
The impact of Creative Accounting on the Quality of Financial Information in Commercial Banks, An analytical Study of a Sample of Algerian Public Bank Agencies -Tebessa-

أثر المحاسبة الإبداعية على جودة المعلومات المالية في البنوك التجارية
دراسة تحليلية لعينة من وكالات البنوك العمومية الجزائرية -تبسة-

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Abstract :

The Impact of Creative Accounting on the Quality of Financial Information in Commercial Banks in Tebessa is discussed in this paper. The descriptive-analytical method is applied; besides, a questionnaire is used as a data collecting method, and analysed and processed by the spss20 program. Consequently, the obtained results show that the current Creative accounting theoretical methods are actually used, and the validity of the hypothesis proves that the quality of financial information is affected by the creative accounting practices in the financial statements of Algerian Public Bank Agencies -Tebessa-. The paper concludes that the concept of Creative Accounting should be promoted frequently, in addition to the notion of Financial Information Quality, so that users in the considered commercial banks can understand it.

Key words: Creative Accounting, Quality of Financial Information, financial statements, commercial banks.

JEL classificationcodes: M41, M49.

Résumé:

Cet étude vise à discuter L'impact de la comptabilité créative sur la qualité de l'information financière dans les banques commerciales à Tebessa. On appliquant La méthode descriptive-analytique ; en outre, un questionnaire est utilisé comme méthode de collecte de données, et analysé et traité par le programme spss20. Par conséquent, les résultats obtenus montrent que les méthodes théoriques actuelles de la comptabilité créative sont effectivement utilisés, et la validité de l'hypothèse prouve que la qualité de l'information financière est affectée par les pratiques comptables créatives dans les états financiers des agences algériennes de banque publique -Tebessa-. La recherche conclut que le concept de la comptabilité créative devrait être promu fréquemment, en plus de la notion de qualité de l'information financière, afin que les utilisateurs des banques commerciales considérées puissent le comprendre.

Mots clés : comptabilité créative, qualité de l'information financière, états financiers, banques commerciales.

JEL classification: M41, M49.

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1. Introduction.

Because of the prevailing economic conditions in the business world, the development of accounting has gone a long way from just mathematical operations on notebooks to a set of tools and instruments that are used to provide requested financial information for different purposes to the beneficiaries. Moreover, it was noticed in the last years, that there was constant creativity in the development of these tools to empower the decision-making process in different fields.

As a consequence of the alternative accounting diversity (where the technical skills used by accountants in the making of reports and financial statements needed by decision-makers), commercial banks interest started in exploiting the flexibility of accounting principles that become known as "Creative Accounting".

The Algerian Public Bank Agencies in Tebessa are among the banks that have adopted and tried to improve their Quality of Financial Information through the Creative Accounting methods.

Research Question

In the event of the increasing concern and the use of Creative Accounting methods that affect the Quality of Financial Information, the following question arises as follow: "to what extent does the Creative Accounting affect the Quality of Financial Information in Commercial Banks in general, And in the Algerian Public Bank Agencies in Tebessa in particular?"

Research Hypotheses

In the light of the previous question and as a primary answer, the following hypotheses have been formulated:

The Main Hypothesis: there is a statistical significant influence relationship at a significance level of ($\alpha \leq 0.05$) between Creative Accounting and the Quality of Financial Information of Algerian Public Bank Agencies -Tebessa-.

This main hypothesis is divided into the following sub-hypotheses:

First Sub-Hypothesis: there is a statistical significant influence relationship at a significance level of ($\alpha \leq 0.05$) between the Creative Accounting methods used in the Outcome Calculating Schedule List and the Quality of Financial Information of Algerian Public Bank Agencies -Tebessa-.

- **Second Sub-Hypothesis:** there is a statistical significant influence relationship at a significance level of ($\alpha \leq 0.05$) between the Creative Accounting methods used in the balance sheet and the Quality of Financial Information of Algerian Public Bank Agencies -Tebessa-.

- **Third Sub-Hypothesis:** there is a statistical significant influence relationship at a significance level of ($\alpha \leq 0.05$) between the Creative Accounting methods used in the cash-flow list and the Quality of Financial Information of Algerian Public Bank Agencies -Tebessa-
- **Fourth Sub-Hypothesis:** there is a statistical significant influence relationship at a significance level of ($\alpha \leq 0.05$) between the Creative Accounting methods used in equity and the Quality of Financial Information of Algerian Public Bank Agencies -Tebessa

Aims of the Study

This study seeks to achieve the following goals:

- To determine the extent of the Creative Accounting influence on the Quality of Financial Information in Commercial Banks.
- To clarify the Creative Accounting meaning.
- To recognize the Creative Accounting methods in Commercial Banks.
- To reach statistically subsidized conclusions to discover the relation between the Creative Accounting methods and the Quality of Financial Information.

Importance of the Study

The Creative Accounting and the Quality of Financial Information are regarded as one of the important and relatively recent research topics, especially when the Commercial banks use the Creative Accounting methods to demonstrate the outcome of their private activity and their financial status, this latter realizing their long and short term goals on the expense of others, coupled with the importance of the financial statements output, where the role of Creative Accounting reflects in it by using different creative methods.

