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TESTING THE IMPACT OF GROWTH STOCKS AND VALUE SHARES FOR DIVIDEND ADS THROUGH INFORMATIONAL CONTENT AND THEIR REFLECTION IN STOCK RETURNS (AN APPLIED STUDY IN THE IRAQ STOCK EXCHANGE FOR THE PERIOD 2016-2023)

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Abstract

This study aimed to show the announcement of dividends and the extent of its reflection in the returns of companies' shares and the role played by the information sent for these announcements in explaining the asymmetry of information for most companies to help investors obtain information that Increases the efficiency of the financial market in a semi-strong manner, and then make rational decisions through that information sent before and after the announcement of the dividends, The current study focuses on the type of shares owned by these companies (value-growth) In addition to testing the efficiency of the Iraqi stock market in a semi-strong manner, in order to address the gap due to the asymmetry of information between internal insiders (company managers) and external investors that enables investors to avoid losses in the future and don't make wrong decisions.

The study sample consisted of twenty-nine companies listed on the Iraq Stock Exchange, which announced their dividends for the period from (1/1/2016 - 12/31/2023) with 101 advertisements, and a set of financial and statistical methods were used through the use of (SPSS) program for statistical analysis and testing of the hypotheses of the study, as well as the use of (Excel) program for financial analysis of the study variables, and the study reached a set of conclusions, the Most important of which is that the announcement of the dividend divider has an influential information content by achieving unusual and accumulated positive returns. And negative for the company before and after the announcement of the dividends divider for the companies of the study sample listed in the Iraq Stock Exchange and for all sectors, because if the announcement of the dividends did not have an influential information content, unusual returns would not have been achieved, whether positive or negative, and this means that there is a problem of information asymmetry, and this is reflected in the fact that the financial market is inefficient in an almost strong way.

Keywords: Growth stocks, Value stocks, Dividend announcements, Information content, Stock returns.

Introduction

Scientific methodology

Study problem: The current study is concerned with the problem of information asymmetry in the Iraqi stock market in particular and what is the impact and impact of the announcement of dividend dividers in Iraqi companies and whether there is an asymmetry in the information through the signals sent by insiders from financial managers to the market during the duration of the event and through financial analysis of unusual returns and averages of those returns, as well as the accumulated unusual returns and their averages for companies that have announced their dividends and there is an impact For the type of shares, whether they are valuable shares or growth shares, asymmetry of information, and the extent to which the Iraq Stock Exchange responds to the announcement of dividends through the signal theory and the event window.

Study Importance

Studying the reality of the Iraq stock market and taking advantage of the informational asymmetry that reduces the inefficiency of the market through the following question, is there an impact of the dividend announcement on the returns of shares in those markets by studying the event window that may lead to an increase in the market value of the company, which leads to achieving abnormal negative or positive returns before the announcement, The importance of this study shows the extent to which the Iraq Securities Market responds in terms of classifying the companies in the study sample Depending on the financial statements of those companies published in the Iraq Stock Exchange that have been classified into the type of shares for each company (growth stocks - value shares) depending on the book value and market value of each company. This study also shows the quality of the signals sent to the market and whether they were true or false, vague or clear and the extent of their impact on the behavior of investors through their interpretation and whether there is influential information or not for the purpose of making decisions, whether they are good decisions...

Objectives of the study

In light of the problem of the study, the main objective is to analyze the relationship of impact between the policies of dividend announcements and stock returns, as well as to achieve the following objectives: Providing theoretical, cognitive and field frameworks for managers and stakeholders in the Iraq Securities Market on the announcement of dividends and its impact on the extent of the response of stock prices within the framework of signal theory Testing the relationships of moral influence between dividend policies and stock returns with determining their sentiment. Testing the financial and statistical analysis of the sample companies by knowing whether there is a response by the Iraq Securities Market in a semi-strong manner to the events represented by dividend announcements. A statement and knowledge of whether the type of shares (value shares - growth shares) has an impact through the information sent as signals to the market through financial and statistical analysis, and whether these signals have reduced the asymmetry of the information and whether positive or Negative abnormal returns have been achieved.

Hypotheses of the study

The first main hypothesis: There is no effect of declarations of dividends on the returns of shares of the companies in the study sample and is divided into the following hypotheses: The first sub-hypothesis: There is no effect of the information content of dividend ads that lead to achieving unusual returns for the companies in the study sample. The second sub-hypothesis: There is no effect of the information content of value and growth stocks through divider advertisements for the sample companies. The second main hypothesis: The Iraq Stock Exchange is inefficient in responding to the informational content of the dividend announcement at the semi-strong life***l.***

Study population and sample

The population and sample of the current study consists of a number of companies listed on the Iraq Securities Market and by (29) companies that have announced dividend announcements during the period selected in the study sample for the period (2016- 2023) and by (101) dividend announcements
Knowledge coverage of dividend announcement

