

The impact of adopting the financial statement presentation standard on evaluating the financial performance of an economic institution.

(A case study of the Public Corporation for Road Works middle)

أثر تبني معيار عرض القوائم المالية على تقييم الأداء المالي للمؤسسة الاقتصادية.

(دراسة حالة المؤسسة العمومية لأشغال الطرق وسط)

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Abstract:

This study aims to try to find out the impact of adopting the standard of presenting the financial statements on the financial performance of the institution. And the results accounts table, as well as the treasury flows table, for a period of 5 years from 2016 to 2020, and the results showed that the financial statement presentation standard allows diagnosing and evaluating the financial performance of the institution using the various possible ratios that help evaluate performance.

Key Words: financial statement presentation Standard, performance evaluation, Public Corporation for Roads Works Middle.

JELClassification: G34, M12.

ملخص:

تهدف هذه الدراسة إلى محاولة معرفة الأثر الذي يتركه تبني معيار عرض القوائم المالية على الأداء المالي للمؤسسة، ولتحقيق هذا الهدف قمنا بإجراء دراسة ميدانية تمثلت في دراسة وتحليل هذا الأثر على القوائم المالية للمؤسسة العمومية لأشغال الطرق وسط، حيث

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قمنا بإجراء دراستنا على كل من الميزانية المالية وجدول حسابات النتائج وكذلك جدول تدفقات الخزينة وذلك لمدة 5 سنوات من سنة 2016 إلى غاية سنة 2020، وبينت النتائج أن معيار عرض القوائم المالية يسمح بتشخيص وتقييم الأداء المالي للمؤسسة وذلك باستعمال مختلف النسب الممكنة التي تساعد على تقييم الأداء.

الكلمات المفتاحية: معيار عرض القوائم المالية، تقييم الأداء، المؤسسة العمومية لأشغال الطرق وسط

1. INTRODUCTION

The successive economic developments in various countries of the world, whether developed or developing, from an increase in international transactions and the large volume of international investments had a clear impact on the business environment and the economic organizations that comprise it. Transcontinental companies, this extension showed the need for an international organization for their work and accountability, so the so-called international accounting standards appeared, which the various global institutions must follow their rules.

Similar to the countries of the world, Algeria has adopted this system through the financial accounting system, and among the standards we find the number one standard, which is the financial statement presentation standard, which aims to provide the financial statements to be presented by the institution's methods, as well as the general requirements for its presentation and structure and the minimum requirements for its contents.

The institution's commitment to the international standard number one has a major role in providing users of financial statements with information that helps them in evaluating the financial performance of the institution, and performance evaluation is through several methods that differ according to the availability of information as well as the desired objectives.

1.1 The problem of the study

The problem of the study is to identify the extent to which the financial statement presentation standard can contribute to evaluating the financial performance of the institution, and the study contained the following questions:

Does the application of the accounting standard on the presentation of financial statements affect the elements of the financial statements?

Does the application of the accounting standard on the presentation of financial statements affect the indicators of evaluating financial performance?

How is the financial performance evaluated based on the financial statements in the Public Corporation for Road Works in the Middle?

1.2 Study hypotheses

The first hypothesis: The application of the accounting standard affects the presentation of financial statements in the elements of the financial statements.

The second hypothesis: The application of the accounting standard affects the presentation of financial statements in the indicators of evaluating financial performance.

The third hypothesis: The financial performance of the Public Corporation for Roads Works for the Middle is evaluated by the various financial ratios and indicators of financial balance based on the financial statements.

1.3 The importance of the study

The importance of the study lies in the following:

-The importance of the study is reflected in the importance of international accounting standards, as these standards receive wide attention from local and international institutions due to their positive features, especially with regard to measurement, presentation and disclosure.

-The importance of the study stems from the importance of financial performance, which is the main supporter of various activities and which contributes to making rational decisions in addition to contributing to making corrective decisions for previous decisions.

