

**Earnings management practices in line with the standard income taxes  
(IAS 12)  
Study on the industrial companies in Al-Hassan Industrial city (Jordan)**

**Mr. Ahmad Khwaileh  
Jordan – Yarmouk University**

*Yarmouk University, Financial Department, Irbid – Jordan  
Phone: 00962 77 9905221  
Email: ahmad\_mmk@yu.edu.jo*

**Abstract**

*The developments in the world have forced companies in the remnants of the world to adhere to international standards of accounting , which is organized by professional associations for that purpose , in this study, the study of International Accounting Standard (IAS12) is a standard specialized in income taxes on companies, and connect them with the practices of the administrations of companies toward the annual earnings and accumulated and how to make decisions on these profits and processed accounting in line with the above international standard, generally accepted technical flawless errors , this study was based on the distribution of questionnaires to various companies in Irbid to the success of this study , and was found with the researcher after the analysis of these questionnaires statistically that all companies rely on the chancellor tax for the Administration of income tax , and the income tax department has ways to control a good follow-up of these companies through the legal process , and that these companies are consistent with the standard income tax for the preparation of annual financial statements , and the administrations of companies are taking the associated standards with the company's future when making decisions that will distribute profits.*

**KEYWORDS:** Earnings management, income taxes, Accounting Standards

**1.1. Introduction**

In the light of developments on the standards issued by the International Accounting Standards (IAS) issued in 2011 , and was the cancellation of some of the above criteria to become (29) instead of (41) standards . In prior periods companies were managed by owner families which they were the decision- maker.

International standards of accounting served all investors , companies and governments in different ways according to their needs , or in connection with the different companies , there is a significant change in directions of investors to invest in shared companies more than it is the case of a desire to invest in individual institutions or individual companies , all of this has become the duty of the boards of directors re-

examine how to reinvest the annual profit or retained for certain purposes or the distribution of these profits to shareholders for reasons that may relate to the objectives of the company itself , or in line with the wishes of the majority of shareholders , or in line with the strategic plans for the company's senior management.

Since it has become a standard specialist income tax should be on the earnings management companies reflect where the practice of disposal of the profits to comply with the Income Tax Law of the country of the company , you should not contrary to the income tax law in any country of the International Accounting Standards , for chartered accountant caution of violation of this standards or the Income Tax Act when preparing the final accounts.

In Jordan take the Councils of directors of companies to undertake earnings management directly with the assistance of some advisers , without that there will be extensive studies in accordance with the long-term plans to address the goal of the resolution of that there will be targets in the original , which will result in wrong decisions may be reversed target company's main , the researcher sheds light on the culture that must be surrounded the accountants of companies and cfos where in addition to the boards of administration on the international standard (IAS 12) in terms of its impact on the accounting treatments of taxes local and international companies , and its subsidiaries and the holding in terms of tax payable when the distribution of rations to the facility prepared to the report.

### **1.2. The importance of this study:**

By shedding light on the International Standard No. (12), which is an income taxes ignore a lot by investors because of their views into the property of the institutions and their profits and not into the institutional, and the location of this institution among the rest of the national institutions in the macroeconomic of the country, criterion taxes unites accounting treatments for all companies in the world of accounting aspects.

### **1.3. Problem of the study:**

Most of the studies ignore the standard taxes and which is considered one of the most important organizations for the benefit of the state where the different accounting treatments not doubt that it would reflect positively or negatively on the taxes owed to the state , though the unification of accounting treatments between accountants to prepare financial lists make it easier to manage earnings in ways that are similar and fair to all shareholders in different companies per state or states are all that apply international accounting standards .

- ❖ Do not apply IAS 12 Income Taxes in Jordanian companies .
- ❖ are the control by the Income Tax Department on the budgets of the companies on the application of the standard number (12) of income taxes .
- ❖ Is the income tax benefits taken in companies when doing distributing profits to shareholders of companies.
- ❖ Does the distribution of profits in the companies in scientific and studied methods , taking into account the future of the company .

