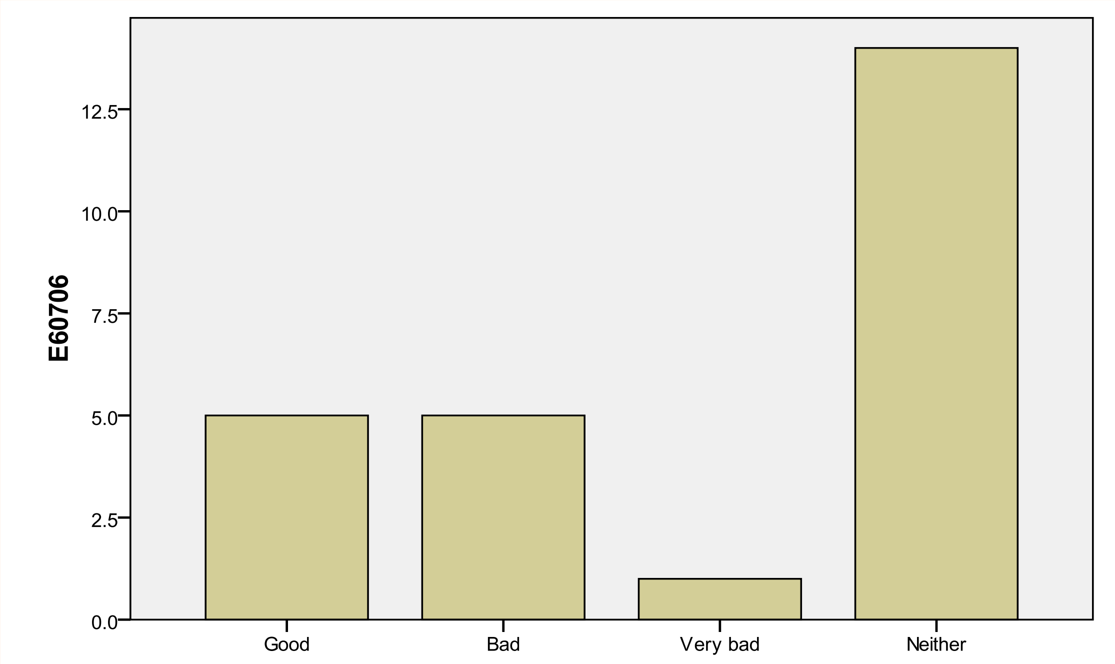
The next question from the list was posed to the respondents to test the statement by the CEO of *Actiff* that “Customers from North Macedonia have a high opinion of the *Violeta* brand”. The respondents of the questionnaire were asked to share their perception of the *Violeta* brand and their responses are presented below:

Table 5. Distribution of participants according to their perception of the *Violeta* brand

Perception of the brand

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Good	5	20.0	20.0	20.0
	Bad	5	20.0	20.0	40.0
	Very bad	1	4.0	4.0	44.0
	Neither	14	56.0	56.0	100.0
	Total	25	100.0	100.0	

Figure 4: Distribution of participants according to their perception of the Violeta brand



The responses show that only 20% of the parents have a good perception of the Violeta brand and the products it offers, including the Violeta wet wipes. On the other hand, 20% shared that they have a bad perception of the brand and 4% said that they have a very bad perception of the brand. The rest 56% said that the Violeta brand is neither bad, nor good (Table 5)(Figure 4).

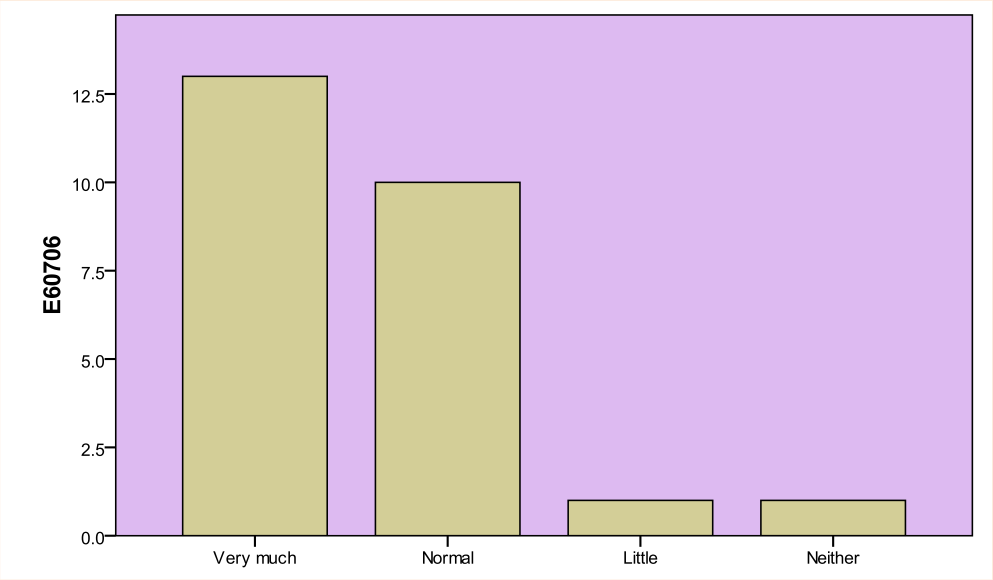
The fifth question tests the importance of price for the respondents. The responses from this question are vital to the study because they prove or reject the null hypothesis. They will show whether there is a significant association between the price of wet wipes and the motivation for the purchase decision of consumers. The results from the question are disclosed below:

Table 6. Distribution of participants according to the importance of the price of wet wipes

Price impact on consumer behavior

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very much	13	48.1	52.0	52.0
	Normal	10	37.0	40.0	92.0
	Little	1	3.7	4.0	96.0
	Neither	1	3.7	4.0	100.0
	Total	25	92.6	100.0	

Figure 5. Distribution of participants according to the importance of price



The results from Table 6 and Figure 5 show that the price is an important factor for the majority of parents of small babies from Skopje, that is, 52% of respondents said that price is of very high importance for their buying decision, 40% said that the price is of normal importance for their buying decision, whereas only 4% of the respondents said that the price has little or no importance when they are making a decision of which type of wet wipes they should buy. These answers prove that price is of high importance and has an impact on the consumer buying behavior, particularly in a lower-medium-income country like North Macedonia.

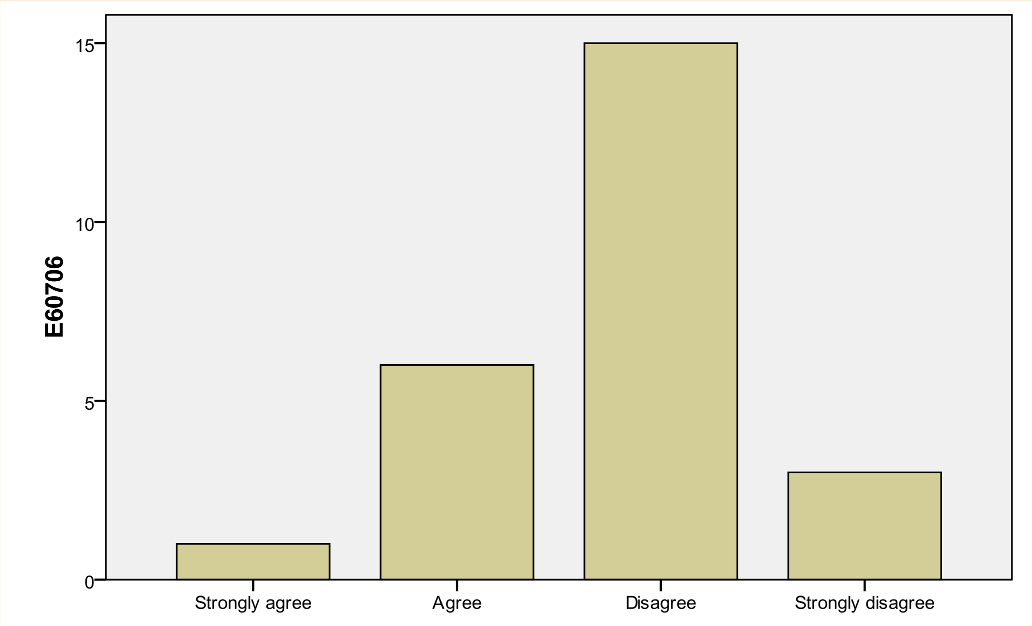
Next, the study questions the ability of *Violeta*'s wet wipes to satisfy the customers' needs. The results received will test the statement of the CEO of *Actiff* that "The majority of consumers of Violeta brand are satisfied with their products". The responses of the questionnaire are as follows:

Table 7. Distribution of participants according to the ability to satisfy the customers' needs

Satisfaction of customers' needs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	1	3.7	4.0	4.0
	Agree	6	22.2	24.0	28.0
	Disagree	15	55.6	60.0	88.0
	Strongly disagree	3	11.1	12.0	100.0
	Total	25	92.6	100.0	

Figure 6. Distribution of participants according to the ability to satisfy the customers' needs



The responses received are the following: 4% of the respondents strongly agree that the product fully satisfies their needs, 24% agree that the product satisfies their needs, the majority of respondents, 60% disagree that the *Violeta* wet wipes satisfy their needs, while 12% strongly disagree that this product satisfies their needs (Table 7) (Figure 6). These results are contradicting to the previously mentioned statement from the CEO of *Actiff* that the majority of consumers of *Violeta* products are satisfied with them.