1.4 Objectives of the study

This research aims to know the impact of adopting the financial statement presentation standard on the financial performance of the institution, as well as achieving a set of objectives, including:

- Familiarity with the concept of international accounting standards.
- Familiarity with the standard for the presentation of financial statements.

-Learn the principles of financial performance and methods of measuring and evaluating it.

-Contribute to the development of some proposals that the Public Corporation for Road Works can benefit from in a manner consistent with its intended objectives.

1.5 Methodology and tools used in the study

In this research, the descriptive analytical method was relied on by forming a good scientific background that includes a review of previous books and studies, and is useful in enriching the subject of the presentation of financial statements as well as financial performance, in addition to analyzing the impact of adopting the standard on financial performance based on various ratios and their analysis.

2. Previous studies

- Study (Mabrouk, 2020), this study aimed to show how to prepare the consolidated financial statements according to the accounting financial system, as the latter is one of the secretions presented by the accounting financial system, as the emergence of what is known as a complex of companies consisting of subsidiaries with a legal personality Independent, but monitored by the parent company, which necessitated a search for ways to prepare financial statements that reflect this new situation. The study concluded that the preparation of consolidated financial statements is an essential process as it excludes all mutual operations between the companies of the complex, to come up with a financial list Unified or combined, and the complex under study depends in preparing these lists on the method of comprehensive integration, which is stipulated in the financial accounting system.

- Study(mkhelkhel, 2020) this study aimed to identify the role that the financial statements play in making financing decisions in the institution, where the descriptive analytical method was relied on, and the case study method by calculating a set of financial indicators, the study concluded that the lists Finance has a major role in the financing decision-making process. In order to achieve the objectives of the decision-making process, the decision-maker studies, understands, analyzes and interprets the information contained in the published financial statements through financial analysis indicators, and then takes appropriate financing decisions.

3. Theoretical framework

3.1 International accounting standards and financial statement presentation

An accounting standard means the rule or set of rules that describe the method or group of ways in which accounts are prepared and presented in lists. (فهيمي، 2000، صفحة 91)

The financial statements are the outputs of the financial accounting system, as these lists appear as a result of the institution's work and are subject to careful examination for the purposes of analysis and to determine the reality of activities and events, in order to make rational decisions as well as help in evaluating the efficiency of the institution. (Obert, 2006, p. 60)

The financial statements usually include basic statements, which are: (جمعة أ، 2011، صفحة 91)

-Budget: The budget shows the amount of current assets and their sources of financing.(شبيحة، 2010، صفحة 53). It is characterized by balance, in addition to an aggregate list, which expresses the impact of decisions made on the date of preparing the statement of financial position.(توفيق، 2000، صفحة 172)

-The balance sheet reflects the financial position of the institution at a specific point in time and is often one financial year. It represents the summary of accounting procedures and their applications.(محمود، 2012، صفحة 147) The balance sheet contains the assets side and the liabilities side, as the assets side represents short-term and long-term investment decisions, while the liabilities side reflects

decisions Financing, whether debt financing or owned financing. (حنان، 2006، صفحة 199)

The International Accounting Standard No. 1 stipulates the information that must be presented in the budget as a minimum, the most important of which are: (Khellaf, 2014, p. 54)

- Owners, factories and equipment, intangible assets, financial assets other than imports in items, investments that are accounted for by applying the equity method, inventories, issued capital and reserves.

Table of results accounts: It is also called the income statement, and it represents the elements of income and expenses, that is, it expresses the result of the institution's work (profit or loss), where the income statement is prepared in a way that shows all revenues and the corresponding expenses, whether resulting from the operational activity of the institution or other activities that generate revenue. (الراوي، 2000، صفحة 32)

The results accounts table aims to measure the extent of the institution's success during a certain period of time in exploiting the available resources in achieving profits. It provides important information to its users that helps them to see: (Brun, 2007, p. 50)

- Revenues during the current accounting period and their comparison with revenues from the previous period,

-Expenses and the extent of their increase or decrease from previous periods,

-Profit and its amount and comparison with previous periods and similar projects.