2.1.1:Dividend policy

The dividend policy is a set of guidelines that a company uses to decide how to distribute its profits. When a company has a surplus at the end of the financial period, it usually has two options: either to distribute some of its profits as dividends to shareholders, or it can decide to reinvest the money in the company and consider it retained earnings. Where this decision is made by the company's board of directors (Tuomas, 2016:14) At first glance, it may seem obvious that a company will always want to return as much as possible to its shareholders by paying dividends. It may seem equally obvious that a company can always invest the money for its shareholders instead of paying it out. The essence of the dividend policy question is, should a company pay money to its shareholders, or should the company take that money and invest it? (Ross, al, et. 2022:580-581). The dividend is the distribution of the distributable net income that appears in the financial statements of companies (in whole or in part) to shareholders (Bhalla, 2008:27). Information asymmetry Information asymmetry means that the company's managers have better and more complete information about the value of the company and its investment opportunities than do external investors participating in the financial markets. (Ardestani, et.al:2013.125-126) and that information asymmetry assumes that investors' expectations are unbiased, or fair about the true values of companies, and that all information is publicly available, and that managers are rational about the true Values of the company because they have more information than external investors, and that information asymmetry is important because companies that have incentives based on fundamentals to distribute capital such as paying free cash flows, or rebalancing the financial structure, to reach the target debt ratio, and in light of the motive for distributing capital, skilled managers have the ability to time the market and conduct the process of distributing dividends, when they believe that the current price is below the true value due to information asymmetry (Zhuang, 2013: 9). Signaling theory

The first to establish the foundations of signaling theory in the scope of labor and product markets were (Akerlof & Arrow) and this theory was later developed by (Spence, 1973) and studies continued to develop this theory starting from the beginning of the seventies until Today, and in the late seventies of the last century (Ross, 1977) and a number of researchers established the foundations of signaling theory for the capital structure as a signal to the external investor, we can understand the signaling theory from its name, which is the signal derived from the verb to indicate, to indicate, meaning to indicate something, that is, to know something, it necessarily indicates something, or several other things, and when we talk about the reason for the emergence of signaling theory, which is to address the asymmetry of information among all parties interested in the company or institution from managers, shareholders, investors, or lenders, that is, the information is not identical, or divided among all parties, as we notice that managers have more information than the rest of the parties Other than investors, lenders, and shareholders, the signal is an action taken by corporate management that provides evidence to investors about how management views corporate expectations. Investors view changes in the dividends as signals to management about earnings expectations. (Brigham, 2007: 482)

Cognitive coverage of the impact test of dividend announcement

In this section, the hypothesis related to the market efficiency of the study sample companies will be tested relative to (value stocks, growth stocks) for companies that announced dividends, and related to the impact of information on the strength of (information content) sent through cash dividend announcements by companies, whether value stocks or growth stocks, by studying the event window for each company and to clarify, or to show the speed of reflection and response to the content of information sent about unusual stock returns through analyzing the value stocks and growth stocks of the selected companies, and the accumulated unusual returns and their daily averages. Companies whose book value is high relative to the market value are called value stocks and the performance of these stocks is usually excellent. Companies whose book value is less than the market value represent growth stocks, which are supposed to have abnormal returns and accumulated abnormal returns and their averages are high relative to the returns of growth stock companies. Shares of companies valued at less than their real value are called value stocks. Companies were divided into value stock companies and growth stock companies based on the current market value of the share compared to the book value of the shares of each company from the study sample. The first 6 companies were selected as value stocks and the last 6 companies were selected as growth stocks, as shown in Table (11-3) after arranging those companies in descending order.

Table (3-13) represents a classification according to the type of companies' shares (value shares - growth shares)

Companies growth stocks	Market value	Book value	Book/market
United Investment Bank	0.08	1	1250%
Middle East Bank	0.11	1.03	936%
Iraqi Islamic Bank	0.69	1.16	168%
Commercial Bank of Iraq	0.71	1.18	166%
Iraqi Credit Bank	0.74	1.12	151%
Al-Mansour Bank	1.16	1.18	102%
National Company for Agricultural	0.8	0.64	80%
Baghdad Soft Drinks Company	3.6	2.74	76%
Al Kindi Veterinary Vaccines Company	1.58	1.18	75%
Iraqi transport of oil products and	1.3	0.81	62%
Al-Mansour Pharmaceutical Industries	1.81	0.98	54%
Al Khatim Communications Company	2.39	1.24	52%
Iraqi Carpets and Furniture	15.3	7.1	46%
National Chemical and Plastic	1.9	0.88	46%
Asia Aseel Company	9.35	4.03	43%
Al-Amin Real Estate Investments	5.55	1.95	35%
Iraqi company for producing and	7.7	2.16	28%
Middle East fish production and	8.25	2.2	27%
Al-Karkh Games City	4.9	1.26	26%
Ready-made clothing production	4.76	1.16	24%
National Company for Tourism	11.4	2.62	23%
Baghdad Hotel	11.2	2.46	22%
Mosul to saliva cities	8.75	1.52	17%
Baghdad Public Transport Company	43	5.6	13%
Palestine Hotel	15.5	1.92	12%
Al Maamoura Real Estate Investments	8.75	1.07	12%
Iraqi seed production	11.44	1.12	10%
Babylon Hotel	104	8.3	8%
Al Mansour hotels	38	1.81	5%

Source: Prepared by the researcher based on the Iraq Stock Exchange

Financial analysis through the event window for value stock companies. 1.3.3 Based on the classification of companies (value shares - growth shares) mentioned above, the selection was made on the companies from the study sample, which are the value stock companies, which are only six companies that announced the dividends as shown in Table (3-14). In these companies, the efficiency of the market was tested in the extent of response to their share prices for the content of the information sent through dividend announcements, in order to know the speed of reflection of the content of the information of the divider ads of cash dividends companies value shares by calculating the unusual returns of shares and the accumulated unusual returns and their daily averages through the event window for a period of (30 days) used in this study.

