



**An-Najah National University
Faculty of Graduate Studies**

**THE IMPACT OF EACH ACCOUNTING
INCOME AND ECONOMIC VALUE ADDED
ON THE FINANCIAL SUSTAINABILITY -
AN EMPIRICAL STUDY**

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**This Thesis is submitted in Partial Fulfilment of the Requirements for the Master's
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Dedication

من قال أنا لها " نالها "

وأنا لها ان أبت رغما عنها أتيت بها

(وأخر دعواهم أن الحمد لله رب العالمين)

فله الفضل وله الحمد ما كنت لأختم مسيرتي هذه لولا فضل الله الحمد لله عند البدء وعند الختام
الحمد لله ما انتهى من درب ولا ختم جهد ولا تم سعي إلا بفضل الله الحمد لله على التمام والكمال وعلى لذة
الإنجاز...

بعد مسيرة دراسية تحمل في طياتها الكثير من الصعوبات أهدي فرحة تخرجي

إلى شهداء فلسطين فلا غابوا عن أذهاننا لحظة ولا يغيبون...

إلى الذي ذهب وحمله قلبي بالدعاء ومشاعري بالفقد والحزن ها أنا أشاركك فرحتي أتمنى ان تصلك
مشاعري وتفتخر بمن حملوا اسمك واثبتوا أنك خير مرابي وخير أب و خير فقيد

(والذي رحمه الله تعالى)

إلى ثمرة الخير والتضحية والعطاء اللامحدود والتي ساندتني في رحلتي

(والدتي الحبيبة)

إلى ضلعي الثابت وأمان أيامي إلى ملهمي نجاحي إلى من شددت عضدي بهم فكانوا لي ينابيع أرتوي
منها إلى خيرة أيامي وصفوتها إلى قرّة عيني

(أخواني - أخواتي)

إلى يد العلم وسعتها إلى من علمونا الحروف إلى الذين أمدوني بالقوة دائما أساتذتي...

لكل من كان عوناً وسنداً في هذا الطريق صديقات السنين...

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وَأَدْخِلْنِي بِرَحْمَتِكَ فِي عِبَادِكَ الصَّالِحِينَ﴾ [النمل: 19]

عن أبي هريرة عن النبي صلى الله عليه وسلم قال: " من لا يشكر الناس لا يشكر الله "

واقْتداء بهذا الهدي النبوي أتوجه بخالص الشكر والتقدير والعرفان إلى كل من أمدني بيد العون والمساعدة

وأخص بالذكر البروفيسور عبد الناصر نور والدكتور سائد الكوني اللذان أشرفا على هذا البحث حيث

تعلمت منهم أن للنجاح قيمة ومعنى.

أشكر الذين كانوا عوناً لي في بحثي هذا، أهلي حفظهما لي الله ورعاهما، كما اتقدم بالشكر لجميع طاقم

برنامج ماجستير المحاسبة في جامعة النجاح الوطنية لمجهودهم القيم في تعليمنا وانارة عقولنا، وأعضاء

لجنة المناقشة المحترمين.

Declaration

I, the undersigned, declare that I submitted the thesis entitled:

THE IMPACT OF EACH ACCOUNTING INCOME AND ECONOMIC VALUE ADDED ON THE FINANCIAL SUSTAINABILITY - AN EMPIRICAL STUDY

I declare that the work provided in this thesis, unless otherwise referenced, is the researcher's own work, and has not been submitted elsewhere for any other degree or qualification.

Student's Name

Maram Moeen Mashaqi

Signature:



Date:

26/02/2025

Table of Contents

Dedication.....	iii
Acknowledgments	iv
Declaration.....	v
Table of Contents.....	vi
List of Tables	ix
List of Figures.....	x
List of Appendices	xi
Abstract	xii
Chapter One: Introduction and Theoretical Background.....	1
1.1 Background of the Study	1
1.2 Study Problem and Questions.....	5
1.3 Objectives	7
1.4 Study Significance	8
1.4.1 Scientific Significance	9
1.4.2 Practical Significance	9
1.5 Theories	9
1.5.1 The Main Theories Related to the Study	9
1.5.1.1 Stakeholder Theory.....	9
1.5.1.2 Agency Theory	10
1.5.2 The Supporting Theories Related to the Study	10
1.5.2.1 Political Economy Theory	10
1.5.2.2 Signal Theory.....	11
1.5.2.3 The Trade-Off Theory	11
1.5.2.4 System Disruption Theory in Sustainable Finance.....	12
1.5.2.5 Life Span Theory of Sustainable Finance.....	12
1.5.2.6 The Resource Theory of Financial Sustainability.....	12
1.5.2.7 The peer imitation theory of sustainable finance.....	12
1.5.2.8 The financial sustainability priority theory.....	12
1.5.2.9 Theory of Expansion of the Firm.....	13
1.5.2.10 Shareholder value theory	13
1.5.2.11The first mover theory	13
1.5.2.12 Priority theory	13
1.5.2.13 Neoclassical theory	14

1.6 Theoretical Framework.....	14
1.6.1 Sustainability Concept	14
1.6.2 Sustainability’s Basis.....	17
1.6.3 Financial Sustainability Concept	17
1.7 Literature Review and Hypothesis Development	18
1.7.1 Accounting Income and Financial Sustainability	18
1.7.2 Economic Value Added and Financial Sustainability	20
1.8 The relationship between control variables and financial sustainability	24
Chapter Two: Methodology and Procedures	25
2.1 Introduction.....	25
2.2 Methodology	25
2.3 Population and Sample of the Study.....	25
2.4 Variables	27
2.4.1 Independent Variables	27
2.4.1.1 Accounting Income.....	27
2.4.1.2 Economic Value Added.....	28
2.4.2 Dependent Variable	28
2.4.2.1 Financial Sustainability.....	28
2.5.3 Control Variables.....	34
2.6 Study Model.....	35
2.7 Statistical Analysis Methods.....	36
2.7.1 Descriptive Analytical Approach.....	36
2.7.2 Correlation Analysis	37
2.7.3 Multiple Regression Analysis	37
2.8 Models	37
Chapter Three: Data Analyses, Results and Discussion.....	39
3.1 Introduction.....	39
3.2 Descriptive analytical approach.....	39
3.3 Correlation Analysis	57
3.4 Multiple Regression.....	58
Chapter Four: Conclusions and Recommendations.....	77
4.1 Overview.....	77
4.2 Conclusions.....	77
4.3 Recommendations.....	80
4.3.1 General Recommendations	80

4.3.2 Specific Recommendation	80
List of Abbreviations	81
References.....	82
Appendices.....	93
الملخص	ب

List of Tables

Table (1): Population and Sample of the Study	26
Table (2): Descriptive Analysis of Capital Adequacy Indicators	40
Table (3): Descriptive Analysis of Asset Quality Indicators	43
Table (4): Descriptive analysis of Profit and Earnings indicators	45
Table (5): Descriptive analysis of Efficiency and Competitiveness indicators	49
Table (6): Descriptive analysis of Liquidity indicators	51
Table (7): Descriptive analysis of openness and sensitivity indicators	54
Table (8): Pearson correlation coefficients between EVA and Accounting income	57
Table (9): Multiple regression analysis before control variables of PEX.....	93
Table (10): Multiple regression analysis after control variables of PEX	93
Table (11): Multiple regression analysis before control variables of ASE.....	94
Table (12): Multiple regression analysis after control variables of ASE	94
Table (13): Multiple regression analysis before control variables of QSE.....	95
Table (14): Multiple regression analysis after control variables of QSE	95
Table (15): Multiple regression analysis before control variables of KSE.....	96
Table (16): Multiple regression analysis after control variables of KSE	96
Table (17): Multiple regression analysis before control variables of MSE.....	97
Table (18): Multiple regression analysis after control variables of MSE.....	97
Table (19): Multiple regression analysis before control variables of SSE	98
Table (20): Multiple regression analysis after control variables of SSE	98
Table (21): Multiple regression analysis before control variables of BHB	99
Table (21): Multiple regression analysis after control variables of BHB.....	99
Table (23): Multiple regression analysis before control variables of DFM	100
Table (24): Multiple regression analysis after control variables of DFM	100
Table (25): Study variables.....	101

List of Figures

Figure (1): Sustainability Dimension.....	15
Figure (2): Sustainability's Basis.....	17
Figure (3): The fundamental ideas that support the manager in using the EVA	22
Figure (4): There is a positive impact of accounting income and EVA on the financial sustainability	24
Figure (5): Population and Sample of the Study.....	27
Figure (6): Financial Indicators	34
Figure (7): Non-Financial Indicators	34
Figure (8): Study Model	36

List of Appendices

Appendix (A): Tables	93
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Abstract

This study analyses the impact of accounting income and economic value added on the financial sustainability of industrial firms (non-financial) listed on the stock exchanges of Palestine, Amman, Saudi Arabia, Muscat, Kuwait, Qatar, Bahrain and Dubai. This study aimed to analyze the impact of both accounting income and economic value added on the financial sustainability. The quantitative approach was used. The study covered five years from 2019-2023. Secondary data were collected from the annual reports of industrial firms listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM. The data were then analyzed using STATA version 17. Tables and graphs were used to interpret the results of the analysis. The results showed that Accounting income and EVA on leverage ratio at PEX are only statistically significant with control variables. At QSE, the impact of accounting income and EVA on asset utilization is not statistically significant before and after control variables. The study recommended that industrial firms in ASE must focus on strategies that improve asset utilization and equity returns, and industrial firms in KSE should focus on improving cost efficiency and cutting unnecessary expenses.

Keywords: Accounting Income; Economic Value Added; Financial Sustainability; CAMELS Indicators; CAPPELO Indicators.

Chapter One

Introduction and Theoretical Background

1.1 Background of the Study

Disclosure based net profit can lead to financial collapses due to practices such as earnings management, income smoothing, manipulation of accounting income. Additionally, the inclination toward accounting conservatism in preparing financial statements affects disclosures based on net profit. This approach often focuses solely on the perspective of facility management, neglecting the viewpoints of other stakeholders. Given the criticisms directed at current financial reports—most notably the failure to account for the processes involved in creating value for the firm—it is increasingly clear that developing accounting disclosures informed by financial reports should prioritize economic value added (Al-Barashi, 2023).

Assessing a firm's financial soundness in the ever-changing international commerce landscape requires more than conventional accounting measures. It is now essential to employ additional criteria or approaches, such as economic indicators, that enhance the disclosed accounting information. This is particularly important because merely presenting crucial information in financial statements, especially the income statement, no longer provides a sufficient basis for investors to make informed decisions. A more comprehensive approach is necessary to accurately assess a firm's true value, especially concerning profit (Al Janabi & Mohammad, 2014). Asadi (2019) suggested that instead of relying solely on the net profit figure derived from the income statement, one should analyse the various dimensions and sources of this number, as well as the actual cash flows and receivables it encompasses.

Although accounting income is commonly used as a standard measure to assess financial performance, its impact on financial sustainability remains unclear due to its limited association with operational revenue and this measure does not account for many challenges firms face, as it overlooks the cost of capital. Consequently, it is difficult to determine whether a firm's additions are genuinely creating value (Abou Taleb, Gibson, & Hovey, 2015). Many firms have begun to rely less on maximizing financial gains to establish their reputations and more on disclosing financial and non-financial information to inform stakeholders about their economic performance (Abdelmaksoud, 2022). And

the concept of measuring financial performance based on Economic Value Added (EVA) has been proposed (Sundari, Rozi, Bilgies, Muhajir, & Anggraini, 2023; Al ali, 2016). Al-Muzaini et al. (2022) indicate that Economic Value Added (EVA) is centred on maximizing shareholder wealth, ensuring owners receive a return that exceeds the cost of debt and equity. The assessment of EVA is based on information obtained from accounting records, which is used to assess the value growth the firm generates for its stakeholders (Hourani, 2018).

All theories (Stakeholder Theory, Agency Theory, Political Economy Theory, Signal Theory, Trade-Off Theory, System Disruption Theory in Sustainable Finance, Life Span Theory of Sustainable Finance, Resource Theory of Financial Sustainability, peer imitation theory of sustainable finance, financial sustainability priority theory, Theory of Expansion of the Firm, Shareholder value theory, The first mover theory, Priority theory, Neoclassical theory) in the field of financial management indicate that a firm's success in maximizing its value relies on the effectiveness of its management in enhancing the productivity of available resources amid uncertainty and in implementing systems that minimise operating costs. Currently, executives across all economic sectors face significant pressure to increase the wealth of their stakeholders. This imperative must be addressed by investing in projects to generate cash flows that surpass the capital costs associated with those projects (Bangun & Natsir, 2023).

There is no doubt about the close relationship between politics and economics. Each is influenced by developments in the other, whether positively or negatively. Global dynamics resemble a domino effect, where events in one area can significantly impact surrounding conditions (Al-Auran, 2012). Over the past two decades, the global economic landscape has substantially transformed, affecting trade rates among countries. The economy has faced unprecedented challenges, particularly due to the worldwide "multiplicity of crises". The financial and economic crisis 2008 highlighted a profound state of imbalance, resulting in sudden and severe disruptions in various economic sectors, the bankruptcy of several financial institutions, and subsequent repercussions on other industries. Given the unpredictable, uncertain, and unstable nature of the current political and economic climate and disruptions to customer and supplier interactions, firms must reevaluate their development goals to achieve effective growth. This is essential for confronting emerging cross-border threats and building a more resilient,

sustainable, and prosperous future that benefits everyone (INF, 2024). In addition to their primary operational objectives, firms are grappling with challenges in maintaining strong economic indicators, which often reduces their activities to a struggle for survival. Consequently, pursuing sustainable growth and development has become imperative (Al Ghafli, 2019).

Significant fluctuations in economies worldwide have occurred since the global financial crisis in 2008. A new crisis has already begun to take shape when the global economy has ostensibly emerged from its previous economic catastrophe. The COVID-19 pandemic has exacerbated the already precarious state of the world economy. According to the International Monetary Fund (IMF), the pandemic has disrupted global supply chains, further intensifying inflation (Sun, Grande, González, & Camp, 2022). The COVID-19 pandemic 2020 is one of the most severe crises that has impacted businesses and workers, paralyzing domestic and international transportation. The pandemic has highlighted vulnerabilities in global supply chains, particularly the risks associated with excessive reliance on a single manufacturing hub, namely China.

The challenges that firms encounter in promoting sustainable development have garnered global attention. This focus enables them to report on both their economic and non-economic performance. Furthermore, establishing and maintaining a firm's reputation is crucial. This trust is founded on the decisions and strategies made by the firm that impact stakeholders and the organization. Increased stakeholder awareness and media pressure have prompted firms to incorporate financial sustainability into their vision, mission, strategy, planning, and decision-making processes (Febriyanti, 2021).

Palestine, Amman, and the Gulf Cooperation Council (GCC) countries are experiencing economic imbalances, particularly in monetary and fiscal policy, which are gradually causing public debt ratios to rise. Consequently, governments face persistent deficits and economic unsustainability, undermining the effectiveness of both monetary and fiscal policies, as reflected in various macroeconomic indicators. To achieve sustainability, governments must coordinate their fiscal strategies (Ghraibeh, 2023). This includes establishing macroeconomic conditions and creating business environments that encourage private sector investment to compensate for the losses incurred in previous years and to set the stage for future progress. Implementing capital projects that are

available for investment and contribute to a more sustainable future is also crucial (INF, 2024). The issue of financial sustainability has become a priority for many countries worldwide, serving as a foundation for achieving economic efficiency through the optimal use of resources. Interest in this matter is no longer confined to developed countries; it has also extended to developing countries. The industrial sector has garnered attention from numerous local and international organizations due to the direct impact of industrial processes on the depletion of natural resources (Ashmawy et al., 2017).

The industrial sector is considered one of the most important sectors. Serving as a vital element of the economic. This sector is essential for any country's efforts to achieve economic sustainability, and profitability is a key financial indicator for assessing the performance of any firm, regardless of its type, structure, or activity. Consequently, this sector strives to adopt economic and financial policies aimed primarily at achieving its objectives and maximizing profits in alignment with the nature of its operational and competitive activities (Al-Muzaini, Saddaqa, & Raheel, 2022; Al-Anzi, 2016). Many industrial firms in Palestine, Amman, and the Gulf Cooperation Council (GCC) countries, including food and beverage, cosmetics, household products, and cement industries, are now in the spotlight because they play an important role in building the economy. Financial performance can generally be assessed through financial statement analysis using various methods. The use of traditional measurement tools has a big weakness, it does not take into account the risks faced by the firm, ignores the cost of capital, and only focuses on the firm's profits. Therefore, it is not easy to know whether the firm has successfully added value to the firm. To overcome these weaknesses, measuring financial performance based on value-added (i.e., economic value creation) was proposed (Sundari, Rozi, Bilgies, Muhajir, & Anggraini, 2023). The industrial sector is the primary driver of the nation's long-term economic growth and prosperity (Abdikeev, Bogachev, & Melnichuk, 2018). Nowadays, sustainable development has become a widely recognized goal for human society. At both national and global levels, adopting sustainable development strategies is a key driving force in achieving long-term economic growth (Sofrankova, Kiselakova, & Onuferova, 2021).

One of the most significant challenges in the field of sustainability is the complexity and uncertainty surrounding the issue, beginning with the absence of a clear and comprehensible definition of sustainable development. Most publications define

sustainable development as "the integration of environmental, social, and economic goals to maximize current human well-being without compromising the ability of future generations to meet their needs" (Jankalova & Kurotova, 2020). The increasing growth of globalization and the internationalization of economics significantly influence the quality of human well-being. However, many analysts argue that this exponential growth has already surpassed the capacity of available resources. Abou Taleb et al. (2015) indicated that sustainability refers to maintaining constant resource use without depleting natural resources.

1.2 Study Problem and Questions

Firms have long recognized that relying primarily on financial measures, such as sales or profitability, to assess performance often fails to provide insights into the factors contributing to success. The drivers of performance and value extend beyond financial results to encompass non-financial issues, including relationships with customers, suppliers, employees and environmental and social considerations (Al Ghafli, 2019). Accounting's focus has shifted from the concept of ownership, which emphasizes maximizing the self-interest of owners as the primary responsibility of management, to the notion of the accounting unit, which considers owners as one of the stakeholders in the firm (Alarmuti, 2013). Stakeholder theory suggests that businesses should focus on the interests of all stakeholders- such as shareholders, employees, customers, suppliers, and the community rather than prioritizing only shareholder wealth (Freeman, Harrison, & Zyglidopoulos, 2018).

The implementation of closures by various countries has decreased imports, leading to a significant shift in demand for local products unless alternatives to the imported goods are available. This situation may precipitate a crisis due to the imminent disruption of global supply chains and a decline in global demand from exporters. Consequently, this study will examine the effects on the industrial sector, as it is the most affected by these supply chain disruptions (Moumni, Ben Shawat, Tarbash, & Borish, 2021).

The financial results of most industrial firms in 2020 indicated stumbles and a decline in financial performance compared to 2019. The reason is due to Covid 19, the crisis of which worsened in 2020 throughout the world, while the financial performance of pharmaceutical firms and most food production firms witnessed an improvement in their

financial performance in 2020. This is due to the fact that individuals' consumption of food and medicine has become significantly. In 2023, four industrial firms withdrew from the Kuwait and Amman Stock Exchanges. The withdrawal of Salboukh firm from the Kuwait Stock Exchange was attributed to several factors, including previous mismanagement, auditor concealment, and the failure to provide accurate financial data. The firm faced internal crises, some linked to the global economic downturn, while others related to development projects. Concurrently, three industrial firms exited the Amman Stock Exchange, including the Intermediate Petrochemical Industries Firm (IPCH), which was unable to rectify the conditions and losses resulting from the Russian-Ukrainian war and the COVID-19 pandemic, ultimately leading to its withdrawal. The National Electricity Firm also experienced losses due to declining natural gas imports from Egypt, significantly increasing reliance on heavy fuel oil and diesel for power generation. Saba Metal Casting Firm was similarly impacted by the global crisis and accumulated losses, resulting in its delisting from the stock exchange (UNIDO, 2024). And there is a gap in the scientific literature regarding the impact of both accounting income and economic value added on the financial sustainability (Abdouli et al., 2012).

Based on the description above, the researcher is interested in examining the impact of accounting income and Economic Value Added (EVA) on the financial sustainability of industrial firms listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

Thus, the researcher aims to answer the following main question

What is the impact of accounting income and economic value added on the financial sustainability of industrial firms listed on the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM?

The following sub-questions have emerged from the main question stated above:

1. What is the impact of accounting income and EVA on the capital adequacy indicators (Leverage ratio and Equity Multiplier) of industrial firms listed on the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM?
2. What is the impact of accounting income and EVA on the asset quality indicators (Asset Utilization and Asset Turnover Ratio) of industrial firms listed on the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM?

3. What is the impact of accounting income and EVA on the profit and earnings indicators (Profit Margin, ROA, ROE, and EPS) of industrial firms listed on the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM?
4. What is the impact of accounting income and EVA on the efficiency and competitiveness indicators (administrative expenses ratio and expenses ratio) of industrial firms listed on the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM?
5. What is the impact of accounting income and EVA on the liquidity indicators (liquid asset ratio and current ratio) of industrial firms listed on the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM?
6. What is the impact of accounting income and EVA on the Openness and Sensitivity to Market indicators (fixed asset turnover, fixed asset ratio, and ratio of working capital to liability) of industrial firms listed on the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM?

1.3 Objectives

The purpose of this study is to examine the impact of both Accounting Income and Economic Value Added (EVA) on the financial sustainability, using the age and size of firms as control variables. Specifically, this study investigates whether EVA demonstrates a stronger relationship with financial sustainability than traditional accounting variables, such as Net Income. Additionally, the study seeks to assess the extent to which industrial firms embrace the concept of financial sustainability. It also aims to determine the level of commitment among firms to disclose both financial and non-financial sustainability indicators, particularly in light of the observed trend of non-commitment in various financial markets (Abdel Hafeez & Abdel Fattah, 2020).

This study aims to develop an analytical framework by analyzing CAPPELO indicators to assess a firm's financial sustainability concept. CAPPELO indicators are examined: capital adequacy, asset quality, profits and revenues, efficiency and competitiveness, liquidity, openness and sensitivity to market risks, and employee productivity. In this study, the seventh group that is employee productivity was excluded due to a lack of data on the number of employees for industrial firms listed on the Saudi Stock Exchange. This is because only financial data of firms are available on the Saudi Stock Exchange, not

financial reports. And this analysis was applied to the financial statements of industrial firms listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM from 2019 to 2023.

Since this subject is of great importance, the primary objective of the study is as follows:

Analyse the impact of accounting income and Economic Value Added (EVA) on the financial sustainability of industrial firms listed on the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

This objective was divided into the following sub-objectives:

1. Analyse the impact of accounting income and EVA on the Capital Adequacy Indicators of industrial firms listed on the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.
2. Analyse the impact of accounting income and EVA on the asset quality indicators of industrial firms listed on the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.
3. Analyse the impact of accounting income and EVA on the profit and earnings indicators of industrial firms listed on the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.
4. Analyse the impact of accounting income and EVA on the efficiency and competitiveness indicators of industrial firms listed on the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.
5. Analyse the impact of accounting income and EVA on the liquidity indicators of the Industrial Firms Listed on the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.
6. Analyse the impact of accounting income and EVA on the Openness and Sensitivity to Market indicators of the Industrial Firms Listed on the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

1.4 Study Significance

The study highlights the critical role of financial crisis management in ensuring long-term business sustainability. Managers must prioritize resolving financial issues by reducing unnecessary expenses and thoroughly analyzing financial performance. The study is particularly relevant given ongoing crises, including political unrest in Palestine, the

Russian-Ukrainian war, and the COVID-19 pandemic, which have disrupted sustainability (Mohammad A. , 2023).

1.4.1 Scientific Significance

The study is conducted during a period of economic crisis, particularly in Palestine, emphasizing the need for financial sustainability reports. A gap in existing literature is identified, as few studies specifically examine the impact of accounting income and Economic Value Added (EVA) on financial sustainability and this study aims to develop advanced analytical methods for sustainable financial reporting (Abu Zer & Al-Atum, 2016).