3.2 Statement of Cash Flows

The cash flow statement is described as the link between the income statement and the financial budget and that the main purpose of this list is to determine the cash inflows and outflows during a specific financial period, (العبيد، 2002، صفحة 57) as this list shows the effects of operational, investment and financing activities on cash, so it is considered one of the most important financial statements in financial analysis (سامي، 2010، صفحة 85) The cash flow statement can be used by

management to identify the amount of internal financing available for operating activities, (Cohen, 2006, p. 403) and investors and creditors can also use this list to assess the institution's ability to generate cash flows capable of maximizing shareholders' wealth and paying creditors' obligations. (شونوف، 2012، صفحة 150)

3.3 Evaluating the financial performance of the company

Performance reflects the organization's ability to use its financial, human and knowledge resources in a way that makes it able to achieve its goals in an effective manner and achieve the expectations and aspirations of stakeholders such as investors, suppliers, employees, government, and society. (الكساسية، 2011، صفحة 45) Among the most important performance measures we find: (قريشي، 2011، صفحة 67)

-Measures related to production: which enable the evaluation of the organization's output of goods and services.

-Measures related to profitability (break-even point): It is the point in which the quantitative costs are equal to the return on sales, or the sales volume is equal to the break-even sales volume, and when the sales volume exceeds the break-even volume, the difference is called profitability profit.

- Economic value added: It is one of the modern financial performance measures that was developed and used by one of the American studies offices. What distinguishes this indicator is that the assessment of the institution's performance level is based on the market value of its permanent resources. (جمعة ا، 2000، صفحة 30)

3.4 The contribution of the financial statement presentation standard to the evaluation of financial performance

The financial statement presentation standard can contribute to the evaluation of the financial performance of the institution for the following considerations: (الكرجي، 2007، صفحة 31)

-Reliance on Accounting Standard 1 Presentation of financial statements contributes to achieving the quality of accounting information, as this standard guarantees considerations that contribute to achieving the goal and the expected

role of accounting information, especially in the field of decision-making, such as suitability and reliability.

-What distinguishes the financial statements prepared in accordance with the International Financial Reporting Standards is that these statements have become reflective of the financial reality of the institution, and this is the result of the application of the accounting principles included in the International Financial Reporting Standards, which were stipulated in the financial accounting system prepared in accordance with these standards, and these principles are represented in: Accounting Commitment, continuity of exploitation, comprehension, significance, credibility, comparability, historical cost, precedence of economic reality over legal appearance.

What is noted on these principles is that they include a new accounting principle, which is the principle of the precedence of economic reality over the legal aspect, and the institution's application of this principle allows it to show new elements and accounts within the financial statements, which were not taken under the national accounting scheme.(الشهداني، 2011، صفحة 67)

As for the financial statements, after the financial analyst relied on the statement of financial position and the income statement only in the evaluation process as two basic lists, he now relies on other financial statements imposed by international financial reporting standards represented in the list of cash flows and the list of changes in property rights in addition to the annexes.

The application of institutions to the financial accounting system included the process of deleting and adding some elements, which directly affected the totals of the financial statements, through the partial totals that make up them, and thus affect the financial ratios that are included in their accounts. (موسى ا.، 2015، صفحة 52)

4. The practical framework of the study:

4.1 Technical card for the Public Corporation for Road Works for the Middle

The Public Establishment for Road Works for the Middle, known under the name EPTRC, located in Ain Ed-Dahab Medea, was established in March 1983 by

Decree No. 83-193 of March 12, 1983, and it was transferred to self-management on February 20, 1991, and turned into an economic institution with shares. With a capital estimated at 2000,000,000,00 DA, it is part of the portfolio of "the Complex of Road Works and Technical Institutions" GITRA.