Table (3-14) Value-stock companies in the Iraqi Stock Exchange that announced their cash dividends

T	Growth stock companies	Logistics	Bookkeeping	Book/market	Number of subsidies
1	United Investment Bank	0.08	1	1250%	4
2	Middle East Bank	0.11	1.03	936%	1
3	Iraqi Islamic Bank	0.69	1.16	168%	2
4	Commercial Bank of Iraq	0.71	1.18	166%	7
5	Iraqi Credit Bank	0.74	1.12	151%	3
6	Al-Mansour Bank	1.16	1.18	102%	5

Source: Prepared by the researcher based on data from the Iraq Stock Exchange.

After collecting data for the purpose of calculating the actual returns of the shares of the six companies sampled for the study and the market risk (Beta) and expected stock returns through the capital assets pricing model and unusual stock returns for each day of the event window through the difference between the actual stock returns and expected returns. Table (14-3) shows the daily unusual stock returns and the accumulated unusual stock returns and their daily accumulated averages for companies. Valuable shares that announced their aforementioned dividends for a period of (15) days before the day of the announcement of the dividend, in addition to the day (announcement), or event (day 0) and (14) days after the announcement of the dividend.

Schedule (15-3)Unusual and cumulative stock returns and their averagesFor value-stock companies that have announced their dividends

Event window	United Investment		Middle East Bank		Iraqi Bank Company		Commercial Bank of Iraq		Credit Bank of Iraq		Al-Mansour Bank Company		
	AR	**CAR**	**AR**	**CAR**	**AR**	**CAR**	**AR**	**CAR**	**AR**	**CAR**	**AR**	**CAR**	**CAAR**
-15	**0.117**	**0.117**	**-0.005**	**-0.005**	**-0.015**	**-0.015**	**0.06**	**0.06**	**-0.026**	**-0.026**	**0.0013**	**0.0013**	**0.1316**
-14	**0.126**	**0.243**	**0.012**	**0.0069**	**0.0176**	**0.0026**	**-0.03**	**0.026**	**-0.016**	**-0.042**	**-0.04**	**-0.039**	**0.2308**
-13	**0.111**	**0.354**	**0.005**	**0.0012**	**0.0031**	**0.0057**	**0.004**	**0.029**	**-0.033**	**-0.075**	**0.083**	**0.0446**	**0.323**
-12	**0.116**	**0.471**	**-0.01**	**0.0012**	**0.0087**	**0.0144**	**-0.02**	**0.014**	**-0.02**	**-0.094**	**0.014**	**0.0582**	**0.4154**
-11	**0.057**	**0.528**	**0.001**	**0.0012**	**-0.015**	**-6E-04**	**0.015**	**0.029**	**-0.05**	**-0.144**	**0.007**	**0.0651**	**0.424**
-10	**0.123**	**0.651**	**0.003**	**0.0012**	**0.0128**	**0.0122**	**0.03**	**0.059**	**-0.047**	**-0.191**	**-0.02**	**0.0432**	**0.5396**
-9	**0.097**	**0.748**	**0.007**	**0.0012**	**0.0301**	**0.0423**	**0.002**	**0.061**	**-0.04**	**-0.231**	**0.046**	**0.0889**	**0.6364**
-8	**0.049**	**0.797**	**-0.05**	**0.0012**	**-0.025**	**0.0173**	**0.026**	**0.087**	**-0.044**	**-0.275**	**0.108**	**0.1971**	**0.6603**
-7	**0.09**	**0.886**	**0.016**	**0.0012**	**-0.008**	**0.0093**	**0.056**	**0.143**	**-0.038**	**-0.313**	**-0.05**	**0.1506**	**0.7526**
-6	**0.065**	**0.952**	**0.007**	**0.0012**	**-0.004**	**0.0053**	**0.046**	**0.188**	**0.031**	**-0.282**	**0.043**	**0.1932**	**0.8966**
-5	**0.116**	**1.068**	**0.01**	**0.0012**	**0.0102**	**0.0155**	**0.034**	**0.222**	**-0.085**	**-0.367**	**0.018**	**0.2112**	**0.9742**
-4	**0.087**	**1.155**	**-0.05**	**0.0012**	**-0.138**	**-0.123**	**0.058**	**0.281**	**-0.061**	**-0.428**	**0.007**	**0.2183**	**0.9228**
-3	**0.164**	**1.319**	**-0.01**	**0.0012**	**-0.067**	**-0.19**	**-0.05**	**0.229**	**-0.021**	**-0.449**	**0.054**	**0.272**	**0.9563**
-2	**0.124**	**1.443**	**0.048**	**0.0012**	**0.0027**	**-0.187**	**-0.04**	**0.187**	**-0.032**	**-0.481**	**0.008**	**0.2802**	**1.01**
-1	**0.072**	**1.514**	**0.043**	**0.0012**	**0.0025**	**-0.184**	**0.035**	**0.222**	**-0.036**	**-0.517**	**0.076**	**0.3565**	**1.0956**
0	**0.045**	**1.56**	**-0.01**	**0.0012**	**-0.031**	**-0.215**	**0.075**	**0.297**	**-0.039**	**-0.557**	**0.07**	**0.426**	**1.1571**
1	**0.128**	**1.687**	**0.039**	**0.0012**	**0.0178**	**-0.198**	**-0.01**	**0.283**	**-0.046**	**-0.602**	**0.043**	**0.4692**	**1.2501**
2	**0.121**	**1.809**	**0.066**	**0.0012**	**0.0219**	**-0.176**	**0.005**	**0.288**	**-0.022**	**-0.624**	**0.13**	**0.5995**	**1.3977**
3	**0.152**	**1.961**	**0.009**	**0.0012**	**-0.003**	**-0.179**	**0.009**	**0.297**	**-0.026**	**-0.651**	**0.035**	**0.635**	**1.5355**
4	**0.073**	**2.034**	**0.004**	**0.0012**	**0.0327**	**-0.146**	**0.003**	**0.3**	**-0.089**	**-0.74**	**0.003**	**0.6377**	**1.5558**
5	**0.152**	**2.186**	**-0.01**	**0.0012**	**-0.005**	**-0.151**	**-0.07**	**0.232**	**-0.003**	**-0.743**	**0.027**	**0.6647**	**1.6359**
6	**0.093**	**2.279**	**-0.04**	**0.0012**	**0.0069**	**-0.144**	**0**	**0.228**	**-0.066**	**-0.809**	**0.051**	**0.7154**	**1.6745**
7	**-0.02**	**2.262**	**0.013**	**0.0012**	**0.0956**	**-0.048**	**0.005**	**0.233**	**-0.02**	**-0.83**	**0.011**	**0.726**	**1.7397**
8	**0.152**	**2.414**	**0.053**	**0.0012**	**0.0171**	**-0.031**	**0.003**	**0.236**	**-0.007**	**-0.836**	**0.08**	**0.806**	**1.9178**
9	**0.147**	**2.561**	**-0.05**	**0.0012**	**-0.025**	**-0.056**	**-0.02**	**0.22**	**-0.002**	**-0.838**	**0.053**	**0.8591**	**2.0303**
10	**0.102**	**2.662**	**0.009**	**0.0012**	**0.0033**	**-0.053**	**0.009**	**0.229**	**0.005**	**-0.834**	**0.024**	**0.8833**	**2.153**
11	**0.073**	**2.736**	**0.007**	**0.0012**	**-0.018**	**-0.071**	**-0.03**	**0.199**	**-0.046**	**-0.88**	**0.021**	**0.9046**	**2.1354**
12	**0.075**	**2.811**	**0.009**	**0.0012**	**-0.074**	**-0.145**	**0.028**	**0.227**	**-0.043**	**-0.923**	**0.009**	**0.9137**	**2.1239**
13	**0.122**	**2.934**	**0.006**	**0.0012**	**-0.017**	**-0.162**	**-0.01**	**0.222**	**-0.026**	**-0.949**	**0.067**	**0.9803**	**2.209**
14	**0.125**	**3.058**	**0.012**	**0.0012**	**0.0112**	**-0.151**	**0.032**	**0.254**	**-0.065**	**-1.014**	**0.035**	**1.0151**	**2.3181**

