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PREDICTING THE FINANCIAL PERFORMANCE OF COMPANIES USING PERFORMANCE EVALUATION INDICATORS: AN ANALYTICAL STUDY IN THE COMPANY OF PRODUCING READY-MADE CLOTHES

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Abstract:
Research helps forecast corporate financial success by using performance assessment indicators, detecting and mitigating aberrations in light of evaluation outcomes, and illustrating the significance of performance evaluation and its influence on better performance. The company that produces ready-made clothing and is listed on the Iraqi Stock Exchange served as the research sample. The study's time frame was set between 2018 and 2020. An analytical and deductive approach was taken, and the hypothesis that the use of financial performance evaluation indicators aids in "predicting and improving performance in the ready-made clothing production company" was relied upon in order to accomplish the goal. According to the research, the total amount of current costs reached its greatest levels in 2020 (17379359739) dinars. The year in question saw a notable fluctuation in trading ratios between high and low points during the research period, despite the fact that net sales for that year totaled (17364229241) dinars and the expenses to sales ratio of 100%, the highest percentage ever achieved during the research period. The value of current assets (6679746025) dinars and the value of current liabilities (8490473655) dinars in 2019 were (82%), and the value of current liabilities (5864917028) and the value of current assets (6679755162) dinars in 2020 were (11%), the lowest percentages.

In other words, the firm can pay its current liabilities with its current assets, demonstrating its capacity to maintain a balance between the two and proving that it can make its payments on time and within reasonable limits. It suggested that financial policy makers should focus more on examining the performance indicators between liquidity and market value of financial companies and reveal profitability and market value indicators in financial statements, since they show how strong financial companies and their stocks are relative to one another.

Keywords: performance - performance evaluation - performance indicators.

Introduction

Most businesses are very interested in performance evaluation because they all want to maximize their return on investment by operating to the fullest extent possible with the capacity that they have available. Using effective evaluation results also encourages the development of production elements and ongoing efforts. improving its capacity for output, particularly with regard to human resources. (Karkhi, Al-2001, 5) The importance of making the best use of the resources at hand in order to accomplish social and economic growth is correlated with performance evaluation. The need to find a tool that makes management more efficient and uses the available

resources in an optimal, economical, and effective manner in achieving the desired goals arose, and this tool is performance evaluation. The importance of performance evaluation has increased with the increase and expansion of activity, the large size of projects funded by the state, and the emergence of public benefit projects that are distinguished by the large amounts of money invested in them. (Azab, 13, 2009) Consequently, the research is highly significant because it sheds light on a crucial topic—the application of financial indicators—and is crucial for assessing financial performance, spotting financial deviations, and attempting to address them in the context of corporate global competitiveness and its effects on Iraqi industrial companies. on a firm that produces ready-to-wear apparel in order to forecast its success.
The research was separated into three segments in order to accomplish its goals. The research methodology and prior studies were covered in the first chapter, the theoretical literature for the study was covered in the second, and the analytical study (method and processes), findings, and suggestions were covered in the third.

Chapter One: Research methodology and previous studies:

1.1 Research issue:

Iraqi industrial companies operate in an environment where a wide range of risks are present. These risks have the potential to negatively impact the companies' operations and worsen their financial and economic circumstances, so it is crucial to pay close attention to the stages that these companies go through before they fail and fall into financial decline. Financial performance indicators are crucial information that helps departments and investors alike assess the financial stability and expansion of economic units. Of particular importance is the examination of financial ratios. Thus, "Does the use of financial performance evaluation indicators contribute to predicting and improving performance?" might be used to formulate the study topic

1.2 The significance of research:

The research emphasizes a crucial component, which is the use of financial indicators on the ready-made clothing production company in order to forecast, which makes it extremely important. This is especially true in light of the impact of global competitiveness between companies and the importance of evaluating financial performance, identifying financial deviations, and working to correct them on Iraqi industrial companies. by carrying it out.

1.3 Research objective:

The study shows the value of financial performance evaluation in enhancing performance and helps forecast a company's financial performance by utilizing performance evaluation indicators to identify deviations and reduce them based on the results of the evaluation.

1.4 Research hypothesis:

The following hypothesis, which states that "the use of financial performance evaluation indicators contributes to predicting and improving performance in the ready-to-wear clothes production company," was used to conclude the research.

1.5 Research sample:

The research sample was a ready-made clothes production firm listed on the Iraq Stock Exchange.

1.6 Limitations of the Study:

The following are the research's limitations: -

• The ready-made garment production firm serves as a symbol for the limitations of space.
• Time constraints: shown by the financial reports for the fiscal years (2018-2020) of the research sample firms.