1.4.2 Practical Significance

According to Al-Dulimi (2022), industrial firms utilize numerous resources daily. These firms must focus on financial sustainability to ensure long-term economic growth. Investors require reliable indicators, such as EVA to make informed stock market decisions. Economic decision-makers and stakeholders must prioritize sustainability to mitigate future crisis (Moqableh & Hilat, 2018; Al Janabi & Mohammad, 2014).

1.5 Theories

According to Smith (2023), the most effective approach to achieving growth and capitalist development is implementing policies promoting competition and providing economic actors greater freedom to pursue their interests. This aligns with the widely accepted belief that human nature is characterized by a desire to trade, improve material circumstances, and seize advantageous opportunities. Such policies can stimulate growth by increasing the real investment rate, decreasing the real interest rate, and accelerating technological development, particularly in investments that contribute to a firm's continuity and sustainability (Amadeo, 2021; Ledesma & Moro, 2020).

1.5.1 The Main Theories Related to the Study

1.5.1.1 Stakeholder Theory

Freeman et al. (2018), Kepup (2022), and Wright (2023) assert that the voluntary sustainability disclosures of an organization are influenced by a diverse array of stakeholders, including shareholders, creditors, suppliers, managers, customers,

competitors, employees, their families, the media, local communities, charitable organizations, and future generations. Firms will likely provide more information on sustainable development to minimise inspection costs and evade government oversight. Conversely, managers anticipate relaxing state management regulations when information is voluntarily disclosed.

1.5.1.2 Agency Theory

Previous work completed by Cole (2022) suggests that large corporations are more likely to disclose sustainability information voluntarily. Agency theory illustrates the interaction between managers and owners, highlighting concerns that a firm's manager may not act in the best interests of the owners and shareholders, even when both parties aim to maximize their respective interests. This theory elucidates why shareholders and creditors seek information from annual reports (el Kouiri, 2023). Furthermore, agency theory has significant implications for both society and businesses. One of the primary issues raised by this theory is the responsibility gap. According to agency theory, managers and management are accountable to the owners or shareholders. Consequently, there is often disagreement regarding who is responsible for the firm's impacts and consequences. This ambiguity leads to a lack of accountability, as no individual within the firm is held responsible for any negative effects the firm may have on society or the environment. One of the major challenges posed by agency theory is the externalization of environmental and social issues. This suggests that, in pursuit of maximizing revenue and profit, all costs associated with these factors are often externalized, thereby influencing the firm's overall direction.

1.5.2 The Supporting Theories Related to the Study

1.5.2.1 Political Economy Theory

Nguyen and Nguyen (2020) and Battaglini and Coate (2014) argue that managers, similar to government officials, labour unions, and community organizations, base their decisions on the interests of firms—such as tax regulations, monopoly restrictions, and competition—on the information provided by these firms. The post-war era, often called an age of "progress, growth, and improvement," has been characterized by a connection between increased welfare, well-being, and happiness and a rise in producing goods and services. There is a broad consensus among economists across disciplines that the primary

objective of political economy is development, as outlined above. Development is defined as establishing the political and economic frameworks necessary for genuine free markets to operate, facilitating higher production through specialization and labour exchange (Sabau, 2020).

1.5.2.2 Signal Theory

Another work by Nguyen and Nguyen (2020) and Gabbert (2021) indicate that financial decisions serve as signals for investors to consider feedback. The firm's financial communication policy is grounded in this signalling theory. According to this theory, profitable firms often utilize financial data as a marketing signal. Enhanced information transparency can attract investors and facilitate capital raising. Consequently, managers can provide users of financial statements with information regarding corporate sustainability, allowing them to assess the firm's performance effectively (Connelly, Certo, Ireland, & Reutzel, 2011).

1.5.2.3 The Trade-Off Theory

Kravchenko et al. (2020) demonstrated that the interest tax shields associated with debt and the costs of financial distress can be integrated into a state preference model. Uniform performance indicators for all logistics providers and the appropriate balance of indicators across sustainability dimensions are essential. The trade-off theory of capital structure posits that managers strive to balance the benefits of interest tax shields against the present value of potential financial distress costs (Çerkezi, 2013).

According to the trade-off hypothesis, an optimal capital structure balances bankruptcy costs with the present value of interest tax shielding. Firms determine their target leverage ratio by weighing the advantages of tax benefits against bankruptcy costs. On the one hand, as the amount of fixed interest payments increases, so do the anticipated expenses associated with financial distress, leading to higher bankruptcy costs with increased debt (Osburg & Diallo, 2011).

1.5.2.4 System Disruption Theory in Sustainable Finance

Given the potential disruptions to the existing mainstream financial system, economic agents may need to determine whether to support or engage in the transition to sustainable finance. A complete overhaul of the mainstream financial system may not be necessary to facilitate the shift toward sustainable finance (Ghraibeh, 2023; Ozili, 2022).

1.5.2.5 Life Span Theory of Sustainable Finance

It asserts that the duration of sustainable finance products, services, tools, schemes, policies, or activities affects the interest of economic agents in sustainable finance. This provides a compelling rationale for the fluctuations in support or demand for specific sustainable financing instruments, such as green bonds. Additionally, it recognizes the importance of data or projections related to the life cycle phases of sustainable finance products, services, schemes, policies, or actions (Nykvist & Maltais, 2022; Ozili, 2022).

1.5.2.6 The Resource Theory of Financial Sustainability

Certain countries possess more human resources than others, giving them a competitive advantage in achieving financial sustainability and its associated objectives more rapidly. This theory is significant as it recognizes that some countries have a surplus of human resources compared to others, and it also acknowledges the varying degrees of development among countries, as development is both a product of and dependent on the availability of man-made resources. However, a notable drawback of this theory is that it overlooks the creation of artificial resources that can be utilized to identify countries that struggle to meet their financial sustainability objectives, primarily because variations in human resources require considerable time to address (Ghraibeh, 2023).

1.5.2.7 The peer imitation theory of sustainable finance

Economic agents imitate their peers' behaviours, policies, and strategies to achieve sustainable finance goals (Ozili, 2022).

1.5.2.8 The financial sustainability priority theory

This theory acknowledges that economic factors have a variety of significant priorities with the possibility of achieving goals to finance financial sustainability; however, this study has been criticized for not indicating that prioritizing financial sustainability goals

leads to achieving their goals and that financial sustainability goals can be achieved without making them a national priority. It also claims efforts made by policymakers and managers to achieve financial sustainability goals without making them a national priority. It also claims that the effort made by policymakers and managers to achieve financial sustainability goals in a country or firm reflects the priority given to the financial sustainability agenda (Ghraibeh, 2023; Yue, Ashhari, & Fan, 2022).

1.5.2.9 Theory of Expansion of the Firm

The concept of growth originated by Baumol (1962) around the beginning of the 1950s and 1960s. His article explains that moving from profit tracking to firm growth activities results from increased management involvement in decision-making (Karpac & Bartosova, 2022).

1.5.2.10 Shareholder value theory

Fruhan and Rappaport established the theory of appreciating owners' contributions and increasing the firm's value (O'connell & Ward, 2020).

1.5.2.11 The first mover theory

Firms can gain benefits through the priority of acquiring and exploiting scarce assets (property and material resources) And the superiority in the level of information related to those assets and natural resources and future changes in their prices and the net economic returns that can be done, especially since they consist of 3 main tools, the first of which is the priority of obtaining inputs (input factors), the first is the priority of obtaining inputs (input factors), the second is the priority of receiving production sites (geographic and product location), and the third is the priority of investing in factories and equipment (plants and equipment), It helps in their achievement of economies of scale and external savings, allowing them to maintain these firm's profitability and protect their production position in the market (Fathi & Qassem, 2022).

1.5.2.12 Priority theory

According to the sustainable finance priority theory, the order in which sustainable finance goals are prioritised is contingent upon the order in which other significant goals are prioritised. Sustainable finance is defined as finance that considers environmental,

social, and governance factors while making investment decisions in the financial sector (Ozili, 2022).

1.5.2.13 neoclassical theory

Concentrating on the free market system of production, exchange, and consumption where people and legal entities (economic actors) compete to make the most profit. To do this, algorithms are created within the context of this idea. This theory holds that economic agents are "black boxes" that transform resources into goods or render services (Abdikeev, Bogachev, & Melnichuk, 2018; Galbács, 2015).

1.6 Theoretical Framework

1.6.1 Sustainability Concept

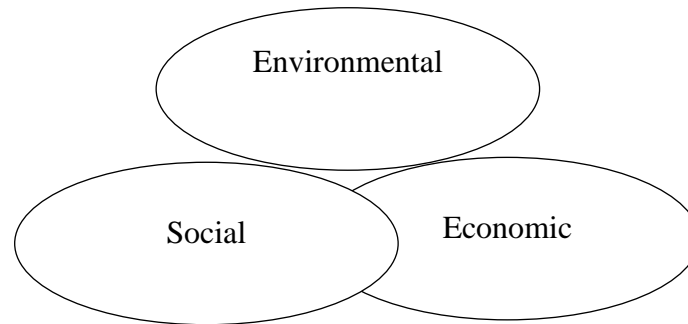
According to EPA (2023), sustainability was mainly focused on the early 1970s, which was the previous century. It is defined as satisfying current generations' needs without compromising future generations' capabilities and needs (Abdelmaksoud, 2022). Sustainable development refers to creating long-term value for stakeholders through corporate practices based on economic factors (Ekardt, 2018). According to figure (1), sustainability usually has three dimensions: environmental, social, and economic which promoting renewable energy, ensures that human well-being, equity, and social justice are maintained over time, and encourages responsible business practices.

The international community recently affirmed its commitment to achieving sustainable development, ensuring inclusive and sustainable economic growth, promoting social inclusion, and protecting the environment by adopting the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals. The 2030 Agenda for Sustainable Development is an aggressive action plan for countries, United Nations agencies, and all other development actors. It is common, rights-based, and transformational (Azim, 2021).

Sustainability consists of three main dimensions:

Figure (1)

Sustainability Dimension



Since most financial metrics are historical, firms require data related to potential future developments. On the other hand, non-financial measures are typically more focused on the future and offer more accurate predictions of future financial performance (Marfo, Amoaka, Amaning, Anim, & Ghorman, 2022; Zorn, Esteves, Baur, & Lips, 2018). A world weakened by corporate practices that undermine the possibility of a sustainable future makes it more and more unacceptable for a firm to have as its primary and exclusive responsibility to maximise economic wealth for its owners. For a variety of reasons, firms themselves are becoming increasingly motivated to indicate that they are committed to producing shared value rather than just shareholder value, that they are meeting the needs and expectations of their stakeholders rather than just shareholders, and that they are working to make every part of their operations sustainable (Okoba & Chukwu, 2023).

Proponents of sustainability are urging firms to think more broadly about how they drive value and the impacts their operations and strategic decisions have on the environment and society. Sustainability disclosure can be a differentiator in competitive industries and foster investor confidence, trust, and employee loyalty. Additionally, analysts often consider a firm's sustainability disclosures in their assessment of management quality efficiency, and its reporting may provide firms with better access to capital (Schroeder, Clark, & Cathey, 2022).

There are many types of sustainability with three dimensions, environmental, social, and economic, which have become more focused in recent years due to growing public interest in sustainability (TWI, 2023). In this study, we will focus on financial sustainability by enhancing financial and non-financial performance, which is measured

by the firm's net profit, which is defined as the revenues remaining after deducting all costs and expenses, and the cash liquidity available to meet these liabilities without the need for financing from external sources (Azim, 2021).

The interaction of various economic resources is what drives economic activity. The quality and quantity of human and natural resources enable economic growth and comprehensive economic development, which entails significant structural changes in the economy and permits the creation of plans and programs in every area covered by financial sustainability (Abdelmaksoud, 2022).

Firms should disclose more about sustainability in response to uncertainties to improve their reputation for environmental and social responsibility among stakeholders and forge relationships with them. The collection of study highlights the significance of understanding financial sustainability; it also highlights the role that creative financial mechanisms, modified regulations, and sustainability disclosures have in advancing financial sustainability.

Implementing financial policies that support financial sustainability to maintain economic growth in the medium and long term without compromising the ability of future generations to benefit from resources was primarily responsible for Saudi Arabia's economy sharing the highest growth rate among G20 countries in 2022. Financial sustainability is achieved by using surplus revenues to achieve environmental, social, and economic goals (Al Weam, 2024).

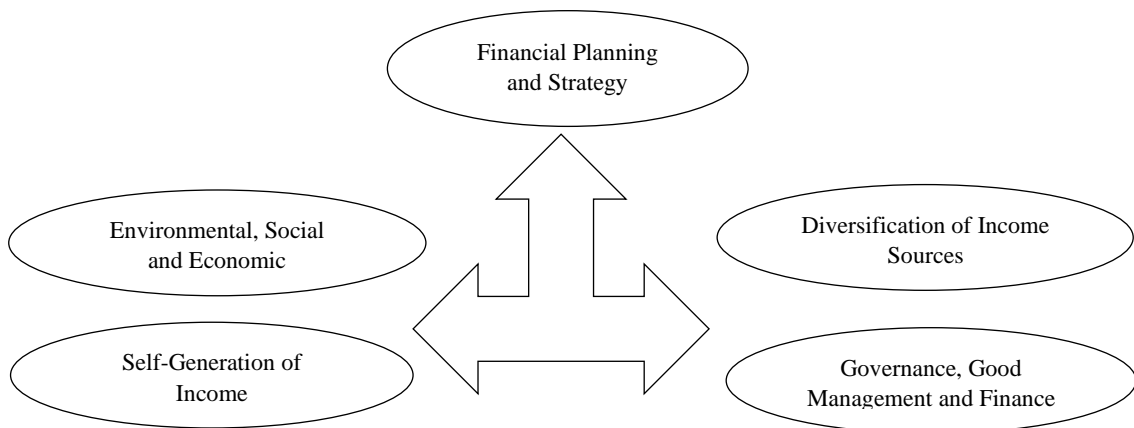
Society can develop in its technological aspects and ability to ensure increasing income levels for future generations. Sustainability refers to maintaining and expanding economic well-being for as long as possible. This well-being is determined by income and consumption rates, which include many necessities for human survival, including clothing, food, housing, transportation, health care, and education, through the discovery and adoption of new and better methods of production, as well as working to raise levels of production by developing human energies and skills (Al Ghafli, 2019). This creates added value for firms that achieve economic growth and investment opportunities in industrial development without compromising to meet the needs of future generations (Al-Fodary, 2022; Type, et al., 2013).

1.6.2 Sustainability's Basis

Azim (2021) Sustainability is based on a set of pillars that be supported by the factors that shown in Figure (2). These factors contribute to ensuring long-term financial sustainability, managing risks for sustainable growth, promoting balanced economic growth, reducing dependence on external financing, reducing financial risks, and enhancing transparency, accountability and efficiency.

Figure (2)

Sustainability's Basis



1.6.3 Financial Sustainability Concept

The concept of financial sustainability has emerged as a major issue internationally due to the severe damage to the financial situation of many countries, especially after the global financial and economic crisis. The firm's keenness to contribute to achieving the goals of sustainable development by preserving the environment, improving the quality of life, and fighting poverty without affecting investment opportunities and making a profit, as a sustainable firm, is a pioneering firm for businesses That reflects its adoption of the three pillars of sustainable development (environmental, social and economic) and sustainable so that it provides goods and services with efficient resources while creating the least possible environmental impact and the maximum possible value for the quality of life of people, especially customers (Azim, 2021).

Financial Sustainability is used to define strategies that promote the utilization of economic resources to their best advantage. A sustainable model proposes an equitable distribution and efficient allocation of resources. To be sustainable, a firm must be

profitable; however, focusing on profit cannot ignore the other pillars. That is, profit at any cost is not the goal of the economic pillar (Schroeder, Clark, & Cathey, 2022).

One of the most important components of sustainable development is the financial dimension, which aims to minimise resource waste, reduce income and wealth gaps, and make rational use of available financial resources. Furthermore, since global indicators show that the populations of developed countries relish wealth, social welfare, and increased economic growth rates, which have shaped their production and consumption patterns, sustainable development also addresses the equality of individuals and countries regarding economic development (Al-Fodary, 2022).

Most previous studies focus on traditional measures to measure financial sustainability (Schroeder, Clark, & Cathey, 2022). However, this study used financial and non-financial indicators represented by the CAPPELO group (capital adequacy indicators, asset quality indicators, profit and earning indicators, efficiency and competitiveness indicators, liquidity indicators, and openness and sensitivity to market indicators) (Abu Zer & Al-Atum, 2016).

1.7 Literature Review and Hypothesis Development

1.7.1 Accounting Income and Financial Sustainability

Financial capital refers to the funds available for investment in the business and includes cash, stocks, bonds, and other financial instruments. It is crucial for day-to-day operations and strategic investments. According to financial accounting theory, capital maintenance refers to financial capital maintenance rather than physical capital maintenance (Schroeder, Clark, & Cathey, 2022). Accounting income shows a firm's profits (or losses) over a specific period, usually one year (Nakhaei & Hamid, 2013).

IFRS is based on the maintenance of financial capital. The recognition of realised or unrealised revaluation gains as profits and the subsequent distribution of these profits as dividends can lead to the loss of a firm's operating capacity in the short term and its bankruptcy in the long term (JIANU, JIANU, & GUSATU, 2011). Profit is defined as the excess of income over associated costs for the operations over each period. For a firm to continue operating and grow over time, it must turn a profit. It is the primary objective, but this cannot be overstated (Kisyeri & Kira, 2022).

Accounting income is not a reliable indicator of a firm's value and cannot be used to measure firm performance, and the inability to assess profitability is an ongoing object of complaint (Shubita, 2010). On the other hand, value-based measures consider the cost of capital invested in a firm (Kumar & Sharma, 2011). The difference between economic profit and traditional measurements of profit does not consider the full cost of invested capital utilised by the firm to develop its activities. More explicitly, the cost of equity is not considered in the usual method (Shubita, 2010).

Financial literature indicates that the primary objective of management is to maximize shareholder wealth. Maximising shareholder wealth entails raising a firm's share price and market capitalisation. In this case, the effective performance indicator helps assess how well the firm maximises wealth. Many firms still rely on profit-based performance metrics, which ignore opportunity expenses like equity capital costs. Furthermore, accrual-based and real earnings management affects profit-based performance metrics like accounting income. The expectation of accountants may occasionally impact accounting income due to the implementation and implications of accounting standards (Tripathi, Chotia, Solanki, Meena, & Khandelwal, 2023). By utilising EVA, firms may achieve their goal and minimise the deficiencies associated with traditional profit-based performance indicators. All economic data aims for good financial performance since it is the only way to guarantee its survival and continuity. The accounting income indicator was one of the most useful measuring indicators at first, but it was criticised and replaced by more recent indicators, such as EVA, which is still regarded as one of the most accurate (Zarqon & Zarqon, 2014).

Since September 2008, when the financial crisis first emerged, the entire world has been following the dire consequences of the major financial collapse that struck many financial organizations in the United States of America, in addition to the decline in stock markets and their prices in many Arab and foreign countries. This crisis is described as the greatest since the Great Depression in the 1930s, and its reasons lie in the system of capitalism based on imaginary profits (Al Ajami, 2011). Nakhaei & Hamid (2013) indicated a substantial association between EVA and share market value.

Accounting income is a useful tool for stakeholders, investors, and managers to utilise when making choices. It directs strategic decisions and aids in assessing a firm's financial

health (Warren, Reeve, & Duchac, 2019). International Financial Reporting Standards (IFRS) or Generally Accepted Accounting Principles (GAAP) provide the framework for accounting income. It includes components such as accruals, amortisation, and depreciation, which include cash and non-cash.

1.7.2 Economic Value Added and Financial Sustainability

British economist Alfred Marshall described economics as the study of people in their daily lives. It focuses on how money is made and spent; in other words, it is the study of wealth, even if economics is part of the humanities. A high accounting net profit may not always be an indicator of excellent financial performance, but it does indicate a firm's view of financial performance, whether it is an accounting income perspective or an economic profit perspective. According to traditional economists such as Milton Freedman, "added economic value" refers to both added value and the production elements' contribution to the value provided to a certain product. This assists in reducing the issues with agency theory because it recognises that the facility's true success depends on achieving its objectives, particularly in the context of the quick changes that the environment is undergoing and the facility management's recent emphasis on creating value for shareholders rather than just profitability (Al-Muzaini, Saddaqa, & Raheel, 2022). The development of the economic assessment process was an appropriate response to the assessment challenges demonstrated by several flaws in performance measures and questionable firm practices in the marketplace (Sichigea & Vasilescu, 2015). These issues confused the organization's assessment of its performance as the indicators used for performance assessment evolved, moving from considerations of establishment size and turnover to consideration of accounting returns. Eventually, the concept of value creation crystallised into value management, which served as a warning to financial managers not to overstate the maximisation of shareholders' wealth and to steer clear of indicators that relied solely on accounting assessment (Al ali, 2016).

One of the concepts that defines the basis of economics is economic value (Hourani, 2018) Economic value has been a unique indicator of operational performance for over 15 years. It is widely used across all industries as the basis for financial strategy development and decision-making (Ali, 2010). EVA measures were developed to address the shortcomings of generally accepted accounting principles. To achieve a set of objectives and bring accounting values closer to economic values, the calculation of the

measure necessitates numerous adjustments to invested capital and accounting income. EVA captures the success of the firm in providing prosperity to the community. The facility's success means more care and prosperity for community members, including workers, government, owners, and shareholders (Al-Fodary, 2022).

According to financial thought references, the EVA indicator is one of the financial performance measures put forward in current financial management theory. This is because EVA is a comprehensive indicator of important variables compared to traditional financial indicators. It also reflects the overall performance of the firm and the areas in which financial management enhances the capacity of the firm's decisions in a way that maximises the wealth of owners or shareholders. This is why EVA is regarded as the primary goal of the firm's management decisions, which still serves as the firm's compass (Hourani, 2018).

Each firm ought to try to increase performance in the unpredictable and constantly shifting world we live in nowadays. As a result, to keep growing and maintain its place in the market, it must adjust to shifting market conditions. An organization can be successful in the market if it pays attention to the growth of its value. As a result, the current tendency is to raise the firm's worth by reaching objectives and formulating new ones while making effective use of available resources and accounting for capital costs (Karpac & Bartosova, 2022). Analysing the firm's financial position can provide information regarding the future financial trajectory of specific enterprises (Karpac & Bartosova, 2022; Khan, Dankiewicz, Kliuchnikava, & Oláh, 2020; Vochozka, Rowland, & Vrbka, 2016). In today's firm economy, economic added value is an idea that is relatively important since it may indicate to the firm's owners how much a shareholder generates, or it can report on profits that exceed paid liabilities and capital costs (Robinson, 2020). A key component of economic profit is the EVA indicator, which is one of several indicators that demonstrate how well a firm can manage its assets (Jeřábek et al., 2016). Firms in this concept require an accurate approach to represent this indicator because economic profit is much more difficult to measure than accounting income (Valášková, et al., 2020).