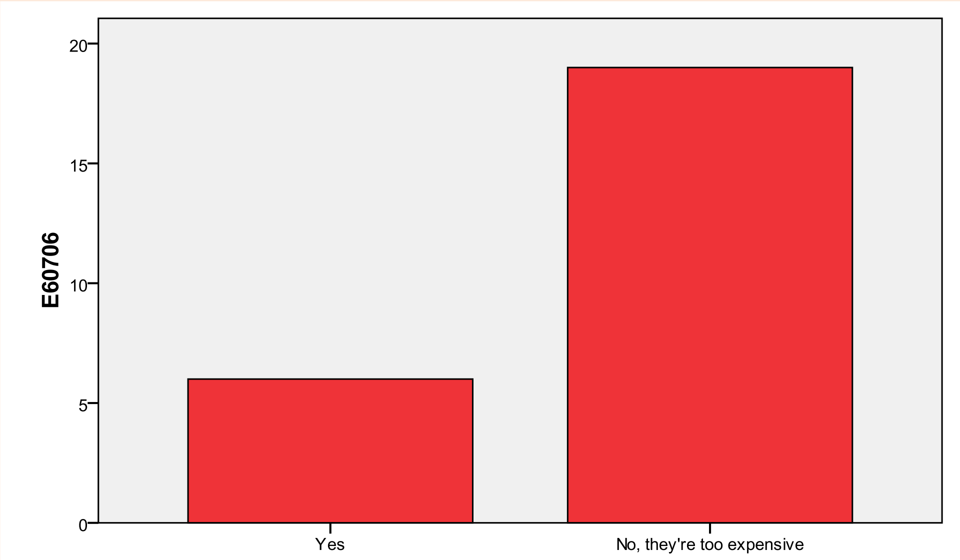
The final question from the distributed questionnaire asks the participants of the study to reply whether they think *Violeta* wet wipes provide good quality for the price they request. The responses from this question will also test the statement of *Actiff* that the customers of *Violeta* brand rate the products as high-quality goods. The responses from the questionnaire are presented below:

Table 8. Distribution of participants according to their perception whether the quality corresponds with the price of the Violeta wet wipes

Correspondence of quality and price

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	6	22.2	24.0	24.0
	No, they're too expensive	19	70.4	76.0	100.0
	Total	25	92.6	100.0	

Figure 7: Distribution of participants according to their perception whether the quality corresponds with the price of the Violeta wet wipes



The results from Table 8 and Figure 7 show that only 24% of the respondents agree that *Violeta* wet wipes offer a high quality in comparison to the price of the product, while 76% believe that this product is too expensive in comparison to the quality it offers.

Conclusion

Price plays an important role in the buying decision of every person, especially in low-income and lower-middle-income countries with a high level of unemployment. This study tries to prove this statement using a questionnaire that is conducted in the region of Skopje (the capital of North Macedonia, a middle-income country), where consumers of products from the *Violeta* brand are asked through a series of questions to rate the price and quality of this product.

The study concludes that parents in North Macedonia are not satisfied with the price of *Violeta* wet wipes compared with the quality of the product and the living standards. Moreover, they believe that the product has a very high price comparing to its ability to meet their needs and requirements. This results in their buyer decisions to substitute the product from this brand with same products offered by other brands on the market.

The results contribute to rejecting the null hypothesis and accepting the alternative hypothesis that "There is a significant association between the price of wet wipes and consumer buying behavior". The higher the price of the product, the lower is the willingness to buy the product i.e. suitable prices make consumers more willing to purchase them. This does not mean that this is a conclusive result since the study analyzes the responses of only 25 parents from Skopje, while this product is sold in the whole Balkan region.

Recommendations

Based on the paper's conclusion, marketers, retailers, and dealers are recommended to carefully study consumers buying behavior to understand better consumers' interests when making a purchase decision. *Violeta* company is recommended to set suitable prices to the selling items as pricing has a direct impact on its revenue and consequently to its success. Price plays a vital role in motivating buyers to purchase wet wipes and hence the company should focus on adapting the pricing strategy to the buyers. To do so, the company should ask for regular feedback from retailers and customers, so that there is proper follow-up of that feedback. Moreover, it can use corporate social responsibility as an additional strategy to affect buying behavior and improve the image of its brand. Knowing that the company will share part of its profit with the society, might additionally encourage customers to select their products over the ones offered by their competitors.

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The effect of adopting modern managerial accounting methods in achieving efficient banking service pricing

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Introduction

Accounting has evolved and developed like economic and social sciences to meet the forms and needs of progress and economic and social growth, as accounting has its place in advanced societies as it is considered one of the high occupations on which the business world is based, "With the increase in the intensity of development and competition in all fields, it was necessary to achieve competitive advantages for enterprises Cost accounting emerged, which in turn developed its theories to keep pace with the competition market, which made it focus on cost, by reducing costs. “Despite the important role that management accounting systems and cost accounting play in pricing and cost reduction decisions, they are still limited to keeping pace with development and the competition market, especially In the banking field to obtain and maintain the largest possible number of customers, until modern methods emerged that were able to keep pace with technology and progress. One of the modern methods of cost reduction is the targeted cost technology approach.

Japan was one of the first to use the targeted cost technology approach, as it started to be used in Japanese industries, especially cars, after the shortcomings that marred traditional systems in keeping pace with development and the competition market.

It is worth noting here that several factors overlap in pricing decisions, including competition, size and type of services, customer needs and desires, except for the importance of pricing in decisions to expand banking services.

The first topic: the general framework of the research

Research problem

Banks and related services are considered to be one of the main pillars of the economy. Therefore, banks seek to provide their services in a way that attracts the attention of investors to demand for banking services, as competition intensifies in the market for banking services and the diversity and multiplicity of these services in addition to the increasing use of technology in providing them, putting Iraqi banks in front of challenges to their sustainability And its success, as it was imposed on the banks not only to seek to invent new services that meet the needs and desire of clients but also to provide services with quality and price that satisfies the customer, and this made the banks choose either to stand in front of continuing to price their services according to the traditional systems of pricing that starts from determining the actual cost For the service plus the required and desirable profit margin required from the customer, or to follow the modern approach in pricing based on the use of the targeted cost technology approach, and thus the research problem is summarized in answering the following questions:

A- Do banks operating in Iraq have the necessary ingredients and conditions for the possibility of applying the targeted cost technology approach in pricing banking services?

B - Do banks operating in Iraq realize the benefits they accrue from adopting a targeted cost technology approach in pricing their banking services?

C- Are there obstacles and difficulties that limit the application of the targeted cost technology approach in banks operating in Iraq?

The objectives of the study:

The main objective of the research is to demonstrate the role of target cost technology in improving pricing efficiency

Banking services, especially for the benefits they achieve in the areas of planning, cost control and avoiding them and consequently reducing them. Several sub-goals derive from the main goal:

A- Learn about the concept of target cost technology.

B - Knowing the fundamentals of applying the target cost technology approach and the difficulties that banks face in applying the target cost technology.

C- Knowing the effect of applying the targeted cost technology approach on pricing banking services in light of competition.

The importance of the study:

The motivation for carrying out this study is to contribute to the knowledge of the conditions and factors leading to the application of advanced scientific systems to calculate the costs of services in banks and improve the efficiency of service pricing, leading to the best results in investment and exploitation to achieve the desired economic rates, with the least economic sacrifices in the available resources and capabilities, and that the transfer of method The target cost technology represents a transfer of successful experiences, as the approach of the target cost technology recently appeared in studies and research as one of the most important modern cost management systems, which previous studies have proven successful in reducing costs and improving the efficiency of service pricing, as its importance stems from the importance of the sector associated with it, the Iraqi banking sector It is considered an important economic pillar and represents a sector of important dealings in the Iraqi national economy, and it has importance in improving pricing decisions based on modern methods, to keep pace with the progress made today in the banking sector.

The hypothesis of the study: The research is based on the hypothesis that:

There are obstacles and difficulties that limit the application of the targeted cost technology approach as one of the modern methods of management accounting in banks.

The second topic: targeted cost technology

First: the concept of target cost technology:

One of the characteristics of the modern manufacturing environment is intense competition, significant technical progress in the industry, the short lifespan and multiplicity of products and the multiplicity of customer needs, which drives organizations operating within those variables that seek to achieve growth and balance and then continue to adopt price policies that are consistent with those developments and events surrounding them. Perhaps pricing on the basis of the market is considered the most recent approach because it is originally based on market research to determine the price and then determine the cost in light of that price after setting a specific profit margin that you want to achieve the organization and this approach is called (target cost technology).

The target cost technology is a customer oriented technology that has been widely used in Japan and recently adopted by organizations in Europe and the United States of America.

The target cost technology technique is defined as: (the cost that the product cost should not exceed in order to maintain a specified profit margin and the selling price necessary to achieve this specific margin (Gelati: 2006:532))

In order to determine the target cost technology, it is first necessary to study the selling prices that can appeal to customers, taking into account the competitors ’view of these prices and the competitors are the establishments that produce products similar to the product that you want the company to produce.

The first stage of this technique requires studying the market in order to determine the target selling price of the product, based on its characteristics and functions that customers want to perform this product as well as the prices of competing products. Then the target profit margin is determined on the basis of the organization's general strategy by dividing the total target margin by the organization's various product portfolio. (2006:532)

The targeted cost technology technique, T.C, is one of the most important cost management techniques, as it has been defined as (a market-oriented cost management technique that is used at the beginning of a product’s life - the early stage of the product life cycle - to enhance profitability and productivity in general) *((Golden and the Raven)*

Also, T.C technology was known as (one of the tools for cost management in a competitive environment because it targets three main competitive elements: "price, quality and cost" as well as creativity. *((Al-Sabou ')*

Thus, the justifications for adopting the targeted cost technology can be determined in the following points: -

1- Growth and intensity of global competition for many industries, as this technology is represented by a set of methods and tools used to direct the objectives of cost management and activities in design and production planning to provide a basis for effective control in order to ensure the achievement of the target profit.

2- Technical developments and continuous changes in the market have forced the organizations to adopt competitive strategies.

3- Going towards the customer and satisfying the basic dimensions of this technology that satisfy him.

4- Organizations do not have the ability to control and control real prices, and if the organization ignores that, it will be exposed to risk, and therefore the market price is taken into consideration when determining the target cost technique.

5- Most of the costs are determined at the design stage, and when this product is approved and put into production, it is not possible to reduce these costs. Therefore, this technology enters the design and research and development stage.

6- The deficiency of the traditional accounting entry in pricing, which depends on the basic cost in pricing without resorting to cost analysis by adopting a method of value analysis and activities analysis, which makes identifying the steps for implementing the target cost technology technique necessary. *((Al-Thahabi and Al-Ghabban: 2007)*

Second: The characteristics of the targeted cost technology:

The target cost technology approach is a recent cost management approach that includes a set of the following characteristics. ((Hilles 2010: 7-8: Posted by (Kwah)

1- The target cost technology is applied in the development and design stage as it differs from the traditional methods of managing costs that are applied in the production stage.

2- The targeted cost technique is not an administrative method for controlling costs, but rather a way to reduce costs.