#### **1.4. Objectives of the study**

This study aims to identify the practices of companies to manage earnings and considered the international standard income tax No. 12, also aims to achieve the following objectives:

- 1) Identify International Accounting Standard No. Income taxes (12) and the possibility of its application in Jordanian companies .
- 2) Identify how to oversight by the Income Tax Department on the corporate balance sheets of the companies on the application of the standard number (12) of income taxes .
- 3) Identify deduct dues in the corporate income tax when to distribute profits to shareholders of companies.
- 4) Identify how the distribution of profits in companies in ways that scientific and well thought out , and taking into consideration the future of the company .

#### **1.5. Hypotheses of the study:**

- 1) There is no application of International Accounting Standard No. (12) Income taxes in Jordanian companies.
- 2) There is no control by the income tax on the corporate balance sheets of the companies on the application of the standard number (12) of income taxes.
- 3) Do not be taken in income tax dues when the companies to distribute profits to shareholders of companies.
- 4) Do not be distributed corporate profits in ways that are scientific and well thought out, taking into account the future of the company.

#### **1.4. The concept of earnings management:**

Defined the content revolves around management practices are deliberate on the determination of profit and report it to reflect the wishes and interests of the administration rather than a reflection of the true economic performance of the company, and to take those two key practices, namely:

- 1) Increase profits in the current period at the expense of previous or future periods.
- 2) Or reduce profits in the current period for the previous periods or future.

And defined (MULFORD & CONISKY, 2002) that it is useful to manipulate accounting results in order to create a different perception about the true performance of the company.

#### **1.5. The motives of earnings management.**

There are different If objectives and motives in any management, though earnings management have the following motivation:

- 1) Trimmer Motivation: that when achieving self benefits belonging to the administration and earnings management have a significant impact on the real center of the facility.
- 2) Efficiency motivation: the motive is efficiency when the impact on users of financial statements and accounting information by showing the company to achieve a balance between yield and the degree of risk , with the aim of ensuring the survival and continuation of the business in the competitive market .

The above motivations are not the full motivation they are the essential motivations can be re- formulated differently between the company and another , and are adapted to different environments for these companies.

There are other motivations for earnings management, for example:

- 1) Earnings management motivations to reduce taxable income for income tax.
- 2) Informational perspective motivations.

In all cases the accounting system on an accrual basis (in accordance with the accepted accounting standards) requires from managers put many of the accounting estimates that have a material impact on declared profits, among the provisions of the accounting estimates that could impact on profits in one direction or another , such as : (long-term construction contracts and calculating depreciation and net customer value and classification of production costs and the time to recognize the profit of the sale of assets and classification expenses capitalism or periodically).

### **1.6. Earnings management strategies.**

The administration can make decisions that will impact positively or negatively on the net profit, this behavior is adopted by the management for the following reasons:

To reduce profits: This is done to reduce the taxes on the property.

- 1) **Increase profits:** This is done to increase the value of the bonus, which will deserve administration based on the earnings.
- 2) **Preapprehension profits:** This is done to stabilize stock prices in the financial market.

Despite the differing motivations of the administration on profits but the method used to influence the income takes two-ways either to reduce it if it is high, or increase it if it is low.

All previous studies Show that there is evidences that the administration affect the income to achieve self benefits or for the purposes of influencing the users of accounting information by showing the economic unit in a stable without sharp fluctuations , But worth mentioning in this regard that the decisions taken by management decisions are based on legitimate justifications for if not contrary to the legal rules for the activity or did not violate generally accepted accounting principles, and that can be seen from the foregoing the administration driven by two impacts on profits:

- A. To achieve the benefits of self- management and the goal here is pushy.
- B. To ensure the survival and continued economic unity in the market competition, and be here the goal of economic efficiency of the unit.