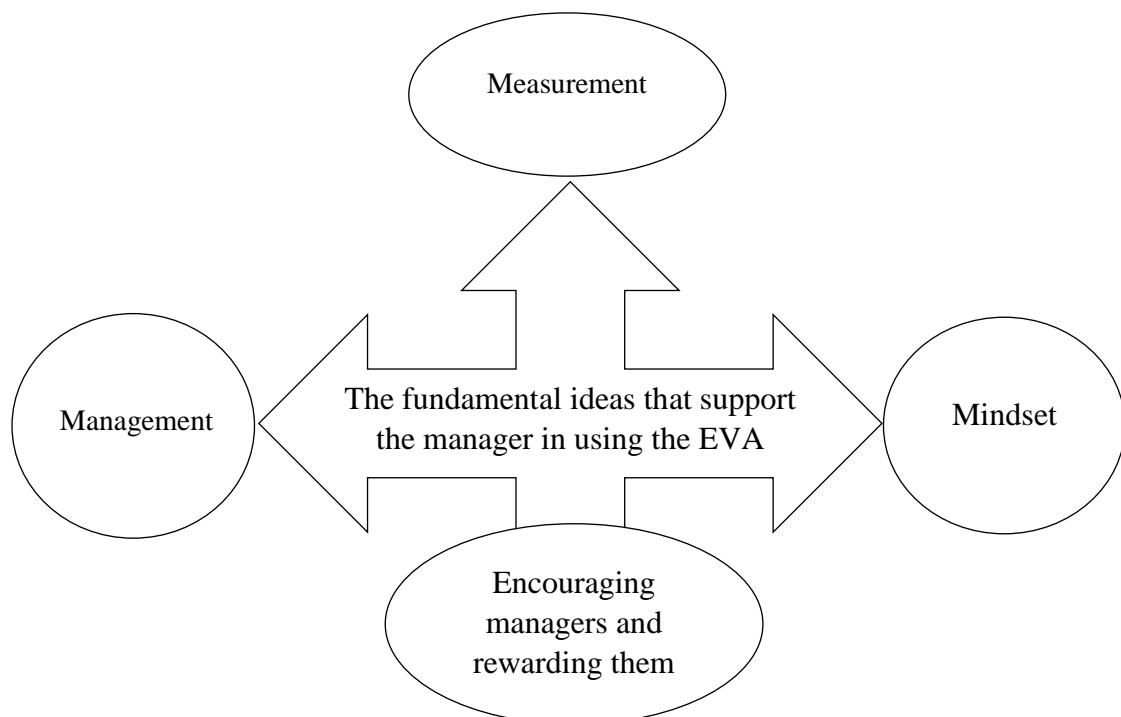
EVA measures create a compelling reason for managers to achieve returns with high efficiency, and they are the most suitable measure for associate managers' wages and

compensation, with a specific indicator as an incentive system rather than an accounting income indicator (Asaad, 2012). Maximising shareholders' wealth or value has recently become a widely recognised goal for corporate finance managers. Due to the integration of financial markets and regulatory reforms (regarding disclosure requirements and investor protection), shareholder activism has reached an unprecedented level. As a result, firms should continually increase shareholder value. Corporations are now giving shareholders' curiosity the highest priority despite formerly giving it the lowest priority (Kumar & Sharma, 2011).

Sauro & Tafirei (2016) claimed that today's leaders live by the maxim "managing for value." this is confirmed by a brief review of the director or chief executive's assertions in annual financial and financial reports that publicly traded corporations have always attempted to maximise the value of shareholder investment. Zhang & Aboud (2019) state that although any firm aims to improve its profits and enhance short-term revenues, wealth maximisation has replaced profit maximisation as a primary goal, i.e., the time value of money is calculated. Figure (3) showed the four fundamental ideas that support the manager in using the EVA indicators to manage the organization and generate value for shareholders effectively as (Zarqon & Zarqon, 2014). As follows:

Figure (3)

The fundamental ideas that support the manager in using the EVA



Bangun & Natsir (2023) EVA indicates a firm's annual profitability. It measures a firm's success by looking at the absolute amount of shareholder value that can be created or destroyed in a given period, which can be used as a value-based measure of a firm's success.

According to the above, we propose the following hypothesis:

H1: There is a positive impact of accounting income and EVA at the level of significance ($\alpha \leq 0.05$) on the financial sustainability of Industrial Firms Listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

This Hypothesis was divided into the following sub-hypothesis as shown in fig. (4):

H1(a): There is a positive impact of accounting income and EVA at the level of significance ($\alpha \leq 0.05$) on the Capital Adequacy indicators of Industrial Firms Listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

H1(b): There is a positive impact of accounting income and EVA at the level of significance ($\alpha \leq 0.05$) on the Asset Quality indicators of Industrial Firms Listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

H1(c): There is a positive impact of accounting income and EVA at the level of significance ($\alpha \leq 0.05$) on the Profits and Earnings indicators of Industrial Firms Listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

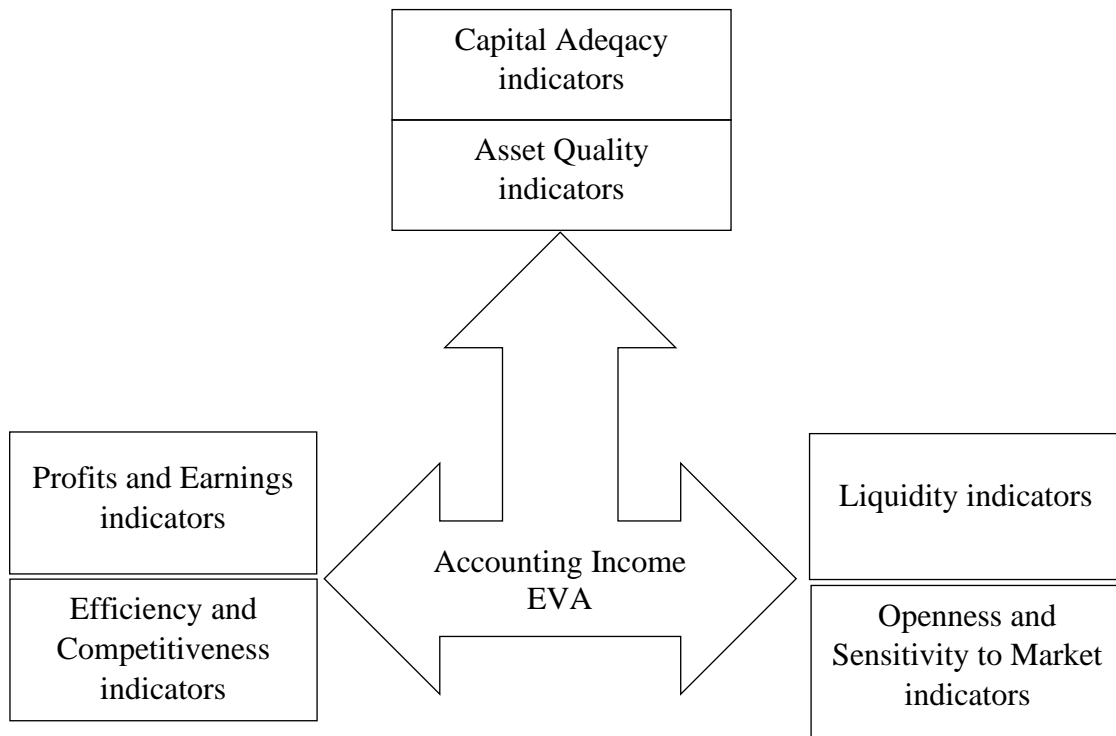
H1 (d): There is a positive impact of accounting income and EVA at the level of significance ($\alpha \leq 0.05$) on the Efficiency and Competitiveness indicators of Industrial Firms Listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

H1(e): There is a positive impact of accounting income and EVA at the level of significance ($\alpha \leq 0.05$) on the liquidity indicators of Industrial Firms Listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

H1(f): There is a positive impact of accounting income and EVA at the level of significance ($\alpha \leq 0.05$) on the Openness and Sensitivity to Market indicators of Industrial Firms Listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

Figure (4)

There is a positive impact of accounting income and EVA on the financial sustainability.



1.8 The relationship between control variables and financial sustainability

According to Dang & Li (2015), the firm's age and size can impact a firm's decision on financial sustainability. Febriyanti (2021) notes that larger firms are more knowledgeable about risk management and are more diversified. Larger firms typically reveal more information than smaller ones. Big, profitable firms may afford to pay extra for sustainability reporting or the fullest transparency of financial accounts. According to Okoba & Chukwu (2023), big firms are more likely to reveal their sustainability efforts since they are generally well-known and work hard to maintain and potentially even grow their competitive edge shortly. In addition to having more resources to devote to sustainability initiatives, larger firms benefit from economies of scale that allow them to cut costs and increase output levels relative to smaller firms. Kuzey & Uyar (2017) documented a positive association between firm size and sustainability disclosures. However, according to Bani-Khalid et al. (2017), a firm's age has little impact on its disclosures about its sustainability performance.

Chapter Two

Methodology and Procedures

2.1 Introduction

This study aims to expand the analytical framework of sustainability to determine the impact of Accounting Income and EVA on the financial sustainability of industrial firms listed on the Palestine Exchange (PEX), the Amman Stock Exchange (ASE), the Qatar Stock Exchange (QSE), the Kuwait Stock Exchange (KSE), the Muscat Stock Exchange (MSE), Saudi Stock Exchange (SSE), Bahrain Bourse (BHB) and Dubai Financial Market (DFM); it is based on approaches that have a direct impact on corporate sustainability and the CAPPELO method has been developed for this purpose.

2.2 Methodology

Based on the nature of the study and the information needed to identify the impact of Accounting Income and EVA on the financial sustainability of industrial firms listed on eight stock exchanges, including the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM but Abu Dhabi Stock Exchange was excluded due to the inability to collect all the necessary data, the researcher employed a quantitative approach due to its appropriateness for the study's objectives. Two sources were utilized to gather information: a primary source consisting of data extracted from the financial statements of industrial firms listed on the stock exchanges mentioned above for the period from 2019 to 2023 and a secondary source involving a review of the literature and previous studies related to the study's topic. Also, the analytical approach was employed to analyse this data using the STATA version 17 because of its appropriateness for the nature of the data.

2.3 Population and Sample of the Study

The study population consists of industrial firms listed on the nine stock exchanges as shown in table (1), a total of 205 industrial firms, while the study sample represents 183 firms, representing 89% of the total number of firms studied as shown in figure (5), of which two firms are listed on the Saudi Stock Exchange, two firms on the Dubai Stock Exchange and All firms listed on the Abu Dhabi Stock Exchange was excluded due to insufficient data. This is a carefully selected sample because the industrial sector is the core of the economy and is also heavily dependent on the supply chain, which creates value for customers by meeting their needs promptly and efficiently. Since wars,

epidemics, and other crises directly affect the supply chain and lead to supply chain disruptions, the shortage or absence of raw materials and other basic inputs for the manufacturing process affects the operations of the firm, which in turn has an impact on the performance, financial performance and sustainable development of the firm. According to the stock exchange website, the industrial sector is listed as the most important. This study was supposed to be conducted from 2016 to 2023, but the data for industrial firms listed on the Saudi Stock Exchange is available only from 2019, so the study was conducted only from 2019 because the industrial firms listed on the Saudi Stock Exchange represent the largest part of the study population and sample size.

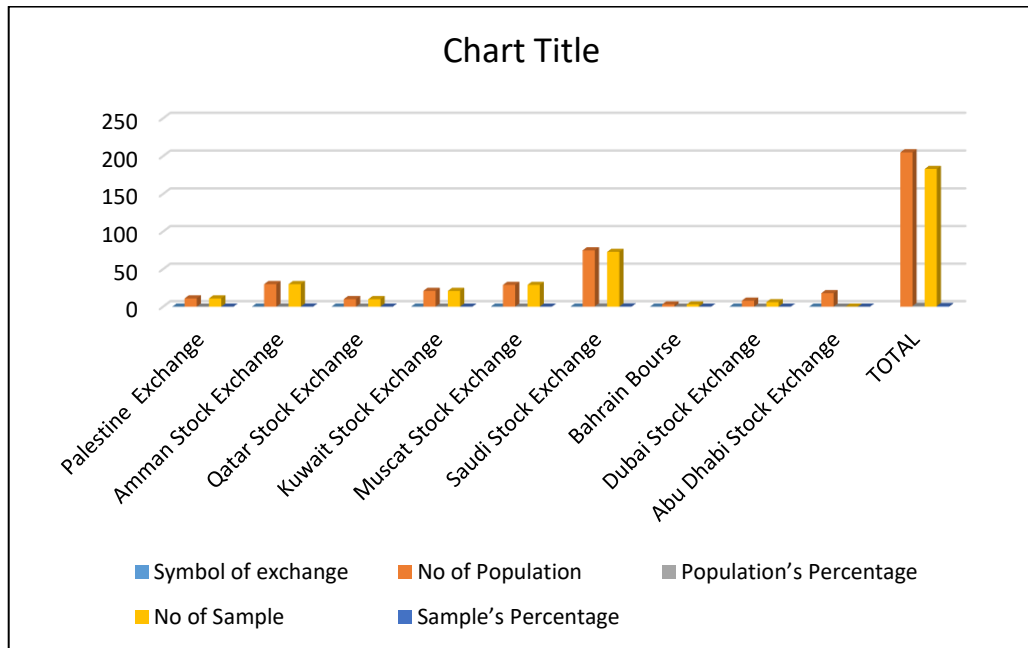
Table (1)

Population and Sample of the Study

Name of the exchange	Symbol of exchange	No of Population	Population's Percentage	No of Sample	Sample's Percentage
Palestine Exchange	PEX	11	5%	11	5%
Amman Stock Exchange	ASE	30	15%	30	15%
Qatar Stock Exchange	QSE	10	5%	10	5%
Kuwait Stock Exchange	KSE	21	10%	21	10%
Muscat Stock Exchange	MSE	29	14%	29	14%
Saudi Stock Exchange	SSE	75	36%	73	35%
Bahrain Bourse	BHB	3	1%	3	1%
Dubai Stock Exchange	DSE	8	4%	6	3%
Abu Dhabi Stock Exchange	ADX	18	10%	0	0%
TOTAL		205	100%	183	89%

Figure (5)

Population and Sample of the Study



2.4 Variables

2.4.1 Independent Variables

2.4.1.1 Accounting Income

The most important financial indicator for assessing the firm's performance and profitability. It is defined as the remaining amount of the firm's revenues after deducting all operating costs and expenses during the operating period (CFO, 2013). Accounting income refers to a firm's net profit within the parameters of traditional financial reporting requirements, so economic value added is a measure of financial performance and accurately reflects the true profit of the firm. Many firms have adopted it as an internal control measure (Marfo, Amoaka, Amaning, Anim, & Ghorman, 2022).

Earning a profit is the incentive for people and organisations conducting a firm. It seems logical that for a firm to survive, its accomplishments must outweigh its efforts, with any excess going toward either firm expansion or the owners' payouts (Al-Adeem, 2023; CFI, 2023).

2.4.1.2 Economic Value Added

Refers to actual economic profit and is a measure of shareholders' wealth and is defined as the amount remaining from net operating profit after tax after deducting capital expenditures (AL Osaimi, 2019; Sichigea & Vasilescu, 2015; Nakhaei & Hamid, 2013).

The formula for EVA is as follows:

- $EVA = NOPAT - (WACC \times IC)$ (1)

Where:

- $WACC = (D \times rd)(1-tax)] + (E \times re)$(2)

- $D = \text{Weight of Debt} = \text{Total Liabilities} / \text{Total Liabilities and Equity}$(3)

- $rd = \text{Cost of Debt} = \text{Interest Expense} / \text{Total Non-Current Liabilities}$(4)

- $E = \text{Weight of Equity} = \text{Total Equity} / \text{Total Liabilities and Equity}$(5)

- $re = \text{Cost of Equity} = \text{Net Income After Tax} / \text{Total Equity}$(6)

- $IC = \text{Invested Capital} = \text{Total Liabilities \& Equity} - \text{Total Current Liabilities}$(7)

From the EVA calculation, conclusions will be obtained with the interpretation of the results according to (SUNDARI et al ., 2023) as follows:

1. If $EVA > 0$, the firm generates a return greater than the cost of capital, indicating that it is creating additional value for shareholders.
2. If $EVA < 0$, the firm does not generate enough returns to cover the cost of capital. That is, the profits generated are less than the financing costs.
3. If $EVA = 0$, the firm is earning a return equal to its cost of capital.

2.4.2 Dependent Variable

One variable is considered in this study (Financial Sustainability).

2.4.2.1 Financial Sustainability

Sustainable development satisfies current needs without sacrificing those of future generations. Financial sustainability has recently become a matter of great interest because shareholders care about the non-financial performance of the firm and maximizing the interests of the owner, i.e. the firm's goal is no longer limited to knowing

the financial position of the entity and the result of its activities related to profit or loss for a specific financial period (Mohammad M. S., 2017). One of the most significant current assessment models developed to estimate the sustainability of a firm's financial performance and modify it in a way that ensures their long-term sustainability and enhances their competitiveness is the CAPPELO system, which derived its guidance from the CAMELS model is a monitoring system for assessing the organization's performance, where the model indicators are measured using a set of quantitative indicators that accurately assessment financial and operational performance (Al-Ashmawy, Ahmed, & Kashif, 2022). Early identification of financial imbalances in an organization's operations also benefits them and reduces their exposure to financial difficulties that could cause them to fail or even be declared bankrupt (Abdel Hafeez & Abdel Fattah, 2020). The CAPPELO Group relies on six indicators to assess the performance of any firm: Capital adequacy, Asset quality, profit and earnings, efficiency and competitiveness, liquidity, and sensitivity to Market Risk as shown in figures (6) and (7) (Abu Zer & Al-Atum, 2016).

CAPPELO will be represented in CAMELS Indicators and Financial Indicators as follows:

Capital Adequacy indicators: These indicators calculate the ratio that determines an organization's capacity to absorb losses. A regular return on assets will be transformed into a high return on equity by increasing financial leverage and the equity multiplier with a reduced equity basis (Jha & Agrawal, 2022). The firm's capital is a source that is protected by enhancing the firm's sustainability and improving its efficiency, as it reflects the firm's financial position, whether the firm can confront unexpected shocks in the future, and the risks it faces (Azim, 2021). The firm's capital adequacy is assessed through:

- Leverage Ratio (Debt to equity ratio): refers to the ability of the firm's capital requirements to meet the risks, including credit, operational, settlement, and market risks, associated with carrying out its licensed activities. It also refers to the firm's capacity to pay down its debt, both short- and long-term (QFMA, 2020). This ratio measures the extent to which firms rely on external financing. That is, the degree to which firms rely on financial organizations to finance their investments through sources of interest fees, be they bank loans, debt securities, or other debt financial

instruments. Each of these resources directly affects the profit margin for shareholders and raises the firm's risk of default risk. The utilisation of outside resources is necessary to optimize the firm's shareholders' profits (Abdul Rahman et al., 2021). Corporate entities raise capital to begin and expand their firm operations by purchasing bonds and taking out loans. In many developing countries, corporate debt has been rising, sometimes very quickly (Okoba & Chukwu, 2023). Certain firms may desire to withhold information regarding their financial sustainability performance, particularly if they are uncertain about the degree of appreciation they will receive from stakeholders. In these circumstances, the degree of sustainability performance disclosure may be inversely correlated with leverage (Kuzey & Uyar, 2017). As the main competitors, lenders are worried about loan repayment and interest. Lender's concerns are more likely to be addressed by businesses than those of weaker stakeholder groups like employees or the general public. Therefore, a high-leverage firm typically discloses more information to demonstrate its ability to meet its liabilities and reassure lenders and investors. Furthermore, firms with a larger debt load in their capital structure are more likely to have greater agency charges. Therefore, the researcher used the Capital adequacy ratio because it protects organizations against excess leverage and insolvency and keeps them out of difficulty (Fatima, 2014).

In addition to the above ratio, the researcher also added the below economic indicator to the above, namely:

- Equity multiplier (Total Asset / Total Equity): this reflects the ability of equity to create assets for the firm and measures the extent to which shareholders finance a firm.

Asset Quality indicators: The main purpose of this indicator is to determine the composition of assets or provisions that are expected to face risks as a percentage of total assets, as these ratios constitute the critical part of the firm's activity and operations that lead to revenue generation (Azim, 2021). It is one of the aspects of corporate management, which is the assessment of the firm's assets to facilitate the assessment of the quantity and risks related to its operations (Adeolu, 2014). The following ratios are used as an indicator of the value of risk in the firm's portfolio:

- Asset Utilization (Total Revenue / Total Asset): Firms assess total asset utilization ratios to determine how well a firm performs compared to its competitors (Patin et al., 2020).
- Asset turnover ratio (Net Sales / Average Total Assets): measures the firm's revenue generated by the efficient utilization of the firm's assets. This ratio also considers the degree of usage of physical assets, which indicates that firms use assets to generate revenue efficiently (Patin, Rahman, & Mustafa, 2020).

Profits and Earnings indicators: Profit is the final result of a firm's business activity and is frequently utilized to determine the success of the firm. One of the main pillars for ongoing firm planning and decision-making is firm performance data (Siekelova & Podhorska, 2020). It is measured by:

- Profit Margin (Net Income / Total revenue): an indicator for assessing profit that measures profits after taxes and interest to sales. The increased profit margin indicates the firm's greater efficiency and effectiveness (Handayani & Zarkasyi, 2020). It is also used to compute the gains (or losses) a firm generates, making it easier to assess its performance over different periods or compare it against competitors (Žvinklys, 2024).
- Return on Asset (ROA): (Net income / total asset): assess how effectively it operates in generating revenue from its assets without considering the implications of financing (Singh et al., 2024). A higher return on asset value indicates that a firm is more profitable and efficient (CFI, 2023).
- Return on Equity (ROE): (Net income / total equity): assesses a firm's profitability by reporting the amount of profit it generates on the capital that its shareholders have invested (Al-Qudah, 2016). A greater return on equity (ROE) indicates that equity financing is used more profitably (Remesh & Gaba, 2024).
- Earnings per Share (EPS): A highly investigated measure, it is frequently used to indicate a firm's profitability per unit of shareholder ownership. Therefore, earnings per share are a major factor determining share prices (Jyoti et al., 2024). The corporation's profitability, represented in each share, is described by EPS (Bratamanggala, 2018).

Efficiency and Competitiveness indicators indicate the level of effectiveness with which the firm performs to accomplish those goals (Azim, 2021). The indications are as follows:

- Administrative expenses ratio ($\text{Adm expenses} / \text{Total expenses}$): Some firms reduce costs on administrative expenses, which improves their profitability, while other firms spend greater amounts on administration because it enhances satisfaction and encourages employees to work even harder toward a common corporate goal (Kisyeri & Kira, 2022).

Other studies demonstrated how administrative costs improve employee efficiency, which raises a firm's standing in the marketplace (Kim & Jang, 2020).

- Expenses ratio ($\text{total expenses} / \text{total assets}$): The expense ratio calculates the percentage of an organisation's assets that go toward operating and administrative costs (Hayes, Kindness, & Velasquez, 2024).

The expense ratio is a crucial measure in finance. A firm's total yearly operating expenses, represented as a percentage of its typical net assets, are represented in the expense ratio. A lower ratio suggests that a firm is more cost-effective, which can increase investors' total returns.

Over time, high expense ratios may significantly decrease investment returns (Abu Zer & Al-Atum, 2016).

Liquidity indicators refer to the firm's capacity to rapidly and loss-free

- Liquid asset ratio ($\text{Liquid asset (current)} / \text{Total asset}$): this ratio convert any short-term asset into liquid cash to satisfy its current liabilities. It is an essential managerial skill required in any business sector, managing a firm's cash commitments and correctly maintaining the finances without suffering significant losses (Lalithchandra & Rajendhiran, 2021). It is measured by:, which includes current assets such as cash and all assets and rapidly turns them into cash, represents the firm's liquidity in general status (Azim, 2021).
- Current Ratio ($\text{Current asset} / \text{Current liability}$): It assesses a firm's ability to pay off current debt or short-term liabilities when billed in full (Yahya & Hidayat , 2020).

Openness and Sensitivity to Market indicators, the risk that adjustments in the market might affect capital or earnings. Sensitivity Indicators are as follows:

- Fixed asset turnover ratio (Net Sales/Average Fixed Assets): used to assess how well a firm's owned fixed assets generate sales, or, to put it another way, how well the ability they have achieves so (Dini, Saraswati, & Putri, 2022). It helps lenders, investors, creditors, and management determine whether the firm is growing well and using its fixed assets efficiently. It allows them to make significant decisions about their financial strategy. The fixed asset turnover ratio is useful for examining the firm's expansion (Abu Zer & Al-Atum, 2016). According to (Kenton et al ., 2024), the fixed-asset turnover ratio measures the efficiency with which a firm generates net sales from its fixed-asset investments.

In addition to the above ratios, the researcher also added the below economic indicator to the above, namely:

- Fixed Asset Ratio (Fixed Assets to Total Assets): the proportion of unit funds dedicated to buildings, equipment, and other facilities represents the management's ability to allocate such funds. The rise in this percentage indicates that the financial management is using more liquid money than is necessary to attain profits by transferring a portion of the funds from current assets to fixed investments (Azim, 2021).
- Ratio of working capital to liabilities (working capital / Total liabilities): the capacity of the firm to satisfy its short- and long-term liabilities is determined by working capital (Abu Zer & Al-Atum, 2016). It also indicates how it planned to handle and utilize the money from its investments and shareholders. According to the firm's investment system, working capital may positively or negatively impact profit (Azim, 2021).