3- The targeted cost technology processes and procedures have many primary methods in use because the primary objectives of the target cost include development and design techniques. *((Al-Dhahabi and Al-Ghabban)*

Third: Steps to implement the targeted cost technology:

T.C technology can be implemented in several steps as follows:

1. Determine the target price.

2. Determine the target profit.

3. Determine the target cost technology.

4. Use value engineering to determine ways to reduce the cost of a product.

5. The use of continuous improvement in costs and control of operational processes.

Fourth: The difficulties facing the application of the targeted cost technology approach: *((Hilles 2. 7.-8.)*

The targeted cost technology approach is a modern approach to cost management, and therefore this approach faces a number of difficulties, as follows:

1- The absence of a general framework that specifies requirements and steps for implementation due to the focus of most of the research studies that dealt with this approach on analyzing the successful experiences of some Japanese companies, which led to specific results.

2- The absence of a clear conceptual and methodological framework for applying modern methods of cost reduction in the context of maintaining the level of quality and job performance in a manner that leads to reaching the target cost technology.

3 - The difficulty of determining precisely the basic elements for the application of this approach, which are sales prices and profits, and hence the targeted cost technology, due to the lack of appropriate databases, especially in the developing world.

4- The lack of clarity on how to target the target reduction in the current or projected cost estimates for the facility's operations to match the target cost technique.

5- The difficulty of continuing to maintain the target cost technology plan in the context of rapid and increasing technological development and the entry of new competitors to the markets.

The third topic: Pricing banking services and the effect of targeted cost technology on them

First: Banking Services Pricing:

The increased interest in services has led to giving multiple and diverse concepts to them, as some services are fully or partially linked with physical goods such as (real estate rent, hotel services, tourism services ... etc) .. while other services are integral parts of the marketing of the sold goods. (Drafting), as there are other types of services that are not related to material goods and their marketing, whether in part or in full, such as (banking services, insurance services, health services ... etc). This variation in types of services has subjected the concept of service to several interpretations.

1- The concept of service: the service is the activities or benefits that are offered for sale or that are provided in connection with the sold goods, this definition includes two of the previous three concepts of the types of services (totally or partially linked with the physical goods, an integral part of the process of marketing the sold goods as required Use of tangible goods). *((Al-*

We find that this definition confirms that the service is a performance of a wave activity to satisfy the needs of the beneficiaries, and therefore it did not separate the services associated with goods and services provided without being linked to goods. *((Survivor)*

The service is also known as being actions, activities, or performance that are provided from one party to another party. These activities are considered intangible and do not entail transfer of ownership of anything, and the provision of the service may be related or not related to a tangible physical product. *((Al-Haddad)*

We find that this definition contains three elements that the researcher considers necessary to provide in the definition of the service, namely:

A- Services, some of which are fully or partially linked with physical goods (real estate rent)

B- Services, some of which constitute an integral part of the marketing process for sold goods ("drafting").

C- Services that are not wholly or partly associated with the physical goods, nor do they constitute an integral part of the marketing of the goods sold ("banking services").

2- Characteristics of the banking service: One of the essentials of skill in mastering the art of providing banking services is the awareness of the bank employees (dealing directly with clients and others) of the distinct nature of the banking service. The characteristics of the banking service can be summarized as follows: *((Al-Haddad 1. 5.)*

a. Ensure that the customer is required to provide: Banking services and bank confidence are not possible to judge by the buyer, meaning that it is difficult to evaluate banking services because they are not tangible, and because the bank is unable to provide a tangible offer for the banking service, the final judgment on what the employee provides will relate to what the customer requests and expects from these the service .

B. Banking services are produced and consumed at the same time (concomitance): because the production and consumption of banking services are concomitant. The customer cannot negotiate this service with a third party and all that is left for him is his happiness or his misery from the service, which is difficult for him to even describe it to others more than his feeling of happiness or unhappiness. Therefore, the main concern of the marketing men in banks is usually creating the temporal and spatial benefit of the service.

C. Lack of special symmetry: the public services are somewhat similar, so banks must find a way to find harmony and consolidate that in the public's memory.

Dr.. Dependence on deposits: Banks rely on deposits to perform all their banking services, which are the main source of bank financing and profit generation for the bank.

E. The diversity and multiplicity of banking services: Banking institutions provide a wide range of services and products to meet the various banking needs by different customers in different regions, which increases the difficulty of marketing these services.

And. Geographical dispersion (proliferation): Banks seek to have a network of branches in a form commensurate with the provision of banking service that meets the needs of customers in different geographic regions.

G. Use of the latest technologies: In the conditions of electronic banking and electronic banks, banking activities require the use of the latest technologies to implement them. This integrates with training and development to create a specialized banker familiar with financial and banking developments in the regional and international geographic framework. *((Al-Suma 6.)*

3- Pricing of banking services: the price is the most effective, dynamic and important element for the rest of the elements of the marketing or service mix alike, and pricing decisions are among the important decisions in formulating the marketing strategy for banks, in light of which the relationship between the bank and the customer is determined and this requires taking into account For many factors such as the banking service life cycle, the requirements of the banking services portfolio as a whole in addition to the selling objectives, the bank's market share and the costs of providing these services, which can be seen as one of the minimum restrictions on the bank's freedom to determine the prices it charges, and therefore it does not represent the primary and sole determinant of the price (As was prevalent previously), therefore, the procedures and methods adopted by the bank for pricing its banking services should depend on market and competition conditions in addition to its dependence on the cost component. *((Al-Ajarmah)*

a. Price: the price has many definitions, some of it defines it as (expressing a reflection and embodiment of the value of a thing in relation to the consumer during a certain period) and here the price is adopted on the basis that it reflects the value of the thing and regardless of the benefit that the consumer achieves from obtaining the object of value.

B. Pricing decisions in banks: The concept of price in banking marketing refers to the interest rate on deposits, loans, fees, currencies, and other expenses incurred by the bank in exchange for providing banking services. From the customer's point of view, the price represents the total benefits expected to be obtained when using the banking service. *((Survivor 2. 2.)*

Second: The role of targeted cost technology in improving the efficiency of banking service pricing: The target cost technology is a good tool for pricing in markets that are highly competitive, as it allows a critical analysis of the product's potential for success before allocating productive resources to it, unlike pricing on a cost basis. The enterprise may discover that the price of the product is not competitive after you have used the resources in its production. From this point, we will discuss in this topic the motives and stages of using the targeted cost technology in pricing banking services. *((Abu Odeh)*

1- The relationship between the technology of the target cost and the design of the banking service: It has become generally accepted that 80% of the service costs are determined within the design and development period of the service and these costs are fixed once the design phase is completed and it is difficult to reduce costs, and the approach to the target cost technology is seen as an entrance Designing for a specific cost The main idea of this approach is to review the design of the banking service and its features in order to reduce the estimated cost of it until it reaches the total cost; It is known that many Japanese organizations use the targeted cost technology approach to motivate production engineers to choose the design that can be produced at the lowest possible cost, and the new product design must focus on meeting specific profit goals. If these goals are not met, the product will be constantly redesigned until it is matched The aforementioned goals: The process of continuous re-design assumes that the target cost can be reached while the selling price itself is maintained, and that costs can be prevented rather than trying to reduce them after the occurrence. *((Mansour)*

2- The stages of applying the targeted cost technology in pricing banking services *((Abu Odeh)*

• Determine the type of banking service that meets the needs of the target customers.

• Choose the price that represents the value of what the customer will pay for the banking service, match the competitors ’prices, and achieve the target profit.

• Calculating the target cost technology by subtracting the target profit margin from the selling price.

• Carrying out value engineering, which is a reassessment of all stages or activities of the value chain of service in order to reduce cost within the same quality standards required by the customer

3- The advantages of the targeted cost technology approach in pricing banking services: *((Abu Awwad)*

• The targeted cost technology approach helps to create a competitive future for the bank by focusing on market-oriented management (the customer)

• It is a comprehensive regulatory approach that subject costs at all stages to analysis and evaluation, starting from service planning to after sales, and includes both internal and external performance.

• It is an approach that provides self-payment to achieve the desired results, as it depends on the participation of all those involved in the service delivery process, and thus represents a system for improvement and development of the bank's administrative thought as well as provides motivation for belonging by workers through their pursuit of the goals of reducing costs.

The fourth topic: The practical side: an analytical study

First: Demographic Variables:

The views of a number of accountants were explored regarding the extent of benefiting from the benefits of this technology in reducing the costs of banking services on their decisions.

- Qualification :

Table No. (1) clarifies the educational qualification for the individuals in the sample

Qualification	Repetition	The ratio
High School	-	-
diploma	8	15%
BA	44	85%
Higher Diploma	-	-
M.A.	-	-
Ph.D.	-	-
Other (remember)	-	-
Total	52	100%

From the above analysis, it proves that the establishment focuses on the bachelor's degree in the field of accounting at a rate of (85%) in the first place and then on the diploma at (15%). As for the rest of the qualifications, it did not get an opportunity.

- Years of service :

Table No. (2) shows years of service for the individuals in the sample

Years of service	Repetition	The ratio
From (1-5) years	29	55%
From (5-10) years old	23	45%
More than 10	-	-
Total	52	100%

From the analysis it is clear that the ratio (55%), which is the largest part of the employees as new or less experienced and service appointments, and this indicates that the facility has developed a new or focused on young energies either (45%) also occurred but with the lowest percentage for years of (5-10) years .

Second: Analysis of the research sample:

The following analysis clarifies the opinions of accountants on the efficiency of using the target cost technology in pricing services, since the accountants are concerned in this matter:

Table (3) shows the results of the study

questions	My account medium	Standard deviation
The targeted cost technology approach gives importance to the oversight that the bank's management undertakes to reduce costs	.250	2.35
Adopting the targeted cost technology approach leads to avoiding errors and faults and thus reducing the costs of banking services	.669	2.56
The pricing of banking services under the targeted cost technology approach enables the bank to increase its market share	.556	2.25
Adopting the target cost technology approach to pricing banking services improves the bank's reputation and thus increases sales	.678	2.33
Banking pricing under the targeted cost technology approach increases sales turnover and hence profits	.486	4.87
The targeted cost technology approach requires continuous improvement, and this works to meet customer needs, which in turn leads to increased profits	.669	2.56
Banking services pricing under the targeted cost technology approach is more fair than pricing under the actual cost approach	.513	2.83
Pricing of banking services under the targeted cost technology approach provides more flexibility in implementing the pricing policy for these services	.810	2.67
The pricing of banking services is influenced by the competitors costing approach	.471	4.88
Pricing according to the targeted cost technique approach requires pricing decisions to be taken into account	.139	4.98
Pricing policies for banking services in the bank are based on the cost approach, not based on supply and demand	.671	3.52
The continuous improvement in banking services required by applying the targeted cost technology approach is a reason for attracting and maintaining clients for the bank	.643	4.69
Adopting the target cost technology approach to pricing gives the bank the ability to attract new clients and maintain the bank's existing clients	.585	3.83
Adopting the targeted cost technology approach, makes the bank maintain the quality of the services it provides and thus maintain the bank's customers	.139	4.98

After resorting to following the weighted arithmetic mean, and to compare it with the hypothetical mean and to reach an accurate determination of the direction of the paragraph, whether by agreement or not, then resorting to using the factor analysis method that helps to reach the results of the relationship between a large number of variables representing the questions that were Directing it in the questionnaire in terms of the main variables represented by the study hypothesis, in order to know whether the variables represented by the questions have to do with the hypothesis and measure the extent of its impact, as well as measure the extent of the hypothesis contribution to the value of the company and push it towards the rise. Its impact ratio is less than 0.30, it is neglected, and all variables have taken more than 0.30 as an effect ratio. This means that the variables represented in the questionnaire question questions represent the best representation, and these variables will be taken at 100%, and from that the study hypothesis that there are obstacles was accepted. Difficulties limit the application of the targeted cost technology approach as one of the modern methods of management accounting in banks and therefore banks must address them to achieve efficiency and improve the services provided.