1.7 Data gathering techniques and research methodology:

The following facts and information were gathered in order to finish this research, including both its theoretical and applied components, using a deductive and analytical approach: • The theoretical component: For this study, we have consulted published and unpublished research on the topic, as well as books, magazines, and other foreign and Arab literature that is now accessible.
• The practical element. In order to gather the necessary data and information in this regard, the researcher used a variety of sources, the most significant of which were the ready-made clothes production company's yearly financial reports published by the Iraq Stock Exchange.

1.8 Previous Studies:

1. Research of (Youssef Abdullah, 2023) The goal of the project is to develop new techniques for assessing bank performance using the PATROL model, which is one of the early warning models and has five components: capital adequacy, liquidity, profitability, and credit risk. Organization), eight private banks in Iraq were included in the research sample for the study period of 2010–2020. The validity of the research hypotheses was demonstrated, including the possibility of ranking Iraqi private banks according to their performance using the PATROL model, which would place the banks with the best performance at the top. The study produced numerous results, including the fact that the Patrol system aids in the development of indicators capable of monitoring bank performance effectively. The emphasis is on financial metrics (capital adequacy, liquidity, profitability), as well as the human aspect (organization) and employment sectors (credit). The basic principles that express the soundness of the banking system, as well as several recommendations, were made, including the importance of establishing appropriate performance standards in order to detect any deviations in the banking work, allowing bank management to take corrective measures that will limit the bank's failure or bankruptcy in a timely manner.

2. Research of (Daham, Obaid Al-Fatli, 2022). The goal of this study is to determine the degree of growth and stability of economic units through the analysis of their annual financial reports using a set of financial ratios. It also presents the findings of the performance evaluation process conducted for the study sample, the General Company for Ports of Iraq. Financial ratio analysis is a valuable tool for decision-making among those who use financial statements to assess the degree of financial stability of economic units and the efficiency with which they have used the resources at their disposal.

3. The research (Al-Aboudi, Al-Binaa, 2022) sought to assess the financial performance of Iraqi banks by examining the performance-importance matrix. This study is based on five commercial banks listed on the Iraqi Stock Exchange from 2006 to 2020 (Commercial Bank, Investment Bank, Sumer Bank, Credit Bank, and United Bank). The research used an examination of financial performance indicators (profitability, liquidity, risk) to identify the financial performance of the banks in the research sample, which was then evaluated using performance matrix analysis – significance, The study period was divided into three sections: the independent variable (2006-2010), the intermediate variable (2011-2015), and the dependent variable (2016-2020). In other words, we see the profitability of 2006-2010. Profitability (2011-2015), liquidity (2006-2010), liquidity (2011-2015), risks (2006-2010), and the extent to which they impacted profitability (2016-2020), as well as whether the impact was favorable or negative. The study's findings, which were obtained by analyzing the effect and importance of the variables of the (performance-importance) matrix using the Smart PLS3 statistical programme, indicate that banks experienced an increase in financial performance between 2016 and 2020 as a result of their positive performance during the research period, which reflected positively on profitability. In order to enhance financial performance, The researchers propose that bank managers review financial performance using the performance-importance matrix on a regular basis since this technique helps managers to enhance their management strategies by identifying the significant deficiencies that demand immediate attention.

Chapter Two: “Theoretical Literature for Research’’

.2.1 Performance

The term performance refers to the behavior of a company's operations as a whole or a subset of them during a specified time period. On this premise, performance is concerned with the quality of outcomes and their presentation for measurement in accordance with previously established criteria in order to save costs, decrease time, and improve implementation accuracy. As a result, it is preoccupied with the amount of success that it has attained. The firm and its measurement, and on this premise, performance is regarded the first objective that organizations revolve around, because it is the most essential goal that explains and signals development in the company's success and may propel it into the ranks of top corporations (Alexander, 2018: 242). Performance describes the amount to which tasks are completed, and some interpret it to mean that the individual performs the many activities and tasks that comprise his work. (Bin Omrani, 2021:7) It may also be defined as: "The procedure that aims to evaluate the achievements of individuals through a specific means to judge the extent of each person's contribution." An individual in accomplishing the duties assigned to him in an objective manner, as well as **evaluating his behaviour and actions at work. (Wali & Nazha, 2018: 12).**

The researcher perceives performance as a systematic method for measuring, assessing, and altering an individual's performance qualities. Behavioral and attempting to find the

possibilities of repeating the same behavior and performance in the future in order to benefit the person, organization, and society.