Figure (6)

Financial Indicators

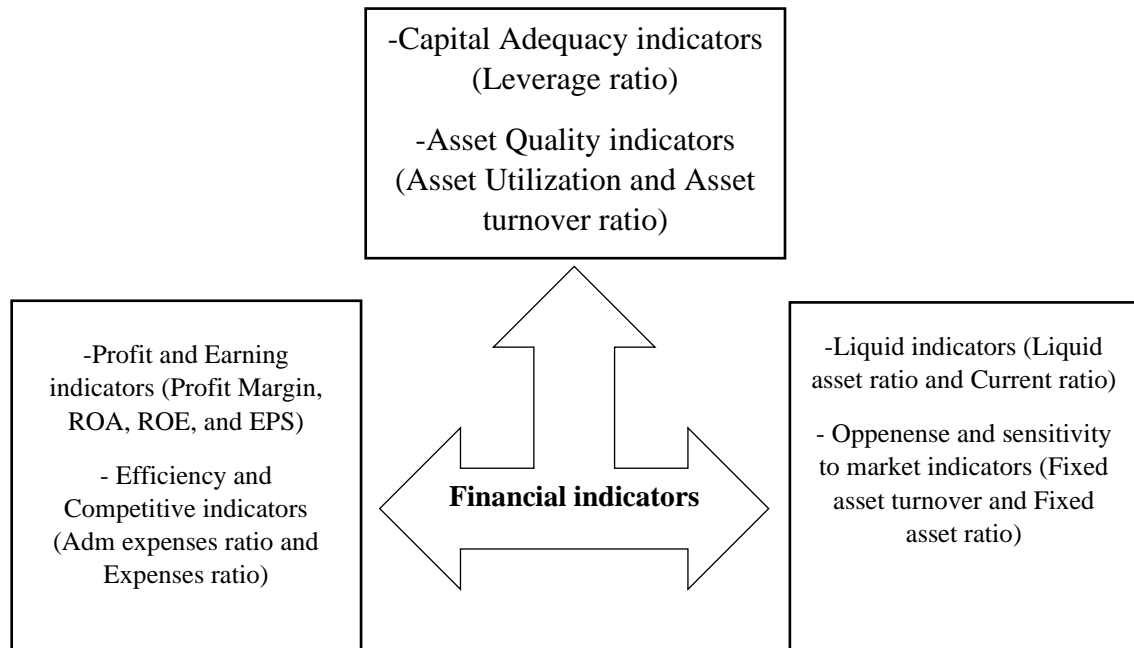
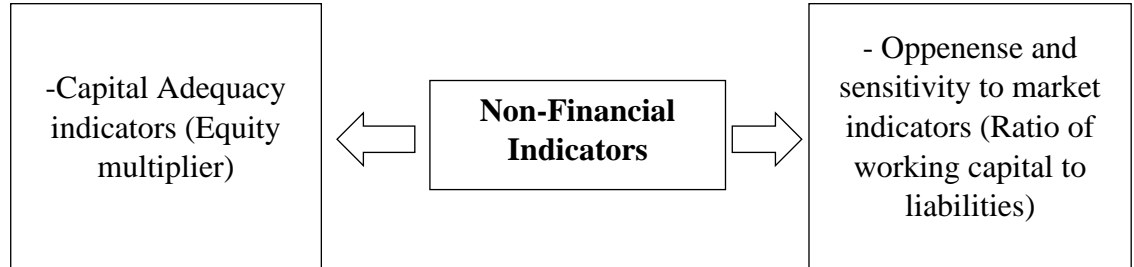


Figure (7)

Non-Financial Indicators



2.5.3 Control Variables

Firm Size: The size of the firm affects financial performance as well (Shawawreh, 2019). The impact can be observed in the overall net sales for the accounting period. The public generally recognizes firms with high sales volumes as having better prospects than smaller firms (Hadid & Hamdan, 2022). The availability of information in capital markets will form the basis of investor analysis used to make investment decisions. Due to their access to financial markets, big firms find raising more money from investors simpler to enhance their profitability. (Chih & Chen, 2010) It was found that larger firms are more interested in sustainability disclosures than smaller firms. This added to the firm size.

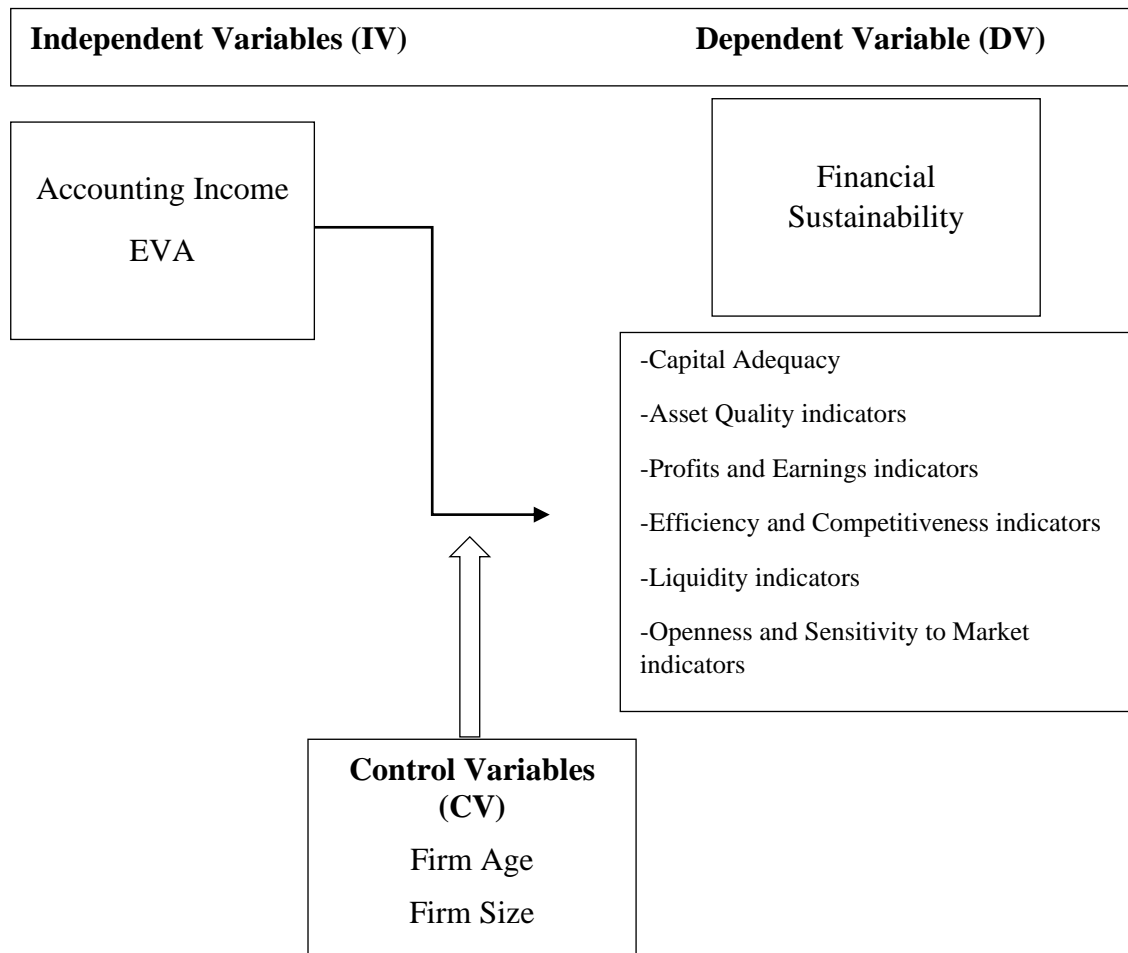
Firm Age: Firm age impacts the firm's profitability because it can assist in determining how long the firm will last and generate profits year after year (Samosir, 2018). A "liability of senescence" could be present in older enterprises in addition to a "liability of obsolescence." This means that more established firms won't be able to maintain their development as they get more static, tightly structured, and challenging to adapt. Their approach is in light of the evolving market. New firms could try to achieve a Minimum Efficient Scale (MES) while attempting to overcome their "liability of newness" and achieve economies of scale (Coad, Daunfeldt, & Halvarsson, 2014). Aging helps a firm become more efficient in using its financial resources. An entity will need to manage the interests of several stakeholders as a result of the operations of the firm activities, which will lead to an increase in the quantity and caliber of stakeholders over time. As a firm age, the number and complexity of stakeholders will also increase, increasing the demand for more information. However, some firms might be rigid in their responses to information requests from stakeholders, and if the firm has achieved financial success in its operations, then such disclosure behavior might not hurt the firm. Consequently, corporate financial sustainability performance reports may or may not be impacted by firm age (Okoba & Chukwu, 2023).

2.6 Study Model

This model comprised of two independent variables, two control variables, and one dependent variable that represented by six groups as shown in figure (8).

Figure (8)

Study Model



2.7 Statistical Analysis Methods

The study used a multiple regression technique in analyzing the impact of a firm's accounting income and EVA and other selected control variables on the financial sustainability of firms listed on the Palestine, Amman, and the Gulf Cooperation Council (GCC) countries stock exchanges. Data obtained from secondary data sources was analyzed using Statistical software for data science (STATA).

2.7.1 Descriptive Analytical Approach

This method was used to summarize the main characteristics of the data, including the mean, Standard deviation, minimum and maximum values.

2.7.2 Correlation Analysis

To examine the association between independent variables to check for multicollinearity. Multicollinearity occurs when there is a close association between two or more independent variables that may affect the accuracy and sustainability of the regression results.

2.7.3 Multiple Regression Analysis

Badokina, Ilyina, Shvetsova, Nekrasova, & Mokieva (2021) assessed the impact of several independent variables (accounting income and EVA) on the dependent variables (financial sustainability) with the control variables of firm's Age & firm Size for selected firms in Palestine Exchange (PEX), the Amman Stock Exchange (ASE), the Qatar Stock Exchange (QSE), the Kuwait Stock Exchange (KSE), the Muscat Stock Exchange (MSE), Saudi Stock Exchange (SSE), Bahrain Bourse (BHB) and Dubai Financial Market (DFM) (Abu Zer & Al-Atum, 2016).

2.8 Models

The regression model that was used in this study comprised of two independent variables, two control variables, and one dependent variable. Financial sustainability was the dependent variable using CAPPELO indicators.

It was as follows:

$$\text{Financial Sustainability} = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \varepsilon.$$

Where:

a_0 : represent Intercept; β_1-4 represent regression coefficient; AI: Accounting Income; EVA: Economic Value Added; FI-AGE: Firm Age; FI-SIZE: Firm Size; ε ; error term.

So the multiple regression equation is:

$$\text{Model 1: Leverage Ratio} = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \varepsilon.$$

$$\text{Model 2: equity multiplier} = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \varepsilon.$$

$$\text{Model 3: Asset Utilization} = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \varepsilon.$$

$$\text{Model 4: Asset turnover ratio} = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \varepsilon.$$

$$\text{Model 5: Profit Margin} = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \varepsilon.$$

Model 6: $ROA = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \epsilon.$

Model 7: $ROE = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \epsilon.$

Model 8: $EPS = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \epsilon.$

Model 9: $Administrative\ expenses\ ratio = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \epsilon.$

Model 10: $Expenses\ ratio = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \epsilon.$

Model 11: $Liquid\ Asset\ Ratio = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \epsilon.$

Model 12: $Current\ Ratio = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \epsilon.$

Model 13: $Ratio\ of\ working\ capital\ to\ liabilities = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \epsilon.$

Model 14: $Fixed\ asset\ turnover\ ratio = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \epsilon.$

Model 15: $Fixed\ asset\ ratio = a_0 + \beta_1 AI + \beta_2 EVA + \beta_3 FI-AGE + \beta_4 FI-SIZE + \epsilon.$

Chapter Three

Data Analyses, Results and Discussion

3.1 Introduction

The CAPPELO sustainability indicators set for selected firms in Palestine, Amman, and the GCC countries were comparatively analyzed for each group between countries; this is because the comparison between firms is the basis for the analysis to determine the degree of differentiation between them for the indicator groups and because there is a difference in the size and nature of the industrial sector between countries.

3.2 Descriptive analytical approach

This analysis presents the mean, standard deviation, minimum, and maximum value of leverage ratio, equity multiplier, asset utilization, asset turnover ratio, profit margin, return on asset, return on equity, earning per share, administrative expenses ratio, expenses ratio, liquid asset ratio, current ratio, fixed asset turnover ratio, fixed asset ratio, ratio of working capital to liability, firm size and firm age of industrial firms listed on the PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

Firstly, the Capital Adequacy Indicators

Table (2) below presents the mean, standard deviation, minimum, and maximum value of the leverage ratio and equity multiplier of each country comparability.

Table (2)*Descriptive Analysis of Capital Adequacy Indicators*

Country	Variable	Obs	Mean	Std.Dev.	Min	Max
PEX	Leverage Ratio	55	0.2659641	.4023456	0	2.166543
	equity multiplier		2.333283	3.999515	1.147596	24.15306
ASE	Leverage Ratio	150	1.274126	11.18597	0	137.1758
	equity multiplier		6.492672	48.18163	0	585.7513
QSE	Leverage Ratio	50	0.8257185	3.580093	0	25.48226
	equity multiplier		82.03985	275.8179	1.005865	1060.434
KSE	Leverage Ratio	105	0.5817365	.8837159	0	6.03171
	equity multiplier		2.416426	1.617867	1.088441	9.597623
MSE	Leverage Ratio	145	0.7486392	2.121044	-5.847916	16.50788
	equity multiplier		2.541133	4.047469	7.930857	29.43009
SSE	Leverage Ratio	365	3.117256	23.45347	0.9220236	248.674
	equity multiplier		7.595546	50.94472	-1.567705	512.7639
BHB	Leverage Ratio	15	0.0001562	0.0002588	0	.0006596
	equity multiplier		5.021899	7.450461	1.08237	24.02323
DFM	Leverage Ratio	30	0.255678	0.4441997	0	1.390979
	equity multiplier		1.102185	6.46231	31.28145	8.78097

Palestine Exchange (PEX)

Table (2) presents the leverage ratio with a mean of 0.2659641. The leverage ratio typically measures the proportion of debt used to finance the operations, and a standard deviation of .4023456 suggests significant variation in leverage ratios with a maximum value of 2.166543, which means that in these extreme cases, the firm's total debt is greater than twice its equity and with a minimum value of 0 which indicates that some firms in the dataset have no debt at all (fully equity-financed). Equity multiplier recorded a mean of 2.333283 with a standard deviation of 3.999515 with a maximum value of 24.15306 and minimum value of 1.147596, indicating that some firms rely mostly on equity with limited debt.

Amman Stock Exchange (ASE)

Table (2) presents the average leverage ratio with a mean of 1.274126. A leverage ratio greater than one often indicates a highly leveraged situation and a standard deviation of 11.18597, indicating a wide spread of values and significant variability in the data with the maximum value of 137.1758, which means there is Many firms suffer from

accumulated losses and rely heavily on debt, the most important of which are Afak Investment and Real Estate Development Holding firm, United Cables Factories, and Dar Al Dawa for Development and Investment. The equity multiplier recorded a mean of 6.492672 on average. Firms finance their assets approximately 6.49 times their equity with a standard deviation of 48.18163, large Std. Dev implies extreme variability in the capital structure with maximum and minimum values of 585.7513 and 0, respectively.

Qatar Stock Exchange (QSE)

Table (2) presents the average leverage ratio with a mean of 0.8257185. This indicates that, on average, firms use a significant amount of debt relative to their equity but are not excessively leveraged and have a standard deviation of 3.580093, which implies a substantial spread in leverage ratios across the firms in the dataset with a maximum value of 25.48226 this is an extraordinarily high value Because many of the listed firms depend heavily on debt, in addition to the fact that Gulf International firm incurred high losses. The equity multiplier recorded a mean of 82.03985 on average, indicating extremely high leverage with a standard deviation of 275.8179, large Std. Dev implies extreme variability in the capital structure with maximum and minimum values of 1060.434 and 1.005865, respectively and this agreed with (Abu Zer & Al-Atum, 2016) who indicated that increasing the owner's wealth better than the situation of SSE.

Kuwait Stock Exchange (KSE)

Table (2) presents the leverage ratio with a mean of 0.5817365 and a standard deviation of 0.8837159. There is some spread, but it doesn't seem excessive compared to the mean, with maximum and minimum values of 6.03171 and 0, respectively. The equity multiplier recorded a mean of 2.416426 with a standard deviation of 1.617867 with maximum and minimum values of 9.597623 and 1.088441, respectively.

Muscat Stock Exchange (MSE)

Table (2) presents the leverage ratio with a mean of 0.7486392 because most listed firms rely heavily on financing their operations with debt and a standard deviation of 2.121044. This indicates considerable variability in leverage ratios with a maximum value of 16.50788 and a minimum value of -5.847916, a negative ratio Because Oman European Food Industries firm has accumulated large losses, which led to the negative equity. The equity multiplier recorded a mean of 2.541133 with a standard deviation of 4.047469, suggesting significant variation in capital structure with a maximum value of 29.43009 and minimum value of -7.930857, indicating to firms with negative equity and (Abu Zer

& Al-Atum, 2016) indicated that equity multiplier reached only 1.36, which is the lowest among previous the countries.

Saudi Stock Exchange (SSE)

Table (2) presents that the leverage ratio had a mean of 3.117256, indicating a highly leveraged dataset overall, and a standard deviation of 23.45347, indicating a wide spread of leverage ratios with a maximum value of 248.674, indicating a financial distress scenario and minimum value of -0.9220236, Because Saudi Cable firm has a negative equity. The equity multiplier recorded a mean of 7.595546 with a standard deviation of 50.94472, which suggests extreme variability in the firm's capital structures with a maximum value of 512.7639, indicating extraordinarily high leverage and a minimum value of -1.567705, which indicates firm with negative equity result from accumulated losses, but (Abu Zer & Al-Atum, 2016 ; Abdel Hafeez & Abdel Fattah, 2020) indicated the owner's wealth has increased by 216% since the establishment of the five major industrial firms.

Bahrain Bourse (BHB)

Table (2) presents the leverage ratio had a mean of 0.0001562, indicating that, on average, firms carry negligible debt relative to their total equity, but according to (Abu Zer & Al-Atum, 2016) indicated that the debt ratio is very high. Equity multiplier recorded a mean of 5.021899 with a standard deviation of 7.450461 and a maximum value of 24.02323.

Dubai Financial Market (DFM)

Table (2) presents the leverage ratio had a mean of 0.255678, indicating that, on average, firms carry negligible debt relative to their total equity and a standard deviation of 0.4441997, indicating little variation in leverage ratios across the dataset with maximum and minimum values of 1.390979 and 0 respectively. Equity multiplier recorded a mean of 1.102185 with a standard deviation of 6.46231 which suggests a significant variation in the firm's capital structures with a maximum value of 8.78097 and minimum value of -31.28145, which indicates that some firms have negative equity often due to accumulated losses or financial distress.

Secondly, the Asset Quality Indicators

Table (3) below presents the mean, standard deviation, minimum, and maximum value of asset utilization and asset turnover ratio of each country's comparability.

Table (3)*Descriptive Analysis of Asset Quality Indicators*

Country	Variable	Obs	Mean	Std.Dev.	Min	Max
PEX	asset utilization	55	0.6966242	1.13186	0.011545	8.594419
	asset turnover ratio		1.7067463	1.127939	0.0121307	8.557095
QSE	asset utilization	50	0.2449762	0.578317	0.01	4.103684
	asset turnover ratio		0.2198824	0.4291291	0.01	2.951771
KSE	asset utilization	105	0.3947093	0.308289	0.0009259	1.456171
	asset turnover ratio		0.3898202	0.3159598	0.0009311	1.461601
MSE	asset utilization	145	0.7793017	0.3177721	0.2331005	1.625314
	asset turnover ratio		0.785309	0.3287199	0.177417	1.80839
SSE	asset utilization	365	0.5740852	0.8293918	0	9.249756
	asset turnover ratio		0.6148254	1.029425	0	11.15599
BHB	asset utilization	15	0.6305698	.3479881	0.1738531	1.151081
	asset turnover ratio		0.6013239	0.3248198	0.1742904	1.181159
DFM	asset utilization	30	0.8390723	1.752579	0.0222269	6.499688
	asset turnover ratio		0.8662536	1.819261	0.0199822	7.05239

Palestine Exchange (PEX)

Table (3) presents the average asset utilization with a mean of 0.6966242 and a standard deviation of 1.13186. It suggests that asset utilization varies significantly across firms with maximum and minimum values of 8.594419 and 0.011545, respectively. The asset turnover ratio had a mean of 1.7067463, indicating moderate use of debt with a standard deviation of 1.127939.

Amman Stock Exchange (ASE)

Table (3) presents the average asset utilization with a mean of 4.758012 and a standard deviation 51.06806. It suggests that asset utilization varies significantly across firms, with a maximum value of 626.0219, indicating unique operational efficiency and a minimum value of 0. It suggests that some firms do not generate any revenue from their assets. The asset turnover ratio had a mean of 0.5998507, indicating moderate use of debt with a standard deviation of 0.4375002.

Qatar Stock Exchange (QSE)

Table (3) presents the average asset utilization with a mean of 0.2449762 and a standard deviation of 0.578317 with maximum and minimum values of 4.103684 and 0.1,

respectively. The asset turnover ratio had a mean of 0.2198824, indicating moderate use of debt with a standard deviation of 0.4291291 (Adeolu, 2014).

Kuwait Stock Exchange (KSE)

Table (3) presents the average asset utilization with a mean of 0.3947093 and a standard deviation of 0.308289. The asset turnover ratio had a mean of 0.3898202 and a standard deviation of 0.3159598, similar to the mean, suggesting considerable variation.

Muscat Stock Exchange (MSE)

Table (3) presents the average asset utilization with a mean of 0.7793017, indicating relatively efficient asset usage and a standard deviation of 0.3177721. The asset turnover ratio had a mean of 0.785309 and a standard deviation of 0.3287199.

Saudi Stock Exchange (SSE)

Table (3) presents the average asset utilization with a mean of 0.5740852, indicating relatively efficient asset usage and a standard deviation of 0.8293918. The asset turnover ratio had a mean of 0.6148254 and a standard deviation of 1.029425 and (Abdel Hafeez & Abdel Fattah, 2020; Abu Zer & Al-Atum, 2016) indicated that the firms in SSE had a degree of utilization of their assets of 27% on average.

Bahrain Bourse (BHB)

Table (3) presents the average asset utilization with a mean of 0.6305698, indicating relatively efficient asset usage and a standard deviation of 0.3479881. The asset turnover ratio had a mean of 0.6013239 and a standard deviation of 0.3248198.

Dubai Financial Market (DFM)

Table (3) presents the average asset utilization with a mean of 0.8390723 and a standard deviation of 1.752579. The asset turnover ratio had a mean of 0.8662536 and a standard deviation of 1.819261, indicating different levels of operational efficiency across firms.

Thirdly, the Profit and Earnings indicators

Table (4) below presents the mean, standard deviation, minimum, and maximum value of profit margin return on asset, return on equity, and earnings per share of each country comparability.