The Public Institution for Road Works for the Middle, like other public institutions, plays an active role within the framework of the broad grass-roots development program launched by the public authorities, especially with regard to the public works sector, as well as opening the Algerian market to national competition. Expressway and airports in accordance with the requirements of customers and the government program, thus contributing to the employment of a huge number of workers from all the states of the country, estimated at 1,700 workers in various positions. It also produces the basic materials necessary for the work of (pebbles and asphalt), as the most important production centers are:

- Seven asphalt production centers with a capacity of 120 tons/year for each center, and there are two centers in Medea, Ain Defla Center, Tipaza Center, Palmsila Center, and Belize Center.

- Three plants for the production of gravel:

- A- Tamanrasset unit with a capacity of 120 tons/year.

- B - Gantt unit with a capacity of 120 tons / year.

- C - Ain Al-Oleander unit with a capacity of 120 tons / year.

4.2 Presentation and analysis of the financial statements of the Public Corporation for Road Works for the Middle

Below we present the financial statements obtained from the Finance and Accounting Department of the Public Corporation for Road Works for the Middle, which are: the financial budget, the results accounts table, and the treasury flows table related to the fiscal years: 2016-2020.

4.2.1 Presentation and analysis of the financial budget of the institution

In the following, we attempt to present and analyze the various financial statements obtained from the Finance and Accounting Department of the Public

Corporation for Road Works for the Middle, which are as follows: the financial budget, the results accounts table, and the treasury flows table for the years 2016-2020.

-summary budget Presentation

From the following table, we will display the summarized budget (assets side) of the company for the years 2016-2020.

Table1. The summary budget for the years from 2016 to 2020 (assets side).

| Years | 2016 | | 2017 | | 2018 | | 2019 | | 2020 | |
|---------------------|----------|-----|----------|-----|----------|-----|----------|-----|----------|-----|
| | Amounts | % | Amounts | % | Amounts | % | Amounts | % | Amounts | % |
| Fixed assets | 5381,95 | 38 | 4919,31 | 34 | 4400,30 | 28 | 3914,10 | 24 | 3223,37 | 20 |
| Circulated assets | 8969,55 | 62 | 9383,41 | 66 | 11102,52 | 72 | 12576,10 | 76 | 13054,08 | 80 |
| Exploitation values | 1062,64 | 7 | 1091,73 | 8 | 1245,86 | 8 | 1920,69 | 12 | 2653,64 | 16 |
| achievable values | 7493,93 | 52 | 7732,26 | 54 | 9649,43 | 62 | 10504,29 | 64 | 10116,31 | 62 |
| Ready values | 412,98 | 3 | 559,42 | 4 | 207,23 | 1 | 151,13 | 1 | 284,14 | 2 |
| total assets | 14351,50 | 100 | 14302,71 | 100 | 15502,82 | 100 | 16490,20 | 100 | 16277,45 | 100 |

Source: : Prepared by the researchers.

Through the above table, we note that current assets represent the largest part of the assets side, as they range between 62 and 80% of the total budget and are increasing from year to year, in contrast to fixed assets, which have known a decline, as they decreased from 38% in 2016 to 20% in 2020.

We also note that realizable values represent the largest part of current assets and are constantly increasing, but they decreased in 2020 by an estimated 4% compared to 2019.

As for the liabilities side, we present it through the following table:

Table2. The summary budget for the years from 2016 to 2020 (liabilities side).

| years | 2016 | | 2017 | | 2018 | | 2019 | | 2020 | |
|-----------------|---------|----|---------|----|---------|----|---------|----|---------|----|
| | Amounts | % | Amounts | % | Amounts | % | Amounts | % | Amounts | % |
| Permanent money | 8333,20 | 58 | 8550,28 | 60 | 8530,83 | 55 | 8226,24 | 50 | 7315,76 | 45 |
| own money | 4397,63 | 31 | 4647,18 | 32 | 4691,84 | 30 | 4748,28 | 29 | 4183,02 | 26 |
| long-term debt | 3935,58 | 27 | 3903,10 | 27 | 3838,99 | 25 | 3477,95 | 21 | 3132,74 | 19 |
| short-term debt | 6018,30 | 42 | 5752,43 | 40 | 6971,99 | 45 | 8263,96 | 50 | 8961,70 | 55 |

| | | | | | | | | | | |
|-------------------|----------|-----|----------|-----|----------|-----|----------|-----|----------|-----|
| Total Liabilities | 14351,50 | 100 | 14302,71 | 100 | 15502,82 | 100 | 16490,20 | 100 | 16277,45 | 100 |
|-------------------|----------|-----|----------|-----|----------|-----|----------|-----|----------|-----|

Source: : Prepared by the researchers.