.2.2 Financial forecasting of performance

Forecasting is a fundamental and vital component of the financial planning process because it gives dependable information based on past, present, and projected financial conditions. This will aid in determining future income and spending patterns that may have an immediate or long-term influence on the organization's strategies (Mithas & Sambamurthy, 2011: 244). To complete the work of financial forecasting of the organization's financial needs, as planning begins where the financial forecast ends, it alerts management to the presence of Needs or the presence of a financial surplus and forming a picture of the organization's future profits if the surplus is used instead of borrowing (Alexander, 2018:184). The purpose of financial projections is to assess the existing and future economic situation and forecast. There are two kinds. ،

1- **1-** Financial forecasting of the company's demands for various types and costs of financial sources, as well as long-term investment financing: As a result, the institution must precisely anticipate its overall funding requirements for certain years in the future, compare the rate of return on investment (i.e. the risk tolerance rate of financing) to long-term loans, and compute the projected return. (Lakshmi, 2017, 1017).

2- Short-term financial forecasting: This sort of forecasting focuses on predicted budgets that improve the financial planning process by predicting financial demands for a specific time period, such as a year (Alexander, 2018: 185).

The researcher argues that financial performance forecasting is an essential requirement to decrease recurrent and unexpected failures of organizations, and that detecting them helps to prepare for them early and reduce them so that the company is not vulnerable to a sudden collapse.

.2.3 Performance evaluation

Performance evaluation is a critical component that businesses must implement. It is regarded as a fundamental administrative procedure in the organization, equal in importance to decision-making and the formation of work teams. No firm, regardless of kind, can ignore the evaluation process (Bayo-Moriones et al., 2019:2). The performance assessment process may be characterized as the final phase of any process, through which the outcomes are compared to the acceptable criteria and therefore management forms judgments about the company's performance in light of the evaluation (Choong, 2013:103). Performance evaluation is based on two essential trends: first, measurement using a set of criteria and indicators, and second, making judgments based on the measured findings (108: Zhu, 2014). (Asia, 2015:2) defines performance evaluation as a process that investigates a set of quantitative and qualitative indicators of economic project activities and focuses on the importance of the project's operational and financial activities using information extracted from financial statements and other sources in order to use the indicators as standards in the process of evaluating the financial performance of business companies. It is also referred to as an integrated system that, while accounting for structural and historical factors, compares the actual results of the chosen results with the corresponding target indicators, those that reflect performance results during previous periods, or performance results in similar economic units (Ben Zaghiba, 2021: 6). Some interested parties feel that financial performance is a diagnostic of an organization's financial health that determines its ability to produce value and confront the future. Using budgets, results calculation tables, treasury flows tables, capital changes tables, and appendices is ineffective if the economic situation and industrial sector to which the active institution belongs are not included in the research. The institution's success is evaluated based on its economic return and growth rate, including profits. (Khaidir, Maryam, 2017:58).

The researcher thinks that performance evaluation defines the trajectory of the company's financial position and performance in order to relate it to the expected adjustment in performance from management, allowing management to work towards its objectives.

.2.4 Performance evaluation indicators

Multiple performance criteria exist, as do numerous and diverse financial metrics. Any economic unit or facility strives to maximize returns by optimally utilizing its resources and skills. This necessitates regular monitoring and management to determine the degree of the efficiency, effectiveness, and economics of employing existing resources, as evaluating performance is not a simple task. Many indicators are available for performance evaluation; these must be prioritized before the most suitable ones are selected to link the performance indicators with the aspects of the activity whose performance is to be evaluated. These indicators should be chosen to ensure that the unit, its goals, the size of its activity, and its organizational structure are all taken into consideration. Examples of these include financial indicators like profit, indicators of achieving the production plan, and indicators pertaining to inputs and outputs. These indicators could be complementary to one another, and the effectiveness of performance cannot be assessed using only one indicator. Therefore, the scientific and useful identification of indicators becomes more significant when used to assessing how well the various activities of the economic unit, resulting in an assessment of the unit's overall performance (Al-Khafaji, 2003: 27).

These indicators can be classified into: (Al-Karawi, 2014: 80-81)

First: Efficiency indicators

The competency component indicators for performance evaluation contain a set of criteria that will be applied to the research sample laboratory in the next chapter, which are:

First - the quantitative productivity standard.
Second - Partial productivity criterion, which is divided into:

1. Material productivity
2. Worker productivity
3. Wage productivity
4. Capital productivity

Second: Indicators of effectiveness: (Al-Karaawi, 2014: 80-81)

1. The percentage of achieving the production plan
2. Percentage of utilization of production capacity
3. Employment ratio
4. Percentage of utilization of design energy

Third: Economic indicators

This indicator shows if, in comparison to standards and standards, the cost of manufacturing, labor, and services rendered has grown reasonably regularly.