Previous Studies

- **"The Impact of Creative Accounting on the Quality of Financial Information"** (Kassem M. Abdullah Al Baaj, 2018) unpublished Doctorate thesis, commerce department, Al-Neelain University, Khartoum, Sudan. 2018

This study aimed to identify the concept of Creative Accounting, and manipulation techniques used by administration to mislead the financial statements; it is also used to clarify the procedures that limit the followed practices to improve the Quality of Financial Information. Accordingly, the most important results of the research consisted of the reports made by the accounting literature stating that there are many used methods to influence financial information with an inverse relationship between the Quality of Financial Information and the creative accounting practices including predetermined biased methods and assessments.

Moreover, certain recommendations were made like: improving transparency of the financial statements by providing trust through the fair and adequate disclosures, together with scrutinizing the financial statements and recognizing the indicators of the creative accounting usage by the auditing offices in addition to increasing penalties on banks if they did not use it.

- **"Creative accounting methods and their impact on the reliability of financial statements"** (Nazim Shaalan Jabbar, 2015) *Al Gary Journal of Economic and Administrative Sciences*, vol. 9, No. 2, Iraq, 2015

This study aimed to point out the main methods used in creative accounting, and its impact on financial statements' reliability, in addition to identifying the possible approaches to detect the creative accounting practices. Consequently, certain results were obtained mainly: the creative accounting has two forms, amongst them, the legal one which is issued by the auditor and agreed on by the entire study's sample since the creative accounting methods have a huge impact on the credibility of the financial statements. Moreover, certain recommendations were made including, developing the accounting culture between the various data and financial information users, which can be done by displaying educational accounting programs, or organizing seminars for financial information users to clarify some of the commercial banks' creative practices as well as the most important developments in auditing and accounting field.

- **"The impact of creative accounting techniques on the quality of financial information in the international accounting standards"** Bakhja Abdullah Mohammed Taleb, 2013, unpublished Master dissertation, Administration and Economics faculty, finance department, Sulaymaniyah University, Iraq, 2013.

This study aimed to clarify the commercial banks' reasons for using the creative accounting methods and its impact on the given accounting measurements and financial statements credibility, in addition to clarifying the methods and procedures that cause the reduction in the creative accounting practices in the international accounting standards to realize or improve the financial information quality. Therefore, the study resulted in; the financial statements elements are regarded as the main axes used by commercial banks to apply the creative accounting methods. Equally important, certain recommendations were made like: the importance of free creative accounting practices in financial information for a sound decision-making process; penalty legislation for any kind of tampering with the financial data, or limiting the use of creative accounting methods;

coupled with the possibility of making interim financial statements for a faster information provision to its financial center, this process is done to help the decision-maker in assessing the performances in different period of times and in making the financial lists by the end of these periods.

2. Theoretical Background of the Study

In the last years, Creative accounting, with its main purpose of providing the necessary help for the commercial banks to achieve their goals, became one of the main focal points for both accountants and auditors.

2.1. Creative Accounting:

a. Definition: the definition of creative accounting varied from one economist to another, and the most important ones are:

- " It is a term used to define some of the accountancy procedures applied by commercial banks administration to make unreal improvements, which are done by exploiting the loopholes, or even using the different accountancy policies alternatives provided by the accountancy standards in making the financial statements" (IJeoma, 2014, p. 14)

- According to Inanga and Sen, "creative accounting refers to the accountancy practices that have distorted the financial information by using the window-dressing policy or the different manipulation policies, to draw a better picture by increasing or decreasing the revenues, providing misleading information about the capital size, and hiding important information related to the investors.(Sen & Inanga, 2005, p. 77)

- Creative Accounting is defined by Belkaoui as a tool that is used to show a better version of the prepared financial outcome by the accountant, i.e. converting the accounting data to what the management wants by using many resources to influence the accounting income.

- Mulford defined Creative Accounting as the procedures and measures that are used to temper with the financial figures to defraud the financial reports users, i.e. any procedure towards revenue management or income smoothing.(Mulford & Comiskey, 2002, p. 13)

Taking into consideration the previous definitions, the most straight forward definition is: "Creative Accounting is the process of structuring the financial and accounting information, to mislead its users to achieve certain purposes according to commercial banks' desires by using modern and creative methods and practices".

b. Creative Accounting Characteristics ; Creative Accounting has many aspects that demonstrate the characteristics of a creative

accountant and which are represented as follow: (Nicolaescu & paneta, 2008, p. 1351)

- The accountant's ability and experience in analyzing and assembling.
- The accountant high ability of intuition and imagination.
- The accountant's courage and self-confidence.
- The accountant depends on facts grounded instructions, not on administrative ones.
- The creative accountant can develop himself through experience, criticism, and evaluation.

c. Creative Accounting Objectives : Applying creative accountant has many objectives such as:(Mulford & Comiskey, 2002, p. 61)

- Enhancing commercial banks' picture in the market through improving the performances results in the financial statements, or reaching the "good" in the occupational classification ranking between the competitors that depends on the financial aspects.
- Improving the financial performances to enhance the image in front of the Board of Directors of Commercial banks in addition to optimizing the board of directors in front of the general assembly of shareholders.
- Improving commercial banks stocks payments through minimizing the borrowing level to issue a new stock market.
- Improving the activity outcome to get new bank loans.
- Tax evasion by hiding certain activities or delaying tax payments.
- Information disclosure at a constant level rather than an uncertain situation.

d. Creative Accounting Methods : Generally, all commercial banks try to do their best to show a perfect financial status to demonstrate its economic stability, since this factor has a major impact on their financial value, that will be clear in their stock market prices. Under those circumstances, the creative accounting most used methods in the financial statements are stated as follow:

- Creative Accounting Methods Used in the Outcome Calculating Schedule List

The most used techniques and methods to temper with the Outcome Calculating Schedule List in the creative accounting methods are introduced as follow: (Usurelu & al, 2010, p. 350)

- Recording early sales revenue before the selling or interest-exchange processes are done.
- Income increasing in a one-time return, which includes profits maximizing by selling an understated asset, by considering the return investment an operational income, or by creating an income through the reclassification of budget accounts.