### **1.7. The relationship between the international standards of accounting and earnings management :**

The analysis of the impact of accounting standards on the spread of the phenomenon of profitability management will help to reduce this and it practices can not be detected by financial analysts and auditors due to the difficulty of monitoring the daily actions and decisions of administration, through this analysis can provide knowledge to reduce the phenomenon of profitability management of during the benefit , including the following categories :

- 1) **The authors of accounting standards:** It is through knowledge that they can make adjustments to these standards in an attempt to reduce this phenomenon.
- 2) **Traders in the capital market:** by improving their ability to analyze accounting information, and then disclose any pushy behavior of the administration to reduce it and leading to the efficient allocation of available resources.
- 3) **Reviewers:** they can through that knowledge assess the quality of the profits of the client, and to identify the citizen that adversely affects the credibility of the financial statements, and then report them reliably.

### **1.8. (IAS 12) "Income Taxes":**

This revised standard in 2011, the goal of its content to explain the accounting treatment for income taxes , which means the income tax at the standard local income tax of country and foreign income tax which check achieved as a result of taxable profits The summary of the above criterion taxes payable by deduction by the subsidiary or associate or joint venture at the distribution of quotas to the reporting entity , as indicated by this standard to issue inherent in this standard about how to calculate the tax consequences of current and future as to the following :

- ❖ Future recovery (settlement) of the recorded value of the assets (liabilities) recognized in the balance sheet of the facility.
- ❖ Transactions and other events for the current period recognized in the financial statements of the entity.

### **1.9. In recognition of Standard No. 12 :**

Recognize current income tax for current and prior periods as a liability. If exceeded the amount actually paid in respect of periods past and present of the amount due for those periods, are recognized surplus on it out and measured liabilities Current tax (assets) for the periods of the current and previous amount expected to be paid to (recovered) the tax authorities, using tax rates (and tax laws) in force or that have been activated significantly by the end of the reporting period.

The standard imposes on the company here that it recognize the obligations of deferred tax with certain limited exceptions (asset deferred tax) , so on the grounds and there are expected prior to the company that is based on the settlement or recovery of the carrying amount of the asset or liability , if the weighting is based on that solves a refund or settlement of the carrying value of future tax payments larger ( smaller ) than it would be if it were not for such a recovery tax consequences .

Here criterion pointed to be recognized asset tax deferred for tax losses unused stage and tax cuts is used to the extent that is likely with the availability of profit for Prospective tax and which can exploit unused tax losses and tax cuts is used according to.

### **3.1. Measurement: in the standard income tax No. 12:**

In this standard indicates that the deferred tax assets and liabilities are measured tax rates expected to apply on the period when they are to realize the asset or liability is settled , this measurement comes based on the tax rates prepared in the existing laws , which are activated by the end of each financial period , this measurement reflects the obligations of the deferred tax assets and tax consequences resulting from the way in which it expects the facility, by the end of the fiscal year, is a refund or settle the carrying

amount of the assets and obligations , that does not deduct tax assets and liabilities . Knowing he was here that the accountant is reviewing tax assets and liabilities at the end of each fiscal year , Reduced so that it is beneficial to exploit their time and reduce profits for tax savings for the fiscal year of this deferred tax asset

### **3.2. Customization: in IAS 12:**

This imposes a standard on accounting firms calculate the tax consequences of transactions and other events in the same manner in which the account of transactions and other events in the company itself , in addition to that all transactions and other events affecting the list of annual income , and the fact that it was included in profit or loss , which in turn influence the income tax for the company.

In addition to the tax accountant to recognize the effects attributable to the annual profits and losses. Add to recognize the profits attributable to the value of goodwill or mergers in the works or the effects of any gains on the profit attributable to the purchase of goods or assets at discounted prices.