Source: Prepared by the researcher based on reports from the Iraq Stock Exchange

Note from the table15-3)) The first column represents the event window, which lasts 30 days. As for each of these companies, there are two columns, the first representing the abnormal returns (AR) and the second representing the accumulated abnormal returns (CAR) of the company's shares, that is, the accumulated abnormal returns (CAR). For the shares of any company that announced its dividends,Under conditions of efficiency, it should start positive on the first day of the event window (today-15), then it increases little by little to reach its highest value on the day of the announcement, or event (day 0), after which the value of the unusual returns remains constant and stable from the day of the announcement until the last day of the event window (day +14).

We note from Table (3-15) that United Investment Bank, throughout the period of 15 days before the event (announcement day), fluctuated, but in the positive direction, despite the lack of uniformity of information for this type of company, which should be high.The highest returns before the announcement were on day (-3), reaching (0.164), and at the same time representing the highest returns during the 30-day event window. As for the lowest returns, they were on day (0), reaching (0.045), and at the same time representing the lowest. Returns during the event window, which is supposed to be the highest possible unusual return on the day of the announcement, then it stabilizes like this, and after the day of the announcement the company achieved returns continuously during the duration of the event except on day (7) where there was a loss of (0.017-), It seems that the previous leaked information is good, so these returns continued to fluctuate after the announcement date, but also in a positive direction, until they stabilized at the last viewing of the event window at (0.125), so the general trend was for the accumulated unusual returns.The CAR for this bank was positive throughout the 30-day event window, and since the CAR values appeared positive throughout the event window as a result of achieving unusual profits, the AR was positive throughout the event window, and this indicates that the market's response was biased towards the dividend announcement in a positive manner.

The market's biased reaction has three results: The first is that the market's reaction is biased as a result of the positive abnormal returns before and during the announcement date, except for one day. The second is that the dividend announcement by the company has an influential information content, and the evidence for this is that the company achieved positive unusual returns after the announcement, which are supposed to be stable and remain constant. In the event that the dividend announcement does not have an influential information content, this means that there is an asymmetry problem. There is significant information about this type of company, which contradicts the hypothesis of the first sub-study, and the third is that the market's response response was slow as a result of achieving unusual positive returns.AR until 14 days after the date of the announcement. This is a very important signal to investors that warns or predicts that there is a defect in the efficiency of the market, as it confirms to the investor that if he bought the shares of this company 15 days before announcing its dividend and kept them for 14 days after announcing the dividend, he could achieve an extraordinary positive return. More than (3.058), which is (CAR on day 14 + the last view of the event window), which is usually a very appropriate return. This indicates that the reactionmarketShe was slow onResponding to information about this event and that stock prices in the market did not respond completely and quickly on the day of the announcement of the dividend, and this indicates that the marketIncompetent.