Table (4)*Descriptive analysis of Profit and Earnings indicators*

Country	Variable	Obs	Mean	Std.Dev.	Min	Max
PEX	Profit Margin	55	0.2205243	0.3066702	-0.1186294	1.413906
	ROA		0.0745171	0.087245	-0.0349396	0.63674
	ROE		0.1070887	0.1119369	-0.12168	0.8025265
	EPS		0.5176461	0.826161	-0.211446	4.403715
ASE	Profit Margin	150	-0.130707	1.513217	-13.27143	4.750566
	ROA		0.0171657	0.1234821	-0.8571554	0.3461398
	ROE		-0.3082556	4.127909	-50.34072	3.297761
	EPS		0.7360238	2.538592	-0.8985045	23.4846
QSE	Profit Margin	50	1.324699	2.541083	-0.106313	9.82
	ROA		0.0873176	0.198565	-0.0320154	1.043807
	ROE		0.1425499	0.3970849	-0.0980104	2.08765
	EPS		0.0857803	0.1212083	0	0.4212
KSE	Profit Margin	105	1.158728	6.221029	-6.669551	35.92607
	ROA		0.087703	0.3037816	-0.1304287	2.543363
	ROE		0.1330625	0.6577401	-1.072227	5.739321
	EPS		56.20642	556.8974	-4718.172	1667.909
MSE	Profit Margin	145	-0.0052815	0.1717755	-1.413371	0.3130669
	ROA		-0.0008218	0.1015257	-0.6884476	0.2382216
	ROE		-0.0987019	0.7000008	-5.878449	1.351962
	EPS		0.0039756	0.3061396	-1.303845	1.412931
SSE	Profit Margin	365	-0.4574087	5.002101	-66.59596	3.974999
	ROA		-0.053503	0.8614734	-12.79474	2.147252
	ROE		-0.1243148	1.66253	-24.01253	3.266089
	EPS		0.5973511	5.752339	-9.506118	107.1765
BHB	Profit Margin	15	0.1574024	0.159052	-0.1873593	0.3232152
	ROA		0.0731352	0.1048584	-0.1345631	0.2284632
	ROE		0.689411	1.604153	-0.4711096	4.937477
	EPS		-15.76547	59.60845	-221.333	39.48589
DFM	Profit Margin	30	0.251417	0.6988915	-1.995268	1.082031
	ROA		0.5070377	1.456188	-0.3327096	5.347206
	ROE		-5.302988	25.16248	-136.9618	2.195117
	EPS		0.2125274	2.547723	-9.612	8.991

Palestine Exchange (PEX)

Table (4) presents the average profit margin had a mean of 0.2205243, indicating a healthy profitability level and a standard deviation of 0.3066702 with a maximum value of 1.413906, indicating cost efficiencies and minimum value of -0.1186294, indicating that some firms are operating at a loss. ROA had a mean of 0.0745171, reflecting moderate efficiency in utilizing assets to produce profits and a standard deviation of 0.087245. ROE recorded a mean of 0.1070887 with a standard deviation of 0.1119369, indicating diverse profitability outcomes with a minimum value of -0.1186294, which indicates firms with losses, potentially reducing shareholder value. And EPS had a mean of 0.5176461 and a standard deviation of 0.826161, suggesting wide variation in earnings per share across firms with a maximum value of 4.403715, indicating strong profitability for certain firms and minimum value of -0.211446, indicating financial challenges for certain firms.

Amman Stock Exchange (ASE)

Table (4) presents the average profit margin with a mean of -0.130707 on average, indicating firms incurred losses, and a standard deviation of 1.513217 implies wide variability, with some firms achieving substantial profits while others faced significant losses with a maximum value of 4.750566. This exceptionally high value suggests that a few firms achieved unusually strong profitability, and a minimum value of -13.27143 indicates firms facing extreme financial difficulties or operational inefficiencies. ROA had a mean of 0.0171657, indicating low asset efficiency and a standard deviation of 0.1234821. ROE recorded a mean of -0.3082556, reflecting widespread financial losses with a standard deviation of 4.127909, indicating extreme variability in shareholder returns with a minimum value of -50.34072, indicating firms suffering significant equity losses, possibly due to large debt and accumulated losses. EPS had a mean of 0.7360238 and a standard deviation of 2.538592, with a maximum value of 23.4846, indicating strong profitability for certain firms and a minimum value of -0.8985045, indicating financial distress.

Qatar Stock Exchange (QSE)

Table (4) presents the average profit margin with a mean of 1.324699 on average, indicating specific industries with atypical profit dynamics, a standard deviation of

2.541083, and a minimum value of -0.106313, indicating the presence of firms operating a loss. ROA had a mean of 0.0873176, reflecting moderate efficiency in asset utilization and a standard deviation of 0.198565. ROE recorded a mean of 0.1425499 with a standard deviation of 0.3970849 with a minimum value of -0.0980104, potentially eroding shareholder equity. EPS had a mean of 0.0857803, indicating modest earnings, and a standard deviation of 0.1212083, with a maximum value of 0.4212, indicating efficient operations, and a minimum value of 0, indicating the unavailability of data for some firms and this results agreed with (Abu Zer & Al-Atum, 2016).

Kuwait Stock Exchange (KSE)

Table (4) presents the average profit margin had a mean of 1.158728 on average, firms are retaining greater than 100% of revenue as profit, and a standard deviation of 6.221029 indicates significant variability in profit margins across firms and minimum value of -6.669551 indicating some firms are incurring losses. ROA had a mean of 0.087703, indicating moderate efficiency in utilizing assets to generate profits and a standard deviation of 0.3037816. ROE recorded a mean of 0.1330625, indicating a reasonable level of profitability for shareholders with a standard deviation of 0.6577401, indicating some firms potentially experiencing very high or low profitability with a minimum value of -1.072227 reflecting some firms losing greater than their equity. EPS had a mean of 56.20642, indicating that, on average, firms are generating significant EPS and a standard deviation of 556.8974 are extreme variables with a maximum value of 1667.909, indicating extraordinary financial gains and minimum value of -4718.172, indicating significant losses.

Muscat Stock Exchange (MSE)

Table (4) presents the average profit margin with a mean of -0.0052815, indicating that many firms are struggling, and a standard deviation of 0.1717755 and minimum value of -1.413371 indicate some firms are incurring losses. ROA had a mean of -0.0008218 and a standard deviation of 0.1015257. ROE recorded a mean of -0.0987019 with a standard deviation of 0.7000008, indicating significant variation in ROE with a minimum value of -5.878449, indicating certain firms are in financial distress. And EPS had a mean of 0.0039756, indicating a minimal profitability per share on average and a standard deviation of 0.3061396 with maximum and minimum values of 1.412931 and -1.303845, respectively.

Saudi Stock Exchange (SSE)

Table (4) presents the average profit margin with a mean of -0.4574087, a standard deviation 5.002101, and a minimum value of -66.59596. ROA had a mean of -.053503 and a standard deviation of 0.8614734. ROE recorded a mean of -0.1243148 with a standard deviation of 1.66253 with a minimum value of -24.01253. EPS had a mean of 0.5973511 and a standard deviation of 5.752339, with maximum and minimum values of 107.1765 and -9.506118, respectively. Negative mean values indicate a challenging financial period for firms and the large Std.Dev indicates diverse financial performance and this agreed with (Abdel Hafeez & Abdel Fattah, 2020).

Bahrain Bourse (BHB)

Table (4) presents the average profit margin with a mean of 0.1574024 and a standard deviation of 0.159052. ROA had a mean of 0.0731352 and a standard deviation of 0.1048584. ROE recorded a mean of 0.689411 with a standard deviation of 1.604153. EPS had a mean of -15.76547 and a standard deviation of 59.60845, indicating the negative mean EPS indicates challenges at the per-share level in certain firms.

Dubai Financial Market (DFM)

Table (4) presents the average profit margin with a mean of 0.251417, a standard deviation of 0.6988915, and a minimum value of -1.995268. ROA had a mean of 0.5070377 and a standard deviation of 1.456188. ROE recorded a mean of -5.302988 with a standard deviation of 25.16248 and a minimum value of -136.9618. EPS had a mean of 0.2125274 and a standard deviation of 2.547723, with maximum and minimum values of 8.991 and -9.612, respectively. Despite a positive average profit margin and EPS, the negative ROE indicates that firms may have faced difficulties delivering consistent shareholder returns and large Std.Dev points to wide-ranging financial performance across firms.

Fourth, Efficiency and Competitiveness indicators

Table (5) below presents the mean, standard deviation, minimum, and maximum value of the administrative expenses ratio, as well as the comparability of the expenses ratio of each country.

Table (5)*Descriptive analysis of Efficiency and Competitiveness indicators*

Country	Variable	Obs	Mean	Std.Dev.	Min	Max
PEX	Administrative expenses ratio	55	0.4933229	0.315609	0.216998	2.521009
	Expenses ratio		0.0763596	0.0387086	0.0199496	0.1764831
ASE	Administrative expenses ratio	150	0.4982589	0.2499702	0	1.616557
	Expenses ratio		0.0935757	0.088019	0	0.7511843
QSE	Administrative expenses ratio	50	0.8517009	0.4835338	0.1245083	3.105432
	Expenses ratio		0.0261257	0.0246982	0.0009059	0.1500318
KSE	Administrative expenses ratio	105	3.563199	13.14442	0.0499978	76.22949
	Expenses ratio		0.0560286	0.0508895	0.0004608	0.2892513
MSE	Administrative expenses ratio	145	0.49617	0.231025	0.0558428	1.022295
	Expenses ratio		0.2174009	0.3768539	0.0186865	2.649744
SSE	Administrative expenses ratio	365	0.4647756	0.348586	0	5.824501
	Expenses ratio		0.4319752	6.353674	0	121.4481
BHB	Administrative expenses ratio	15	0.4448501	0.3033249	0.1280367	0.9045065
	Expenses ratio		0.2708467	0.2453022	0.0829956	0.8992725
DFM	Administrative expenses ratio	30	0.4750187	0.2443283	0.0060819	0.8182226
	Expenses ratio		0.6643723	1.791567	0.024362	6.499688

Palestine Exchange (PEX)

Table (5) presents the average administrative expenses ratio with a mean of 0.4933229 and a standard deviation of 0.315609 with a maximum value of 2.521009 and a minimum value of 0.216998. The expense ratio had a mean of 0.0763596 and a standard deviation of 0.0387086, with maximum and minimum values of 0.1764831 and 0.0199496, respectively. Indicating that a significant portion of firm expenses were devoted to administrative functions, and some firms faced higher expenses relative to revenue.

Amman Stock Exchange (ASE)

Table (5) presents the average administrative expenses ratio with a mean of 0.4982589 and a standard deviation of 0.2499702 with a maximum value of 1.616557 and a minimum value of 0. The expenses ratio had a mean of 0.0935757 and a standard deviation of 0.088019, indicating that administrative expenses were a significant component of overall expenses.

Qatar Stock Exchange (QSE)

Table (5) presents the average administrative expenses ratio with a mean of 0.8517009 and a standard deviation of 0.4835338 with a maximum value of 3.105432 and a minimum value of 0.1245083. The expenses ratio had a mean of 0.0261257 and a standard deviation of 0.0246982, indicating the low expenses ratio mean and Std.Dev points to consistent and minimal non-administrative expenses.

Kuwait Stock Exchange (KSE)

Table (5) presents the average administrative expenses ratio with a mean of 3.563199 and a standard deviation of 13.14442 with a maximum value of 76.22949 and a minimum value of 0.0499978. The expense ratio had a mean of 0.0560286 and a standard deviation of 0.0508895, indicating that firms focus predominantly on administrative operations.

Muscat Stock Exchange (MSE)

Table (5) presents the average administrative expenses ratio with a mean of 0.49617 and a standard deviation of 0.231025 with a maximum value of 1.022295 and a minimum value of 0.0558428. The expenses ratio had a mean of 0.2174009 and a standard deviation of 0.3768539, indicating a relatively balanced cost structure for many firms and an optimized operational process.

Saudi Stock Exchange (SSE)

Table (5) presents the average administrative expenses ratio with a mean of 0.4647756 and a standard deviation of 0.348586. The expenses ratio had a mean of 0.4319752 and a standard deviation of 6.353674, with a maximum value of 121.4481, indicating potential inefficiencies for some firms (Abdel Hafeez & Abdel Fattah, 2020).

Bahrain Bourse (BHB)

Table (5) presents the average administrative expenses ratio with a mean of 0.4448501 and a standard deviation of 0.3033249. The expense ratio had a mean of 0.2708467 and a standard deviation of 0.2453022, indicating that expense structures differ significantly across firms, though not excessively.

Dubai Financial Market (DFM)

Table (5) presents the average administrative expenses ratio with a mean of 0.4750187 and a standard deviation of 0.2443283. The expenses ratio had a mean of 0.6643723 and a standard deviation of 1.791567, indicating that the administrative expenses ratio is still a significant portion of total revenue but is lower than that of non-administrative expenses.

Fifth, Liquidity indicators

Table (6) below presents the mean, standard deviation, minimum, and maximum value of the liquid asset ratio and the current ratio of each country's comparability.

Table (6)

Descriptive analysis of Liquidity indicators

Country	Variable	Obs	Mean	Std.Dev.	Min	Max
PEX	Liquid asset ratio	55	0.4743565	0.2114706	0.0430705	1
	Current ratio		2.984664	2.117188	0.2570016	9.010659
ASE	Liquid asset ratio	150	0.4555453	0.2385449	0	0.9244175
	Current ratio		3.361865	4.82988	0	38.11693
QSE	Liquid asset ratio	50	0.3637315	0.6213382	0.0124538	3.757136
	Current ratio		16.96866	47.6502	0.1589562	248.1898
KSE	Liquid asset ratio	105	0.3920003	0.2337926	0.0257847	1
	Current ratio		2.081546	1.736746	0.0744494	9.219899
MSE	Liquid asset ratio	145	0.4875474	0.2215332	0.0193062	0.9387635
	Current ratio		2.496541	2.655544	0.0445865	13.22684
SSE	Liquid asset ratio	365	0.5113888	1.534999	0	24.73192
	Current ratio		2.668457	5.968077	-0.5034289	97.96315
BHB	Liquid asset ratio	15	0.6482113	0.1333693	0.4869076	0.8982722
	Current ratio		0.4973931	19.37745	-65.06937	20.08762
DFM	Liquid asset ratio	30	0.3211147	.2274741	0.0002915	0.6595902
	Current ratio		0.9918069	0.9384681	0.0010076	3.119661

Palestine Exchange (PEX)

Table (6) presents the average liquid asset ratio with a mean of 0.4743565 and a standard deviation of 0.2114706 with a maximum value of 1. The current ratio had a mean of 2.984664 and a standard deviation of 2.117188 with maximum and minimum values of 9.010659 and 0.2570016, respectively, indicating most firms maintain a reasonable level

of liquid assets to cover short-term liabilities. However, the large standard deviation reflects the variability of firms' liquidity management strategies.

Amman Stock Exchange (ASE)

Table (6) presents the average liquid asset ratio with a mean of 0.4555453 and a standard deviation of 0.2385449. The current ratio had a mean of 3.361865 and a standard deviation of 4.82988 with a maximum value of 38.11693, indicating a balanced approach to liquidity, though there is some variation across firms.

Qatar Stock Exchange (QSE)

Table (6) presents the average liquid asset ratio with a mean of 0.3637315 and a standard deviation of 0.6213382 with a maximum value of 3.757136. The current ratio had a mean of 16.96866 and a standard deviation of 47.6502 with maximum and minimum values of 248.1898 and 0.1589562, respectively, indicating some firms have sufficient liquidity to cover short-term liabilities.

Kuwait Stock Exchange (KSE)

Table (6) presents the average liquid asset ratio with a mean of .3920003 and a standard deviation of 0.2337926. The current ratio had a mean of 2.081546 and a standard deviation of 1.736746 with maximum and minimum values of 9.219899 and 0.0744494, respectively, indicating that the average firm can cover its short-term liabilities.

Muscat Stock Exchange (MSE)

Table (6) presents the average liquid asset ratio with a mean of 0.4875474 and a standard deviation of 0.2215332 with a maximum value of 0.9387635. The current ratio had a mean of 2.496541 and a standard deviation of 2.655544, with a maximum value of 13.22684, indicating firms can cover their short-term liabilities.

Saudi Stock Exchange (SSE)

Table (6) presents the average liquid asset ratio with a mean of 0.5113888 and a standard deviation of 1.534999. The current ratio had a mean of 2.668457 and a standard deviation of 5.968077 with maximum and minimum values of 97.96315 and -0.5034289, respectively, indicating more liquid assets on average than Muscat.

Bahrain Bourse (BHB)

Table (6) presents the average liquid asset ratio with a mean of 0.6482113 and a standard deviation of 0.1333693 with a maximum value of 1. The current ratio had a mean of 0.4973931 and a standard deviation of 19.37745 with maximum and minimum values of 20.08762 and -65.06937, respectively, indicating high liquidity with consistent levels across firms.

Dubai Financial Market (DFM)

Table (6) presents the average liquid asset ratio with a mean of 0.3211147 and a standard deviation of 0.2274741. The current ratio had a mean of 0.9918069 and a standard deviation of 0.9384681 with a maximum value of 3.119661, indicating less liquidity than other exchanges and pointing to some firms struggling to meet short-term liabilities.

Sixth, Openness and sensitivity indicators

Table (7) below presents the mean, standard deviation, minimum, and maximum value of the fixed asset turnover ratio, fixed asset ratio, and the ratio of working capital to the liability of each country's comparability.

Table (7)*Descriptive analysis of openness and sensitivity indicators*

Country	Variable	Obs	Mean	Std.Dev.	Min	Max
PEX	Fixed asset turnover ratio	55	1.355885	1.382265	0.0729729	9.024366
	Fixed asset ratio		0.5256435	0.2114706	-2.01e-16	0.9569295
	Ratio of working capital to liabilities		1.070732	1.062491	-0.7429984	3.248604
ASE	Fixed asset turnover ratio	150	1.696003	2.419327	0	18.93719
	Fixed asset ratio		0.5377881	0.2396991	0	0.9996578
	Ratio of working capital to liabilities		1.271909	1.949703	-0.7435429	9.754876
QSE	Fixed asset turnover ratio	50	607.1967	1736.909	-8.217064	8702.875
	Fixed asset ratio		0.6362685	0.6213382	-2.757136	0.9875462
	Ratio of working capital to liabilities		1.918549	3.448736	-0.6186273	15.88213
KSE	Fixed asset turnover ratio	105	0.9522932	1.098866	0.0014596	4.845304
	Fixed asset ratio		0.6079997	0.2337926	0	0.9742153
	Ratio of working capital to liabilities		0.6633517	1.15516	-0.9127079	5.176644
MSE	Fixed asset turnover ratio	145	2.126618	1.850847	0.3458982	9.22069
	Fixed asset ratio		0.5124526	0.2215332	0.0612365	0.9806938
	Ratio of working capital to liabilities		0.9521968	1.872977	-0.8822745	11.08674
SSE	Fixed asset turnover ratio	365	1.229751	2.010243	0	19.51498
	Fixed asset ratio		0.6284437	0.206967	0	0.9998382
	Ratio of working capital to liabilities		1.172435	5.006716	-0.9852719	85.2561
BHB	Fixed asset turnover ratio	15	2.01938	1.718129	0.3835488	5.769002
	Fixed asset ratio		0.3517887	0.1333693	0.1017278	0.5130924
	Ratio of working capital to liabilities		1.584442	2.30398	-0.1764942	5.525037
DFM	Fixed asset turnover ratio	30	1.869937	4.311353	0.0292901	15.6353
	Fixed asset ratio		0.6788853	0.2274741	0.3404098	0.9997085
	Ratio of working capital to liabilities		-0.1096678	0.3857872	-0.6131316	0.731093

Palestine Exchange (PEX)

Table (7) presents the average fixed asset turnover with a mean of 1.355885 and a standard deviation of 1.382265 with a maximum value of 9.024366. The fixed asset ratio had a mean of 0.5256435 and a standard deviation of 0.2114706 with a minimum value of -2.01. The ratio of working capital to liability had a mean of 1.070732 and a standard deviation of 1.062491 with maximum and minimum values of 3.248604 and -0.7429984,

respectively, indicating moderate asset efficiency with some firms having a high proportion of fixed assets and firms generally maintaining a good balance of working capital to liabilities.

Amman Stock Exchange (ASE)

Table (7) presents the average fixed asset turnover with a mean of 1.696003 and a standard deviation of 2.419327 with a maximum value of 18.93719. The fixed asset ratio had a mean of 0.5377881 and a standard deviation of 0.2396991. The working capital to liability ratio had a mean of 1.271909 and a standard deviation of 1.949703 with maximum and minimum values of 9.754876 and -0.7435429, respectively, indicating that firms generally perform moderately well in generating revenue from fixed assets. However, there is significant variation, and the average firm has a balanced approach to investing in fixed assets with sufficient working capital to cover their liabilities.

Qatar Stock Exchange (QSE)

Table (7) presents the average fixed asset turnover with a mean of 607.1967 and a standard deviation of 1736.909 with a minimum value of -8.217064. The fixed asset ratio had a mean of 0.6362685 and a standard deviation of 0.6213382, with a minimum value of -2.757136. The working capital to liability ratio had a mean of 1.918549 and a standard deviation of 3.448736 with a minimum value of -0.6186273, indicating a wide range of efficiency in how firms use their fixed assets, with some firms being highly efficient. Others are poorly utilizing their assets, and most firms have a healthy liquidity position.

Kuwait Stock Exchange (KSE)

Table (7) presents the average fixed asset turnover with a mean of 0.9522932 and a standard deviation of 1.098866. The fixed asset ratio had a mean of 0.6079997 and a standard deviation of 0.2337926. The ratio of working capital to liability had a mean of 0.6633517 and a standard deviation of 1.15516 with a minimum value of -0.9127079, indicating a moderate but varied use of fixed assets with firms ranging from highly efficient in generating revenue from fixed assets to those that might not be using their asset effectively.

Muscat Stock Exchange (MSE)

Table (7) presents the average fixed asset turnover with a mean of 2.126618 and a standard deviation of 1.850847. The fixed asset ratio had a mean of 0.5124526 and a standard deviation of 0.2215332. The working capital to liability ratio had a mean of 0.9521968 and a standard deviation of 1.872977 with maximum and minimum values of 11.08674 and -0.8822745, respectively, indicating more efficient use of fixed assets compared to Palestine.

Saudi Stock Exchange (SSE)

Table (7) presents the average fixed asset turnover with a mean of 1.229751 and a standard deviation of 2.010243 with a maximum value of 19.51498. The fixed asset ratio had a mean of 0.6284437 and a standard deviation of 0.206967. The ratio of working capital to liability had a mean of 1.172435 and a standard deviation of 5.006716 with maximum and minimum values of 85.2651 and -0.9852719, respectively, indicating moderate and variable efficiency in utilizing fixed assets and points to significant variability in how firms manage working capital to liabilities.

Bahrain Bourse (BHB)

Table (7) presents the average fixed asset turnover with a mean of 2.01938 and a standard deviation of 1.718129. The fixed asset ratio had a mean of 0.3517887 and a standard deviation of 0.1333693. The working capital to liability ratio had a mean of 1.584442 and a standard deviation of 2.30398 with a minimum value of -0.1764942, indicating that firms use fewer fixed assets than total assets.

Dubai Financial Market (DFM)

Table (7) presents the average fixed asset turnover with a mean of 1.869937 and a standard deviation of 4.311353 with a maximum value of 15.6353. The fixed asset ratio had a mean of 0.6788853 and a standard deviation of 0.2274741. The working capital to liability ratio had a mean of -0.1096678 and a standard deviation of 0.3857872 with a minimum value of -0.6131316, indicating a higher proportion of fixed assets with firms varying in asset structure.

3.3 Correlation Analysis

Association analysis indicates the direction of the relationships between the variables used in the model. Specifically, the association coefficient measures the strength of a linear association between two variables and is denoted by R. It can vary from +1 to -1. A value of 0 indicates no association between the two variables. A value greater than 0 indicates a positive association. That is, as the value of one variable increases, so does the value of the other variable. A value less than 0 indicates a negative association. As one variable's value increases, the other variable's value decreases. Table (8) below summarises the association between the independent variables in the eight stock exchanges. EVA indicates a moderate positive association with statistical significance (R= 0.3197, P-value= 0.0173), (R= 0.3249, P-value= 0.0007) with the net profit of industrial firms listed at PEX and KSE, respectively. However, at BHB, EVA indicates a moderate positive association but is not statistically significant regarding net profit (R= -0.3565, P-value= 0.1922). EVA has a weak positive association but not statistically significant with the net profit at QSE and DFM (R = 0.2323, P-value= 0.1046), (R=0.1671, P-value= 0.3773) respectively and there is a very weak positive association and not statistically significant at ASE and MSE (R=0.0746, P-value=0.3642), (R=0.0307, P-value=0.7137), in contrast, there is a strong positive association with highly statistically significant at SSE (R=0.9296, P-value=0.0000).