- Postponing the current expenses to a later accounting period, including the capitalization of the operational costs and changing the accounting policies in addition to the slow depreciation of the costs, and the failure in registering the damaged assets.
- Postponing the current income to a later accounting period.
- Moving the future expenses to the current accounting period, this includes accelerating and increasing the costs that depend on the accountant evaluation.

- **Creative Accounting Methods in the Balance Sheets**

The creative accounting methods in the balance sheets are represented as follow: (Gherai & and Balaciu, 2011, p. 37)

- Eliminating the cost inclusion of the fixed assets and the reduction of the assets ratio consumption compared to the ones of the commercial banks.
- Over-assessing the intangible asset such as brand names, trademark... etc., or making unwarranted changes to reduce the assets value.
- Changing the followed accounting methods from long-term investment.
- Identifying the potential assets before ensuring their validation like: the expected revenue recognition from a customer's lawsuit before the ruling is issued.
- Inventory inclusion and manipulating the selling price of obsolete goods, in addition to the unjustified change in determining inventory cost methods.
- Manipulating the portfolio evaluation, reducing, or exaggerating the decline of their prices
- Manipulating the creditors' age to reduce the doubtful or overstated debt provision.
- Obtaining long-term loans before announcing the financial statements to repay the short-term ones.
- Non- inclusion of the long-term installments due during the current year commitments to improve the liquidity ratio.

- **Creative Accounting Methods in the cash-flow lists**

The cash-flow clauses can be manipulated as one of the creative accounting practices, where the commercial banks tamper with the cash flows' classification from operational activities as an investment or financing clause, consequently, these changes don't affect the cash-flow final value. As an illustration, the commercial banks that capitalize the software development costs, classify payments as investment-related activities, not operational related ones resulting from the fact

that commercial banks that allocate a large number of costs will provide more operating cash flow than commercial banks that consider all software development as costs expenses.(Kieso & al, 2008, p. 169)

- Creative Accounting Methods in the Statement of Change in Equity

The statement of change in equity is regarded as a link between the outcome calculating schedule and the balance sheet, which is done by monitoring the Statement of Change clauses' changes from the beginning till the end of the financial period depending on an accrual basis.

All of its clauses are subjected to the creative accounting methods practices, through illusory change in the increasing or decreasing of the paid-up capital, earned capital, or calculated capital that are done to reassess the previous errors, or previous years losses and foreign currency stocks(Fellih & Fares, 2011, p. 367).

2.2. Quality Financial Information :

a. Quality Financial Information Definition :

the most important definitions are presented as follow:

- " Quality Financial Information is regarded as the credibility of the financial information that is free from misrepresentation coupled with its benefits for the users, developed with certain standards to achieve the predetermined objectives" (Habesh & Mannaa, 2018, p. 631)
- It is also defined as "the extent to which the financial statements provide fair and trustworthy information about commercial banks performances and financial status".(Nakib, 2004, p. 15)

Taking into consideration the previous definitions, the Quality Financial Information is seen as the credibility amount in the financial statements with its benefits to the users, which are free from any kind of distortion or misrepresentation, developed with certain legal and regulatory standards.

b. Quality Financial Information Importance

The importance of the quality of financial information can be summarized as follow:

- Quality Financial Information is regarded as a standard that helps to achieve financial information goals.
- It allows to choose the helpful information for the major users to rationalize their decisions i.e. the more useful the

information are, the more helpful they become in rationalizing decisions.

- It is used as a trade-off basis between the accounting methods for measurement and disclosure in the financial statements.

c. Quality Financial Information Measurement :

There are several reliable measures for the quality financial information, which are: (Muiead & Abd Nasser, 2010, p. 413)

- Utility as a measure for quality financial information: it includes two items which are authentic information and its ease of use. Utility as a measure can be:

- Formal Utility: refers to the increasing of the Utility whenever a shape or content match the decision-makers' requirements.
- Spatial Utility: refers to the information easy access, for instance: connecting to a computer for information access maximizes its spatial utility.
- Evaluative and Remedial Utility: refers to the information ability to assess the outcomes of the Decision implementation, in addition to its capability to correct the implementation deviations.

- Effectiveness as a measure for quality financial information: effectiveness represents the extents to which the commercial banks have realized their goals through limited resources, and quality financial information can be defined from the Effectiveness perspective as " the information realization of the decision-makers' goals using limited resources"

- Efficiency as a measure for quality financial information: Efficiency refers to the commercial banks' goals realization with a minimum resources use where the application of the economic principles, on an information system that aims to maximize quality information with minimum costs is regarded as a necessity.

- Prediction as a measure for quality financial information: prediction, in this case, refers to the means than can use present and past information in predicting future events and consequences, such predictions are used in the planning and decision-making processes.