The financial analysis of the Middle East Bank also showed that the unusual returns were positive throughout the duration of the event window, except for some days when there were slight losses. The highest unusual returns for stocks before the announcement were on day (-2), which reached (0.048), and the lowest unusual returns (the highest loss).) on day (-4) when it reached (-0.048), and the abnormal returns were negative on the announcement day (0) as well when it reached (-0.014), andThe market response to the information content increased after the announcementWhich made most of the unusual returns positive, so these returns continued to fluctuate in the positive direction after the announcement date until they stabilized at the last viewing of the event window at (0.012), except for three days in which they appeared negative. Since the unusual returnsThe AR of the Middle East Bank Company was positive throughout the event window, which made the general trend of the accumulated abnormal returns (CAR) for this company positive during the 30 days of the event window, and it continued in this trend until it stabilized on the last day of the event window at (0.154). This means The market response was positively biased to this company's dividend announcements. On the other hand, since the abnormal returns accumulated after the announcement day did not stabilize and began to decrease and rise in a positive direction and are supposed to be constant after the announcement date,

Therefore, this behavior has three consequences. The first is that the market's reaction was biased as a result of positive and negative unusual returns being achieved before and during the announcement. The second is that the announcement of the cash dividend dividend has influential information. The evidence for this is that unusual returns were achieved after the announcement, most of them positive, which are supposed to be Do not add anything after the announcement, meaning it is equal to zero, in the event that the profit-splitting announcement does not have effective information content. This means that there is a problem that the information is not symmetrical, which contradicts the hypothesis of the first sub-study. Third: The market response was slow and not complete as a result of abnormal returns being achieved even after 14 days had passed from the date of the event. This is a very important signal to investors that warns or predicts that there is a defect in the efficiency of the market, as it confirms that if the investor buys the shares of this financial institution 15 days before it announces its dividend and keeps it for 14 days after the dividend is announced, he can achieve an unchanged positive return. More usual than (0.154), which is (CAR on day 14 + last view of the event window) which is usually an appropriate return. This indicates that the reactionmarketIt was inaccurateResponding to information about this event and that stock prices in the market did not respond well on the day of the announcement of the dividend, and this is evidence of market inefficiency.

We observe through financial analysisFor the Iraqi Islamic BankThe first column of this bank representsExtraordinary returns and the second represents the accumulated abnormal returnsThis bank is considered a value stock because its book value is higher than its market value. This means that the prices of this bank's shares are lower than their true value, and that when the bank announces its dividends, it sends honest and reliable information to investors in the market, and the market's response to this information is supposed to be positive; Because the asymmetry of information makes the market's response volatile (its unusual returns fluctuate) between negative and positive.during the event window, so the market response to this type of announcement was negative in the period preceding the event, and the evidence for this is that the unusual return on the day of the announcement was negative by (-0.013) which means that the return on the day of the announcement is supposed to be as high as possible, but after the announcement, the returns were fluctuating between positive and negative, which is supposed to remain constant after the announcement, and the returns continued to fluctuate during the event window until they reached in their last observation (0.011) Most of the days were in the event window for accumulated unusual returnsCAR is negative, so we notice only 9 positive days before the announcement, while the rest of the days were negative, and all the abnormal returns accumulated on the day of the announcement and after were negative., and since the values ofCAR was fluctuating before the announcement, at times it decreased and at other times it rose. This is evidence that the market's response was biased towards the announcement of the dividend for this bank. On the other hand, since the cumulative abnormal returns (CAR) after the event did not stabilize at (-0.215), which is the cumulative abnormal return on the day of the announcement, and did not remain constant until the end of the event window, they fluctuate in the negative direction below the level of this value during the period after the announcement until It stabilized on the last day of the event window by (-0.151).

This market response has three results: The first is that there is a bias in the market's response to dividend announcements as a result of achieving unusual returns before and during the announcement. The second is that the dividend announcement has an effective information content through achieving unusual and cumulative positive and negative returns for a bank. Al-Mansour after the announcement, which should be fixed (do not add anything). If the dividend announcement does not have an effective information content, this means that there is an information asymmetry problem, which contradicts the hypothesis of the first and third sub-studies: that the market's reaction is slow in its response and incomplete as a result. It achieves positive and negative unusual returns even 14 days after the bank announces its profit dividend.This is an indication that there is market inefficiency.

By analyzing the event windowFor the Iraqi Trade BankAlthough the bank is considered one of the large financial institutions, which is considered one of the companies that frequently announces dividends, in addition, this financial institution is considered a value stock, and its shares are considered less than their real value, and the information asymmetry for this type of company is low. As a result of the increasing interest of financial analysts in large financial institutionsThe response was positiveThe highest abnormal returns before the announcement were on the day (-15) before the announcement, when they reached (0.06). The lowest abnormal returns before the announcement were negative (the largest loss), and they were on the day (-3), when they reached (-0.05). On the day of the announcement, i.e. day (0), the abnormal return increased to (0.075The market's response to this rise on the day of the announcement was correct, which should be as high as possible. As for the unusual daily returns on the remaining days during the period preceding the day of the event (the announcement), their values fluctuated between the two values mentioned previously..Returns continued to be positive after the announcement day until they reached (20.03) Which led to the accumulation of positive abnormal returnsCAR during the event window, and since the values ofCAR are all positive, as this indicates that the market's response was biased towards this bank's dividend announcement. On the other hand, since the accumulation of abnormal returns (CAR) after the event did not stabilize at a value of (0.297), which is the abnormal return accumulated on the day of the announcement, and did not remain stable until the end of the event window, the accumulated abnormal returns began to fluctuate higher and lower than this value during the period. After the announcement until the last day of the event window, it reached (0.254), and at the same time it represents the cumulative unusual return achieved by the bank at the end of the period, as a result of the fluctuation of unusual returns during this period.