We note from the above table that the institution relied in its financing structure on diversification, whereby debts represent the largest part compared to private funds during the entire study period, ranging between 67 and 64%, while private funds represent the rest.

We also note that with regard to debt, the institution relies more on short-term debt, as it represents ratios between 60 and 74% of the total debt, and this is due to the nature of the institution's activity.

- Financial budget analysis

We will analyze the financial budget based on a set of ratios that help in studying and analyzing the extent to which each financing source contributes to financing assets in general and fixed assets in particular, which are represented in the following:

Table3.Financial budget analysis

| years | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------|---------|---------|----------|----------|----------|
| Perpetual Financing Ratio | 1,55 | 1,74 | 1,94 | 2,10 | 2,27 |
| Private Financing Ratio | 0,82 | 0,94 | 1,07 | 1,21 | 1,30 |
| External Financing Ratio | 0,69 | 0,68 | 0,7 | 0,71 | 0,74 |
| Financial Independence Ratio | 0,44 | 0,48 | 0,43 | 0,40 | 0,35 |
| trade rate | 1,49 | 1,63 | 1,59 | 1,52 | 1,46 |
| Rapid Liquidity Ratio | 1,31 | 1,44 | 1,41 | 1,29 | 1,16 |
| permanent working capital | 2951,26 | 3630,98 | 4130,53 | 4312,12 | 4092,38 |
| Ownworking capital | -984,32 | -272,12 | 291,54 | 834,18 | 959,65 |
| Gross working capital | 8969,55 | 9383,41 | 11102,53 | 12576,10 | 13054,08 |
| foreign worker's capital | 9953,87 | 9655,53 | 10810,98 | 11741,91 | 12094,43 |
| working capital needs | 2538,27 | 3071,55 | 3923,30 | 4161,01 | 3808,24 |
| Treasury Index | 412,98 | 559,42 | 10810,98 | 11741,91 | 12094,43 |

Source: Prepared by the researchers.

Through the results presented in the above table, we note the following:

-The percentage of permanent financing is greater than one in all years, and this indicates the ability of permanent funds to cover fixed assets, and the increase in the percentage of permanent financing from year to year explains the good financial condition of the institution.

-The ratios of private financing in general are close to one, and this indicates that the institution finances its fixed assets with its own funds, and the increase in the percentage of private financing from year to year explains the good financial condition of the institution.

-The ratio of external financing is somewhat stable in all years, and the ratios indicate that debts contribute to financing fixed assets in small proportions, and that the institution's policy of using debt is effective.

-The percentage of financial independence is weak and did not exceed one, as we note that the institution relies a lot on indebtedness and this is evident through the financing structure of the institution, where the debt represents a percentage exceeding 70%.

-The trading ratio is greater than one, which means that the institution was able to cover all its short-term obligations with its current assets in all the reference years with a slight decline from year to year due to the increase in short-term debts.

-The instant liquidity ratio is stable and the institution is unable to meet its short-term obligations based on ready-made values only, and this is due to a continuous increase in short-term debts at a time when ready-made values are known to fluctuate.

- The permanent working capital is positive during all years, and this means that the permanent funds were able to cover the fixed assets and therefore the institution achieves a financial balance.

-The private working capital is positive during the years 2018, 2019, 2020, and this means that private funds were able to cover fixed assets and do not depend on long-term debts, the latter costing the institution large financial expenses unlike the first and second years.

-The total working capital is positive and rising over the years and achieves a financial balance for the institution, which makes it in a position of strength to take any decision.