3. Analytical and Practical framework of the Study

3.1. Reaserch community :

- the chosen population for this study include six of Algerian public bank agencies -Tebessa-, which can be clarified in Table 1:

Table1. Illustrating reaserch commuinity of Algerian Public Bank Agencies -Tebessa

Banks	Algerian National Bank	Algerian Foreign Bank	Local Development Bank	Bank of Agriculture and Rural Development	Algerian Popular Credit	National Savings and Provident Fund-Bank
Employees	24	26	18	28	17	17

Source: by the study researchers

As it has been illustrated in the previous table, the chosen population for this study is divided as follow: the Algerian National Bank includes 24 employees, the Algerian Foreign Bank include 26, the Local Development Bank with its 18 employees, Bank of Agriculture and Rural Development has 28 employees, Algerian Popular Credit 17 and the National Savings and Provident Fund-Bank has 17 employees.

3.2. Study sample :

a stratified sample population of the Algerian Public Bank Agencies (Algerian National Bank, Algerian Foreign Bank, Local Development Bank, Bank of Agriculture and Rural Development, Algerian Popular Credit, National Savings and Provident Fund-Bank) was included in this study, where they were given 95 questionnaire forms; moreover, they were chosen for the simple reason of being interested in the study topic that was discovered through the direct and indirect interviews conducted by the researcher, where a number of these participants were interviewed while filling their questionnaires, whereas the others couldn't be interviewed due to their job conditions.

The participants of the study population can be illustrated as follow:

Table 2. Illustrating the study sampleof the Algerian Public Bank Agencies

Participants	Distributed Questionnaires Number	Collected Questionnaires Number	Valid Questionnaires Number
95	95	85	80

Source :by the study researchers

As it was presented in table two, 95 of questionnaire forms were given, only 85 of these forms were handed back, the 10 forms that were missing they either weren't answered or got

lost and 80 were answered correctly and can be used in the statistical analysis of the study.

3.3. Study Instrument:

to facilitate the research conducting process, the questionnaire was chosen as the perfect data collecting method, coupled with the use of the Statistical Package for social sciences program (spss20) as an analyzing tool for the collected data, in addition to the use of Excel 2013 program, which is a known electronic program for information and data management and analyses. the questionnaire content and the tested credibility can be clarified as follow:

a. The Questionnaire Content:

the questionnaire is regarded as one of the important used tools to collect information and data in the scientific researches, because of the easily obtained data-processing which is done through the direct contact with the important parties in accounting and finance. It is also seen as the best option to measure the accountants' matching point of views in the Algerian Public Bank Agencies -Tebessa-.

The used questionnaire contained d axes related to study variables, and is divided into two main parts:

- First part: This part of the questionnaire included personal information (sex, age, educational qualifications, professional status, and job experiences) to describe the study population and to make a comparison on the participants' answers on demographic variables.
- Second part: it included fields of the study. the questionnaires also included two axes which are:

- ❖ first axe: technical creative accounting terminology was included in this part, which covered 12 expressions deployed on sub-axes as follow:

- a) Creative Accounting Methods Used in the Outcome Calculating Schedule List included 3 expressions
- b) Creative Accounting Methods in the Balance Sheets included 3expressions
- c) Creative Accounting Methods in the cash-flow lists included 3expressions
- d) Creative Accounting Methods in the Statement of Change in Equity included 3expressions

- ❖ Second axe: technical Quality Financial Information terminology was included in this part that covered 12 expressions.
- a- **The questionnaire scale:** to convert the collected answers into quantitative data, the fifth Likert scale is used because it is more flexible and allows border areas for answers.
- b- **Scale's validity and reliability:** the questionnaire was examined by several Faculty of Economics, Business Sciences, and Management Sciences professors in Tebessa to check the validity and reliability of the presented variables. Taking into consideration certain remarks, the scale was modified, and while checking its constancy the Cronbach's alpha value appeared too high for all of the creative accounting fields. Furthermore, the Cronbach's alpha value reached a high value of 0.93 for all of the questionnaire's paragraphs resulting in the use of the questionnaire and trusting the findings.
- 3.4. Statistical Analysis Methods:** to answer the study questions, some instruments have been used to operate some checking like statistical description measurements to describe the sample through percentage, iterations, arithmetic averages, Standard deviation, and Pearson Correlation Coefficient to examine the relation between variables and the significance levels.
- 3.5. Study Variables:** study variables and information resources are shown in this part.
- a. **Independent variable : includes:**
- **Creative Accounting Methods Used in the Outcome Calculating Schedule List:** which refers to the best methods and creative techniques used in the Outcome Calculating Schedule List through revenues and expenditures.
 - **Creative Accounting Methods in the Balance Sheets:** which refers to the changing ability in the assets and liabilities clauses in balance Sheets.
 - **Creative Accounting Methods in the cash-flow lists:** which refers to the creative accountant's ability in changing information provided by the available exchange and its uses.
 - **Creative Accounting Methods in the Statement of Change in Equity:** which refers to monitoring changes the statement of change in equity level presented on an accrual basis.
- b. **Dependent Variable:** where the economic institutions try to improve its Quality Financial Information through the measurement Quality Financial Information models.

- Utility: includes two items of authentic information and its ease of use.
- Effectiveness: refers to the extent to which information is used to realize the economic institutions' goals.
- Efficiency: refers to the commercial banks' goals realization with minimum resources.
- Prediction: refers to the means than can use present and past information, in predicting future events.