Conclusion:

Banks realize that applying the target cost technology approach works to reduce costs by excluding activities that do not add value, and getting rid of wasteful aspects, and avoiding errors and defects, as well as banks' awareness of the profitability achieved by applying the target cost technology approach in order to continuously improve services to meet customer needs, Reducing the costs and achieving the profit margin that the administration aspires to, and pricing according to this approach increases the bank’s market share and increases the turnover of sales, which in turn achieves profits, and that the quality of service and pricing efficiency when applying the target cost technology approach through continuous improvement and development of its banking services, and its generation For a competitive ability as pricing under the targeted cost technology approach is more fair from the customer’s point of view than pricing under the actual cost approach, and it gives more flexibility in applying the pricing policy for these services, and banks face difficulty as a result of the lack of an effective cost system in the bank or financial constraints In front of its application and the lack of data and accounting and non-accounting information needed to implement it.

They recommend researchers to apply the targeted cost technology, as long as there is a capacity to do so and they also recommend serious work to move towards its application in banks because of the benefits and advantages and competitiveness it has, and its impact on achieving efficiency and effectiveness with banks, as well as activating the role of cost accounting in banks and providing its departments with scientific competencies And the process.

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The Importance of Applying Accounting Principles and Constraints to Determine the Tax Obligation

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Abstract
In light of the continuous changes in the global economy with turning to a free economy and encouraging investments foreign and everything related to economic changes, it increased the need to take advantage of accounting outputs to take decisions which serve the beneficiaries including the tax authorities as it is one of the beneficiaries

The relationship between accounting and tax had to be activated by identifying the exceptions to which it resorts accountant as a result of the development of economic life and the rapid changes in it, which required alignment

The process of calculating the tax by the assessor and tax examiner, when applying tax legislation with recent developments aiming to achieve economic, social and political goals as well as the financial goal through a balance between the interest of the state and society and the one charged with achieving justice and the economic well-being of society

Significantly, it requires more activation of the relationship between its intellectual and legislative aspects, and the applied between accounting and taxation to achieve the desired goals.

Thus, prepare the financial statements and present them in a way that helps in reaching to taxable income or trying to get close to it, and stay away from direction in which the

information is used accounting for reducing the amount of tax or fraud with the intention of tax evasion by tampering or misrepresentation in financial statements, or by applying some accounting principles and determinants that help reduce income taxable if applied and used for the benefit of the investor (owner) only.

Keywords: Economy, Tax, Accounting, Financial statements, Evasion

JEL Code: H26

Introduction

The activation of the relationship between accounting and tax is one of the important methods by which the tax obligation can be reached and that relationship is achieved in a way that yields positive results by concerting the efforts of multiple parties of accounting and tax professionals in governmental, professional and academic organizations.

This paper presents a study and analysis of a sample of the tax calculations of private and mixed Iraqi companies in the General Authority for Taxes in Iraq and clarifies how the procedures for calculating the tax as well as the work of the departments concerned with calculating and collecting this tax in the companies concerned as well as the work of the companies department in the General Tax Authority.

The tax administration plays a big role in achieving the goals' tax policy (financial, social, economic and political) and the efficiency of the tax system in any country is judged by the efficiency and effectiveness of its tax apparatus represented by the tax authority.

Taxes are of great importance to achieve the state's goals in economic stability and social development, as well as its traditional goal which is financing the state's general budget. The income tax is the ideal model for direct taxes that take income as a container for them. Given the importance of this tax, all countries gave it special attention and occupied a prominent place in tax legislation.

Research Methodology

The inductive(descriptive)approach has been followed through the sources to achieve the goals of the research while the applied side has based on the analytical approach through presenting and studying the systems, laws, legislations and financial reports of the limited and joint-stock companies.

Research problem

The problem is as follows:

A-The failure to adopt some accounting principles and determinants affects the determination of the tax base.

B-Some procedures for determining the tax base do not match with some accounting determinants, and this is reflected negatively in determining the taxable income.

Research importance

The importance of the research lies in the compatibility between the accounting principle and determinants for increasing efficiency of the tax assessment process, achieving tax justice for taxpayers and increasing the tax revenue in the general commission for taxes, as well as the importance of research in the applied mechanism of tax accounting and its role in achieving the goals of the financial authority which leads to achieving the economic well-being of society.

Research objectives

The research aims include identifying the following:

A-Explain the accounting principles and determinants that affect determining the tax base for taxpayers.

B-Explain the relationship between accounting and tax determinants to determine taxable income using tax examination.

C- Explain the extent of the approval of financial reports and present them in the form and content that helps in achieving the goals of the financial authority in accordance with the accounting principles adopted in the tax investigation to determine the taxable income.

Research hypotheses

The research is based on the following two hypotheses:

A-The application of accounting determinants contributes to the determination of a fair tax base.
B-The use of accounting determinants achieves the fairness of the financial statements and leads to a balance between the interest of the state, society and the taxpayer.

Spatial and temporal search limits

A-Spatial limits: Corporate section which includes activity (financial, commercial, industrial, contracting and services) the oversight and internal audit department of general commission for taxes.
B-Time limits: The research covers financial reports (2010-2015).

Accounting Principles

"Generally Accepted Accounting Principles (GAAP) are concerned with the measurements of economic activity. The time when such measurements are made and recorded. The disclosures surrounding these activities and the preparation and presentation of summarized economic information in the form of financial statements. (GAAP) develops when questions arise about how the best accomplish those activities-measurements, timing of recognition, disclosure or presentation"(Patrick, et. al 2002: 56).

Historical Cost Principle

"Commercial accounting has adopted the historical cost hypothesis as the best rule for registering an enterprise's property in accounting books and records where assets and expenses are recorded at their cost and all costs related to purchase, transport, shipping and insurance expenses etc. borne by the establishment to obtain the asset and are ready for use in the activity. Then the depreciation of the existing one is downloaded during the period.

The same rule applies in relation to proof of the paid expenses by the establishment. The cost or the paid amount to avoid certain expenses is the primary to prove the process regardless of the market value or its benefit to the establishment.

So the purchasing power of monetary unit remains constant and does not change no matter how the economic conditions change. For example, purchasing power before the Second World War is assumed to be equal to the same purchasing power during the war period and the same purchasing power today.

This assumption, even if it is not logical, may lead to results that do not represent reality, but most accountants believe that there is no need to change accounting systems to take into account the change in the purchasing power of monetary unit" (AL,Adam&Al-Rizq,2000: 45-46).

"According to International Accounting Standard no.12, accounting profit represents the net profit (or loss) that is prepared in accordance with international accounting and financial reporting standards before deducting income tax. As for the taxable income (tax loss) which represents the net profit (or loss) prepared according to the requirements of local tax legislation and this represents the basic figure that is used to calculate the amount of income tax payable to the tax authorities for the current period"(International Financial Accounting and Reporting Standards,2018: 181).

"The distinction between income concepts according to its levels is great importance in accounting for income tax because the treatment of individuals tax entry differs from transaction of entering enterprises. Some countries have legislation for income tax. The first is the income tax law for individuals and the second is the corporate income tax.

Tax income can be defined as:

(Accounting income is viewed from perspective of tax laws) However, this definition may be comprehensive and needs a lot of clarifications and it is better to know it "(as the net income generated by the taxpayer from all revenues, whether those revenues are related to the production process, or they are periodic or non-recurring revenues that have no closure by the normal duties of the taxpayer all expenses are deducted from the above revenues, whether they relate to the taxpayer's regular business or not, during the financial period and in the light of tax laws, regulations, and instructions)" (Al-Ka'abi,2008: 52).

Revenue Recognition Principle

This principle takes a more comprehensive dimensions in financial accounting from tax accounting since the latter considers revenue as tax when the point of sale is achieved and this is clear in the Income Tax Law No. (113) for 1982 as amended within article two of it on the necessity of the existence of the point of sale, and that the sale process has a profit meaning that the objective evidence here is the sale. The following is an explanation of some of the accounting methods and applications for achieving revenue and indicating the extent of its contribution in providing the accounting information through which the taxable income can be determined.

A-Earning revenue upon receipt of cash.

which is appropriate for sales by installments due to increase the risk of collecting sales value as deferred revenue. There is insufficient evidence necessary to raise the value of sales revenue during the current accounting period.

"Khursan, quoting from (Meigs,1996: 600) states that this basis is used for the purposes of accounting for income tax on a large scale because it allows postponing the payment of income taxes so if the basis for using this method on a large scale is that it allows to postpone the tax is it in the interest of the financial authority as a major user of the accounting information that the payment of taxes be postponed by those charged with paying them on the contrary that the financial authorities aim to increase the tax revenue and this is a legitimate right of it and a contribution from it in achieving the financial policy of the state by providing the necessary resources to pay public expenditures as well as other economic, political and social goals"(Al-Khursan,2001: 98).

"The postponement of the payment of the tax makes the principle of revenue realization specified for the adoption of accounting information in the tax calculation process in two aspects.

A- Reducing the tax revenue because the taxable income will be within a lower tier as failure to recognize revenue except after receiving cash and delaying the payment of the remainder makes the amount of income on which the tax is calculated a little and thus is within a lower tax price because the tax rates are, as is known, progressive. This is a means of tax evasion and that this falls within the third type of tax evasion referred to by (Amin), and they are the ones who are authorized to provide inputs or information that make their tax less than what should be achieved by law"(Amin, 2000: 171)

B-"Correlation with other economic variables, in particular with inflation cases and its effect on the decrease in the value of cash, as postponing the payment of the tax because the revenue was not received by receiving cash during the fiscal year.