- The increase in foreign working capital is due to the increase in short-term debts, which are useless, and the institution bears unnecessary costs.

-The treasury is positive during the years, meaning that the institution can cover the needs of exploitation without resorting to bank loans, which has achieved for the institution liquid sums that can be disposed of to meet cash expenses, which means that the institution was able to achieve financial balance during these years.

4.2.2 Table results accounts analysis

The table of results accounts is one of the most important metrics by which the institution's achievements can be judged. Its analysis leads us to know what the institution has achieved from its normal and extraordinary activities. Among the most important accounts through which the institution's activity can be analyzed are:

Table4. Table analysis of results.

| years | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|---------|---------|---------|---------|---------|
| Value Added | 2532,00 | 2507,73 | 2454,16 | 2285,61 | 1529,92 |
| value added percentage | 0,38 | 0,32 | 0,27 | 0,25 | 0,27 |
| Percentage of users' contribution to the added value | 0,44 | 0,45 | 0,54 | 0,59 | 0,83 |
| The percentage of depreciation and provisions in value added | 0,37 | 0,41 | 0,34 | 0,28 | 0,50 |
| Total overexploitation | 1314,77 | 1228,12 | 920,670 | 791,17 | 182,10 |
| Percentage of totaloverexploitation | 0,20 | 0,16 | 0,10 | 0,09 | 0,03 |
| Operational result | 545,22 | 507,25 | 246,63 | 264,57 | -560,85 |
| net result of normal activities | 458,24 | 435,88 | 223,75 | 143,44 | -504,49 |
| net result for the fiscal year | 1400,11 | 1459,98 | 1063,07 | 783,39 | 257,22 |

Source: : Prepared by the researchers.

Through the results presented in the above table, we note the following:

- The added value is high during the years, with a significant decline recorded during the last year, due to the tension of the institution's activity during the Covid 19 pandemic.
- The value-added ratio was stable during the study period, and it reflects the internal integration of the institution.
- The percentage of users' contribution to the added value is positive during the five years and it is constantly rising, as users contributed to the added value by 83% during the year 2020.
- The institution achieved a positive total overexploitation during the study years, and this is due to the increase in the added value, however, during the year 2020, we recorded a significant decline in the total overexploitation, and this is due to fixed costs with the decline in activity during the Covid 19 pandemic.
- The ratios of the total overexploitation are positive and low during the last three years. This indicates that the contribution of the total overexploitation to the turnover is weak.
- The operational result for the year 2020 is negative because the products of normal activities are unable to cover the burdens of normal activities.
- The result of the fiscal year is constantly decreasing, but as for the year 2020, it was negative, and this is due to the Corona pandemic.

4.2.3 treasury flows table analysis

The analysis of the treasury flows table is based on a set of ratios that pertain to the financial performance of the institution under study, which are as follows:

Table5.treasury flows table analysis.

| Years | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------|------|------|------|------|------|
|-------|------|------|------|------|------|

| | | | | | |
|--|---------|---------|---------|---------|---------|
| return on assets ratio | 0,03 | 0,05 | -0,001 | 0,04 | 0,01 |
| Basic cash needs | 5489,72 | 8445,82 | 8300,38 | 8391,25 | 6228,67 |
| Cash flow adequacy ratio from operating activities | 0,08 | 0,09 | -0,002 | 0,07 | 0,03 |
| Cash flow ratio to current liabilities | 0,07 | 0,13 | -0,003 | 0,07 | 0,02 |

Source: Prepared by the researchers.

Through the results presented in the table above, we note the following:

-The rate of return on assets during the study period fluctuated from one year to another, as it increased between 2016 and 2017, however, it decreased in 2018 until it became negative, and this indicates the inefficiency of the institution in the use of its assets, and this year shows the ability of the institution's assets to generate cash flows Operating, and this ratio improved during the year 2019, but it decreased during the year 2020.