3.6.Field Analyses and Data Presentation and Analyses:

95 questionnaires were given to the sample study, and 80 of them were handed back that were appropriate for analysis.

a. First Part Analysis :

Table 3. Frequencies and percentages of the sample study by variable categories

Variable	Statement	Repetition	Percentage %
Sex	Male	40	50
	Female	40	50
Age Group	Less Than 30	27	34
	From 30 To 50	46	58
	More Than 50	7	9
Educational Qualifications	License	30	38
	Master	28	35
	Majister	8	10
	Doctorate	2	3
	Other Qualification	12	15
Professional Status	Accountant	8	10
	Auditor	5	6
	Head Of Organisation	13	16
	Director	4	5
	Another Occupation	50	63
Job Experiences	Less Than 5 Years	27	34
	From 5 To 10years	26	33
	More Than 10 Years	27	34

Source: by the study researchers based on the Spss20 result analyses

The individual sample of the study, as was mentioned in the table, were divided equally i.e. both male and female are of 50% percentage, in addition to that, 58% (which is the highest percentage) of the chosen sample, are aged between 30 and 50 years old. This fact can be seen as a good sign in terms of the participants'

experiences to understand and answer the questionnaire correctly. Likewise, the educational qualification variable, license and master, have almost the same percentage where the license is of 38% which is higher than the master that was of 35% and this is another indicator that the participants are perfectly capable of answering the questionnaire. Considering the experience variable, some participants who have experience of less than 5 year represent 34% of the total, whereas, the ones who have experience ranging between 5 and 10 years represent of 33%. In this case, it is clear that their scientific and operational capacities help them understand the questionnaire and its requirements.

b. Second Part Analysis

- section one:

▪ the participants' responses towards the creative accounting

The data of this axis will be tested according to expression (1-12) through the Arithmetic mean, and the standard deviation illustrated in the table below:

Table 4. Clarifying the Participants' Response to the Creative Accounting Impact

Number	Statement	strongly agree	agree	neutral	don't agree	don't agree at all	Arithmetic mean	standard deviation	rank	significance
		%	%	%	%	%				
1	The invoice choices delay from the end of the current year to the next one can be proved in your agency.	0	17.5	13.75	36.25	32.5	2.163	1.073	7	low
2	Fake sale processes can be registered by the end of the current year, on the condition of canceling them at the beginning of the next one to increase the current year profits.	1.25	0	8.75	40	50	1.625	0.753	11	very low
3	Minimizing the tax burden through not registering sales revenues by the end of the financial period.	0	12.5	18.75	42.5	26.25	2.175	0.965	6	low
• Creative Accounting Methods in the Outcome Calculating Schedule List							1.988	0.887	/	low

4	Overestimation of the fixed assets evaluation is allowed in your agency to improve the budget list.	0	2.5	12.5	55	30	1.875	0.718	9	low
5	Unconfirmed cash assets are recognized as the potential to win a lawsuit.	0	18.75	25	38.75	17.5	2.450	0.992	4	low
6	Long-term loans can be obtained to repay short-term loans in the same year.	1.25	5	16.25	33.75	43.75	1.863	0.951	10	low
Creative Accounting Methods in the Balance Sheets							2.063	0.840	/	low
7	Operational expenses are classified in the investment expense clauses in your agency.	1.25	11.25	33.75	35.5	16.25	2.438	0.939	5	low
8	When calculating the operational cash-flows, losses are added before the calculation of the vat amount.	1.25	27.5	40	22.5	8.75	2.900	0.949	1	medium
9	The monetary exchange rate can be either reduced or increased to improve the agency financial position.	1.25	3.75	15	41.25	38.75	1.875	0.891	8	low
• Creative Accounting Methods in the cash-flow lists							2.404	0.877	/	low
10	Fake changing procedures are done in your agency in the increase or reduction of the capital.	1.25	1.25	5	31.25	61.25	1.500	0.763	12	very low
11	The agency's expansion policy use the reserve to develop its business	1.25	26.25	33.75	22.5	16.25	2.738	1.064	2	medium
12	Last year's revenues are added to the current year profits instead of classifying it in the retained earnings.	0	12.5	41.25	31.25	15	2.513	0.900	3	low
• Creative Accounting Methods in the Statement of Change in Equity							2.250	0.843	/	low
Total							2.176	0.851	/	/

Source: by the study researchers based on the Spss20 result analyses

Table 4 represents the participants' responses towards the creative accounting impact. It seems clear that there is a relatively low level in the creative accounting axes, where the Arithmetic mean of the axis' expressions was of 2,176 (total score of 5). Moreover, a low level was reported in all the sub-axes, where the lowest Arithmetic mean occurred in the Creative Accounting Methods in the Outcome Calculating Schedule List with a low value of 1,988. In

addition to that, there are vulnerable sections in the participants' answers i.e. there answers match generally where the standard deviation of the whole axes section is of 0,851 which means that the participants of the sample study have the same opinion on the fact that there is a low level in applying the creative accounting methods in the Algerian Public Bank Agencies -Tebessa-.

▪ **Participants Responses towards Creative Accounting Methods in the Balance Sheets**

The data related to Creative Accounting Methods in the Balance Sheets was tested as it was illustrated in table 4 through the 4th, 5th and the 6th expressions where the Arithmetic mean of this axis was of 2,063, which is a relatively a low value. In addition to that, the standard deviation results demonstrate that there is a slight difference in the participants' answers. In particular, the standard deviation value of the whole towards Creative Accounting Methods in the Balance Sheets sections is of 0,840. Thus, it can be safely said that the participants agree on the fact that there is a low application of the Creative Accounting Methods in the Balance Sheets by the commercial banks. Correspondingly, such an application is ranked in the third level, with 2,063 as Arithmetic mean i.e. a low one and 0,840 as standard deviation. Under those circumstances, there is an application of the creative accounting methods in the balance sheets in the Algerian Public Bank Agencies -Tebessa-.