Receiving them in a year or years later according to the followed sale policy, and the continuous rise in inflation rates leads to an impact on the actual value of the tax revenue and the apparent impact on the fiscal policy"(Al-Khursan,2001: 99).

C- Revenue is realized during production: Revenue is achieved before the income process completion, that is, recognition of income during the process. A common example of this case appears in long-term construction contracts. To clarify the effect of this method on the calculated tax, we offer the following situation.

Contracting for installing fuel tanks for a modern diesel project, as the contracting amount is 2,200,000.000 I.D, the amount received is 1,874,887,500 I.D and the contract period is three years.

Year	Received amount	Profit rate according to financial authority controls	Subject income For tax	The tax amount is 15%

From the previous table, we note the increase in the tax rate from 18% to 20%, which resulted from the difference between the achieved amount as a tax in each year of contract implementation and the total amount that is achieved on taxable income upon completion of contract implementation.

Al-Khursan says quoting from Meigs,1996,P:602, this method may be used as a method of tax evasion, by calculating annual revenue, which entails calculating tax at lower rates.

States that although the expected profit on a long-term lease contract is recognized by the percentage of the performed work, there is a different treatment applied in the event of the expected loss. If it appears at the end of any accounting period that there is a loss that resulted from the implementation of the contract, all loss should be recognized once"(Al-Khursan,2001: 100).

Matching Principle

"According to this principle, revenue for the financial period is matched by expenses that relate to the same period financial period are matched by the expenses that relate to the same period in order to achieve a sound and fair measurement of the results of the business of the economic unit of profit or loss, as the achieved income during the financial period is matched with the expenses incurred by the economic unit in order to produce and achieve this revenue, including achieving justice between financial periods, and this principle has arisen from the necessity of preparing record settlement at the end of each accounting period in order to separate the income and expenses that relate to the period, the subject of measurement is for those that relate to other periods subsequent to or prior for this period"(Al-Rumhi et al,2010: 30).

Full Disclosure Principle

"Disclosure is one of the accepted accounting principles. It is a general acceptance that must be followed when preparing financial statements at the end of the accounting period and that its basic material is adopted in making decisions" (Kooymans&Beckett,2002: 129).

"Because of the different views of users, what can be considered appropriate and necessary for a person with sufficient knowledge and experience may not be so for another person who does not have the same level of experience, as well as the administration's desire to disclose or not disclose and the different information required from sector to another from economic sectors, the different business environment and the varied needs of users all of this led to the emergence of multiple types of disclosure. This principle also requires that financial reports include all the necessary information to give the users of these reports a clear and correct picture of the accounting unit"(Al-Shirazi,1990: 322).

"The importance of disclosure increases with the increasing need of Joint-stock companies to the finance through financial markets and stock and bond exchanges, disclosure is a prerequisite for establishing and managing financial markets" (Hannan,2009: 216).

Accounting Determinants

<u>The cost-benefit relationship</u>

"The financial authority contradicts with the economic approach to information because it is not directly concerned with the costs of producing accounting data. Either if it is viewed as reducing net profit, the differences in profits that additional financial statements may reveal it may outweigh the expenses charged to the income statement to produce that data.

Materiality

From theoretical importance of accounting all financial elements must be addressed, whether their relative importance is small or large but practical application neglects the treatment of relatively small values"(Matar,2010: 13).

"Therefore, when preparing financial statements and reports, attention is focused only on financial information that has a significant impact on calendars or decisions, so the relative importance is like the boundary between useful and unhelpful information.

Determining whether accounting information is useful or unhelpful or determining its relevance depends on the personal judgment of the accountant, and this provision is marred by differences of opinion and result in a kind of bias that may be intentional in some respects, with the aim of concealing certain information, which has a negative impact on the degree of reliability of accounting information by financial authority in the tax accounting process.

Despite this, the tax legislator has given importance to every piece of information contained in the taxpayers 'decisions within the principle of disclosing all economic activities and for taxpayers"(Aziz,1998: 57).

Conservatism

"This principle is inconsistent with the income tax law, as it is necessary to verify the actual profits and losses in order to be held accountable, because the expected profits and potential losses do not exist in the tax accounting.

You note here the tax legislator's departure from the rule of precaution and accounting caution and applied the verification rule a comprehensive application of revenues, costs and losses and perhaps the reason for this is due to the tax legislator's attempt to distance himself from personal judgments that are a key factor in estimating some of these allocations, which leads to manipulation of taxable profits because there a large number of accountants misunderstood the reservation policy when determining income and financial position. It has become a traditional attitude of accountants towards accounting aspects. The shift of reservation from a policy followed to face a specific situation to a traditional position affects the reliability of accounting information so that will be in case of doubt and distrust by users of that information.

However, the tax legislator has exceptionally allowed developing industrial projects to make a reserve for the purposes of improvement, development and expansion provided that it does not exceed 25% of net income for a period not exceeding five years. In the commercial bookkeeping system for income tax purposes no.2 for the year 1985 within Article (8) within Paragraph (3B) on the following (evaluation of inventory at cost or net real value, whichever is less meaning that the financial authority exceptionally allowed the creation of a provision for low prices of goods on the pretext of evaluating inventory on the basis of cost or net real value.

The concept of income tax legislation

Income taxes occupy the forefront in all tax systems of the whole world. Countries have found income taxes one of the characteristics that led them to rely on them to finance their expenditures with a prolific financial resource and despite this long history and this demand for income taxes, any of these tax regulations, did not provide a definite definition of the concept of income"(Abu Hashish,2009: 22)

"There are two theories that struggle to define the concept of tax income, one of which is the source or upstream theory which is characterized by traditionalism and the other is the theory of increasing the positive value of the financier's disclaimer or the theory of enrichment which is the modern theory of the spirit of development.

Theory of source or upstream: The income according to this theory is defined as every new purchasing power that flows periodically in a certain period of time, so that it can be consumed without prejudice to its source, and thus the basic characteristics of the income can be determined according to this theory as follows;

Periodicity: A person assumes obtaining benefits and services on periodic and regular basis, such as the salaries received by employees, and accordingly, for the purposes of this theory, the incomes that the taxpayer obtains is not considered as accidental sales of real estate and lottery profits, and the periodicity meaning is the specified time period, which may be a week, a month or a year, but for the purposes of determining the subject income, the time period is set for a full year, unless otherwise stipulated by law.

Survival and exploitation of the source: The periodicity requirement has a basic consequence, which is that the source has a certain degree of stability that can supply the income continuously, and what is meant by stability is relative stability, and this means that the element of stability is present in the source of income if the source is not destroyed after its first use.

Duration: As a result of the exploitation of the source, the income will be generated during a specific time period, usually determined by one year, and this is what distinguishes it from the capital that is determined by a specific time moment, so the time component is one of the most important characteristics of income.
5.A.5 The ability to estimate in cash: The flowing benefits and services must be in cash, such as the salaries that people receive, benefits and commissions, because they represent cash, and this income must have the ability to estimate in cash as the residence of financier in the house he owns, and that the value of this service can be estimated in cash for its counterparts indeed, the requirement of the ability to estimate with cash in order to consider benefits and services as a type of income is the result of the tax being a financial obligation dominated by the capacity to pay cash.

New purchasing power: The income is every new purchasing power that can be exploited without compromising its source, and thus it is required that it be distinct and separate from its original source, so that its owner can dispose of it separately from this source"(Al-Ka'abi,2008: 38–42).

"The theory of increasing the positive value: Some authors call it the theory of enrichment and on accounting called it the budget theory. Haig has defined income as (the monetary value of the net increase in a person's economic ability between two points of time) so the income according to this theory is all a man's enrichment, even if it happened once, or came as an accident without effort or money. The income according to this theory becomes comprehensive for profits and benefits, for commercial and industrial profits, wages, salaries, gifts, lottery profits, and profits resulting from the sale of fixed assets. Some economists consider all wealth as income, whether it is achieved or verifiable, while some others, including (Seligman)) and accountants do not count the money as income unless it has the attribute of achievement that the increase in the value of the capital is not considered income as long as it was not actually achieved but if it was achieved and separated from the capital, then it could be considered income"(Ramadan,2002:147-188).

"By tracking the developments that have occurred on Iraqi tax legislation since the issue of the first law No. (52) of 1927 amended, and the changes that occurred on it until the issuance of the current law No. (113) of 1982 amended, we can notice that the tax project has moved towards the modern theory in interpreting the income, leaving the theory of the traditional source, even if it does not interrupt its connection with it at times, and it can be reached to define the income (as the net income generated by the taxpayer from all the revenues, whether those revenues are related to the operational productive process or periodic revenues, or non-recurring revenues that are not related to usual business to taxpayer, all expenditures are deducted from the above revenues, whether they relate to the taxpayer's regular business or not, during the financial period and in light of laws, regulations, and tax instructions); and for the purpose of determining tax income, the tax examiner must delve into an understanding of the legal texts related to income, whether the texts are in the law or in the regulations issued based on the law, and thus, when looking at the financial statements at first sight in order to be able to identify the main strengths and weaknesses in them, as well as studying it tax study under the legal texts for the purpose of determining what must be added or removed from the net accounting profit for provided by the final accounts and by means of settlement of profits and losses, as follows:

Details	Dinar	
Accounting net profit		****
Added		
Unacceptable expenses		
Loss of sale of fixed assets		
Income tax		
Real estate tax		
Personal expenses not related to the activity		
Unacceptable donation		
Total	****	

Deduct

Income tax return

Gain on sale of fixed assets

Dividend of joint stock companies

Total ****

Tax income ****”

(Al-Ka’abi,2008: 50).

The role of accounting constraints in determining just tax base

“Accounting determinants represent the fifth pillar of the intellectual accounting framework that was clarified in this topic and has a clear role for financial reporting users, including the general commission for taxes to ensure the integrity of financial reports and to judge the validity and fairness of the information it provides regarding the financial status and business results of the limited and joint-stock companies covered by commercial bookkeeping system, No.(2) of 1985.

The cost-benefit relationship

The cost of producing the accounting information affects the determination of the tax base due to the difficulty of measuring the value of that information financially in many accounting decisions, which led to the adoption of a case of personal assessment of the benefit that the decision-maker gets when the information contributes to a change in the tax calculation process for the taxpayer, and accordingly ,the cost of producing the accounting information means the difference between the net return of the tax calculation process in relying on additional accounting information and the net return without relying on that additional information, as in the following equation:

The cost of additional accounting information = the expected value in the tax accounting process that depends on the produced additional information - the expected value in the tax accounting process that does not depend on the additional produced accounting information that is produced”(Al-Habiti&Ziyad,2003: 93-97).