Table (8)

Pearson correlation coefficients between EVA and Accounting income

Country	Stock Exchange	Observation	Correlation Coefficient (Net profit and EVA)	P-Value	Interpretation
1	PEX	55	0.3197	0.0173	Moderate positive, statistically significant
2	ASE	150	0.0746	0.3642	Weak positive, not statistically significant
3	QSE	50	0.2323	0.1046	Weak positive, not statistically significant
4	KSE	105	0.3249	0.0007	Moderate positive, statistically significant
5	MSE	145	0.0307	0.7137	Very weak positive, not statistically significant
6	SSE	365	0.9296	0.0000	Strong positive, highly statistically significant
7	BHB	15	-0.3565	0.1922	Moderate negative, not statistically significant
8	DFM	30	0.1671	0.3773	Weak positive, not statistically significant

Figure (9) below shows the Pearson correlation coefficients between EVA and Accounting income across eight stock exchanges.

Figure (9)

The Pearson correlation coefficients between EVA and Accounting income

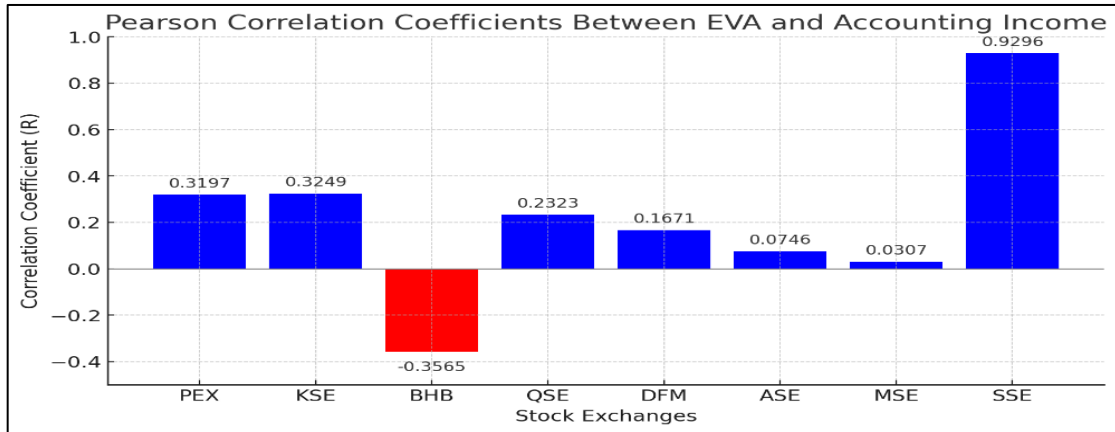


Figure above indicates that PEX ($R = 0.3197$) and KSE ($R = 0.3249$) exhibit moderate positive association with statistical significance, indicating a consistent but not strong linear relationship, But BHB ($R = -0.3565$) indicates a moderate negative association, indicating that an increase in EVA is associated with a decrease in net profit. QSE ($R = 0.2323$) and DFM ($R = 0.1671$) demonstrate weak positive association, and ASE ($R = 0.0746$) and MSE ($R = 0.0307$) indicate very weak positive association, indicating little to no linear relationship. In contrast, SSE ($R = 0.9296$) stands out with a strong positive association with highly statistically significant, indicating a close and significant linear association between EVA and net profit.

3.4 Multiple Regression

The test of significance was performed at 95% level of confidence using Analysis of Variance, regression coefficients, and Determination coefficient (R^2) of independent variables that explain the changes in dependent variables for each country comparatively and test hypotheses about the impact of accounting income and economic value-added on a set of financial sustainability indicators (CAPPELO) for selected firms for each group in a comparative manner between countries.

Firstly, the Capital Adequacy Indicators

H1(a): There is a positive impact of accounting income and EVA at the level of significance ($\alpha \leq 0.05$) on the Capital Adequacy indicators of Industrial Firms Listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

Palestine Exchange (PEX)

The statistical analysis results in Table (9) in appendix (A) present ($p= 0.1994, 0.4112$, respectively), indicating that the test model indicates that Accounting income and EVA on leverage ratio and equity multiplier is not statistically significant, and the study established an R^2 of 0.060, indicating that only 6.01% of the variation in leverage ratio is explained by Accounting income and EVA, but only 3.36% of the variation in equity multiplier is explained by accounting income and EVA. However, according to Table (10) in appendix (A), with the control variables represented by the size and age of the firm (Okoba & Chukwu, 2023; Hadid & Hamdan, 2022), the test model shows the statistical significance of accounting income and economic value added on leverage ratio at 5% level of significance (t -of net profit= -2.08, t -of EVA= -2.74, $p=0.0052$, $p<0.05$), this illustrates that one unit increase in net profit and EVA will contribute to 2.08 and 2.74 decrease in leverage ratio of the firms listed at PEX and the model's explanatory power improves significantly with an R^2 of 0.2514, indicating that 25.14% of the variance in leverage ratio is explained by net profit and EVA and FI-AGE negatively affects leverage ratio. However, the impact of accounting income and EVA on the equity multiplier remains not statistically significant at a 5% level of significance ($p=0.4699$, $p>0.05$). The impact of EVA on the equity multiplier became positive (t -EVA = 2.29) and the model's explanatory power remains weak with an R^2 of 0.0673, indicating that only 6.73% of the variance in equity multiplier is explained by net profit and EVA (Al Janabi & Mohammad, 2014).

Amman Stock Exchange (ASE)

The statistical analysis results in Table (11) in appendix (A) present the impact of accounting income and EVA on the Leverage ratio and equity multiplier is not statistically significant at a 5% level of significance ($p=0.9409, 0.9427$, $p>0.05$). The model's explanatory power is extremely weak. Also, according to Table (12) in appendix (A), with the control variables represented by the size and age of the firm, the model continues

to be statistically insignificant at 5% level of significance ($p>0.05$), this illustrates the effect of Net profit and EVA on the leverage ratio which remained the same according to the analysis before adding the control variables and FI-AGE negatively affects leverage ratio (Al Ghafli, 2019).

Qatar Stock Exchange (QSE)

The statistical analysis results in Table (13) in appendix (A) present the impact of accounting income and EVA on Leverage ratio and equity multiplier is not statistically significant at 5% level of significance ($p=0.803, 0.5185, p>0.05$). Net profit and EVA negatively affects leverage ratio, but EVA positively affects equity multiplier and the model's explanatory power is low. Also, according to Table (14) in appendix (A), the test model shows the statistical significance of accounting income and EVA on equity multiplier at a 5% level of significance ($p=0.0069, p<0.05$), with the control variables represented by the firm's size and age.

Kuwait Stock Exchange (KSE)

The statistical analysis results in Table (15) in appendix (A) present the impact of accounting income and EVA on the Leverage ratio is statistically significance at a 5% level of significance ($p=0.0, 0.0, p<0.05$). The study indicates the explanatory power of the model of leverage ratio and equity multiplier is moderate ($R^2=0.236, 0.2202$, respectively). According to Table (16) in appendix (A), the model continues to be statistically significant, with the control variables at a 5% significance level. However, FI-AGE negatively affects the leverage ratio (AL Osaimi, 2019).

Muscat Stock Exchange (MSE)

The statistical analysis results in Table (17) in appendix (A) present the impact of accounting income and EVA on the Leverage ratio and equity multiplier is statistically significance at a 5% level of significance ($p=0.0005, 0.0066, p<0.05$) and the study established an R^2 of 0.1013, 0.0682, indicating that only 10.13% and 6.82% of the variation in leverage ratio and equity multiplier is explained by Accounting income and EVA. According to Table (18) in appendix (A), with the control variables, the model continues to be statistically significant at a 5% significance level.

Saudi Stock Exchange (SSE)

The statistical analysis results in Table (19) in appendix (A) present the impact of accounting income and EVA on the Leverage ratio and equity multiplier is not statistically significant at 5% level of significance ($p=0.1613, 0.143, p>0.05$) and the study established an R^2 of 0.01 and 0.0107 indicating that only 1% and 1.07% of the variation in leverage ratio and equity multiplier is explained by accounting income and EVA. According to Table (20) in appendix (A), with the control variables, the impact of accounting income and EVA on the Leverage ratio and equity multiplier became statistically significant at a 5% level of significance ($p=0.0006, p<0.05$) and R^2 improved to 0.0528, indicating that only 5.28% of the variation in leverage ratio is explained by Accounting income and EVA and FI-AGE negatively affects leverage ratio.

Bahrain Bourse (BHB)

The statistical analysis results in Table (21) in appendix (A) present the impact of accounting income and EVA on the Leverage ratio is statistically significance at a 5% level of significance ($t\text{-of net profit } -1.02, t\text{-of EVA} = -8.73, p=0.0062, p<0.05$) and the study established an R^2 of 0.5711, indicating that 57.11% of the variation in leverage ratio is explained by Accounting income and EVA. Also, the impact of accounting income and EVA on equity multiplier is statistically significant at 5% level of significance ($p=0.0, p<0.05$), and the study indicating that 93.85% of the variation in equity multiplier is explained net profit and EVA. Net profit and EVA negatively affects equity multiplier. According to Table (22) in appendix (A), with the control variables, the impact of accounting income and EVA on the Leverage ratio remains statistically significant at a 5% level of significance ($p=0.0004, 0.0, p<0.05$) and R^2 improved to 0.8467, indicating a strong fit and the impact of EVA on Leverage ratio became positive ($t\text{-of EVA} = 7.67$), indicating that one unit increase in EVA will contribute to 7.67 unit increase in leverage ratio but both and FI-AGE and FI-SIZE negatively affects leverage ratio.

Dubai Financial Market (DFM)

The statistical analysis results in Table (23) in appendix (A) present the impact of accounting income and EVA on the Leverage ratio and equity multiplier is statistically significance at a 5% level of significance ($p=0.0316, 0.0203, p<0.05$) and the study established an R^2 of 0.2258, indicating that 22.58% of the variation in leverage ratio is

explained by Accounting income and EVA. Net profit and EVA negatively affects equity multiplier. According to Table (24) in appendix (A), with the control variables, the impact of accounting income and EVA on the Leverage ratio and equity multiplier became not statistically significant at a 5% level of significance ($p > 0.05$). The impact of EVA on the equity multiplier became positive with the positive impact of FI-SIZE and FI-AGE and the model shows improvement in explanatory power.

Secondly, the Asset Quality Indicators

H1(b): There is a positive impact of accounting income and EVA at the level of significance ($\alpha \leq 0.05$) on the Asset Quality indicators of Industrial Firms Listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

Palestine Exchange (PEX)

The statistical analysis results in Table (9) in appendix (A) present the impact of accounting income and EVA on asset utilization and asset turnover ratio, which is not statistically significant at a 5% significance level ($p = 0.268, 0.2588, \text{ and } 0.4112$, respectively). The study indicates that only 4.94% of the variation in asset utilization is explained by accounting income and EVA, 5.07% of the variation in asset turnover ratio is explained by Accounting income and EVA. Net profit positively affects asset utilization and turnover ratio. In contrast, EVA negatively affects asset utilization and asset turnover ratio.

According to Table (10) in appendix (A), with the control variables represented by the size and age of the firm, the test model shows the statistical significance of accounting income and EVA on asset utilization, asset turnover ratio at a 5% level of significance ($p = 0.0279, p = 0.0232, p < 0.05$). The model's explanatory power improves significantly with an R^2 of 0.1922 and 0.1991, indicating that 19.22% and 19.91% of the variance in asset utilization asset turnover ratio is explained by net profit and EVA.

Amman Stock Exchange (ASE)

The statistical analysis results in Table (11) in appendix (A) present the impact of accounting income and EVA on asset utilization and asset turnover ratio is not statistically significant at a 5% level of significance ($p = 0.9892 \text{ and } 0.6788$, respectively) and the study indicating the explanatory of the model is extremely weak. Net profit negatively affects

asset utilization but positively affects asset turnover ratio, and EVA negatively affects asset utilization but positively affects asset turnover ratio.

According to Table (12) in appendix (A), with the control variables, the test model remains not statistically significant at a 5% level of significance, and the impact of net profit and EVA on asset utilization became positive (t-net profit = 2.09, t-EVA= 5.02), but FI-SIZE negatively affects both asset utilization and asset turnover ratio. In contrast, FI-AGE only negatively affects the asset turnover ratio, and the model's explanatory power remains weak.

Qatar Stock Exchange (QSE)

The statistical analysis results in Table (13) in appendix (A) present the impact of accounting income and EVA on asset utilization and asset turnover ratio is not statistically significant at a 5% level of significance ($p=0.1344$ and 0.0962 , respectively), and the study indicating the explanatory of the model is low. EVA positively affects asset utilization and asset turnover ratio.

According to Table (14) in appendix (A), with the control variables, the test model shows the statistical significance of accounting income and EVA on asset turnover ratio at a 5% level of significance ($p=0.0441$, $p<0.05$). However, the impact of accounting income and EVA on asset utilization remains not statistically significant at 5% significance ($p=0.0663$, $p>0.05$), and both FI-SIZE and FI-AGE negatively affect the dependent variables. The model shows a substantial improvement in explanatory power.

Kuwait Stock Exchange (KSE)

The statistical analysis results in Table (15) in appendix (A) present the impact of accounting income and EVA on asset utilization and asset turnover ratio which is statistically significant at a 5% significance level ($p=0.0036$ and 0.0078 , respectively). The study indicates the explanatory power of the model of Asset utilization and asset turnover ratio is moderate ($R^2=10.46\%$ and 9.08% , respectively). Net profit and EVA positively affects asset utilization and asset turnover ratio.

According to Table (16) in appendix (A), with the control variables, the test model shows the statistical significance of accounting income and EVA on asset utilization and asset

turnover ratio at a 5% level of significance ($p=0.0008$ and $p=0.0017$, $p<0.05$). However, FI-SIZE negatively affects asset utilization, and the model shows a substantial improvement in explanatory power.

Muscat Stock Exchange (MSE)

The statistical analysis results in Table (17) in appendix (A) present the impact of accounting income and EVA on asset utilization and asset turnover ratio is not statistically significant at a 5% level of significance ($p=0.2288$, 0.1733 , $p>0.05$). And the study indicating the explanatory power of the model is low ($R^2=2.06\%$ and 2.44% respectively). Net profit positively affects asset utilization and turnover ratio, but EVA negatively affects them. According to Table (18) in appendix (A), with the control variables, the test model shows results the same as before adding the control variables, and FI-SIZE negatively affects asset utilization.

Saudi Stock Exchange (SSE)

The statistical analysis results in Table (19) in appendix (A) present the impact of accounting income and EVA on asset utilization and asset turnover ratio is not statistically significant at a 5% level of significance ($p=0.7994$ and 0.8354 , $p>0.05$) and the study indicating the explanatory of the model is low ($R^2=0.12\%$ and 0.1% , respectively). Net profit positively affects asset utilization and turnover ratio, but EVA negatively affects them. According to Table (20) in appendix (A), with the control variables, the test model shows the statistical significance of accounting income and EVA on asset utilization at a 5% significance level ($p=0.0022$, $p<0.05$). However, the impact of accounting income and EVA on the asset turnover ratio remains not statistically significant, and the model shows little improvement in explanatory power.

Bahrain Bourse (BHB)

The statistical analysis results in Table (21) in appendix (A) present that the impact of accounting income and EVA on asset utilization and asset turnover ratio is not statistically significant at a 5% significance level ($p=0.5004$ and 0.3707 , $p>0.05$). Net profit negatively affects asset utilization and asset turnover ratio, but EVA negatively affects them. According to Table (22) in appendix (A), with the control variables, the test model shows the highly statistically significance of accounting income and EVA on asset

utilization and asset turnover ratio at 5% level of significance ($p=0.0$, $p<0.05$) and the positively impact of accounting income and EVA on asset utilization and asset turnover ratio, and both FI-SIZE and FI-AGE negatively affects dependent variables and the model shows a substantial improvement in explanatory power.

Dubai Financial Market (DFM)

The statistical analysis results in Table (23) in appendix (A) present the impact of accounting income and EVA on asset utilization and asset turnover ratio is statistically significant at a 5% level of significance ($p=0.0$, $p<0.05$). The asset utilisation and turnover ratio models show strong explanatory power ($R^2=79.68\%$ and 79.25% , respectively). Net profit and EVA positively affect asset utilisation and turnover ratio. According to Table (24) in appendix (A), the positive impact of FI-SIZE and FI-AGE, and the model shows improvement in explanatory power.

Thirdly, the Profit and Earnings indicators

H1(c): There is a positive impact of accounting income and EVA at the level of significance ($\alpha \leq 0.05$) on the Profits and Earnings indicators of Industrial Firms Listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

Palestine Exchange (PEX)

The statistical analysis results in Table (9) in appendix (A) present the impact of accounting income and EVA on profit margin, ROA, ROE, and EPS, which is statistically significant at 5% significance ($p<0.05$). The model of ROA and ROE shows strong explanatory power ($R^2=81.55\%$ and 74.12% , respectively), but the profit margin and EPS model show moderate explanatory power ($R^2=28.27\%$ and 17.02% , respectively). Net profit positively affects the dependent variables, but EVA negatively affects ROA and ROE. According to Table (10) in appendix (A), with the control variables, the test model shows the impact of accounting income, and EVA remains statistically significant, EVA's impact on EPS became negative, and FI-AGE negatively affects ROA. However, it positively affects profit margin, ROE, and EPS, but the negative impact of FI-SIZE on profit and earning indicators and the model shows improvement in explanatory power.

Amman Stock Exchange (ASE)

The statistical analysis results in Table (11) in appendix (A) present the impact of accounting income and EVA on profit margin and ROE is not statistically significant at a 5% level of significance ($p > 0.05$), but on ROA and EPS is statistically significant at a 5% level of significance ($p < 0.05$). The models show low and moderating explanatory power ($R^2 = 0.47\%$, 10.21% , 0.15% and 4.28% , respectively). Net profit positively affects the dependent variables, but EVA negatively affects profit margin and ROE. According to Table (12) in appendix (A), with the control variables, the test model shows the impact of accounting income and EVA on profit margin, and ROE became not statistically significant, and the impact of net profit on profit margin becomes negative. FI-AGE positively affects the dependent variables, but FI-SIZE negatively affects ROE, and the model shows little improvement in explanatory power.

Qatar Stock Exchange (QSE)

The statistical analysis results in Table (13) in appendix (A) present that the impact of accounting income and EVA on ROE is not statistically significant at a 5% level of significance ($p = 0.0932$, $p > 0.05$). However, on profit margin, ROA and EPS are statistically significant at a 5% significance level ($p < 0.05$). The model of EPS shows strong explanatory power ($R^2 = 80.58\%$). Net profit positively affects the dependent variables excluding ROE, but EVA positively affects the dependent variables excluding EPS. According to Table (14) in appendix (A), with the control variables, the test model shows that the impact of accounting income and EVA on ROE became statistically significant, and the impact of net profit on ROA became negative with a negative impact on FI-AGE. FI-SIZE negatively affects the dependent variables, excluding EPS, and the model shows improvement in explanatory power.

Kuwait Stock Exchange (KSE)

The statistical analysis results in Table (15) in appendix (A) present the impact of accounting income and EVA on profit margin is not statistically significant at a 5% level of significance ($p = 0.7149$, $p > 0.05$), but on ROA, ROE, and EPS is statistically significant at 5% level of significance ($p < 0.05$). The models show weak and moderate explanatory power ($R^2 = 0.66\%$, 21.44% , 18.29% , and 16.51% , respectively). Net profit positively affects the dependent variables, and EVA positively affects the dependent variables,

excluding profit margin. According to Table (16) in appendix (A), with the control variables, the test model indicates that FI-SIZE negatively affects the dependent variables, and FI-AGE positively affects the dependent variables, excluding EPS. The model shows little improvement in explanatory power.

Muscat Stock Exchange (MSE)

The statistical analysis results in Table (17) in appendix (A) present the impact of accounting income and EVA as highly statistically significant at a 5% significance level ($p=0.0$ $p<0.05$). The models show strong and moderate explanatory power ($R^2=59.53\%$, 50% , 55.14% , and 32.55% respectively). Net profit positively affects the dependent variables, and EVA positively affects the dependent variables, excluding ROE. According to Table (18) in appendix (A), with the control variables, the impact of EVA on ROE became positive, and the test model indicates FI-SIZE positively affects the dependent variables excluding ROE and FI-AGE negatively affects the dependent variables excluding EPS and the model shows little improvement in explanatory power.

Saudi Stock Exchange (SSE)

The statistical analysis results in Table (19) in appendix (A) present that the impact of accounting income and EVA is highly statistically significant at a 5% level of significance ($p=0.0$ $p<0.05$), excluding EPS is not statistically significant at a 5% level of significance ($p=0.9745$ $p>0.05$). The profit margin, ROA, and ROE models show strong explanatory power ($R^2=45.46\%$, 47.66% , 48.46% , respectively). Net profit positively affects the dependent variables, but EVA negatively affects them. According to Table (20) in appendix (A), with the control variables, the test model indicates that FI-SIZE positively affects the dependent variables, but FI-AGE negatively affects them, and the model shows little improvement in explanatory power.

Bahrain Bourse (BHB)

The statistical analysis results in Table (21) in appendix (A) show that the impact of accounting income and EVA is statistically significant at a 5% significance level ($p<0.05$). The models show strong explanatory power ($R^2=69.62\%$, 87.82% , 92.18% , and 67.10% respectively). Net profit positively affects the dependent variables, and EVA positively affects the dependent variables, excluding ROE. According to Table (22) in

appendix (A), with the control variables, the test model indicates that FI-SIZE and FI-AGE positively affect the dependent variables, excluding EPS, and the impact of EVA on profit margin became negative. And the model shows a big improvement in explanatory power.

Dubai Financial Market (DFM)

The statistical analysis results in Table (23) in appendix (A) present that the impact of accounting income and EVA is highly statistically significant at a 5% level of significance ($p < 0.05$), excluding EPS, is not statistically significant at a 5% level of significance ($p = 0.9892$, $p > 0.05$). The model of ROA shows strong explanatory power ($R^2 = 79.88\%$). Net profit positively affects profit margin and ROA but negatively affects ROE and EPS, and EVA positively affects the dependent variables, excluding ROE. According to Table (24) in appendix (A), with the control variables, the test model indicates that FI-SIZE and FI-AGE positively affect the dependent variables, excluding ROA. EVA's impact on ROE and net profit on EPS became positive. The model shows little improvement in explanatory power.

Fourth, Efficiency and Competitiveness indicators

H1 (d): There is a positive impact of accounting income and EVA at the level of significance ($\alpha \leq 0.05$) on the Efficiency and Competitiveness indicators of Industrial Firms Listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

Palestine Exchange (PEX)

The statistical analysis results in Table (9) in appendix (A) present that the impact of accounting income and EVA on adm expenses ratio is not statistically significant at a 5% level of significance ($p = 0.1614$, $p > 0.05$) with weak explanatory power ($R^2 = 6.77\%$). However, the expenses ratio is highly statistically significant at a 5% level of significance ($p = 0.0$, $p < 0.05$) with strong explanatory power ($R^2 = 45.34\%$). Net profit negatively affects the adm expenses ratio and expenses ratio, and EVA negatively affects the adm expenses ratio but positively affects the expenses ratio. According to Table (10) in appendix (A), with the control variables, the test model indicates that FI-SIZE and FI-AGE negatively affect the dependent variables, and the model shows little improvement in explanatory power.

Amman Stock Exchange (ASE)

The statistical analysis results in Table (11) in appendix (A) present the impact of accounting income and EVA on the adm expenses ratio, and the expenses ratio is not statistically significant at a 5% level of significance ($p=0.2664$, $p=0.1366$, $p>0.05$) with weak explanatory power ($R^2=1.78\%$, 2.67% respectively). Net profit and EVA negatively affect the adm expenses ratio and expenses ratio. According to Table 12, with the control variables, the impact of accounting income and EVA on adm expenses ratio and expenses ratio becomes statistically significant at a 5% level of significance ($p=0.0117$, $p=0.0201$, $p<0.05$) with weak explanatory power ($R^2=8.52\%$, 7.73% respectively) and impact of EVA on both dependent variables becomes positive but only impact of net profit on adm expenses ratio becomes positive the test model indicates FI-SIZE negatively affects the dependent variables. FI-AGE negatively affects the expenses ratio but positively affects the Adm expenses ratio, and the model shows little improvement in explanatory power.