• Finding the best processing contracts to lower the cost of commodity inputs.

• By making the best use of labor in terms of quantity and skill, the unit may lower the cost of hiring employees.

• Lowering the cost of waste by rationalizing the usage of machinery and extending its useful life; moreover, lowering the cost of productive services from insurance, power, and maintenance.

• Cutting back on wasteful spending to lower the price of marketing and administrative services. Start an operating cycle for the working capital head, cash liquidity accessible to the accounting unit, and the commodities treasury. Economic unity is one of the performance appraisal's economic component indicators.

Fourth: Financial ratios, which consist of: (Al-Karaawi, 2014: 80-81(

1. Liquidity ratios
2. Activity rates
3. Profitability ratios

Fifth: Value added indicators

Recently, organizations have made added value the primary instrument for assessing the success of their divisions and sub-units, causing managers to behave as if they were owners. Economic changes in the corporate environment have caused all economic units to no longer focus primarily at maximizing profits, necessitating a shift in the standard for judging performance. As it attempts to select a simplified main objective as an indicator in the evaluation process of the company's contribution to the largest possible amount of national income, this indicator is regarded as one of the most objective and appropriate indicators for the nature of developing countries (Taha, 2003: 363). The difference between the value of its goods and the value of materials obtained from other economic units and employed in their manufacture is known as the value added at the level of the economic unit (Alwan and Al-Zayani, 2008: 130).

Fifth: Financial leverage indicators

Due to its relationship to the financing structure (Financial Structure), which entails the purchase of assets with borrowed funds, financial leverage represents the change in net profit that occurs to owners as a result of a particular change in net profit of operations (Hindi, 2004: 614). (Mohamed et al., 2005: 255) Financial leverage grows in strength and effectiveness in proportion to the establishment's reliance on outside funding for its invested capital. If the unit can make use of the borrowed money for investments (Matar, 2003: 224). It assists in assessing the structure with a rate of return that, on a certain date, surpasses the cost of the business's borrowed money in terms of how dependent the organization is on internal or external funding sources. The primary cause of this is that, in the eyes of market participants, debt instruments carry a lower risk than equity instruments (Khanfar and Al-Matarneh, 2006: 281). When assessing industrial units, there are a number of indicators that may be used to gauge financial leverage in proportion to the assets of the organization. These indicators include:

1. The ratio of ownership rights to total assets
2. Ratio of fixed assets to property rights

According to the researcher, performance assessment indicators are metrics that are used to assess how well a system, procedure, or person is doing. It is often developed from particular performance targets and is frequently used to assess the success of an organization or project. Financial performance indicators are employed in our research in order to meet the research purpose since performance indicators may be used in a range of circumstances, such as assessing staff productivity, customer happiness, or financial performance.

: 2.5 Conditions for evaluating financial performance

Conditions must be met in order to evaluate performance, which is summed up as follows (ZAK, 2017: 137): -

1. Availability of sufficient information: The performance evaluation process must go through various stages, the most significant of which is the availability of enough information. As a result, information is the foundation and starting point for the evaluation process, and it was required for the firm to supply and receive all of this information. Available indicates that the information is sufficient and has an impact on the company's varied activities, as well as the ability to track performance and progress.

2. Establish the desired performance levels: In order to conduct the comparison process and assign blame for any deviations, whether positive or negative, the organization must establish the standard rates of performance. This will allow it to ascertain the rates of achievement and development that occur in performance.

3. Process continuity: This refers to the fact that the assessment procedure should not be restricted to a set amount of time to be completed. Instead, the evaluation process needs to be carried out at various points during the company's existence, regardless of how long or short the periods are. However, the process must have the quality of periodicity, meaning it must be carried out on a regular basis and at regular intervals. The length of the evaluation process is decided by the nature of the thing to be measured, such as monthly performance reviews for sales staff. Regarding the assessment of product quality, it is conducted on a daily basis.

In order to benefit from the company's information during evaluation, the researcher takes into consideration the requirements for evaluating financial performance, which include that it be sufficient, prepared in accordance with generally accepted accounting principles, meet relevant international or local standards, and be of quality and usefulness.