The cash flow adequacy ratio from operating activities is positive, which means that the cash flows from incoming operating activities were sufficient to cover the cash flows from outgoing operating activities, as this ratio fluctuated from year to year as it increased between 2016 and 2017, however, it decreased in 2018. until it became negative, and this indicates that during this year the cash flows from incoming operating activities were not sufficient to cover the cash flows from outgoing operating activities, and this ratio indicates the extent to which the institution's activities are able to generate cash inflows to cover the cash outflows of operating activities and for capital spending and payment of installments Long-term debt, basic cash needs, debt burden payments, dividends, and supplier payments.

-The cash flow ratio for current liabilities during the study period fluctuated from year to year, as it increased between 2016 and 2017, however, it decreased in 2018 until it became negative, and this indicates the inability of operating cash flows to pay off short-term debts, as this ratio was known It improved during 2019, but decreased during 2020, and this indicates the institution's ability to meet all its current liabilities through internally generated cash.

5. Hypothesis Testing

-The first hypothesis: Which assumes that the application of the accounting standard the presentation of financial statements affects the elements of the financial statements, is considered correct and the reason for this is that the institution can use more than one method in evaluating its elements on the one hand, and on the other hand enables the institution to re-evaluate its elements periodically.

-The second hypothesis: Which assumes that the application of the accounting standard affects the presentation of financial statements in the indicators of evaluating financial performance. This hypothesis is correct because the financial statements facilitate the task of the financial analyst in evaluating financial performance.

-The third hypothesis: Which assumes that the evaluation of the financial performance in the Public Corporation for Road Works for the Middle is done by the various financial ratios and indicators of financial balance based on the financial statements, which explains that the financial ratios are used by financial analysts in order to study the financial information contained in the financial statements available to the institution in order to know the status of The institution is the subject of the study, which proves the validity of this hypothesis.

6.CONCLUSION

6.1 Study results:

The results of the study showed the following:

-International accounting is a global system that includes a set of accounting standards, principles and rules, the application of which results in the provision of information that benefits the various parties that use accounting information in a balanced manner.

-The financial statements presentation standard aims to provide appropriate and understandable information, and works to make the financial statements of companies more international, by facilitating their reading and making them comparable between the financial periods of a particular company.

-The financial statement presentation standard aims to describe the basis for preparing and presenting financial statements, and the considerations to be taken into account when preparing and presenting these statements, as it aims to achieve the quality of accounting information.

-Evaluation of the financial performance of the institution is based on the analysis of the financial statements, which are an information base, so that this analysis reflects the strengths and weaknesses of the institution.

- The permanent working capital of the Public Corporation for Roads Works for the Middle is positive during the years under study, and this situation is considered positive because the Corporation can finance all the needs of the cycle with its resources, and the foreign capital is on the rise and this is due to the rise in short-term debts.

-The percentage of financial independence is very low, and this indicates that the institution relies heavily on loans to finance its activities.

-The quick liquidity ratio is on the rise during the study period, which means that the institution was able to cover part of its short-term obligations through its current assets.

-The institution achieved its financial balance during the study period, and it also has an untapped financial surplus.

6.2 Suggestions

The study ended in its previous parts to identify a set of results that can be summarized in an important result, which is that the financial statements prepared by the accountant in accordance with the financial statements presentation standard have a positive impact on the quality of the disclosed accounting information, and there is an impact on the results of the financial performance evaluation ratios, and accordingly it can be Make the following suggestions:

- The Public Corporation for Road Works for the Middle should pay attention to periodically evaluating its financial performance, given the importance and specificity of this performance.

- The need for the Public Corporation for Road Works to use the median for the various indicators and ratios of financial analysis to facilitate the taking of various financial decisions in the corporation.

- International Financial Reporting Standards are undergoing continuous changes, so we suggest working on conducting continuous training courses for accountants in order to benefit from the accounting standards more.

6.3 Study prospect

During the preparation of this study, it was noted that there are topics worthy of research and study, including:

-The contribution of financial reporting standards to achieving corporate governance.

-The impact of financial analysis on enhancing the financial disclosure of the financial statements.

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