Qatar Stock Exchange (QSE)

The statistical analysis results in Table (13) in appendix (A) present the impact of accounting income, and EVA is not statistically significant at a 5% level of significance ($p=0.07$, $p=0.0936$, $p>0.05$) with weak explanatory power ($R^2=10.7\%$, 9.59% respectively). Net profit negatively affects the adm expenses ratio and expenses ratio, and EVA negatively affects the expenses ratio but positively affects the adm expenses ratio. According to Table (14) in appendix (A), with the control variables, the impact of accounting income and EVA on the expenses ratio is becoming statistically significant at a 5% level of significance ($p=0.0033$, $p<0.05$) with moderate explanatory power ($R^2=29.09\%$) and impact of net profit on adm expenses ratio becomes positive. The test model indicates that FI-SIZE positively affects the dependent variables and FI-AGE negatively affects them, and the model shows moderate improvement in explanatory power.

Kuwait Stock Exchange (KSE)

The statistical analysis results in Table (15) in appendix (A) present that the impact of accounting income and net profit on the adm expenses ratio is not statistically significant at a 5% level of significance ($p=0.8499$, $p>0.05$) with weak explanatory power ($R^2=0.32\%$). However, the impact of net profit and EVA on expenses ratio is statistically

significant at a 5% level of significance ($p=0.0014$, $p<0.05$) with weak explanatory power ($R^2=12.14\%$). Net profit and EVA negatively affect the adm expenses ratio but positively affect the expenses ratio. According to Table (16) in appendix (A), the test model indicates that FI-SIZE negatively affects the dependent variables, and FI-AGE negatively affects the expenses ratio but positively affects the adm expenses ratio.

Muscat Stock Exchange (MSE)

The statistical analysis results in Table (17) in appendix (A) present the impact of accounting income and EVA as statistically significant at a 5% level of significance ($p=0.0048$, $p=0.0$, $p<0.05$) with weak and moderate explanatory power ($R^2=7.25\%$, 44.77% respectively). Net profit negatively affects the adm expenses ratio and expenses ratio, EVA negatively affects the expenses ratio, but EVA positively affects the adm expenses ratio. According to Table (18) in appendix (A), the test model indicates that FI-SIZE negatively affects the dependent variables, but FI-AGE positively affects the adm expenses ratio and expenses ratio.

Saudi Stock Exchange (SSE)

The statistical analysis results in Table (19) in appendix (A) present that the impact of accounting income and EVA is not statistically significant at a 5% significance level ($p=0.0624$, $p=0.9972$, $p>0.05$) with weak explanatory power. EVA negatively affects the adm expenses ratio and expenses ratio, and net profit negatively affects the adm expenses ratio but positively affects the expenses ratio. According to Table (20) in appendix (A), the test model indicates that FI-SIZE positively affects the dependent variables, and FI-AGE positively affects the adm expenses ratio but negatively affects the expenses ratio.

Bahrain Bourse (BHB)

The statistical analysis results in Table (21) in appendix (A) present that the impact of accounting income and EVA on expenses ratio is not statistically significant at a 5% level of significance ($p=0.055$, $p>0.05$) with moderate explanatory power ($R^2=0.3834$). However, the impact of accounting income and EVA on the adm expenses ratio is statistically significant at a 5% level of significance ($p=0.0176$, $p<0.05$) with moderate explanatory power ($R^2=0.49$). Net profit and EVA negatively affect the adm expenses ratio but positively affect the expenses ratio. According to Table (22) in appendix (A),

the test model indicates that FI-SIZE and FI-AGE positively affect the dependent variables, and the impact of EVA on the adm expenses ratio becomes positive, but the impact of net profit on the expenses ratio becomes negative.

Dubai Financial Market (DFM)

The statistical analysis results in Table (23) in appendix (A) present the impact of accounting income and EVA on the expenses ratio as highly statistically significant at a 5% level of significance ($p < 0.05$) with strong explanatory power ($R^2 = 0.3429, 0.7828$, respectively). Net profit and EVA negatively affect the adm expenses ratio but positively affect the expenses ratio. According to Table (24) in appendix (A), the test model indicates that FI-SIZE and FI-AGE negatively affect the dependent variables, and the impact of EVA on the adm expenses ratio becomes positive.

Fifth, Liquidity indicators

H1(e): There is a positive impact of accounting income and EVA at the level of significance ($\alpha \leq 0.05$) on the liquidity indicators of Industrial Firms Listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

Palestine Exchange (PEX)

The statistical analysis results in Table (9) in appendix (A) present the impact of accounting income and EVA on the liquid asset ratio, and the current ratio is not statistically significant at a 5% level of significance ($p > 0.05$) with weak explanatory power. EVA positively affects the dependent variables, and net profit affects the current ratio but negatively affects the liquid asset ratio. According to Table (10) in appendix (A), the impact of accounting income and EVA on the liquid asset ratio became statistically significant at a 5% level of significance ($p = 0.0029, p < 0.05$). The test model indicates that FI-AGE negatively affects the dependent variables, and FI-SIZE negatively affects the liquid asset ratio but positively affects the current ratio.

Amman Stock Exchange (ASE)

The statistical analysis results in Table (11) in appendix (A) present the impact of accounting income and EVA on the liquid asset ratio, and the current ratio is not statistically significant at a 5% level of significance ($p > 0.05$) with weak explanatory power. Net profit and EVA negatively affect the dependent variables. According to Table

(12) in appendix (A), the test model indicates that FI-AGE and FI-SIZE negatively affect the liquid asset ratio but positively affect the current.

Qatar Stock Exchange (QSE)

The statistical analysis results in Table (13) in appendix (A) present the impact of accounting income and EVA on the liquid asset ratio, and the current ratio is not statistically significant at a 5% level of significance ($p > 0.05$) with weak explanatory power. Net profit and EVA negatively affect the dependent variables. According to Table (14) in appendix (A), the impact of accounting income and EVA on the liquid asset ratio became statistically significant at a 5% level of significance ($p = 0.0183$, $p < 0.05$) with moderate explanatory power ($R^2 = 22.76\%$), and the test model indicates both FI-AGE and FI-SIZE negatively affects the liquid asset ratio but positively affects current ratio.

Kuwait Stock Exchange (KSE)

The statistical analysis results in Table (14) in appendix (A) present the impact of accounting income and EVA on the liquid asset and current ratios, which are statistically significant at a 5% significance level ($p < 0.05$). Net profit and EVA positively affect the dependent variables. According to Table (16) in appendix (A), the test model indicates that FI-AGE positively affects the dependent variables. FI-SIZE positively affects the current ratio but negatively affects the liquid asset ratio, and the model shows moderate improvement in explanatory power.

Muscat Stock Exchange (MSE)

The statistical analysis results in Table (17) in appendix (A) present the impact of accounting income and EVA on the liquid asset ratio, and the current ratio is not statistically significant at a 5% level of significance ($p > 0.05$) with weak explanatory power. Net profit and EVA positively affect the dependent variables. According to Table (18) in appendix (A), the test model indicates that FI-AGE and FI-SIZE negatively affect the dependent variables.

Saudi Stock Exchange (SSE)

The statistical analysis results in Table (19) in appendix (A) present the impact of accounting income and EVA on the liquid asset ratio, and the current ratio is not statistically significant at a 5% significance level ($p > 0.05$) with weak explanatory power.

Net profit positively affects the dependent variables, but EVA negatively affects them. According to Table (20) in appendix (A), the test model indicates that FI-AGE and FI-SIZE positively affect the dependent variables.

Bahrain Bourse (BHB)

The statistical analysis results in Table (21) in appendix (A) present the impact of accounting income and EVA on the liquid asset ratio and the current ratio is not statistically significant at a 5% significance level ($p > 0.05$) with moderate explanatory power of the model of liquid asset ratio. Net profit negatively affects the dependent variables, but EVA positively affects the liquid asset ratio. According to Table (22) in appendix (A), the impact of accounting income and EVA on the liquid asset ratio becomes statistically significant at a 5% level of significance ($p = 0.0236$, $p < 0.05$) with strong explanatory power ($R^2 = 64.57\%$). The test model indicates that both FI-AGE and FI-SIZE positively and negatively affect the current ratio but negatively affect the liquid asset ratio.

Dubai Financial Market (DFM)

The statistical analysis results in Table (23) in appendix (A) presents the impact of accounting income and EVA on liquid asset ratio as statistically significant at a 5% level of significance ($p = 0.0227$, $p < 0.05$) with moderate explanatory power ($R^2 = 23.34\%$). Net profit negatively affects the dependent variables, but EVA positively affects them. According to Table (24) in appendix (A), the impact of accounting income and EVA on liquid asset ratio becomes not statistically significant at 5% level of significance ($p = 0.0771$, $p > 0.05$) with moderate explanatory power ($R^2 = 27.72\%$). The test model indicates both FI-AGE and FI-SIZE negatively liquid asset and current ratios.

Sixth, Openness and sensitivity indicators

H1(f): There is a positive impact of accounting income and EVA at the level of significance ($\alpha \leq 0.05$) on the Openness and Sensitivity to Market indicators of Industrial Firms Listed on PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

Palestine Exchange (PEX)

The statistical analysis results in Table (9) in appendix (A) present the impact of accounting income and EVA on fixed asset turnover, fixed asset ratio, and the ratio of working capital to liability is not statistically significant at a 5% level of significance ($p=0.579, 0.0624, 0.0502, p>0.05$) with weak explanatory power ($R^2=2.08\%, 10.12\%, 10.87\%$ respectively). Net profit positively affects the fixed asset turnover ratio but negatively affects the remaining variables. While EVA negatively affects the fixed asset turnover ratio, it positively affects the remaining variables. According to Table (10) in appendix (A), the impact of accounting income and EVA on fixed asset ratio becomes statistically significant at a 5% level of significance ($p=0.0029, p<0.05$) with moderate explanatory power ($R^2=27.07\%$). The test model indicates that FI-SIZE positively affects the dependent variables and FI-AGE positively affects them, excluding the ratio of working capital to liability.

Amman Stock Exchange (ASE)

The statistical analysis results in Table (11) in appendix (A) present the impact of accounting income and EVA is not statistically significant at a 5% level of significance ($p=0.9027, 0.1201, 0.8262, p>0.05$) with weak explanatory power ($R^2=0.14\%, 2.84\%, 0.26\%$ respectively). Net profit and EVA positively affect the fixed asset ratio but negatively affect the remaining variables. According to Table (12) in appendix (A), the test model indicates that FI-SIZE affects the fixed asset ratio positively but negatively affects the remaining variables. FI-AGE negatively affects fixed asset turnover and positively affects fixed asset ratio and working capital to liability ratio.

Qatar Stock Exchange (QSE)

The statistical analysis results in Table (13) in appendix (A) present that the impact of accounting income and EVA on fixed asset ratio is not statistically significant at a 5% level of significance ($p=0.0914, p>0.05$) with weak explanatory power ($R^2=9.68\%$). However, the impact of accounting income and EVA on fixed asset turnover and the ratio of working capital to liability is statistically significant at a 5% level of significance ($p=0.0, p=0.0238, p<0.05$) with the strong explanatory power of a model of fixed asset turnover ($R^2=89.17\%$). EVA affects the fixed asset ratio positively, but net profit negatively affects it. According to Table (14) in appendix (A), the impact of accounting

income and EVA on fixed asset ratio becomes statistically significant at a 5% level of significance ($p=0.0183$, $p<0.05$) with moderate explanatory power ($R^2=22.76\%$). The test model indicates that FI- AGE positively affects the variables, While FI-SIZE negatively affects the fixed asset turnover ratio of working capital to liability.

Kuwait Stock Exchange (KSE)

The statistical analysis results in Table (15) in appendix (A) present the impact of accounting income, and EVA is highly statistically significant at a 5% level of significance ($p=0.0$, $p<0.05$) with moderate explanatory power ($R^2=14.02\%$, 21.77% , 18.36% respectively). EVA and net profit negatively affect the fixed asset ratio but positively affect fixed asset turnover. According to Table (16) in appendix (A), the test model indicates that both FI-AGE and FI-SIZE positively affect fixed asset turnover, and the model shows moderate improvement in explanatory power.

Muscat Stock Exchange (MSE)

The statistical analysis results in Table (17) in appendix (A) present the impact of accounting income, and EVA is not statistically significant at a 5% level of significance ($p= 0.0821$, 0.1689 , 0.2641 , $p>0.05$) with weak explanatory power ($R^2=3.46\%$, 2.47% , 1.86% respectively). Both EVA and net profit negatively affect the fixed asset ratio. According to Table (18) in appendix (A), the test model indicates that FI-AGE and FI-SIZE negatively affect the working capital to liability ratio.

Saudi Stock Exchange (SSE)

The statistical analysis results in Table (19) in appendix (A) present the impact of accounting income and EVA on the ratio of working capital to liability is statistically significant at 5% level of significance ($p= 0.0094$, $p<0.05$) with weak explanatory power ($R^2=2.55\%$). However, the impact of accounting income and EVA on fixed asset turnover and fixed asset ratio is not statistically significant at a 5% level of significance ($p= 0.714$, 0.1259 , $p>0.05$) with weak explanatory power ($R^2=0.19\%$, 1.14% respectively). EVA negatively affects the fixed asset ratio and fixed asset turnover, but net profit negatively affects the working capital to liability ratio. According to Table (20) in appendix (A), the impact of accounting income and EVA on fixed asset ratio becomes statistically significant at a 5% level of significance ($p=0.0487$, $p<0.05$) with weak explanatory power ($R^2=2.61\%$). The test model indicates that FI-AGE negatively affects the fixed asset ratio.

Bahrain Bourse (BHB)

The statistical analysis results in Table (21) in appendix (A) present the impact of accounting income, and EVA is not statistically significant at a 5% level of significance ($p= 0.2536, 0.2755, 0.154, p>0.05$) with moderate explanatory power ($R^2=20.44\%, 19.33\%, 26.79\%$ respectively). EVA and net profit negatively affects fixed asset turnover, and net profit affects fixed asset ratio. According to Table (22) in appendix (A), the impact of accounting income and EVA becomes statistically significant at a 5% level of significance ($p=0.0, 0.0236, 0.0 p<0.05$) with strong explanatory power ($R^2=94.21\%, 64.57\%, 98.7\%$ respectively). The test model indicates that FI-AGE and FI-SIZE negatively affect fixed asset turnover, and the model shows a strong improvement in explanatory power.

Dubai Financial Market (DFM)

The statistical analysis results in Table (23) in appendix (A) present the impact of accounting income and EVA on fixed asset turnover, and the fixed asset ratio is statistically significant at a 5% level of significance ($p= 0.0, 0.0277, p<0.05$) with strong and moderate explanatory power ($R^2=77.51\%, 23.34\%$ respectively). Net profit negatively affects fixed asset turnover and fixed asset ratio. According to Table (24) in appendix (A), the impact of net profit and EVA becomes not statistically significant at a 5% level of significance ($p=0.0771, p>0.05$), and EVA negatively affects the fixed asset ratio and the ratio of working capital to liability. The test model indicates that FI-AGE and FI-SIZE negatively affect fixed asset turnover and the working capital to liability ratio.

Chapter Four

Conclusions and Recommendations

4.1 Overview

This chapter presents the conclusion and recommendations of the study.

4.2 Conclusions

The study's main objective was to analyze the impact of accounting income and EVA on the financial sustainability of industrial firms listed in PEX, ASE, QSE, KSE, MSE, SSE, BHB, and DFM.

From the descriptive analytical approach in chapter three, it is evident that:

1. Saudi Arabia, Qatar, and Amman Stock Exchange exhibit higher leverage ratios, often indicative of using high level of debt for operations and this agreed with (Abu Zer & Al-Atum, 2016). In contrast, Bahrain and Dubai show very low leverage, indicating minimal debt use.
2. Palestine, Bahrain, and Dubai show relatively efficient asset utilization, whereas Amman, Qatar, and Saudi Arabia show high variability, reflecting either high operational efficiency or inefficiencies in asset management (Adeolu, 2014).
3. Qatar and Kuwait show strong profit margins and EPS, While Muscat and Saudi Arabia display widespread losses, highlighting a stark contrast in financial health across these exchanges (AL- Dulimi, 2022).
4. Qatar Stock Exchange demonstrates high liquidity levels but substantial disparities in asset utilization efficiency, while Bahrain Bourse stands out for liquidity management.
5. Dubai Financial Market shows challenges in liquidity management and asset turnover, highlighting potential areas of inefficiency (Abu Zer & Al-Atum, 2016).
6. Muscat Stock Exchange and Bahrain Bourse exhibit more consistent performance across indicators.

From the regression analysis, fifteen indicators were calculated within six main groups. The following are the most important results extracted for each group.

1. The Capital Adequacy Indicators

By analyzing the capital indicators of all selected industrial firms in the stock exchanges of Palestine, Amman and the Gulf Cooperation Council countries, it was found that KSE and BHB show strong, statistically significant impacts of both accounting income and EVA on leverage ratio, even after control variables are included. However, QSE and SSE experience a shift from insignificance to significance once control variables are included. This indicates that firm-specific factors are more relevant in these markets. ASE consistently show no significant impact, even after considering control variables. However, DFM shows a less significant impact after including control variables, which might suggest that firm size and age diminish the impact of accounting income and EVA on leverage ratio.

2. The Asset Quality Indicators

DFM and KSE show statistical significance before and after including control variables ($p < 0.05$). However, ASE and MSE consistently show no statistical significance before and after including control variables, while PEX, QSE, SSE, and BHB demonstrate statistical significance revealed after control variables were included.

3. The Profit and Earnings Indicators

MSE, SSE, BHB, and DFM consistently demonstrate a strong impact of accounting income and EVA on profitability indicators, but ASE and QSE show fewer statistically significant results than other markets. SSE and DFM show no statistically significant impact of accounting income and EVA on EPS.

4. Efficiency and Competitiveness Indicators

MSE and DFM consistently show statistically significant impacts of accounting income and EVA on expense ratios, but PEX, SSE, and BHB present no statistically significant impacts. FI-SIZE tends to affect PEX, KSE, and DFM dependent variables negatively. However, FI-SIZE positively affects them in SSE and BHB.

5. Liquidity Indicators

KSE stands out as the only market consistently showing significant impacts, and PEX, QSE, and BHB demonstrate significance only after controlling variables are included.

6. Openness and Sensitivity Indicators

PEX, QSE, SSE, and BHB indicate statistical significance only after considering control variables. In contrast, KSE shows the highest consistent significance across all variables.

So, it is evident that at PEX, the impact of accounting income and EVA on leverage ration is statistically significance only when control variables of FI-SIZE and FI-AGE, but the inclusion of control variables does not improve the statistical significance of the indicators such as equity multiplier and the explanatory power remains for some variables such as Fixed asset turnover and liquid asset ratio when control variables are added. Analyzing the capital adequacy indicators for all firms in the GCC, it was found that the average of this group varied greatly and this agreed with (Abu Zer & Al-Atum, 2016). At ASE, accounting income and EVA generally exhibit insignificant relationships with the majority of financial indicators (leverage ratio, asset utilization, and asset turnover ratio), indicating that both ROA and ROE show stronger significance after including the control variables, indicating the importance of firm-specific characteristics in explaining performance (Abdul Rahman, Meero, Zayed, & Islam, 2021; Patin, Rahman, & Mustafa, 2020; QFMA, 2020). At QSE, KSE, BHB, and DFM, FI-AGE and FI-SIZE indicate that age and size of the firm have varying effects on profitability, which suggests that older firms benefit from greater sustainibility and agree with previous work (Chih & Chen, 2010). At SSE, profit margin, FI-SIZE, and asset utilization are highly affected by net profit this agreed with (Abu Zer & Al-Atum, 2016). In general, older and larger firms in Palestine, Amman, and GCC exhibit greater financil sustainability.

4.3 Recommendations

4.3.1 General Recommendations

1. Conduct a study of the impact of accounting income and economic value added on the financial sustainability in the financial sector to test whether these results hold up. The results obtained can then be compared to see similarities or differences.
2. Future studies should measure environmental and social sustainability to help managers identify them and maintain their firms' high financial performance.

4.3.2 Specific Recommendation

1. Exchanges with higher administrative expenses (e.g., the Kuwait Stock Exchange) should improve cost efficiency and cut unnecessary expenses. Many firms in these exchanges may benefit from strategically assessing their operational cost structures.
2. Variability in liquidity ratios (e.g., Qatar, Bahrain, and Saudi exchanges) shows a need for standardized liquidity management practices across firms. Firms with extremely high liquidity may be able to use their resources more efficiently, while others may need to improve liquidity management to avoid short-term financial risks (Abu Zer & Al-Atum, 2016).
3. Exchanges like Muscat and Amman Stock Exchanges show relatively better administrative expenses and liquidity management efficiency. These exchanges could serve as benchmarks for other exchanges to enhance performance in these areas.
4. Industrial firms in PEX must maintain a healthy level of liquid assets to safeguard against unexpected financial distress.
5. Industrial firms in ASE must focus on strategies that improve asset utilization and equity returns because both ROA and ROE show the strongest significance with net profit and EVA after including (FI-AGE and FI-SIZE).
6. Industrial firms in QSE should assess underutilized fixed assets to enhance operational efficiency (Abu Zer & Al-Atum, 2016).