## **4. Previous studies:**

### **4.1. Study (issa 2008) , entitled : the impact of quality on external audit management operations profit / with Empirical Study.**

The study, pointed to public concern that has become prevalent investors in various companies towards earnings management practiced by bodies directors of these companies , where the bodies of managers violate generally accepted accounting principles , which may lead to tampering in the quality of financial reporting and earnings management , the researcher added to the need for an audit of effective and real because it is a force in reducing the negative effects of earnings management through grant financial reporting confidence , credibility and fair view , and pointed researcher studies have demonstrated that the presence in America there is a negative relationship between audit quality and earnings management . The department researcher earnings management to three key drivers : the contractual incentives , and market incentives , and regulatory incentives . The researcher added that the earnings management results in the short term achieve the benefits of the facility , but they could lead to serious problems in the long term , and most important: the devaluation of the facility, and the erosion of ethical standards , and to hide the problems of operational management , and economic sanctions and re- preparation of financial statements

After that, the researcher studying earnings management companies established in Egypt, concluded that the management practice of earnings management behavior as a result of the agency opposes . And that was in the interest of management in the short term, but it is commonly with the interest of the company in the long term . So should the external auditor that is working hard to discover the behavior of earnings management and advertising it, and to minimize agency problems . References to succeed in this role he has to perform audit functions required quality , and addresses the researcher in the next section the relationship between audit quality and earnings management.

### **4.2. Study ( Hafeez and Ahmed 2009) entitled: earnings management.**

Researchers talked about the importance of earnings management for all types of companies and clasified the attention reasons to managing profits for internal reasons and external reasons , and pointed out that the motives of earnings management are two one

pushy and the other as a motive efficiency through a table showing the tools and methods of earnings management , with representation of all cases resulting from earnings management.

As stated the importance of international accounting standards for the management of the profits they affect the decisions of earnings management directly , and because of that earnings management will be a reflection of the lists of the final financial companies , and these lists at the end of the matter is designed according to the principles and accepted accounting principles intersecting with the International Accounting Standards.

The researchers recommended for earnings management in companies and institutions to take advantage of (the authors of accounting standards, and traders in the capital market and the reviewers).

The researchers noted that the Egyptian government has made all the attention in the Egyptian standards to serve the financial statements for the very preservation of the property where the companies. The researchers concluded that the extent of interest in the Egyptian Accounting Standards relationship management profitability is still deficient in terms of the limited attention that has limited studies in this regard to take up other angles.

The researchers also noted that the Egyptian Accounting Standards recommended that the joint stock companies and limited partnerships that put its shares for the first time in the stock market to prepare financial reports in accordance with Egyptian Accounting Standards, no doubt that it gives a great opportunity to manage profitability.

#### **4.3. Study (farber 2011) intitled: CEO Ability and Management Earnings Forecasts**

The researcher studied the ability of the relationship between the Executive Director and the ability to manage earnings in U.S. companies that have ultimately increase the value of the company at the end of the highest possible in the light of expectations by the management , in addition to the study of the capacity of Executive Director on the accuracy of the forecasts with the response to the financial market to these expectations He saw that every researcher forecasts issued by the executives of the companies are only projections based on figures derived from the financial market and the financial statements of the company itself, taking into account the accuracy of the information quality of financial reporting so as not to be in a poor prediction accuracy.

The researcher concluded that it is difficult to measure the ability of the Executive Director to predict future earnings management , but that is happening is expected and predictable in the change on profits in the light of the information available to the Director , save that predictability have had a close association with the size of the Executive Director , the more senior the executive director of the highest level in the administration was its ability greater predictability and expectation for earnings management , and the lower administrative levels for executives was their less expectation and prediction of the subject itself , and the official statements of officials and executives owners of the upper levels of the daily newspapers have a significant impact on the future prospects and the entire market with a response for these statements , which means that the results of these expectations for earnings management and contain information about the ability of CEO - level prediction by the progressive level of Executive Director.

#### 4.4. Study (hefzi & Ahadiat 2012) entitled ) :An Investigation of Earnings Management Practices : Examining Generally Accepted Accounting Principles

Researchers defined in this study earnings management as a way to manipulate the deliberate financial statements of the companies , in order to achieve certain goals , and the present study examines the perceptions and predictions business professionals about specific cases of practices exercised by the departments on profits, and then the researchers assessed the impact of these practices all of the above scenarios.