The relative importance

"The relative importance is an important and influential determinant in determining the tax base, as there are considerations that influence determining the judgment on the relative importance of the paragraphs in the financial statements, and this would affect the determination of income for these lists.

Qualitative considerations cannot be measured critically by measuring historical or current costs" (Al-Ka'abi,2003: 88).

"As they affect the determination of the relative importance of some paragraphs of the financial statements that cannot be measured in cash since there are types of violations that are more important to users than others even If its estimated values, including intentional misrepresentation in stock, are more important than written errors in stock with the same value.

The information is considered of relative importance if its omission or misrepresentation may affect the process of determining taxable income depending on the financial statements. The relative importance depends on the size of the paragraph or the estimate error given the special circumstances of deletion or misrepresentation" (Al-Tamimi,2007: 24-25).

Reservation (Precaution and Caution)

"The reservation affects on the determination of the tax base, as it is derived from the imposition of the continuity of the economic unit and the imposition of periodicity, in the light of this, the income for each period and the corresponding expenses and the non-specific value of certain expenses, burdens or losses are determined, so the allocation is an application of the reservation (Precaution and Caution)with aim of determining the results of works accurately and demonstrating the fairness of the financial position for the purpose of protecting the rights of the owners or Shareholders from the distribution of unrealized dividends or damage to the rights of creditors as a result and to strengthen the ability of the economic unit to meet sudden events or risks to economic unity"(Juma'a,2012: 107).

"On the other hand the adoption of the method contained finally issued first in pricing commodity stocks and methods of accelerating and accelerating the extinction of fixed assets that allow the formation of allocations in the first years of existing investment are only measures to reduce monetary inflation, moreover, following the base of cost or net collection value whichever is lower in the commodity inventory calendar or other traded assets, such as securities purchased for the purpose of speculation, as a result of the precaution and caution in practical life, prompted the accountant to sacrifice the historical cost and rely on the lower market price of the cost"(Lutfi,2006: 292).

The economic aspect should prevail over the legal form

"The economic aspect over the legal form is one of the other exceptions that explain departing from the accounting principles, as the accountant expresses the economic impact of the financial process in a manner consistent with that effect even if it violates the legal form, for example in the case of merging companies"(Al-Essawi,2007: 101).

"From the other side business combinations affect the determination of the tax base in two aspects with the increase in tax revenue as a result to achieve more profits by the merging companies due to the improvement of their production efficiency and the utilization of their production capacities after the merger"(Abu Hashish, 2009: 18).

"Or a decrease in their tax revenue by benefiting from a decrease in the tax rate of the merging company, which reduces the amount of tax paid by the business merger"(Abu Nassar,2009: 5).

Empirical study

In this paragraph, the researcher will deal with some of the cases of taxpayers that he obtained during his visit to the General Tax Authority, specifically the corporate department and information regarding the company name will not be revealed as directed.

Company M.H.A for the comprehensive exchange-private joint stock

Baghdad-2010

General information about the company

The company was established on 2/1/1995 with a capital of (400) million Iraqi dinars and with the approval of the Central Bank of Iraq to engage in the activity of banking, investment and agricultural financing. Then the founding contract was amended to include comprehensive banking on 1/10/1998 and the capital increase continued including on 12/10/2005, as the companies registrar's approval got the increase in the capital to become (25) Billion I.D and with the partnership of an Arab bank and finally on 20/11/2009 the capital was increased to(50)Billion I.D. The company located in Baghdad and has five branches and a banking office inside Iraq and two branches of the company were opened in Basra and Erbil governorates at the beginning of 2011and it also has (15) shares in other companies.

The Company's goal

The company aims to expand its business by obtaining monetary resources from various economic sectors in order to invest it in financing various economic activities in line with the requirements of economic development within the framework of the state's general policy.

Income and expenses for the year 2010

Table no.1 explain the revenue and expenses for the year 2010

Details	Dinar
Current revenue	
Current expenses	
Surplus (deficit) of ongoing operations, first step	
Added: Transfer and other revenue	214494000
Deduct: Transfer and other expenses	
Surplus (deficit) of ongoing operations, second step	1351558000

Source: The General Commission for Taxes relying on the information of financial department.

Accounting and tax investigation

The tax amount has been assessed as a reserve for the purpose of receiving the instrument submitted by the taxpayer under the aforementioned assessment note and then estimated with an additional first estimation, as it appears that the appraiser has taken the surplus according to the statement of settlement of profit and loss account submitted by the taxpayer, because it is tax rejected and others are in different proportions, according to its relative importance and added it with the amount of allocations for the fiscal year 2010, as shown in the following:

Table no.2 explain the taxes rejected

	Surplus under profit and loss account adjustment statement for income tax purposes (taxable income with a reserve estimate)
	Taxes rejected are added
	Provision for doubtful debts (the difference between 2009 and 2010 represents the balance for the fiscal year 2010)
	Provision for benefits of those who have stopped paying (the difference between 2009 and 2010 represents the balance for the fiscal year 2010)
	Foreign exchange valuation differences
	Supplies and tasks 19237000 x 20%
	Stationary 55749000 x 25%
	Staff equipment 100%
	Research and consulting services 90 990000 x 50%
	Advertising 841 100 x 20%
	Post and print 118000 x 50%
	Hospitality 4188000 x 50%
	Celebrations 100%
	Conferences and Symposia 2938000 x 50%
	Travel and Delegations 121202000 x 50%
	Public Communications 221299000 x 50%
	compensation and fines
	Associate Benefits 100%
	Expenses of previous years 100%
	Taxable income (first additional reserve estimate)

Source: The General Commission for Taxes relying on the information of financial department.

Researcher study of the case

It appears through the tax calculation that the estimator's procedures are consistent with the accounting determinants according to the international and local accounting and auditing standards when determining the tax base and in a manner compatible with the nature of the accounts provided by the company and audited by the auditor and approved as follows:

Cost-Benefit Relationship

This determinant is consistent with the economy's rule in imposing a tax, which means that the expenses of collecting taxes are as little as possible compared to what the taxpayers pay to the public treasury, as the expenditures allocated to the general commission for taxes as one of the departments of the Ministry of Finance (The ministry concerned with the state's financial policy) reach as little as possible from planned revenue, the following table shows that:

Table no.3 explain tax expenditures and revenues of the General Commission for Taxes in period (2011-2015)

Year	Planned expense (1)	Actual expense (2)	Planned revenue (3)	Collected revenue (4)	Planned expense /planned revenue Ratio (1/3)	Actual expense /collected revenue Ratio % (2/4)
	22437					.
						.
						.
					.	.
2015						.

Note: Amounts in Millions I.D.

Source: The researcher prepared by relying on the information of the financial department/ the General Tax Authority.

As the ratio of planned expenditures to planned revenues amounted to (14%-5.34%) and actual expenditures to collected revenues (6.68%-3.47%) which is a very small percentage that achieves the base of the economy when imposing the tax, and on the other hand there is a variation It is clear between the planned revenues and actual revenues, and it is possible to review the planned revenues for the coming years.

The company has also audited the General Tax Authority to pay its tax before 31 May 2011 and was held accountable with a reserve estimate for the purpose of receiving the instrument submitted from it in line with the certainty rule.

That the company calculated the tax and added the unacceptable expenses in the tax to calculate the adjusted profit for income tax purposes and organized an instrument and presented it to the General Tax Authority, in addition for that the company achieved the obligation to pay the tax in the specified time by law its material benefit in order to continue its business in the financial field and continue its dealings with its customers mainly the company benefits mfrom paying tax more than other taxpayers who have less dealings than other activities. Moreover, the reserve estimate reduced the burden of paying the tax in one payment and encouraged the company to complete its assessments without paying delay benefits when the first additional reserve estimated at (1186246150) dinars until an analysis of the required accounts is presented as explained in the evaluation note received later, and the end of the reserve estimate for the purpose of arriving at a sound tax position periodically and thus this determination is consistent with the economy’s rule in imposing the tax.

The relative importance

The appraiser gave a relative importance to calculating provisions (allowance for doubtful debts, provision for benefits of those who stopped paying) due to the enormity of the amount and its effect on taxable income. As for tax rejected expenses, they are as follows:

Employees assistance: Represents the assistance provided by the company to employees.

Compensations and Fines: These are the compensations and fines paid by the company to the resultant of the violations committed during the year.

Expenses of previous years: Not related to the current year of income and they have been added to the profit according to the statement of settlement of the profit and loss account for income tax purposes. Some expenses were rejected in different proportions, as determining these percentages depends on the personality of the appraiser and his educational qualifications and the number of years of service and his experience in examining similar activities when determine the relative importance, i.e. the estimator's actions are consistent with the determinant of the relative importance according to the international auditing standard No. (320) in some of the paragraphs that are appropriate to his work and paragraph

(7-a) of the audit manual No. (4) Regarding the implicit (inherent) risks related to activity and Risks Company's work, moreover, moreover this limitation was combined with the economy rule when imposing a tax, as it saves time and effort when determining the tax base, and this measure brings justice to the taxpayer.

Reservation (Precaution and Caution)

The management report and the auditor's report appear in paragraph (second) (b) and paragraph (1-a) that the company increased the provision for doubtful debts recycled from the previous year of (1707038000)I.D to(2481038000)I.D in application of the regulations of the Central Bank of Iraq for calculating the provision for cash and pledge credit and delinquent debt repayment to retain the necessary allocation to them and this is consistent with International Accounting Standard No. (37) allocations, obligations and potential assets in some of its items, appropriate for those financial statements, except that the appraiser did not take the determinant of the reservation (precaution and caution) when adding the provision for doubtful debts of (774000000)I.D and the provision for the benefits of those who stopped paying the amount of (150158000) I.D to profits according to the statement of profit and loss settlement for income tax purposes and this led to an increase in the tax revenue.

If the appraiser took profit according to the statement of settlement of profits and losses for the purposes of income tax without adding the two provisions mentioned above, the taxable income would have been (262088150) I.D and thus the tax amount would be (39313223)I.D.