This behavior has three consequences: The first is that there is a bias in the market's response to dividend announcements as a result of unusual returns being achieved before and during the announcement. The second is that the dividend announcement has an effective information content through achieving unusual and positive cumulative returns for the Iraqi Trade Bank. After the announcement, which should be fixed (do not add anything), and if the dividend announcement does not have an effective information content, this means that there is an information asymmetry problem, which contradicts the hypothesis of the first sub-study.

Third: The market's reaction is slow in its response and incomplete as a result of achieving positive unusual returns, even 14 days after the bank announced its dividend. This is a very important signal to investors that indicates that there is a defect in the efficiency of the market, as it confirms to investors that if they... By purchasing the shares of this bank 15 days before announcing its dividend and keeping these shares for 14 days after the day of the announcement to be able to achieve an unusual positive return of more than (0.254, which is (CAR on day 14 + the last view of the event window), which is a very suitable return for the investor. This indicates that the reactionmarketShe was biased inResponding to information about this event and that stock prices in the market did not respond completely and quickly on the day of the announcement of the dividend, and this is an indication of the inefficiency of the Iraqi stock market.

It is clear from the analysis of the event window for the Credit Bank of Iraq that despite the low information asymmetry for this financial institution, which is one of the large financial institutions as well as a value-stock company, all observations during the event window for unusual returns were negative before, during, and after the announcement, except for one day, which means The general trend of the accumulated abnormal returns was negative, and this means that the information that was leaked about the bank to investors in the market was very bad, which caused it large unusual losses. The highest positive abnormal returns were on day (-6), reaching (0.0305). At the same time, it represents the highest positive returns during the event window, while the lowest unusual returns (highest loss) for the stock on (day -5) before the announcement of the event window, as it reached (-0.085), and the unusual returns continued to fluctuate in the negative direction, even on the day of the announcement, or the event (day 0), the return was negative, as the loss amounted to (-0.039), which is assumed for the unusual return on this day to reach the highest possible level,, AndThis means that the market's response to the information content decreased on the day of the announcementThey continued in the negative direction after the announcement as well, and it seems that the previous leaked information was bad, so these returns continued to fluctuate in the negative direction after the announcement date until they stabilized at the last viewing of the event window at (-0.065). These losses are unusualAR of the Credit Bank along the event window, made the general trend of the accumulated abnormal returns (CAR) for this bank negative during the 30 days of the window, until the accumulated abnormal returns on the last day of the event window reached (-1.014), which means that the market response was On the other hand, it is negatively biased towards the announcement of the dividend distribution, since the abnormal returns accumulated after the announcement day were not proven and began to decline and rise in the negative direction, which is supposed to be stable and constant after the announcement date.

This market response has three consequences. The first is that the market's reaction was biased as a result of achieving negative unusual returns before, during and after the announcement. The second is that the announcement of the cash dividends has influential information. The evidence for this is that negative unusual returns (losses) were achieved after the announcement. Which is supposed to add nothing after the announcement, meaning it is equal to zero, if the profit-splitting announcement does not have effective information content. This means that there is a problem that the information is not symmetrical, which contradicts the hypothesis of the first sub-study. Third: The market's response was slow and not complete as a result of unusual losses occurring even after 14 days had passed from the date of the event. This is evidence ofThe market's response to information about this event is slow, and stock prices in the market did not respond completely and quickly on the day of the announcement, and this is evidence that the Iraqi Stock Exchange is inefficient.

Shows financial analysisTo Al-Mansour BankThe first column of this bank representsExtraordinary returns and the second represents the accumulated abnormal returnsAlthough the bank is one of the large companies and there is a lot of announcement about the dividends, the information asymmetry for this type of company is low.Therefore, the prevailing trend of abnormal returns was positive, as the highest abnormal returns were on day 8 - the day before the announcement, from the event window, as it reached (0.108(The lowest unusual returns were on the 7th day preceding the announcement of the dividend, when it reached (-0.046At the same time, it represents the highest unusual loss to which the bank was exposed. As for the unusual daily returns on the remaining days during the period preceding the day of the event (the announcement), their values fluctuated between the two values mentioned previously..On the day of the announcement, the extraordinary return reached (0.070), and the returns after the announcement day continued to be positive until the last view from the event window was (0.035) Which made the accumulation of unusual returns positiveCAR except on day -14 of the event window before the announcement, and since the values ofCAR is mostly positive, sometimes it decreases and at other times it rises before the announcement day. This indicates that the market’s response was positively biased to the dividend announcement. On the other hand, since the accumulation of abnormal returns (CAR) after the event did not stabilize at (0.426), which is the abnormal return accumulated on the day of the announcement and remained stable until the end of the event window, it began to rise much higher than this value during the period after the announcement until the last day. From the window, it reached (1.015), and at the same time it represents the highest accumulated unusual return achieved by the bank, as a result of the fluctuation of unusual returns during this period.