▪ **Participants Responses towards Creative Accounting Methods in the cash-flow lists**

The data of this axis was tested through the first, second and third expressions, where the Arithmetic mean for this axis amounted to 2,404 that is regarded as a low value, resulting in the fact that the participants agree on the fact that there is a low application of the Creative Accounting Methods in the cash-flow lists by the commercial banks. Correspondingly, such an application is ranked in the first level, with 2,404 as Arithmetic mean and 0,877 as standard deviation i.e. a relatively low arithmetic mean. In the final analysis, it is clear that there is a low application of the creative accounting methods in the cash-flow lists the Algerian Public Bank Agencies -Tebessa-.

▪ **Participants Responses towards Creative Accounting Methods in the Statement of Change in Equity**

The data related to Creative Accounting Methods in the Statement of Change in Equity were tested as it was illustrated in

table 4 through the expressions numbered 10, 11, and 12 and the Arithmetic mean for this axis was of 2,250 which is a relatively low value, with slight differences in the participants' answers where the standard deviation of the whole axis's Creative Accounting Methods in the Statement of Change in Equity sections was of 0,843, for this reason, it can be safely said that the participants agree on the fact that there is a low application of the Creative Accounting Methods in the Statement of Change in Equity by the commercial banks. Accordingly, such an application is ranked in the second level, with 2,250 as Arithmetic mean and 0,843 as standard deviation i.e. low arithmetic mean. Given these points, it is clear that there is a low application of the creative accounting methods in the Statement of Change in Equity the Algerian Public Bank Agencies -Tebessa-

b.section two:

▪ **the participants' responses towards the Quality Financial Information application**

The data of this axis will be tested according to the expression (13-24) through the Arithmetic mean, and standard deviation illustrated in the table below:

Table 5. Clarifying the Participants' Response to the Quality Financial Information application

Number	Statement	Stro ngly Agr ee	Agre e	Neutr al	Don't Agr ee	Don't Agr ee At All	Arith metic Mean	Stan dard Devi ation	Ran k	Sig nifi can ce
		%	%	%	%	%				
13	Your agency tries to Provide financial information on time to not lose its value.	27.5	43.75	12.5	7.5	8.75	3.738	1.199	9	high
14	Financial information allows the prediction of future events in your agency.	21.25	48.75	15	12.5	2.5	3.738	1.016	10	high
15	Financial information has an error-free high degree of trust in your agency.	23.75	46.25	16.25	11.25	2.5	3.775	1.018	8	high
16	Your agency can make a comparison with another one through the financial information in the financial statements.	15	32.50	26.25	20	6.25	3.300	1.141	12	med ium
17	Your agency depends on the financial information consistency in the financial statements making.	26.25	56.25	13.75	1.25	2.5	4.025	0.826	4	high
18	Certain financial statements are followed to guarantee their sincerity and reliability.	22.5	40	23.75	11.25	2.5	3.688	1.026	11	high

19	Objectivity is one of your agency's characteristics.	36.25	51.25	7.5	3.75	1.25	4.175	0.823	2	high	
20	The financial information in your agency is interrelated and inclusive of all events.	40	50	5	2.5	2.5	4.225	0.856	1	very high	
21	The financial information made by different parties always leads to the same results.	26.25	55	3.75	11.25	3.75	3.888	1.043	7	high	
22	In the financial analysis, your agency depends on the financial information comparability and uniformity.	15	65	15	3.75	1.25	3.888	0.746	6	high	
23	the stability of the accounting methods and policies is consistent to maintain the trust in balance sheets	25	57.50	13.75	2.5	1.25	4.025	0.779	5	high	
24	Your agency seeks to follow the accounting principles to remain consistent in the accounting policies and methods use.	33.75	55	7.5	2.5	1.25	4.175	0.776	3	high	
Total								3.886	0.888	/	/

Source: by the study researchers based on the Spss20 result analyses

The Participants' Response to the Quality Financial Information application is heading towards agreement as it is illustrated in table 5, where the Arithmetic Mean of all the sections was of 3,88 (total score 5). In addition to that, the results in the standard deviations confirmed that there are slight differences in the participants' answers, where the standard deviations of all statements were of 0, 88. Taking into consideration the final results, it can be safely said that the participants agree on the fact that there is a high level of quality financial information axes in the commercial banks, which is showed through the identification and speed of the information, in addition to its comprehensiveness in describing the expressed events in the balanced sheets because of its efficiency, and information effectiveness that represents how much the commercial banks did achieve their goals.

4.Hypotheses Testing

After displaying and analyzing the field study data, it was discussed in the light of the hypotheses that are to be determined

valid or invalid by testing the main and sub-hypotheses with the natural distribution of the study data.