List of Abbreviations

Abbreviations	Meaning
AI	Accounting Income
EVA	Economic Value Added
FI-AGE	Firm Age
FI-SIZE	Firm Size
ROA	Return on Asset
ROE	Return on Equity
PEX	Palestine Exchange
ASE	Amman Stock Exchange
SSE	Saudi Arabia Exchange
MSX	Muscat Stock Exchange
KSE	Kuwait Stock Exchange
QSE	Qatar Stock Exchange
BHB	Bahrain Bourse
DFM	Dubai Financial Market
GCC	Gulf Cooperation Council

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Appendices

Appendix (A)

Tables

Table (9)

Multiple regression analysis before control variables of PEX

country1 = Palestine dependent variable	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability
NetProfit	-0.00000011	-0.000000823	0.000000341	0.000000341	0.000000249	0.000000127	0.000000156	0.0000000477	0.0000000291	0.0000000211	-0.000000108	0.000000163	0.000000183	0.0000000952	0.0000000375
EVA	-0.000000146	-0.000000106	-0.000000621	-0.000000635	0.0000000091 7	0.0000000518	0.0000000763	0.0000000215	-0.000000022	0.0000000801	0.0000000952	0.000000179	-0.000000601	0.000000108	0.000000106
_cons	0.3486802	2.94639	0.7120735	0.7251376	0.1143132	0.0346907	0.061393	0.2638426	0.5613128	0.6482	0.4952632	2.462451	1.431739	0.5047368	0.8171191
R-squared	0.0601	0.0336	0.0494	0.0507	0.2827	0.8155	0.7412	0.1702	0.0677	0.4534	0.1012	0.0017	0.0208	0.1012	0.1087
Prob > F	0.1994	0.4112	0.268	0.2588	0.0002	0	0	0.0078	0.1614	0	0.0624	0.8849	0.579	0.0624	0.0502

Table (10)

Multiple regression analysis after control variables of PEX

country1 = Palestine	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability
Net Profit	-0.000000208	-0.000000538	0.000000204	0.000000194	0.000000304	0.000000014	0.000000179	0.0000000485	-0.0000000021	0.0000000193	0.0000000868	0.000000122	0.0000000687	0.0000000868	0.0000000373
EVA	-0.000000274	0.000000229	-0.000000137	-0.000000139	0.0000000063 6	0.0000000199	0.0000000258	-0.0000000247	-0.0000000146	0.0000000915	0.0000000242	0.000000222	-0.000000122	-0.000000242	0.000000139
FI- AGE	-0.0055608	-0.0402233	0.0268589	0.0264813	0.0076802	-0.0001826	0.0000258	0.0292725	-0.0033946	-0.0004588	-0.0060664	-0.0317587	0.0220984	0.0060664	-0.0197314
FI-SIZE	0.1929908	-0.33666	0.1327661	0.1510221	-0.126241	-0.0218759	-0.0398269	-0.1285739	-0.0007845	-0.0012227	-0.0130938	0.1949276	0.1130566	0.0130938	0.0766175
_cons	-2.686174	9.994714	-2.45391	-2.733142	1.957448	0.4072634	0.7271034	1.387318	0.6937221	0.1014066	0.9275836	0.3157187	-1.237074	0.0724164	0.2280286
R-squared	0.2514	0.0673	0.1922	0.1991	0.4554	0.8831	0.864	0.3627	0.0888	0.4834	0.2707	0.1272	0.0865	0.2707	0.1619
Prob > F	0.0052	0.4699	0.0279	0.0232	0	0	0	0.0001	0.3152	0	0.0029	0.1393	0.3293	0.0029	0.061

Table (11)

Multiple regression analysis before control variables of ASE

country2 = Amman	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability
dependent variable															
NetProfit	-0.0000000266	-0.0000000127	0.00000000636	0.00000000032 2	0.00000000107	0.00000000040 5	0.00000000156	0.00000000051 7	0.00000000033 6	0.00000000014 9	0	-0.00000000171	0.00000000029 1	0.00000000252	0.00000000083 5
EVA	0.0000000139	0.0000000454	0.00000000335	0.00000000028 7	0.00000000128	0.00000000021 5	0.00000000454	0.00000000846	0.00000000038 3	0	0.00000000251	0.00000000619	0.00000000545	0	-0.00000000034
_cons	1.30511	6.656165	4.859029	0.5946441	-0.1463916	0.0107302	-0.3290868	0.6495576	0.5037518	0.0958949	0.4586615	3.393035	1.704558	0.5344897	1.287383
R-squared	0.0008	0.0008	0.0001	0.0053	0.0047	0.1021	0.0015	0.0428	0.0178	0.0267	0.0279	0.0017	0.0014	0.0284	0.0026
Prob > F	0.9409	0.9427	0.9892	0.6788	0.7063	0.0004	0.8938	0.0402	0.2664	0.1366	0.1245	0.8849	0.9027	0.1201	0.8262

Table (12)

Multiple regression analysis after control variables of ASE

country2 = Amman	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability
NetProfit	0.00000000689	-0.0000000314	0.0000000209	0.00000000078 5	0.00000000056 7	0.1259	0.00000000277	0.00000000275	0	0	0.00000000020 2	-0.00000000284	0.00000000322	0.00000000020 2	0
EVA	0.00000000811	0.0000000167	0.0000000502	0.00000000070 7	0.00000000262	0.1259	0.00000000281	0.00000000847	0	0	0.00000000229	0.00000000683	-0.0000000026	0.00000000229	0.00000000167
FI- AGE	-0.0158696	-0.1160253	0.3510608	-0.0015111	0.0077203	0.1259	0.005621	0.0418827	0.0000728	-0.0009563	-0.001546	0.0098051	-0.0168595	0.001546	0.0125472
FI-SIZE	0.773857	3.767692	-6.892917	-0.061373	0.1960221	0.1259	-0.2301022	0.0564147	-0.0544721	-0.0138105	-0.0329246	0.093893	-0.4193604	0.0329246	-0.2242178
_cons	-11.58091	-54.66515	112.0957	1.722533	-3.842367	0.1259	3.469969	-1.857237	1.453033	0.3719344	1.091544	1.423625	9.633674	-0.0915445	4.742277
R-squared	0.0087	0.0122	0.0454	0.0308	0.0284	0.1259	0.0069	0.1125	0.0852	0.0773	0.0587	0.003	0.0443	0.0587	0.0381
Prob > F	0.8677	0.7754	0.1509	0.3375	0.3816	0.0006	0.9099	0.0017	0.0117	0.0201	0.0671	0.9796	0.1601	0.0671	0.2289

Table (13)

Multiple regression analysis before control variables of QSE

country3 = Qatar	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability	
dependent variable																
NetProfit	0	0.00000000933	0	0	0.000000000219	0	0	0	0	0	0	-0.0000000013	0.000000319	-	0.000000000355	0.000000000166
EVA	0	0.00000000435	0	0	0.000000000554	0.000000000116	0.00000000022	0.000000000133	0.000000000285	0	0.000000000355	0.000000000746	0.000000588	0	0.00000000158	
_cons	0.9844247	107.4805	0.3180249	0.2790841	0.8777043	0.090389	0.1644156	0.026374	0.8829505	0.0269398	0.4199895	20.63758	-64.05181	0.5800105	1.690271	
R-squared	0.0093	0.0276	0.0819	0.0948	0.2101	0.1271	0.096	0.8058	0.107	0.0959	0.0968	0.0194	0.8917	0.0968	0.1471	
Prob > F	0.8031	0.5185	0.1344	0.0962	0.0039	0.041	0.0932	0	0.07	0.0936	0.0914	0.6303	0	0.0914	0.0238	

Table (14)

Multiple regression analysis after control variables of QSE

country3 = Qatar	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability
NetProfit	0	0.00000000721	0	0	0	0	0	0	0	0	0	0.000000000838	0.000000317	0	0
EVA	0.000000000107	0.00000000308	0.000000000343	0.00000000027	0.00000000128	0.000000000153	0.00000000029	0.000000000143	0.000000000241	0	0.000000000241	0.00000000469	0.0000006	0.000000000441	0.00000000265
FI- AGE	0.029801	6.151729	-0.0057504	-0.0043871	0.0426647	-0.0013965	-0.0032053	0.0007529	-0.0052968	-0.0005459	-0.0066177	0.5588537	9.167338	0.0066177	0.0281172
FI-SIZE	0.0214251	2.528716	-0.0331533	-0.0250854	-0.5039297	-0.0226279	-0.0414831	0.0054848	0.0329633	0.0023029	-0.0490262	1.258652	-16.33291	0.0490262	-0.7082369
_cons	-0.4762667	-158.3947	1.146105	0.9069311	8.849343	0.5658655	1.058985	-0.1035812	0.4504234	0.0029605	1.577619	-22.88342	-81.8948	-0.5776189	14.02376
R-squared	0.0434	0.2646	0.1742	0.1918	0.4668	0.2734	0.2371	0.8496	0.1618	0.2909	0.2276	0.1005	0.903	0.2276	0.3957
Prob > F	0.7284	0.0069	0.0663	0.0441	0	0.0054	0.0144	0	0.0874	0.0033	0.0183	0.3008	0	0.0183	0.0001

Table (15)

Multiple regression analysis before control variables of KSE

country4=Kuwait	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability
dependent variable															
NetProfit	0.0000000837	-0.000000148	0.0000000162	0.0000000154	0.0000000978	0.0000000254	0.0000000514	0.00000414	0	0.00000000292	0.0000000181	0.0000000124	0.0000000653	0.00000000705	0.00000000918
EVA	0.0000000394	0.0000000852	0.00000000721	0.00000000705	0.0000000352	0.00000000218	0.000000002	0.000000135	0.0000000203	0.00000000119	0.000000000705	0.00000000043	0.0000000034	-0.0000000181	0.000000000262
_cons	0.6470682	2.513698	0.3650627	0.3614152	1.070011	0.0516924	0.0629923	0.0573481	3.796149	0.0508193	0.360115	1.912947	0.8273177	0.639885	0.545289
R-squared	0.236	0.2202	0.1046	0.0908	0.0066	0.2144	0.1829	0.1651	0.0032	0.1214	0.2177	0.1526	0.1402	0.2177	0.1836
Prob > F	0	0	0.0036	0.0078	0.7149	0	0	0.0001	0.8499	0.0014	0	0.0002	0.0005	0	0

Table (16)

Multiple regression analysis after control variables of KSE

country4=Kuwait	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability
NetProfit	0.00000000787	-0.000000133	0.0000000152	0.0000000148	0.0000000821	0.0000000232	0.0000000461	0.00000414	0.0000000376	0.00000000255	0.0000000166	0.000000012	0.0000000657	0.0000000166	0.00000000881
EVA	0.0000000033	0.0000000619	0.00000000809	0.00000000721	0.0000000241	0.00000000578	0.0000000105	0.00000018	-0.0000000178	0.00000000195	0.000000000875	0.00000000367	0.00000000295	0.00000000875	0
FI- AGE	-0.0095016	-0.0090874	0.0037935	0.0040681	0.0661162	0.0011859	0.0033886	-1.681839	0.1582479	-0.0004363	0.0034759	0.0285223	0.015368	-0.0034759	0.0161939
FI-SIZE	0.0839423	0.3510728	-0.0074669	0.0042149	-0.064675	-0.0544058	-0.1271353	-9.940252	-0.1401643	-0.0126502	-2.08E-02	0.0571901	0.0963282	0.0208331	-1.15E-02
_cons	-0.6155386	-3.94177	0.3643672	0.1237988	-0.2108203	1.060623	2.396989	257.1643	0.4468932	0.3127056	0.6306277	-0.2886552	-1.62858	0.3693723	0.1472597
R-squared	0.3096	0.3312	0.1703	0.157	0.0539	0.2862	0.2719	0.1689	0.0637	0.2439	0.3353	0.2593	0.2221	0.3353	0.2652
Prob > F	0	0	0.0008	0.0017	0.2318	0	0	0.0009	0.1557	0	0	0	0	0	0

Table (17)

Multiple regression analysis before control variables of MSE

country5=Muscat	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability
dependent variable															
NetProfit	-0.0000000275	0.0000000433	0.00000000175	0.00000000206	0.000000000544	0.00000000292	0.0000000214	0.00000000598	0.000000000991	0.000000000755	0.00000000115	0.000000015	0.0000000128	0.000000000208	0.00000000927
EVA	0.00000000128	0.0000000016	0.000000000186	0.000000000136	0	0	0.000000000116	0.000000000971	0.000000000608	-0.00000000262	0.00000000208	0.0000000182	0.0000000148	-0.0000000115	0.0000000119
_cons	0.762514	2.559633	0.7775681	0.7839415	-0.0053241	-0.0004303	-0.1023468	0.111152	0.5012364	0.1961536	0.4890958	2.509485	2.137009	0.5109042	0.9606931
R-squared	0.1013	0.0682	0.0206	0.0244	0.5953	0.5	0.5514	0.3255	0.0725	0.4477	0.0247	0.0236	0.0346	0.0247	0.0186
Prob > F	0.0005	0.0066	0.2288	0.1733	0	0	0	0	0.0048	0	0.1689	0.184	0.0821	0.1689	0.2641

Table (18)

Multiple regression analysis after control variables of MSE

country5=Muscat	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability
NetProfit	-0.0000000271	-0.0000000041	0.00000000177	0.00000000208	0.0000000054	0.00000000289	0.0000000212	0.000000006	-0.00000000096	0.000000000694	0.00000000107	0.000000014	0.0000000127	-0.00000000107	0.00000000826
EVA	0.000000000217	0.000000000073	0.0000000000166	0.0000000000135	0	0	0.0000000000151	0.0000000000835	0.0000000000652	-0.000000000238	0.0000000000326	0.000000000267	0.000000000117	0.0000000000326	0.000000000155
FI- AGE	0.0142421	0.0813802	0.0006027	0.0007099	-0.0013973	-0.0011787	-0.007532	0.0006411	0.0011224	0.0021773	-0.0030246	-0.0331305	-0.0025779	0.0030246	-0.0364141
FI-SIZE	0.1175456	0.1343512	-0.0016969	0.0002619	0.0039647	0.0028966	-0.0316295	0.0143835	-0.0040113	-0.0237887	-0.0137625	-0.1058601	0.0305085	1.38E-02	-0.0574039
_cons	-1.723293	-2.395963	0.7872013	0.7563778	-0.0281835	-0.0120065	0.6867004	-0.2572831	0.5338264	0.5349012	0.8242137	5.407617	1.695606	0.1757863	3.131418
R-squared	0.118	0.1059	0.021	0.0248	0.604	0.5164	0.5692	0.3356	0.0761	0.4698	0.0557	0.0426	0.0361	0.0557	0.0535
Prob > F	0.0014	0.0033	0.5584	0.4722	0	0	0	0	0.0248	0	0.0886	0.1886	0.2693	0.0886	0.1008

Table (19)

Multiple regression analysis before control variables of SSE

country6=Suadia Arabia	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability	
dependent variable																
NetProfit	0.00000000475	-0.0000000106	0	0	0.0000000066	0.00000000117	0.00000000228	0	0	0	0	0	0	0	0	-0.0000000016
EVA	0.00000000459	0.0000000103	0	0	0.00000000666	0.00000000117	0.00000000228	0.00000000135	0	0	0	0.00000000395	0.00000000161	0	0	0.00000000157
_cons	2.959257	7.235984	0.5749509	0.616292	-0.1835526	-0.0068932	-0.0326058	0.6025424	0.4704922	0.4353752	0.5171675	2.692267	1.240248	0.6256694	1.115018	
R-squared	0.01	0.0107	0.0012	0.001	0.4546	0.4766	0.4846	0.0001	0.0152	0	0.0007	0.0012	0.0019	0.0114	0.0255	
Prob > F	0.1613	0.143	0.7994	0.8354	0	0	0	0.9745	0.0624	0.9972	0.8776	0.8028	0.714	0.1259	0.0094	

Table (20)

Multiple regression analysis after control variables of SSE

country6=Suadia Arabia	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability
NetProfit	0.00000000386	-0.00000000869	0	0	0.00000000662	0.00000000118	0.00000000229	0	0	0	0	0	0	0	-0.00000000156
EVA	0.00000000424	0.00000000951	0	0	-0.00000000667	-0.00000000117	-0.00000000229	0.00000000016	0	0	0	-4.24E-10	-1.70E-10	0	0.00000000155
FI- AGE	-0.0601901	-0.111354	0.0004287	0.0008286	-0.0158946	-0.0024912	-0.0048384	-0.0369514	0.0000272	-0.0046755	0.0004351	4.16E-11	0.0008399	-0.0008945	0.0019102
FI-SIZE	1.457661	3.168934	0.0080835	0.0168612	0.0343491	0.0071063	0.0257179	0.0806896	0.0088241	0.0423725	0.006117	4.16E-11	0.0419671	0.0057357	0.0598516
_cons	-20.84246	-45.18061	0.4166775	0.2884177	-0.2455036	-0.0471823	-0.3223896	0.4436822	0.3129109	-0.1556722	0.3935838	0.7030337	0.4663089	0.5546805	-0.132949
R-squared	0.0528	0.0526	0.9394	0.0037	0.4583	0.48	0.4901	0.0153	0.0216	0.0007	0.0009	0.0055	0.0062	0.0261	0.0269
Prob > F	0.0006	0.0006	0.0022	0.8558	0	0	0	0.2343	0.096	0.993	0.9884	0.7354	0.694	0.0487	0.0434

Table (21)

Multiple regression analysis before control variables of BHB

country7=Bahrain	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability
dependent variable															
NetProfit	0	0.0000000408	0.00000000178	0.00000000209	0.00000000692	0.00000000483	0.0000000252	0.00000255	0.000000011	0.00000000756	0.00000000279	0.0000000591	0.0000000367	0	0.0000000073
EVA	0	0.000000000772	0	0	0	0	0.000000000144	0.00000000188	0	0	0	0	0	0.00000000279	0.000000000139
_cons	0.0001791	-0.0610556	0.5587593	0.5228504	0.131943	0.0379511	-0.3883798	-23.3504	0.4965523	0.2196085	0.6721148	0.3866757	1.876878	0.3278852	2.388972
R-squared	0.5711	0.9385	0.109	0.1525	0.6962	0.8782	0.9218	0.671	0.49	0.3834	0.1933	0.0038	0.2044	0.1933	0.2679
Prob > F	0.0062	0	0.5004	0.3707	0.0008	0	0	0.0013	0.0176	0.055	0.2755	0.9776	0.2536	0.2755	0.154

Table (21)

Multiple regression analysis after control variables of BHB

country7=Bahrain	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability
NetProfit	0	-0.0000000561	0.00000000638	0.00000000814	0.00000000403	0.0000000029	0.00000000211	0.0000043	-0.000000000454	0.00000000159	0.00000000448	-0.00000208	0.000000445	0.00000000448	-0.0000000646
EVA	0	0.000000000923	0	0	0	0	-0.00000000019	0.00000000181	0.000000000785	0	0	0.00000000015	0	0	0
FI- AGE	-8.36E-06	0.1254101	-0.0116131	-0.0140574	0.0039548	0.0023875	0.0326182	-2.147266	0.0071359	0.0110497	-0.0044345	#0.1856347	-0.1067347	0.0044345	0.026029
FI-SIZE	-0.0000829	0.8673563	-0.1775402	-0.1725733	0.0472528	0.0057715	0.2521168	-4.302954	0.1970087	0.0015074	-0.0536211	#0.6338902	-0.8893464	0.0536211	0.9502729
_cons	0.0020336	-21.97375	4.114704	4.162399	-0.8716071	-0.2105319	-6.504249	186.1904	-2.465893	-0.534613	1.807383	#-21.84132	22.9002	-0.8073833	-14.25533
R-squared	0.8467	0.9809	0.9082	0.9465	0.9423	0.9637	0.9924	0.9014	0.6283	0.9075	0.6457	#0.0168	0.9421	0.6457	0.987
Prob > F	0.0004	0	0	0	0	0	0	0.0001	0	0	0.0236	#0.9959	0	0.0236	0

Table (23)

Multiple regression analysis before control variables of DFM

country8=Dubai	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability
dependent variable															
NetProfit	-0.00000000132	0.00000000714	0.00000000354	0.00000000385	0.00000000244	0.00000000331	0.00000000351	0.00000000431	0.000000000371	0.00000000315	0	-0.0000000013	0.00000000877	0.000000000622	0.000000000622
EVA	0.00000000299	-0.0000000159	0.00000000763	0.00000000078	0.000000000265	0.00000000615	0.00000000585	0.00000000019	0.000000000673	0.00000000777	0.000000000622	0.000000000534	0.0000000184	0	0
_cons	0.4578994	2.176479	0.3052105	0.2856285	-0.1217515	0.0068627	0.0086938	0.2787734	0.5310106	0.135718	0.3319765	1.191402	0.5487811	0.6680235	0.252771
R-squared	0.2258	0.2508	0.7968	0.7925	0.3363	0.7988	0.255	0.0008	0.3429	0.7828	0.2334	0.0529	0.7751	0.2334	0.1348
Prob > F	0.0316	0.0203	0	0	0.0039	0	0.0188	0.9892	0.0034	0	0.0277	0.4801	0	0.0277	0.1417

Table (24)

Multiple regression analysis after control variables of DFM

country8=Dubai	Leverage ratio	Equity Multiplier	Asset Utilization	Asset turnover ratio	Profit Margin	ROA	ROE	EPS	Adm expenses ratio	Expenses ratio	Liquid asset ratio	current ratio	fixed asset turnover	fixed asset ratio	ratio of working capital to liability
NetProfit	0.000000000764	-0.00000000504	0.000000000503	0.00000000113	0.00000000243	0.00000000151	0.0000000211	0.00000000155	-0.00000000193	0.00000000106	0	0.000000000995	0.00000000265	0	0
EVA	0.000000000408	0	0.00000000347	0.00000000329	0.00000000108	0.0000000024	0.00000000261	0.00000000162	0.000000000915	0.00000000303	0	-0.00000000188	0.00000000703	0	0
FI- AGE	0.0054356	0.1041127	-0.0490575	-0.0481796	0.0043178	-0.0360643	0.5793326	0.0250448	-0.0004588	-0.047043	-0.0025497	-0.0103633	-0.1150221	0.0025497	0.0028139
FI-SIZE	0.0198103	2.174996	-0.5911847	-0.6358823	1.11E-01	-0.5257839	11.59528	0.211677	-0.0012227	-0.6649122	-0.071795	-0.3246888	-1.599131	0.071795	-0.0358635
_cons	-0.1104404	-32.3431	10.86265	11.38172	-1.827634	8.968219	-185.3957	-3.924626	0.1014066	11.54959	1.42125	6.05151	28.10596	-0.42125	0.3380938
R-squared	0.2393	0.2995	0.8653	0.8588	0.3473	0.8634	0.3467	0.0082	0.4834	0.8529	0.2772	0.1068	0.8461	0.2772	0.1545
Prob > F	0.1308	0.0554	0	0	0.0258	0	0.0261	0.9946	0	0	0.0771	0.569	0	0.0771	0.3599

Table (25)*Study variables*

The variable	Accounting Income	Economic Value Added	Financial Sustainability	Firm Age	Firm Size
Variable type	Independent	Independent	Dependent	Control	Control
Symbol	AI	EVA	FS	(FI-AGE)	(FI-SIZE)
Definition	An increase in economic benefits during the accounting cycle in the form of income flows or an increase in assets that increases property rights other than those associated with the contributions of equity holders (Alkubaisi et al., 2016)	EVA is a financial management strategy that is frequently employed as a means of evaluating a firm's financial performance and economic advantages. It is the remaining profit or loss after the elimination of all costs associated with investing capital, as well as the return on investment attained following the deduction of all expenses related to financing the invested capital, whether through external financing or internal financing from shareholders (Shawawreh, 2019).	Equitable distribution and efficient allocation of (Onuselogu & resources Shahzad, 2023) and utilize excess revenues rather than distributing them as dividends to expand the firm's investments to enhance financial sustainability and sustain their long-term financial viability (Schroeder et al ., 2022).	The variable is usually referred to as a control variable; it is rarely used as an explanatory one (Vora, 2019) the number of years of incorporation of the firm (Yilun, 2020).	Natural Logarithm of total assets (Dang & Li, 2015)
Measurement	Net profit in the financial statements.	$EVA = NOPAT - (WACC \times IC)$. (SUNDARI et al ., 2023).	CAPPLEO Group (Abu Zer & Al-Atum, 2016 ; Abdel Hafeez & Abdel Fattah , 2020).	No of years since incorporation. (Vora, 2019).	Natural Logarithm of total assets. (Yilun, 2020 ; Al-Asmar et al., 2024).



جامعة النجاح الوطنية
كلية الدراسات العليا

أثر كل من الدخل المحاسبي والقيمة الاقتصادية
المضافة على الاستدامة المالية - دراسة تطبيقية

إعداد
مرام معين مشاقي

إشراف
أ. د. عبد الناصر نور
د. سائد الكوني

قدمت هذه الرسالة استكمالاً لمتطلبات الحصول على درجة الماجستير في المحاسبة بكلية الدراسات
العليا في جامعة النجاح الوطنية، نابلس، فلسطين.

2025

أثر كل من الدخل المحاسبي والقيمة الاقتصادية المضافة على الاستدامة المالية - دراسة تطبيقية

إعداد

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الملخص

تهدف هذه الدراسة إلى تحليل تأثير الدخل المحاسبي والقيمة الاقتصادية المضافة على الاستدامة المالية للشركات الصناعية (غير المالية) المدرجة في بورصات فلسطين وعمان والسعودية ومسقط والكويت وقطر والبحرين، ودبي. هدفت هذه الدراسة الى تحليل تأثير كل من الدخل المحاسبي والقيمة الاقتصادية المضافة على الاستدامة المالية و تم استخدام المنهج الكمي وغطت الدراسة خمس سنوات من (2019-2023). تم جمع البيانات الثانوية من التقارير السنوية للشركات الصناعية المدرجة في بورصات فلسطين وعمان والسعودية ومسقط والكويت وقطر والبحرين، ودبي. ثم تم تحليل باستخدام البرامج الاحصائية لعلم البيانات اصدار رقم 17. تم استخدام الجداول والرسوم البيانية لتفسير نتائج التحليل. أظهرت النتائج أن الدخل المحاسبي والقيمة الاقتصادية المضافة على نسبة الرفع المالي في بورصة فلسطين ذات دلالة احصائية فقط مع المتغيرات الضابطة. تأثير الدخل المحاسبي والقيمة الاقتصادية المضافة على استخدام الاصول ليس ذا دلالة احصائية قبل وبعد المتغيرات الضابطة في بورصة قطر. وأوصت الدراسة بضرورة أن تركز الشركات الصناعية في بورصة عمان على الاستراتيجيات التي تعمل على تحسين استغلال الاصول وعوائد الاسهم، كما ينبغي على الشركات الصناعية المدرجة في بورصة الكويت أن تركز على تحسين كفاءة التكلفة وخفض النفقات الغير ضرورية.

الكلمات المفتاحية: الدخل المحاسبي؛ القيمة الاقتصادية المضافة؛ الاستدامة المالية.