2.6 The impact of evaluating financial performance and its importance in improving performance:

Measuring deviations from budget allocations, whether positive or negative, and confirming the nature of the deviation—even if the objective is not to discover the deviation—is essential to tracking and assessing the company's real performance through comparison with the system. Making the appropriate choice in the face of this departure is the main objective instead. as well as its scope. as well as how it affects performance outcomes. (Mohamed et al., 2018: 325), as monitoring carries on from the start of the real deployment. Since measuring the actual performance of responsibility centers requires providing the actual performance of the data through which the measurement is carried out and analyzing the deviation between the actual performance and the performance, the task of monitoring entails following up on implementation and comparing actual performance with planned performance to determine whether actual performance is consistent with established plans, policies, and standards. scheduled, it might be desired or not. The occurrence of deviations is typically caused by inaccurate planning rates and performance criteria, inefficient actual implementation of their occurrence, or insufficient monitoring and training of personnel to increase their productive efficiency. Al-Hanini and Badran (2013), p. 30 Improving employee performance is the primary goal of training, which is a significant activity and function of modern organizations Enhancing employee performance at work with the highest efficiency and effectiveness leads to the introduction of technological advancements in work methods and procedures. This is achieved by giving workers the skills they need to handle a variety of changes in the internal and external environment, analyzing the strengths and weaknesses in the employees' current performance and behavior, determining the necessary training needs, and then developing effective training programs in order to reach expected behavior and performance, Because they possess new technical and scientific abilities that are compatible with the numerous changes and developments in the organization's external environment, personnel are able to do their jobs more efficiently (Al-Sharaa, Al-Tarawneh 2008: 15). In short, training is an endeavor to enhance present performance; failure to invest in the process will result in labor that is tedious and taxing, as well as a waste of time, money, and resources (Al-Hasani, 2005: 92). To make sure that every department in the business operates efficiently and works towards its objectives, the internal control process evaluates performance and establishes protocols for gathering input (Garrivion et al., 2011: 34). Performance is tracked, goals are compared, and any notable differences are corrected (Daft & Marcic, 2011:35). Internal control is defined as "the process, undertaken by the board of directors, management, and other employees, that is designed to provide reasonable assurance regarding the achievement of the following objectives" (Robertson & Louwers, 2002:144) by the Committee of Sponsoring Organizations (COSO), which replaced the Trade Way Committee in 1992.

• Effectiveness and effectiveness of operations;
• Compliance with relevant rules and regulations;
• Dependability of financial reporting

According to the researcher, employees' increased performance is "the result of what has been trained through the training programs provided to the company's employees," since these programs give them the knowledge and skills they need to advance their performance in their line of work. Performance-oriented training also plays a significant role in this process. It is distinguished by emphasizing productivity and being aware of how much it affects workers' performance in terms of giving them new abilities, trends, and skills to produce high-quality work. It transcends the idea of conventional instruction.

Chapter Three: Analytical study (method and procedures)

The first prerequisite is employing performance evaluation indicators to forecast the financial success of businesses.

Evaluation indicators for companies' evaluation performance were used to predict performance. These indicators include the following:

1. **Expenditures growth rate**: The analytical findings are shown below. This is computed by dividing the total expenditures by sales by 100%.

Table No. (1) Ratio of expenses to sales

Year	Total current expenses/thousands of dinars	Sales value Thousands of dinars	Expense ratio %*100	Percentage change from base year*100%	Percentage change from the previous year* 100%
2018	7127056612	7152779100	99	Base year	-
2019	71301116016	17320906429	417	321	321
2020	17379359739	17364229241	100	1	(76)

The table shows that during the research years, the ratios of expenses to sales have been steadily rising. In 2020, for example, the highest total current expenses reached(17379359739) dinars, while net sales for the same year totaled(17364229241) dinars. Additionally, the ratio of expenses to sales reached 100%, the highest percentage during the research period.

2. **Trading ratio:** The analysis's findings are displayed in the following table if current assets and current liabilities are divided by 100%.

Table No. (2) Trading ratio and changes from previous years

Year	Value of current assets/thousands of dinars	Value of current liabilities/thousands of dinars	Trade rate %*100	Percentage change from base year*100%	Percentage change from the previous year* 100%
2018	1942773637	3467038451	56	Base Year	-
2019	6967746025	8490473655	82	46	46
2020	6679755162	5864917028	11	(80)	(86)

The value of current liabilities (8490473655) and current assets (6967746025) dinars had the highest percentage increase (82%) in 2019, which is evident in the table that illustrates the clear fluctuation in trading ratios between high and low in the research years. The lowest percentage is (11%). The amount of current obligations is (5864917028) dinars and the value of current assets is (6679755162) dinars in 2020. That is to say, the firm's capacity to balance its current assets and current liabilities shows that it can pay its debts in an acceptable way. The company can pay its current liabilities with its current assets.