In the opinion of the researcher, it is possible to expressly state that permitting the formation of allocations of various types and considering them as expenses to be deducted because the important thing in accounting is that the allocations are created to meet an unspecified amount of losses and otherwise this leads to an outcome of an activity that does not correctly and fairly reflect the financial statements when it becomes profit not true to the extent of those allocations that relate to the nature of the company's activity and its dealings with funds significantly and the nature of the provision account, that is, a specific reservation (precaution and caution) affects the determination of the tax base, in addition to that, this limitation is consistent with the rule of justice when imposing the tax (Equal to taxpayers in tax treatment).

On the other hand, it is noted that the appraiser did not give importance to the observation contained in the report of the auditor and the report of the Audit Committee in paragraph (1-b), (5), which includes filing a lawsuit with the specialized courts to pay a debt in the amount of (5316444588)I.D within the debit current accounts (overdraft) under the custody of one of the customers (N) the shareholder and the authorized director of the company (BRH) for the general contracting company limited and subject to tax calculation in the corporate section of the General Tax Authority.

assessment memorandum

<table>
<tr><td colspan="4">Branch name : companies
Assessor no. : Appreciative year 2011</td></tr>
<tr><td colspan="4">Liable name : M H A comprehensive exchange private shareholding company
Career and income source: finance
File no. : Estimate type: reserve</td></tr>
<tr><td colspan="4">Borrowings</td></tr>
<tr><td>Amount</td><td>Work type (kitting, contract)</td><td>Directorate name</td><td>No. and date of official letter</td></tr>
<tr><td>7321202000</td><td>Returns according to accounts</td><td></td><td></td></tr>
<tr><td>1400361000</td><td>Surplus according to accounts (according to settlement sheet which has appropriated by company</td><td></td><td></td></tr>
<tr><td colspan="4">Account income subordinates for tax
Memorandum above has been audited for recovering cheque and until inspection for debate with company
Auditor:</td></tr>
</table>

<table>
<tr><td colspan="4">Date:</td></tr>
<tr><td>Income amount</td><td>Allowance</td><td>Net income</td><td>Tax amount</td></tr>
<tr><td>1400361000</td><td>---</td><td>1400361000</td><td>210054150</td></tr>
<tr><td colspan="3">Directorate agrees: billion and four hundred million and three hundred sixty one thousand dinar just only</td><td>Inform the taxpayer or his representative</td></tr>
<tr><td colspan="2"><u>Director</u>
Kindly approve the company's estimate of the reserve until studying the accounts
guesser:
Date:</td><td colspan="2">I have reached and agree to the estimate, and I will pay within the legal period
Name:
Signature:
Date:</td></tr>
</table>

Source: The researcher prepared by relying on the information of the financial department/ the General Tax Authority.

<u>assessment memorandum</u>

<table>
<tr><td colspan="4">Branch name : companies
Assessor no. : Appreciative year 2011</td></tr>
<tr><td colspan="4">Liable name : M H A comprehensive exchange private shareholding company
Career and income source : finance
File no. : Estimate type: first adding reserve</td></tr>
<tr><td colspan="4">Borrowings</td></tr>
<tr><td>Amount</td><td>Work type
(kitting , contract)</td><td>Directorate name</td><td>No. and date of official letter</td></tr>
<tr><td>7321202000</td><td>Returns according to accounts</td><td></td><td></td></tr>
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</table>

<table>
<tr><td>1186246150</td><td>Income account by the guesser</td><td></td><td></td></tr>
<tr><td colspan="4"><u>Account income subordinates for tax</u>
The company audited with an additional reserve estimate for the above year after adding the rejected expenses until the old time analysis of the required accounts: fuel and oils, spare tolls, maintenance tolls and equipment, maintenance transport and moveably, maintenance of furniture and office equipment, transport of workers, transport of goods and comedies
Auditor:
Date:</td></tr>
<tr><td>Income amount</td><td>Allowance</td><td>Net income</td><td>Tax amount</td></tr>
<tr><td>1186246150</td><td>---</td><td>1186246150</td><td>177936923</td></tr>
<tr><td colspan="3">Directorate agrees: billion and one hundred eighty six million and two hundred forty six thousand and one hundred fifty dinar just only</td><td>Inform the taxpayer or his representative</td></tr>
<tr><td colspan="2"><u>Director</u>
Kindly approve the company's estimate of the adding reserve rejected expenses guesser:
Date:</td><td colspan="2">I have reached and agree to the estimate and I will pay within the legal period
Name:
Signature:
Date:</td></tr>
</table>

Source: The researcher prepared by relying on the information of the financial department/ the General Tax Authority.

Company (A) for tourism and hotel (Mixed joint stock company)

A brief history of the company and the nature of its work

The company was established with a capital of (42) million Iraqi dinars according to the foundation certificate in 1989 and a capital Money increased by percent 700% to become(336) million Iraqi dinars in 2004, through the issuance of Shares In the year 2005, new shares amounting to (294) million Iraqi dinars the capital was increased by the decision of the general The company’s assembly by 200% to issue (672) million Iraqi dinars shares capital becomes (1008) million Iraqi dinars.

The goal of the company

Encourage citizen savings in the field of tourism investment Services together with the public sector and provide level of premium class hotels. Service to the national economy and its The company holds and prepares its statements financial statements are according to the classification and classification of the unified accounting system, and accordingly Profit and loss statement and distributions it has been shown are the following components.

Statement of profit, loss and distribution for the year ended 31 December, 2011

Year	2011	2010
Current activity revenue	5259325446	6157045702
Current activity cost low		
Production cost	861460357	753862295
Productivity cost	12000890601328246552	
20615494172082108847		
	3197776029	4074936855
Purchases for selling	12986192	-
Nominal marketing cost low	-	12546197
Surplus of production and trading	3184789837	4062390658
Benefits and rents added	63406474	47715360
Administrative services cost low	26126531702597889835	
Current activity surplus	635543141	1512216183
Added for other financial revenues		
Transfer revenue	1041500	708589
Other revenues	7831175017290152	
	79353250	17998741
Other transfer expenses low		
Transfer expenses (except tax and fees)	24062067	35862915
Other expenses	1798582091912488	
25974555215721124		
Surplus distributed according to article (21) from companies law for 1997 as :	688921836	1314493800

Income tax 15%	118309686	348604489
Mandatory reserve 5% according to article (33) from companies law	28530608	53294466
	5420815421012594845	
Distributable surplus	6889218361314493800	

<u>Researcher's study of the case</u>

Historical cost

The company has evaluated all assets , liabilities , expenses and revenues that have been expressed in the financial statements at its historical cost except for the paragraph of the debtors according to the net collectible value.

Expenses

The financial authority objected to some of the expenses as follows

* Building maintenance and construction: Paragraph (3) of Article 8 of the law stipulated that no funds should be downloaded for maintenance of machinery and machines or a number of tools and tools should be changed, i.e. building and construction maintenance expenses are not permitted by the tax legislator because they are related to buildings and these are in turn subject to the real estate tax
* Expenses for previous years, because they are not related to the income of the current year of income stars, but are expenses that the company should have charged to the related year
* Employee income tax, the company is obligated to deduct it from the salaries and wages of its employees because it is subject to income tax, so the financial authority does not recognize it as an expense

Recognizing revenue principle

All revenues accrued were in harmony with the principle to achieve the revenue, but the financial authority objected to the coming items

* Income from rental of fixed assets
* Credit interest and land rents

These are taxes subject to real estate tax, and to prevent double taxation, they are not subject to income tax

Matching principle

After the revenues resulting from the company's regular operations were determined and the expenses accepted by the financial authority were determined, the amounts of the expenses from the revenues were downloaded to reach the tax profit. The interview was based on the amount of revenue achieved with the expenses accepted by the financial authority, where the financial authority rejected the expenses Revenue is not directly related to revenue.

E. Disclosure principle

The company has disclosed, through the financial statements submitted to the financial authority, from the results of its operations and its financial position, as a basis on which to calculate the taxable income.

- Reservation

Based on what was stated in the auditor's report from the company's explanations, you did not accurately calculate the periods of use of the assets for the purposes of the depreciation, and the amount of the investment has been transferred to the reserve account for the increase in the price of fixed assets, and since the tax project does not allow the downloading of allocations and reserves from the tax profit, so it was returned to the profit For the purpose of taxing it.

According to what was presented, the settlement statement can be shown for the purposes of calculating the tax as below:

Details	Dinar
Surplus according to current operations	688921836
Added	
Building and construction maintenance	195185938
Expenses of previous years	378000
Extinctions transferred to reserve	2926691
Prices of fixed assets	7381746
Taxes and fees (income taxes)	205872375
Deduct the revenue of income taxes	
Rents	42656500
Credit interests (lands rent)	63406474
106062974	

Amended profit for purpose of income tax	788731237
Share of income tax 15%	118309686
Mandatory reserve 5%	28530608
Accumulated surplus (undivided profits)	542081542
	688921836

Calculation of tax Amended profit according to the statement

Price of the tax	15
Tax	118309686

MBC Investment and Finance Private Joint Stock Company Baghdad -2012

General information about the company

The company was established on 6/7/2006and with the approval of the Registrar of Companies, it was authorized to practice banking according to the letter of the Central Bank of Iraq, the General Directorate for Banking and Credit Control in 16/10/2006 with a subscribed capital of (50) billion Iraqi dinars and paid (25) billion Iraqi dinars and paid the installment. The second of the capital to become (50) billion Iraqi dinars during the year 2008 and the new increase took place during the year 2009 to be (100) billion Iraqi dinars. The company is located in Baghdad and it has (15) branches, seven of which are inside the capital Baghdad and seven others in the provinces and one in Beirut also it has (2) shares in other companies.

The company's goal

The company aims to provide the best services to its customers, individuals finance, companies and speculative activities in line with the requirements of economic development within the framework of the state's general policy.