4.1. Section One: testes of normality

Before the application of the regression analysis for the main and sub-hypotheses testing, a klomonovsimir test was done to guarantee the data is relevant to the regression analysis hypotheses, also a to check up on the extent to which the data had followed the normal distribution as a necessary hypotheses test since the normal distribution is a condition in the practical tests. This kind of test was done, after giving and collecting the questionnaires from the participants, the results are shown in the following table:

Table 6. Illustrating Normal distribution testing

significance level (Sig)	test value z	axes content	questionnaire axes
questionnaire axes	axes content	test value z	significance level (Sig)
first axes	creative accounting	0,086	0,200
second axes	Financial information quality	0,074	0,190
questionnaire as a whole:		0,063	0,200

Source: by the study researchers based on the Spss20 result analyses

As it is shown in table 6 the significance level value for each axis is more than (0, 05) i.e. (Sig > 0.05) which indicates that the data actually follows the natural distribution and it can be used in the scientific tests.

4.2. Section two : testing the sub-hypotheses

To test the sub-hypotheses correctly, a simple linear regression test results were used (b + y = ax) which allows the study of the variables impact relationship possibility, Pearson correlation coefficient (P) was also used to identify the relationship nature i.e. direct or an inverse relationship, equally, the Coefficient of determination (R²) is used to figure out the change rate in the dependent variable and the independent one. The significance level (α =0.05) was used to analyze the study hypotheses i.e. 95% trust level which is clarified in the following table:

Table 7. Sub-Hypotheses Testing Results

Independent variable	dependent variable	fixed regression (a)	regression coefficient (B)	correlation coefficient (R)	Coefficient of determination (R ²)	value (T)	calculated value (F)	significance level(SIG)
the Outcome Calculating Schedule	financial information quality	2.205	0.846	0.845	0.714	13.954	194.709	0.000
budget		1.987	0.921	0.872	0.761	15.757	248.28	0.000
cash-flows		1.669	0.922	0.912	0.831	19.599	384.14	0.000
equity		1.756	0.947	0.899	0.809	18.148	329.364	0.000

Source: by the study researchers based on the Spss20 result analyses

Depending on the previous table (7), the sub-hypotheses testing was as follow:

- **First Sub-Hypothesis:** there is a statistical significant influence relationship at a trust level of ($\alpha \leq 0.05$) between the Creative Accounting methods used in the Outcome Calculating Schedule List and the Quality of Financial Information of Algerian Public Bank Agencies -Tebessa-.

Taking into consideration table 7 simple linear regression, it is clear that there is a positive statistical significant influence relationship between the Creative Accounting methods used in the Outcome Calculating Schedule List and the Quality of Financial Information of the study, where the regression coefficient (B) was of 0,846 and correlation coefficient (R) was of 0,845 notably these two coefficients are of a significance level of ($\alpha \leq 0.05$) which is outlined by test (T) which suggest that the study sample commercial banks use creative accounting in the Outcome Calculating Schedule List at a low level.

Furthermore, the explanation of the regression model represented by the Coefficient of determination (R²) was 0,714, which means a high rate of 71, 40% of changes in the Quality of Financial Information are explained by the Creative Accounting methods. The value test (F) estimated as 194,709, the significance level was (sig=0.00), lower than the intangible level (0, 05). With such results, the sub-hypothesis "there is a statistical significant influence relationship at a significance level of ($\alpha \leq 0.05$) between the Creative Accounting methods used in the Outcome Calculating Schedule List and the Quality of Financial Information of Algerian Public Bank Agencies -Tebessa-" is accepted.

- **Second Sub-Hypothesis:** there is a statistical significant influence relationship at a significance level of ($\alpha \leq 0.05$) between the Creative Accounting methods used in the balance sheet and the Quality of Financial Information of Algerian Public Bank Agencies -Tebessa-.

Taking into consideration table 7 simple linear regression, it is clear that there is a positive statistical significant influence relationship between the Creative Accounting methods used in the balance sheet and the Quality of Financial Information of the study, where the regression coefficient was of 0,921 and correlation coefficient (R) was of 0,872. Notably, these two coefficients are of a significance level of ($\alpha \leq 0.05$) which is outlined by test (T) which suggest that the studied sample of commercial banks uses creative accounting in the balance sheet at a low level.

Furthermore, the explanation of the regression model represented by the Coefficient of determination (R^2) was 0,761, which means a high rate of 76, 10% of changes in the Quality of Financial Information are explained by the Creative Accounting methods. The value test (F) estimated as 248.28 the significance level was (sig=0.00), lower than the intangible level (0, 05).

With such results, the sub-hypothesis: there is a statistical significant influence relationship at a trust level of ($\alpha \leq 0.05$) between the Creative Accounting methods used in the balance sheet and the Quality of Financial Information of Algerian Public Bank Agencies -Tebessa- is accepted.

- **Third Sub-Hypothesis:** there is a statistical significant influence relationship at a trust level of ($\alpha \leq 0.05$) between the Creative Accounting methods used in the cash flow list and the Quality of Financial Information of Algerian Public Bank Agencies -Tebessa-.

Taking into consideration table 7 simple linear regression, it is clear that there is a positive statistical significant influence relationship between the Creative Accounting methods used in

The cash flow list and the Quality of Financial Information of the study, where the regression coefficient was of 0,922 and correlation coefficient (R) was of 0,912 notably these two coefficients are of a significance level of ($\alpha \leq 0.05$) which is outlined by test (T) which

suggest that the study sample commercial banks use creative accounting in the cash flow list at a low level.

Furthermore, the explanation of the regression model represented by the Coefficient of determination (R^2) was 0,831 which means a high rate of 83.10% of changes in the Quality of Financial Information are because of the Creative Accounting methods. The value test (F) estimated as 384,14 the significance level was ($\text{sig}=0.00$), lower than the intangible level (0, 05).