3. Liquidity ratio: Calculate the ratio by 100% of current liabilities divided by current assets less inventory. The analysis's findings are displayed in the table below.

Table No. (3) Liquidity ratio and changes from previous years

Year	Value of current assets - commodity inventory / thousands of dinars	Value of current liabilities/thousands of dinars	Liquidity ratio %*100	Percentage change from base year*100%	Percentage change from the previous year* 100%
2018	178246686	3467038451	5	Base year	-
2019	6953087022	8490473655	81	523	523
2020	6670317814	5864917028	113	209	39

As the company achieved its highest liquidity ratio during the research period in 2020 (113%) and its lowest ratio in 2018, with a value of (5%), it is evident to us that liquidity ratios increased during the years of research, in addition to not meeting the minimum liquidity ratio during each year. These results demonstrate the company's ability to meet its obligations.

4. Quick liquidity ratio: Calculate the ratio by 100% of cash assets divided by current liabilities. The analysis's findings are displayed in the table below.

Table No. (4): Cash liquidity ratio and changes from previous years

Year	Value of cash assets/thousands of dinars	Value of current liabilities/thousands of dinars	Cash flow ratio %100	Percentage change over the base year%	Percentage change from the previous year %
2018	1502828387	3467038451	43	Base Year	-
2019	5630835594	8490473655	66	23	23
2020	6055846176	5864917028	103	60	37

It is evident that the business lacks a strong commitment to prudence, and the firm would go bankrupt if this proportion keeps declining.

5. Profitability ratio: The analysis's findings are displayed in the following table if the calculation is carried out by dividing net profits by the production value by 100%.

Table No. (5) Profitability ratio and changes over previous years

year	Net profit Thousands of dinars	Production value Thousands of dinars	Profitability ratio %*100	Percentage change in base year%	Percentage change from the previous year
2018	161787848	7722326997	**2**	**Base Year**	-
2019	198378384	16403419944	1	(50)	(50)
2020	110798664	16997061078	6	2	5

The cash liquidity ratios clearly grew during the course of the research period, and this is because in 2020 the firm reached its greatest percentage of 103%, with cash assets valued at (6055846176) dinars and liabilities valued at(5864917028) dinars. The company's capacity to exercise prudence is demonstrated by the fact that, as we can see from the percentage change from the prior year, it maintained strong percentages during the course of the research, demonstrating its ability to sustain its financial situation.

6. Return on invested funds indicator: The analysis's findings are displayed in the following table if the net profits are divided by the invested funds by 100%.

Table No. (6) The rate of return on invested funds and its change from the market interest rate

Year	Net profit Thousands of dinars	Money invested Thousands of dinars	Rate of return on invested funds 100%	Market interest rate%	the difference
2018	161787848	1485839533	10	10	Zero
2019	198378384	1485839533	13	9	4
2020	110798664	1485839533	7	8	(1)

The rate of return on invested funds was impacted by the interest rate decline from 2018 to 2020, as the table illustrates. In 2019, it was growing at a respectable rate and was at 13%. In 2020, this proportion fell to 7%, which is thought to be a respectable rate in comparison to prior years to obtain the desired conclusions.

7. Sales indicator: If it is done by dividing the quantity or value of sales by the quantity or value of production by 100%, the following table shows the results of the analysis.

Table No. (7) Ratio of sales to production and changes from previous years

Year	Net sales Thousands of dinars	Production value Thousands of dinars	Sales to production ratio 100% *	Percentage change over the base year%	Percentage change from the previous year
2018	7127056612	7722326997	92	Base Year	-
2019	17320906429	16403419944	105	14	14
2020	17364229241	16997061078	102	10	(2)

As we can see from the previous table, there was a fluctuating increase in net sales relative to the value of production during the research years. The production sales index reached its highest level in 2019 at 105%, and the percentage of change from prior years indicates the company's ability to balance the possibility of selling its products with its production capabilities. This demonstrates the company's efforts to develop an accounting information system that offers data relevant to sales forecasting on a more extensive basis.

8. Value of the sales plan is an indicator of achievement; if it is met, the amount or value of real sales is divided by the amount of planned sales by 100%. The analysis's findings are displayed in the table below.

Table No. (8) Percentage of achieving the plan's objectives and changes from previous years

Year	Planned sales value/thousands of dinars	Planned sales value Thousands of dinars	Percentage of achieving plan objectives %*100	Percentage change over the base year %	Percentage change from the previous year %
2018	7127056612	2930000000	243	Base Year	-
2019	17320906429	11845500000	146	(39)	(39)
2020	17364229241	12475500000	139	(42)	(5)

The company achieved a lower percentage in 2020, despite having the highest net sales during the research period with a value of (17364229241); however, the highest value of planned sales was with a value of (12475500000) than ever before. The table above illustrates the continuous decline in the rates of achieving the plan during the years of research. That year, the percentage of goals achieved was (139%), indicating a decrease in the company's ability to predict sales. This is reflected in the achieving of the sales plan's goals, indicating a need for an integrated accounting information system and compatibility across its subsystems.