The researchers used the questionnaire in this study were distributed to the auditors, and some researchers to the same subject so that he can identify the management decisions that may be within generally accepted accounting principles , and considered

He concluded the researchers that the resolution achieved in the practice of earnings management is an ethics of earnings management itself, Various factors must be taken when making any provision for earnings management such as raising one's moral philosophy and moral and ideological terms is considered ethical for someone to look different from one person to another this look is relatively. He also concluded that the earnings management by taking into account the accounting principles generally accepted accounting principles , which are not classified as acceptable so far by the business.

#### 5. Society and the study sample:

The study population consists of all industrial firms operating in Al Hassan Industrial city in 2012, and of which there are (56) companies, where the study sample are factories built in Al Hassan Industrial city, and was distributing the questionnaire on (51) company that allowed the researcher to distribute the questionnaire in which , and returned to the researcher (40) are valid for the study.

#### 6. Results of the study:

The following are the results of the study that aimed to identify the earnings management practices in line with the standard income taxes (IAS 12), and that by answering questions about the study.

#### Description variables of the study

Table (1)

*Frequencies and percentages for the variables of the study*

Variable		Repetition	Percentage
Education	High studies	10	25.0
	B.A	22	55.0
	Diploma	5	12.5
	Secondary or less	3	7.5
Age	Less than 25	3	7.5
	From 25 to 35	21	52.5
	From 35 to 45	9	22.5
	More than 45	7	17.5
Sex	Male	24	60.0
	Female	16	40.0



Occupation	Shareholder, a member of the Board of Directors	6	15.0
	Accountant , financial manager	19	47.5
	Internal / external auditor	10	25.0
	Tax estimator	5	12.5

The table shows that the highest percentage obtained by level of education (BA ) at a rate ( 55.0 % ) , while the level of education ( secondary or below ) the lowest percentage of ( 7.5 % ) .

The variable age accounted for the highest percentage for the age group ( 25 to 35 years old) by ( 52.5 % ) , while the lowest percentage (less than 25 years ) for the age group ( 7.5 % ) .

With regard to the variable sex has reached the highest percentage of males at a rate ( 60.0% ) . While the percentage of females (40.0%).

Finally, with respect to variable function reached the highest percentage of the job ( accountant , financial manager ) by ( 47.5 % ) , while the lowest percentage of the job ( estimated tax ) ( 12.5 % ) of the study sample .

The first question: Are there practices to manage earnings in line with the standard income taxes (IAS 12)?

To answer the first question of the study was extracted averages and standard deviations of the paragraphs that show earnings management practices in line with the standard income taxes (IAS 12), Table 2 illustrates this.

**Table (2)**

Averages and standard deviations of the paragraphs that show earnings management practices in line with the standard income taxes (IAS 12) are arranged in descending order.

Number	Paragraph	Average	Standard deviation
12	The company's tax adviser helps the administration to take administrative decisions related to income taxes	3,4000	,84124
1	The preparation of financial statements of the Company in accordance with generally accepted accounting principles	3,3500	,76962
6	There is a permanent change in annual earnings retention policies	3,2750	,81610
15	There is a full understanding that the increase or decrease of profits affect on the overall profitability of the company and this is reflected on the income tax	3,2750	,93336
14	There are concrete cooperation between the management company and adjusters income tax assessors when the audit of the accounts of the company	3,2250	,61966

7	There is a direct government intervention to correct the conditions of the company when there is a sharp drop in profits .	3,2000	,72324
13	Company tax affairs in the settlement at the end of each year go	3,2000	,93918
10	IAS 12 , regarding income taxes , is taken into account when the distribution of profits	3,1500	1,00128
8	CFO him informed decision on the distribution of annual profits	3,1250	,88252
2	The preparation of the financial statements of the company in accordance with International Accounting Standards	3,0250	,89120
3	Abide by the external auditor to professional standards issued by professional institutions at the audited accounts of the Company	3,0250	,83166
5	Manipulated information to income from expenses and revenues to reduce income tax for the company	2,8750	,82236
11	Senior management experience to employers draw on income taxes for the company	2,8500	1,14466
9	IAS 12 , regarding income taxes , understood by accountants and auditors in the company	2,8250	,95776
4	Manipulated information to income from expenses and revenues to reduce income tax for the company	2,8000	1,04268
Earnings management practices in line with the standard income taxes (IAS 12)		3,1067	,64720

