

Republic of IRAQ

Ministry of Higher Education and Scientific Research

Al Bashar university

College of Administration and Economics

Department of Accounting

The impact of capital expansions in profitability

Applied study on the group of companies listed in Iraqi stock Exchange

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Abstract:

All companies around the world require investment in fixed assets in order to achieve their business goals and maximize shareholders' wealth. Consequently, investment in fixed assets is expected to be followed by an increase in the profits of these companies.

study aims to measure the impact of capital expansions on the profitability of listed companies in Iraqi Stock Exchange. Where the multiple-effect (within) regression model was used, where the Panel Data was adopted for a period of ten years from 2005 to 2015 to measure the relationship between capital expansions and profitability. To the negative impact of size on the relationship between capital expansions and profitability, The number of companies selected in the study sample reached (57) joint stock companies from different economic sectors, which represents 60% of the size of the society.

The study found that capital expenditure and the size of the company have a positive effect on the profitability of companies. The impact was found in four sectors (industry, hotels, services and agriculture). These sectors comprise, or 52.63%, The study also found that there is no statistically significant relationship between the capital and profitability expansions of listed companies in Iraqi market for securities in the following three sectors (banking sector, investment sector and insurance sector).