Income and expenses for the year 2012

Details			Dinar
Current revenue			29296560825
Current expenses			26933358696
Surplus (deficit) current operations, step one		236320219	
Added :			
Transfer revenue and others	2963090813		
Deduct: transfer expenses and others		681258244	

Surplus (deficit) current operations, step two	4645034698

Accounting and tax investigation

Income was assessed as a reserve for purpose of receiving the cheque submitted by the company according to the aforementioned valuation memorandum then additional tax amount was estimated as a first additional reserve significantly it appears that tax assessor has taken the surplus which was recorded in account statement of profits and losses for the purposes of income tax provided by company but he rejected some expenses because it is tax rejected and others are in different proportions in application of the relative importance and added it with the amount of foreign exchange valuation differences for the fiscal year 2012 as follow:

Details		Dinar
Surplus under profit and loss account adjustment statement (with a reserve estimate)		4660917698
Taxes rejected are added		
Foreign currency valuation differences for the fiscal year 2012 in accordance with the statement of banking expenses		1523826392
Supplies and equipment 136865953 *15%	20530000	
Stationery and prints 21094860 * 15%	3165000	
Advertising 39950059 * 25%	9988000	
Publishing and printing 176373200* 25%	44094000	
Hospitality 100%	6306900	
Travel and delegation for activity purposes	100703033	
(108226750) , It refused 100703033		
Reward for non-performing services (100%)	105546145	
Training and qualification (100%)	2243750	
Other service expenses	150361745	
Associate Benefits (100%)	6000000	
Expenses of previous years (100%)	616947783	
Taxable income(with first additional reserve estimate)		2589712748

Researcher's study of the case

It appears through the tax calculation that the appraiser's procedures were in line with some of the accounting limitations mentioned below in accordance with international and local accounting and auditing standards when determining the tax base and in line with the nature of the accounts submitted by the company and audited by the auditor my agency.

The Cost/Benefit relationship

The company has reviewed the General Tax Authority to pay the tax before May 31, 2013, as it was held accountable with a precautionary estimate for the purpose of receiving cheque submitted from it in line with the rule of certainty in imposing the tax. In order to continue its business in the field of investment and financing and its continued dealings with its customers, especially since the company benefits from paying the tax more than other taxpayers who have less than other activities, in addition to that, the reserve estimate reduced the burden of paying the tax in one payment and encouraged. A company to complete its estimates when it estimated a first additional reserve at the amount of (2589713000)I.D, until the analysis of the required accounts is shown as indicated in the evaluation note received later and the end of the reserve estimate for purpose of arriving at a sound tax position periodically. Thus, this limitation is consistent with the rule of economy in taxation.

The relative importance

The appraiser gave a relative importance to calculating the differences in the evaluation of foreign currencies due to the large amount and its impact on taxable income. As for tax rejected expenses, they are as follows:

- Bonus for non-workers for services rendered: representing services provided by others to the company (entities outside the company)
- Training and Rehabilitation: Expenses paid for the purpose of training the adept and qualify them to properly carry out the company's work (course fees held inside and outside the company)
- Other service expenses: represent the amounts paid for services provided by others
- Associate Benefits: represents the assistance provided by the company to employees
- Expenses of previous years: Not related to the current basket of income stars

It was added to the profit according to the statement of tax allocations (statement of settlement of profits and losses for income tax purposes) and some expenses were rejected in different proportions as determining these percentages depends on the personality of the assessor and his educational qualifications and the number of years of service and his experience in examining similar activities affected in determining the relative importance i.e. The measures of the appraiser came in line with the determinant of the relative importance, in addition to that it is in harmony with the rule of economy when imposing the tax.

Reservation

The balance of the debtors debts account was late payment (10496759472) I.D for the year 2012, but the company did not decide to set aside for those debts in the year 2012 because it has a balance in the affiliation account for debts doubtful collection in 31/12/2011 and the amount of (28179595688) I.D from the previous year 2010 and took place part of it was paid in 2011, so the assessed appraiser did not add the surplus in 2011 according to the statement for income tax purposes.

assessment memorandum

Branch name : companies Assessor no. : year 2012 Appreciative			
Liable name : M B S comprehensive exchange private shareholding company Career and income source : finance File no. : Estimate type: reserve			
Borrowings			
Amount	Work type (kitting, contract)	Directorate name	No. and date of official letter
29296560825	Returns according to accounts		
4660917698	Surplus according to accounts (according to settlement sheet which has appropriated by company)		

<table>
<tr><td colspan="4"><u>Account income subordinates for tax</u>
Memorandum above has been check for recovering cheque and until Inspection for Debate with company
Auditor /
Date/</td></tr>
<tr><td>Income amount
Dinar</td><td>Allow
Dinar</td><td>Net income
Dinar</td><td>Tax amount
Dinar</td></tr>
<tr><td>4660917698</td><td>---</td><td>4660917698</td><td>699138000</td></tr>
<tr><td colspan="3">Directorate agrees : four billion and six hundred sixty million and nine hundred seventeen thousand and six hundred ninety nine dinar just only</td><td>Inform the taxpayer or his representative</td></tr>
<tr><td colspan="2"><u>Director</u>
Kindly approve the company's estimate of the reserve until studying the accounts please
Assessor /
Date /</td><td colspan="2">I have reached and agree to the estimate, and I will pay within the legal period
Name:
Signature :
Date:</td></tr>
</table>

Source: The researcher prepared by relying on the information of the financial department/ the General Tax Authority.

assessment memorandum

<table>
<tr><td colspan="4">Branch name : companies
Assessor no. : year 2012 Appreciative</td></tr>
<tr><td colspan="4">Liable name : M B S For investment and private equity financing company
Career and income source : finance
File no.: Estimate type: First adding reserve</td></tr>
<tr><td colspan="4">Borrowings</td></tr>
<tr><td>Amount</td><td>Work type
(kitting, contract)</td><td>Directorate name</td><td>No. and date of official letter</td></tr>
<tr><td>29296560825</td><td>Returns according to accounts</td><td></td><td></td></tr>
</table>

<table>
<tr><td>4660917698</td><td>Surplus according to accounts (according to settlement sheet which has appropriated by company)</td><td></td><td></td></tr>
<tr><td>2589713000</td><td>Income account by the guesser</td><td></td><td></td></tr>
<tr><td colspan="4">Account income subordinates for tax
The company estimated an additional reserve after adding rejected expenses with a request analysis with an account workers equipment, Research and consulting services ,workers transport, goods and comedies transport, general communication, reserve tools, building and telecommunication construction maintenance, maintenance tools and equipment, Renting means of transport and moveably , affiliations subscriptions, compensation for deceased client, taxes and fees)
Auditor /
Date/</td></tr>
<tr><td>Income amount
Dinar</td><td>Allow
Dinar</td><td>Net income
Dinar</td><td>Tax amount
Dinar</td></tr>
<tr><td>2589713000</td><td>---</td><td>2589713000</td><td>388457000</td></tr>
<tr><td colspan="3">Directorate agrees :two billion and five hundred eighty nine million and seven hundred thirteen thousand dinar just only</td><td>Inform the taxpayer or his representative</td></tr>
<tr><td colspan="2">Director
Kindly approve the company's estimate of the first adding reserve rejected expenses
Assessor /
Date /</td><td colspan="2">I have reached and agree to the estimate, and I will pay within the legal period
Name:
Signature :
Date:</td></tr>
</table>

Source: The researcher prepared by relying on the information of the financial department/ the General Tax Authority.

10. Conclusions and Recommendations

Conclusions

The importance of accounting determinants is due to being the fifth pillar of the theoretical framework for accounting as well as being one of the constraints or exceptions that accountants resort to in view of the development of economic life and the rapid changes in it, and these determinants derive their importance from the multiplicity of recipients of accounting information to enable those entities, including the financial authority As one of the beneficiaries in determining a fair tax base.

The use of the intellectual framework for accounting and auditing in the application of the Income Tax Law No. (113) of 1982 facilitates the achievement of tax goals because there is a relationship between accounting and tax since they represent rings in a continuous series of rings and when accounting affects and determines the amount of accounting income, the tax affects accounting by the laws imposed by the legislator to regulate accounting profession and this is evident in the commercial bookkeeping system No. (2) for the year 1985 which obligated companies to keep records and audit them from an auditor for the purpose of determining the taxable income.

The financial authority does not have a system of cost centers that is used to measure expenses divided according to the divisions that exercise the collection of funds according to the type of imposed tax so that it can be compared with the revenues achieved with a view to determining the cost of the service provided to the taxpayers in a manner appropriate to the specific cost-benefit relationship. In addition, this system enables the creating a system of employee incentives in departments that generate huge revenues (the companies and oversight and internal audit departments at the headquarters of the General Authority for Taxes and its branches) or giving them some allocations that give them impartiality at work to reach a fair tax base.

The determination of the relative importance of the assessor and auditor when examining tax statements is not very different from examining those lists for the purpose of auditing them and issuing financial reports.

The relative importance and the implicit risks play a large role in the tax examination process carried out by the appraiser and auditor, as it provides a reduction in time, effort and cost, and this role is evident when examining and determining the tax amount for a company.

The Tax Law No. (113) for the year 1982 was not subject to the costs that should be deducted in Article (8) to reserves and allocations, except that it is determined by the reservation (precaution and caution) through the commercial bookkeeping system No. (2) of 1985 for the purposes of income tax when stipulated to evaluate the inventory of industrial and commercial companies at the end of the fiscal year at the cost or market price, whichever is lower.

Although some researchers have prepared work programs for the appraiser and auditor when determining taxable income, the financial authority has not approved and these programs are updated annually.

8-The majority of the taxpayer estimates are made in a backup, not a final way, because the required statements have not been submitted to the financial authority.

Recommendations

The necessity for the financial authority to select the competent staff and train them and qualify them to raise their efficiency in a way that enables them to absorb the economic changes and developments that are reflected in determining a fair tax base.

The necessity of activating cooperation between accounting and the development it has reached in its theoretical curricula and its practical practices on one hand and tax in its developed legislation and regulations on the other hand through holding annual conferences between the General Tax Authority, state departments, senior taxpayers, auditors ’offices, and professional societies, And educational institutions.

The necessity of linking the tax examination process with its pre-planning and paying attention to this aspect, given the importance of planning in carrying out the work efficiently and effectively to identify deviations and setting appropriate treatments for them.

Studying adjusting the tax rate according to the nature of the activity and making use of the specified percentages in imposing the tax for some Arab and neighboring countries to issue instructions for the modified rates attached to the Income Tax Law No. (113) of 1982 as amended.

Working on using modern accounting methods and disclosing the accounting method used when preparing financial reports by company auditors after the merger,and assist the financial authority to issue instructions regulating the tax accounting process.

Adopting a work program for the appraiser and auditor prepared by researchers in the tax examination process and updating it annually with organizing a work paper by the appraiser attached to the appraisal memo to achieve efficiency and effectiveness in the tax accounting process, as it is considered a guide to work and helps in qualifying the new staff at the financial authority.

Working to complete the auxiliary assessment for each year for the purpose of providing accurate information to the beneficiaries in a timely manner and ensuring the right of the state and the taxpayer.
8-Giving great importance to building an integrated information base and providing the necessary supplies to prepare it is considered one of the main factors in determining the taxable income.

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