With such results, the sub-hypothesis: there is a statistical significant influence relationship at a trust level of ($\alpha \leq 0.05$) between the Creative Accounting methods used in the cash flow list and the Quality of Financial Information of Algerian Public Bank Agencies - Tebessa- is accepted.

- **Fourth Sub-Hypothesis:** there is a statistical significant influence relationship at a trust level of ($\alpha \leq 0.05$) between the Creative Accounting methods used in equity and the Quality of Financial Information of Algerian Public Bank Agencies - Tebessa-.

Taking into consideration table 7 simple linear regression, it is clear that there is a positive statistical significant influence relationship between the Creative Accounting methods used in equity and the Quality of Financial Information of the study, where the regression coefficient was of 0,947 and correlation coefficient (R) was of 0,899 notably these two coefficients are of a significance level of ($\alpha \leq 0.05$) which is outlined by test (T) which suggest that the study sample commercial banks use creative accounting in the equity list at a low level.

Furthermore, the explanation of the regression model represented by the Coefficient of determination (R^2) was 0,809 which means a high rate of 80.90% of changes in the Quality of Financial Information are because of the Creative Accounting methods. The value test (F) estimated as 329.364 the significance level was ($\text{sig}=0.00$), lower than the intangible level (0, 05).

With such results, the sub-hypothesis: there is a statistical significant influence relationship at a trust level of ($\alpha \leq 0.05$) between the Creative Accounting methods used in equity and the Quality of

Financial Information of Algerian Public Bank Agencies -Tebessa- is accepted.

It can be concluded from the pre-determined sub-hypotheses, that there is an impact relationship between creative accounting and the quality of financial information that is apparent on the financial statement level: the Outcome Calculating Schedule List, the balance sheet, the cash flow list and the equity list in the Algerian Public Bank Agencies -Tebessa-.

4.3.section three: Main hypothesis testing

The hypothesis stating: "there is a statistical significant influence relationship at a trust level of ($\alpha \leq 0.05$) between Creative Accounting and the Quality of Financial Information of Algerian Public Bank Agencies -Tebessa-" has been tested and the obtained results are illustrated in the following table:

Table 8. Main Hypotheses Testing Results

Independent variable	dependent variable	fixed regression (a)	regression coefficient (B)	correlation coefficient (R)	Coefficient of determination (R ²)	value (T)	calculated value (F)	significance level(SIG)
creative accounting	quality of the financial information	1,862	0,930	0,893	0,797	17,482	305,62	0,000

Source: by the study researchers based on the Spss20 result analyses

Taking into consideration table 8 simple linear regression, it is clear that there is a statistical significant influence relationship between the Creative Accounting and the quality of financial information in the commercial banks of the study, where the regression coefficient was of 0,930 and correlation coefficient (R) was of 0,893 notably these two coefficients are of a significance level of ($\alpha \leq 0.05$) which is outlined by test (T) whereas, the explanation of the regression model represented by the Coefficient of determination (R²) was 0,797 which means a high rate of 70,50% of changes in the Quality of Financial Information are because of the Creative Accounting methods. The value test (F) illustrated that the regression model generally is statistically significant also, the significance level was

(sig=0.00), lower than the intangible level (0, 05). With such results, the main hypothesis: there is a statistical significant influence relationship at a trust level of ($\alpha \leq 0.05$) between Creative Accounting and the Quality of Financial Information of Algerian Public Bank Agencies -Tebessa- is accepted.

In conclusion, all of Pearson's coefficient and its statistical significance, a simple linear regression model, Coefficient of determination, and the probability value were used to test the study hypotheses, represented by the main hypothesis that there is statistical significance between creative accounting and the quality of financial information Algerian Public Bank Agencies -Tebessa- from the participants perspective, and the sub-hypotheses stating that there is statistical significance relationship between the creative accounting axes and the ones of and the quality of financial information.

5. conclusion

The creative accounting appearance was the result of the commercial banks' motives and orientations to use its methods for providing different financial information to its internal or external users for financial decisions rationalization. Furthermore, the quality of financial information attention becomes a necessity for it represents the commercial banks' financial picture, through which it becomes possible to understand carefully what happened in the past and to, actually, predict what is going to happen in the future according to the financial statements makers desires which is a fact that totally affect the quality of financial information.

6. Study Results

1. All of the theoretically circulating creative accounting methods are actually used in the study sample commercial banks.
2. The main hypothesis stating that creative accounting impacts the quality of financial information is proved right.
3. The First Sub-Hypothesis stating that the Creative Accounting methods used in the Outcome Calculating Schedule List affect the Quality of Financial Information is proved right.

4. The Second Sub-Hypothesis stating that the Creative Accounting methods used in the balance sheet affect the Quality of Financial Information is proved right.
5. The Third Sub-Hypothesis stating that the Creative Accounting methods used in the cash flow list affect the Quality of Financial Information is proved right.
6. The Fourth Sub-Hypothesis stating that the Creative Accounting methods used in equity affect the Quality of Financial Information is proved right.

7. Suggestions:

The most important suggestions of this study are:

1. Introducing and spreading the creative accounting concept
2. Promoting the concepts related to the quality of financial information of the commercial banks so that it would be clear for its users.
3. No personal bias policy when accounting estimates are made is regarded as one of the important motivations for the creative accounting methods use.
4. The necessity to provide the appropriate conditions to get financial information of high quality.
5. The necessity to be able to differentiate between creative accounting concept and the ones related to it.

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