Shown in Table (2) that the highest averages of the practices of earnings management in line with the standard income taxes (IAS 12) was the paragraph number (12) , which states : " the company's consultant tax helps the administration to take administrative decisions related to income tax ," a mean total ( 3.40) and standard deviation ( 0.84 ) and a high degree , and then came the paragraph (1) and Latte states: " be prepared Company's financial statements in conformity with generally accepted accounting principles " with a mean ( 3.35 ) and standard deviation ( 0.76 ) and a high degree , and came paragraph No. (6) , which states : "There is a permanent change in the policies of retaining profits annual " Amtost Account ( 3.27 ) and standard deviation ( 0.81 ) , while the lowest arithmetic average ( 2.80 ) and Anrhafe standard ( 1.04 ) of paragraph (4) , which states " manipulation of information is income from expenses and revenues to reduce income tax for the company " and moderately .

Moreover, the total number of passages that show earnings management practices in line with the standard income taxes (IAS 12) {3.10}, and to detect the effect of SMA test was used {One-Sample t-test} Table ( 3) illustrates this.

**Table (3)**

Results of (one-sample t – test) to discover the impact of the average in profit management practices in line with the standard income taxes (IAS 12)

	Number	Average	Standard deviation	Freedom degrees	T value	Statistica l function
Earnings management practices in line with the standard income taxes (IAS 12)	40	31,067	,64720	39	30,359	,000

The table shows that the value of { T } hit { 30.359 } and in terms of statistical reached { 0.00 } a value statistically significant at the level of significance {  $\alpha = 0.05$  }, which indicates the presence of management practices profits in line with the standard income taxes (IAS 12) is the standard application IAS 12 income Taxes in Jordanian companies , and the existence of censorship by the income tax on the budgets of the companies on the application of the companies to the standard number (12) income taxes , taking dues income tax in companies doing distributes profits to shareholders, companies , and the distribution of profits in companies scientific methods and are well thought out , taking into consideration the future of the company .

The second question: Is there a trace of personality variables (level of education, age, sex, occupation) on earnings management practices in line with the standard income taxes (IAS 12).

To answer the second question of the study was the use of the test (Chi-Square) to see the effect of the study variables on earnings management practices in line with the standard income taxes (IAS 12).

**Table (4)**

Results of (Chi – Square) to discover the impact of the average in profit management practices in line with the standard income taxes (IAS 12)

Variable	Chi – Square	Statistical function
Educational level	21,800	,000
Age	18,000	,000
Sex	1,600	,206
Occupation	12,200	,007

The table shows the following:

- A. The presence of statistically significant at the level of significance ( $\alpha = 0.05$ ) to the variable level of education, and this shows the impact of education on earnings

management practices in line with the standard income taxes (IAS 12), in terms of statistical amounted to ( 0.00)

- B. The presence of statistically significant at the level of significance ( $\alpha = 0.05$ ) for the variable age, and this indicates that the effect of age on earnings management practices in line with the standard income taxes (IAS 12), in terms of statistical amounted to ( 0.00).
- C. Lack of statistically significant at the level of significance ( $\alpha = 0.05$ ) for the variable sex , and this indicates that there is no effect of sex on the variable earnings management practices in line with the standard income taxes (IAS 12), in terms of statistical amounted to ( 0.206)
- D. The presence of statistically significant at the level of significance ( $\alpha = 0.05$ ) for variable function, and this shows the effect of job earnings management practices in line with the standard income taxes (IAS 12), in terms of statistical amounted to (0.007).