This market behavior has three consequences: The first is that there is a bias in the market’s response to dividend announcements as a result of achieving unusual returns before and during the announcement. The second is that the dividend announcement has an effective information content through achieving unusual and accumulated returns for Al-Mansour Bank. Which should be fixed (do not add anything). If the dividend announcement does not have an effective information content, this means that there is an information asymmetry problem, which contradicts the hypothesis of the first sub-study. Third: The market’s reaction is slow in its response and incomplete as a result of achieving unusual positive returns even 14 days after the bank announced its dividend. This is a very important signal to investors that warns that there is a defect in the efficiency of the market, as it assures investors that if they buy... Shares of this bank 15 days before announcing its dividend, and they kept them for 14 days after the day of the announcement, so they could achieve an unusual positive return of more than (1.015) which is (CAR on day 14 + the last view of the event window), which is usually a very appropriate return. This indicates that the reactionmarketIt was incorrect Responding to information about this event and that stock prices in the market did not respond completely and quickly on the day of the announcement of the dividend, and this is evidence that the Iraqi financial market is inefficient.

It appears in the last column, which represents (CAAR) Accumulated average daily abnormal returns for value-stock companies that announced their dividends, which were chosen based on the financial analysis of each company. The abnormal returns appeared regardless of the nature of their sign, whether negative or positive, thus confirming that the announcement of the cash dividend has an effective information content. If it did not have an effective information content, the value of the abnormal returns would be equal to (zero) along the event window, and this means that there is a problem of information asymmetry, and this does not correspond to the first sub-hypothesis of the study. On the other hand, it is evident from the results of the last column of (CAAR), the cumulative averages of daily abnormal returns (CAAR) did not show behavior indicating that the response of the Iraqi financial market was efficient regarding stock prices to the announcements of value stock companies that announced their cash dividends, as they appeared fluctuating (High and low) in the positive directionThis was achieved in all casesDaily views of the event window. In fact, the market behavior that indicates its efficiency should be movements (CAAR) is positive and progressively increasing before the day of announcing the dividend, reaching its true value on the day of the announcement (event), which is the highest value, and then stabilizes during the remaining two-week period of the event window without any addition. The lowest profits were achieved for the average accumulated unusual daily returns on the 15th day before the announcement, which is the first day of the event window, when it reached (0.1316), so these returns were positive from day 15 before the announcement, and this positive trend continued in an upward manner, and the market did not express an efficient response to the announcement. On the day of the event, the daily cumulative average abnormal returns (CAAR) on this day were positive and amounted to (1.1571), while it was supposed to be the highest possible on the day of the announcement. The averages of the accumulated abnormal daily returns in all observations after the announcement date continued to be positive and rising until they stabilized on the last day of the event window, day 14, at (2.318). Note that (in the typical case) the value of the averages of the accumulated abnormal daily returns (CAAR) could be The market's response should be efficient to the announcement of the cash dividend, which is supposed to be positive and increasing during the period before the day of the announcement. The largest value of the accumulated average should be achieved on the day of the announcement and stabilize there and remain constant and stable, adding nothing, that is, (its value = zero) until Last day out the window.

As is clear in Figure (3-5), the values were: CAARThroughout the 30-day event window, it increases in the positive direction, exactly as it should exhibit typical case behavior. The above confirms that the market’s response is good, complete, and biased to the price movements of value-stock companies that announced their dividends.

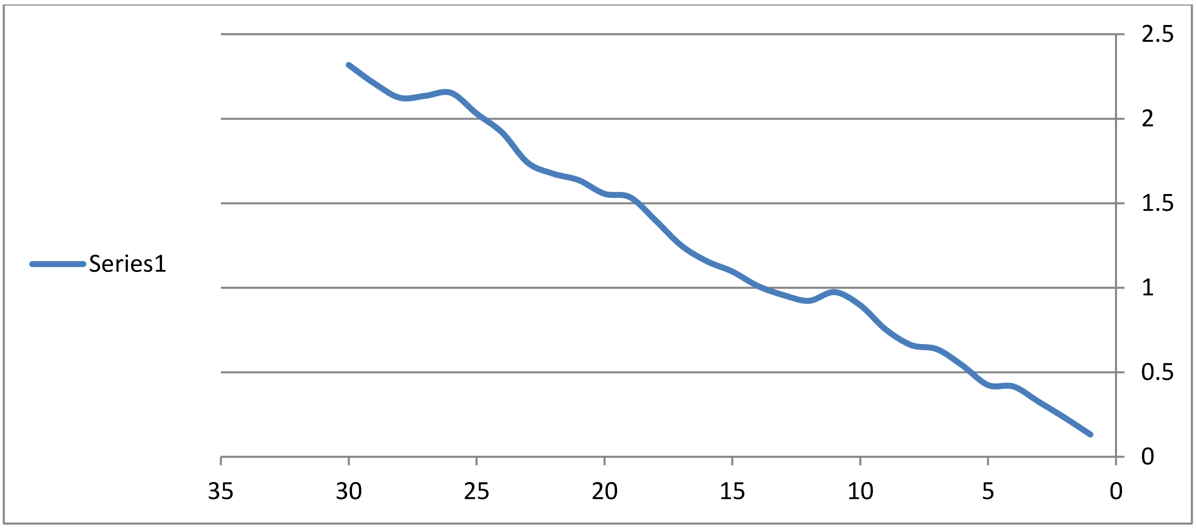

Figure (3-5) represents the graphFor averagesThe accumulated abnormal returns of value-stock companies.