9. Value added index: This is calculated by deducting the value of production inputs from the value of production at the market price. The analysis's findings are displayed in the table below.

Table No. (9) Gross value added and changes from previous years

year	Production value at market price/thousands of dinars	The value of production inputs Thousands of dinars	Total value added	Percentage change over the base year%	Percentage change from the previous year %
2018	7722326997	6790818898	11	Base year	-
2019	16403419944	16487383143	99	800	800
2020	16997061078	17112916467	99	800	Zero

The company's added value and its impact on the national economy are displayed in the above table. When assessing economic success, the value-added index is preferable above the production value, sales value, and profit indicators. It is also thought of as a foundation for creating additional performance assessment indicators for a number of characteristics, the most significant of which are as follows:

A. The cost of production needs (goods and services) affects production value, sales value, and profit, but it has no effect on added value.

B. The amount the business increased the gross domestic product by employing the available production components is represented by the value added. Since members of society are the owners of the factors of production, there is stronger proof of the value added achieved contributing to the revenue that benefits them. Because profit is taken into account, the value added indicators are therefore more thorough. Only regulation and risk are to blame; value added and other factors that contribute to the nation's overall revenue are not taken into account.

C. At the national, national, or worldwide level, various value-added criteria may be utilized to compare the productivity of production elements in various projects operating in remote places. This cannot be achieved using profit criteria..

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10. Non-financial indicators, the most important of which can be summarized as follows :

-Production capacity indicators: If it is done by dividing the actual production capacity by the available production capacity by 100%, the following table shows the results of the analysis**.**

Table No. (10): Percentage of energy use and changes from previous years

Years		Actual production quantities In thousands of units	Available energy In thousands of units	Energy utilization rate %* 100	Percentage change over the % base year	Percentage change from the previous year%
2018	shirt	-	72517	-	Base Year	-
	pajamas	-	-	-	-	-
	Dishdasha	-	14504	-	-	-
	work suit	-	21755	-	-	-
	military uniform	-	21755	-	-	-
	Sporadic	-	14504	-	-	-
2019	shirt	-	72517	-	-	-
	pajamas	-	-	-	-	-
	Dishdasha	346	14504	2	(72515)	2
	work suit	18	21755	0,08	(72516,92)	(1,92)
	military uniform	-	21755	-	-	-
	Sporadic	474	14504	3	(72515)	3
2020	shirt	-	72517	-	-	-
	pajamas	-	-	-	-	-
	Dishdasha	-	14504	-	-	-
	work suit	-	21755	-	-	-
	military uniform	-	21755	-	-	-
	Sporadic	-	14504	-	-	-

Table No. (10) makes it evident that the firm did not create any goods in 2020 or 2018, which prevented the company from achieving its target energy utilization rate. The company's poor performance in utilizing its available energy, however, is evident in the products it produced in 2019 and the low and negative rates it achieved as a result. The company needs to improve its planning and production processes and increase the rates at which it utilizes available energy. As a result, the business must work to improve planning and manufacturing processes, boost energy usage rates, and reroute the company's course.

- Operational ratio: Calculated by 100% division of the projected production capacity by the actual production capacity. The analysis's findings are displayed in the table below**.**

Table No. (11): Operating percentage of available energy and changes from previous years

Years		Actual production quantities In thousands of units	Available energy In thousands of units	Energy utilization rate %* 100	Percentage change over the base year %	Percentage change from the previous year%
2018	shirt	1000	72517	1	Base Year	-
	pajamas	-	-	-	Base Year	-
	Dishdasha	500	14504	3	Base Year	-
	work suit	500	21755	2	Base Year	-
	military uniform	-	21755	-	Base Year	-
	Sporadic	1000	14504	7	Base Year	-
2019	shirt	1500	72517	2	1	1
	pajamas	-	-	-	-	-
	Dishdasha	750	14504	5	4	5
	work suit	750	21755	3	(5)	(5)
	military uniform	-	21755	-	-	-
	Sporadic	1500	14504	10	43	43
2020	shirt	500	72517	0,6	(0,4)	(70)
	pajamas	-	-	-	-	-
	Dishdasha	100	14504	0,6	(80)	(88)
	work suit	100	21755	0,4	(80)	(86)
	military uniform	-	21755	-	-	-
	Sporadic	500	14504	3	(57)	(70)

Table No. (11), which shows the company's achievement of rates below the acceptable level, highlights the low operating rates of available energy as well as the lack of some items (military uniforms, pyjamas). We also observe that the rates of change compared to prior years resulted in an unfair decline in all materials. Although the sector was deemed acceptable in 2019, changes from prior years were negatively impacted in 2020, with a zero percentage change. This is a result of the business failing to update its production schedule for every year of study. This shows that the accounting information system's data is not being used effectively in the planning and control domains to make more believable judgments and boost the rates at which available energy is being used.