## 7. Results

- 7.1. The highest averages for earnings management practices in line with the standard income taxes (IAS 12) was the paragraph number (12) , which states : " the company's tax adviser helps the administration to take administrative decisions related to income tax"
- 7.2. Presence management practices profits in line with the standard income taxes (IAS 12) is the application of International Accounting Standard No. (12 ) Income taxes in Jordanian companies , and the existence of censorship by the income tax on corporate balance sheets on the application of the companies to the standard number (12) Income taxes , taking dues in the corporate income tax when to distribute profits to shareholders, companies , and the distribution of profits in the corporate and scientific methods are studied , taking into account the future of the company.
- 7.3. The presence of statistically significant at the level of significance ( $\alpha = 0.05$ ) to the variable level of education, age, and function on the earnings management practices in line with the standard income taxes (IAS 12).
- 7.4. Lack of statistically significant at the level of significance ( $\alpha = 0.05$ ) for the variable sex on earnings management practices in line with the standard income taxes (IAS 12)

## 8. Recommendations:

After that , the researcher analyzed statistically and questionnaire study results , the researcher recommended Jordanian companies , including the following:

- 8.1. The companies are all appointed adviser to the company for the income tax , and the auditor is aware of the development in all local laws and international accounting standards .
- 8.2. That companies are appointing accountants or financial managers with high expertise includes expertise on tax and legal affairs.

- 8.3. The departments of companies are committed to the application of international accounting standards in the preparation of periodic financial statements.
- 8.4. Adhere to corporate departments to submit annual statements of income for income tax assessors and not hide any information on the estimated annual income.
- 8.5. Adhere to corporate management and annual profits retained by the Jordanian laws and regulations, taking into account the International Accounting Standard No. (12).
- 8.6. That the corporate profits and the management of financial affairs without trying to show attempts to evade laws and regulations and international accounting standards.

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## 10. Appendixes

### Appendix (1) Questionnaire study

Yarmouk University  
Financial Department

In the name of God the Merciful

Peace, mercy and blessings of God, and yet,,

To conduct a study entitled "earnings management practices in line with the standard income taxes (IAS 12) / study on the industrial companies in the city of Al-Hassan Industrial / Jordan", I kindly respond clauses attached questionnaire ticking (X) in front of the gradient under paragraph which expresses the degree agree to their content, note that your response will be treated confidentially and will only be used for the purposes of scientific research.

Thanking you for your cooperation,,,,,,

**Researcher**

#### First section: general information:

Please put (X) in the suitable square of the following questions:

##### 1) Educational level:

High studies     B.A     Diploma     secondary or less

##### 2) Age:

Less than 25     from 25 to 35     from 35 to 45     45 years or more

##### 3) Sex / gender

Male     female

##### 4) Occupation:

Shareholder, member of administration council     accountant , financial manager

Internal / external auditor     Tax estimator

**Second section: vertices**

Question No	Question	Strongly agree	Agree	Don't know	Disagree	Strongly disagree
1	The company's tax adviser helps the administration to take administrative decisions related to income taxes					
2	The preparation of financial statements of the Company in accordance with generally accepted accounting principles					
3	Abide by the external auditor to professional standards issued by professional institutions at the audited accounts of the Company					
4	Manipulated information to income from expenses and revenues to reduce income tax for the company					
5	Manipulated information to income from expenses and revenues to reduce income tax for the company					
6	There is a permanent change in annual earnings retention policies					
7	There is a direct government intervention to correct the conditions of the company when there is a sharp drop in profits .					
8	CFO him informed decision on the					

	distribution of annual profits					
9	IAS 12 , regarding income taxes , understood by accountants and auditors in the company					
10	IAS 12 , regarding income taxes , is taken into account when the distribution of profits					
11	Senior management experience to employers draw on income taxes for the company					

12	The company's tax adviser helps the administration to take administrative decisions related to income taxes					
13	Company tax affairs in the settlement at the end of each year go					
14	There are concrete cooperation between the management company and adjusters income tax assessors when the audit of the accounts of the company					