The analysis's findings demonstrate the company's eagerness to supply the conditions necessary for its development and success, as evidenced by its strategic behavior, which enables it to succeed and hold onto its competitive advantage, supporting its financial position and allowing it to carry out its plans in the face of challenging conditions. Performance has a role in supporting the implementation of the following strategies:

Lowest cost approach: It assists in cutting expenses and achieving the lowest cost plan. Cost refers to the production and delivery of goods at the lowest feasible expense and with the least amount of resource loss. In order to compete on cost, one must concentrate on reducing waste, make investments in cutting-edge buildings and machinery, run the most efficient operations, and develop and train personnel.

Differentiation strategy: producing high-quality goods to set the business apart from its rivals in the market. The only way to fulfill this obligation is to implement appropriate quality management and control throughout the whole process. Quality is "the totality of the qualities and characteristics of a product that depends on the ability to satisfy specific customer needs," according to the American National Institute for Standardization.

Survival and growth plan: The business can attain a survival and growth plan by keeping its market share and lowering production costs while raising the caliber of its output.
As a result, by offering the greatest data and information available to the organization, the usage of financial performance assessment indicators aids in the development and improvement of the company's plans. Through competitive market share, product development, and customer retention, it may also help the differentiation strategy. This leads us to validate the study's premise, which reads, "A ready-to-wear garment production company's performance can be predicted and improved through the use of financial performance evaluation indicators."

The second requirement: Results and Recommendations

1. Results:

***** The year 2020 saw the highest levels of expenses, totaling (17379359739) dinars, and the highest net sales amounting to(17364229241) dinars. Additionally, the ratio of expenses to sales was 100% in 2020, the highest ratio recorded during the research period, and fluctuations were observed. It is evident from the data that trade rates have fluctuated throughout the years, reaching their biggest growth in 2019. , In 2020, the lowest percentage was (11%) with the value of current assets (6679755162) and the value of current liabilities (5864917028) dinars. The value of current assets was (82%) (6967746025) dinars and the value of current liabilities was (8490473655) dinars. This indicates that the company is able to The capacity of the business to balance current assets and current liabilities shows that it can pay its debts in an acceptable way, as demonstrated by its ability to pay current liabilities with its current assets.

*****Even though the company's net sales in 2020 were the highest during the research period (17364229241), the percentage of net sales that year was lower because the highest value of planned sales was 12475500000, which resulted in a decrease in the percentage. This indicates that the company's ability to forecast sales is weak, as evidenced by the percentage of sales plan objectives that were met (139%). This further highlights the company's need for an integrated and compatible accounting information system in its subsystems.

*****As the company achieved its highest liquidity ratio during the research period in 2020 (113%) and its lowest ratio in 2018, which was A percentage of (5%), it is evident to us that liquidity ratios increased during the years of research, in addition to not meeting the minimum liquidity ratio during each year. These results demonstrate the company's ability to meet its obligations.

* The table clearly illustrates the high and low trading ratio fluctuations over the course of the research years. It reached its maximum increase in 2019—82 percent—with the value of current liabilities (8490473655) and current assets (6967746025) dinars. The lowest percentage 11% was recorded in the same year. With current liabilities valued at (5864917028) dinars and current assets valued at (66797551622) dinars in 2020, the corporation can cover its current liabilities with its current assets. This shows that the business can balance its current assets and liabilities, demonstrating its capacity to make reasonable payments on its debts.

2.Recommendations:

* Stressing how important it is to interpret the financial analysis's findings using financial indicators thoroughly and with a thorough understanding of the nature and reality of the business's operations, particularly since truth is relative and cannot be fully understood until it is read in the context of the internal and external factors and circumstances that surround the economic unit.
* The need to make improvements to the process of regularly and sporadically assessing financial performance in order to pinpoint areas of weakness and take steps to remedy them.
* Reducing manufacturing costs requires introducing new technology, streamlining operations, closing unproductive production lines, and improving business practices to address poor sales values.

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