Financial analysis through the event window for companies and growth stocks Based on the classification of companies in Table (3-12) mentioned previously, six growth stock companies were chosen from the study sample, which numbered twenty-three companies, whose book value was as low as possible and whose market value was as high as possible. Market efficiency was tested in the extent of response. to their share prices about the content of the information sent through dividend-dividend announcements, in order to determine how quickly this information content is reflected in the cash dividend-dividend announcements of growth stock companies by calculating the abnormal returns of the shares and the accumulated abnormal returns and their daily averages through the event window for a period of (30 days) used in In this study, usually in this type of companies, their current value is higher than their real value, so the response of the Iraqi Stock Exchange to growth stocks is most likely negative.

Table (3-16) Growth stock companies in the Iraqi Stock Exchange that announced their dividends

T	Growth stock companies	Market value	Book value	The ratio	Numbe r of ads
1-	Baghdad Hotel	**11.2**	**2.46**	**22%**	**5**
2-	Mosul to saliva cities	**8.75**	**1.52**	**17%**	**1**
3-	Baghdad Public Transport Company	**43**	**5.6**	**13%**	**2**
4-	Al Maamoura Real Estate Investments	**8.75**	**1.07**	**12%**	**3**
5-	Babylon Hotel	**104**	**8.3**	**8%**	**9**
6-	Al Mansour hotels	**38**	**1.81**	**5%**	**5**

Source: Prepared by the researcher based on data published by the Iraq Stock Exchange.
After collecting data for the purpose of calculating the actual returns of the shares of the companies in the study sample and the market risk (Beta) and expected stock returns through the capital assets pricing model and unusual stock returns for each day of the event window through the difference between the actual stock returns and expected returns. Table (3-17)

shows the daily unusual stock returns, the accumulated unusual stock returns, and the average unusual returns. The accumulated daily accumulation of growth stock companies that announced their aforementioned dividends for a period of (15) days before the day of announcing the dividend, in addition to the day (announcement), or event (day 0) and (14) days after the announcement of the dividend.

Table (3-17) Unusual and accumulated stock returns and their averages for growth stock companies via the daily event window

Event window	Baghdad Hotel		Mosul to theme parks		Baghdad Public Transport		Al Maamoura Investments		Babylon Hotel		Al Mansour hotels		CAAR
	AR	CAR	AR	CAR	AR	CAR	AR	CAR	AR	CAR	AR	CAR	
-15	-0.114	-0.114	-0.04	-0.04	-0.292	-0.292	-0.04	-0.04	-0.11	-0.11	-0.02	-0.02	-0.52
-14	-0.143	-0.257	-0.039	-0.079	-0.25	-0.543	-0.03	-0.07	-0.106	-0.216	-0.021	-0.041	-0.991
-13	-0.133	-0.389	-0.039	-0.118	-0.214	-0.757	0.03	-0.04	0.0012	-0.214	-0.034	-0.075	-1.27
-12	-0.113	-0.503	-0.006	-0.123	-0.265	-1.022	0.007	-0.03	3E-05	-0.214	-0.025	-0.1	-1.577
-11	-0.189	-0.692	-0.039	-0.163	-0.234	-1.256	-0.05	-0.08	-0.108	-0.322	-0.001	-0.101	-2.038
-10	-0.128	-0.82	-0.039	-0.202	-0.302	-1.558	0.057	-0.02	-0.046	-0.369	-0.023	-0.124	-2.413
-9	-0.127	-0.946	-0.04	-0.241	-0.255	-1.813	-0.05	-0.07	-0.038	-0.406	-0.023	-0.147	-2.838
-8	-0.124	-1.07	-0.042	-0.283	-0.155	-1.967	-0.02	-0.09	-0.116	-0.523	-0.018	-0.165	-3.208
-7	-0.144	-1.214	-0.04	-0.323	-0.146	-2.113	0.01	-0.08	-0.05	-0.573	-0.029	-0.193	-3.487
-6	-0.122	-1.335	-0.04	-0.363	-0.156	-2.269	-0.04	-0.12	-0.055	-0.628	-0.02	-0.213	-3.819
-5	-0.138	-1.473	-0.039	-0.402	-0.256	-2.525	-0.02	-0.14	-0.082	-0.711	-0.044	-0.257	-4.283
-4	-0.112	-1.586	-0.262	-0.664	-0.262	-2.787	-0.04	-0.19	-0.074	-0.785	-0.004	-0.261	-4.946
-3	-0.126	-1.712	-0.047	-0.711	-0.199	-2.986	-0	-0.19	-0.062	-0.846	0.002	-0.259	-5.277
-2	-0.136	-1.847	-0.048	-0.759	-0.201	-3.187	0.012	-0.18	-0.022	-0.868	-0.019	-0.278	-5.577
-1	-0.148	-1.996	0.0146	-0.744	-0.317	-3.504	0.051	-0.13	-0.082	-0.951	-0.011	-0.29	-5.948
0	-0.125	-2.121	0.0546	-0.69	-0.284	-3.788	0.015	-0.11	-0.022	-0.973	-0.035	-0.325	-6.241
1	-0.131	-2.252	-0.021	-0.711	-0.3	-4.089	0.094	-0.02	-0.065	-1.038	-0.02	-0.345	-6.575
2	-0.125	-2.377	-0.048	-0.759	-0.23	-4.319	0.022	0.004	0.026	-1.012	-0.025	-0.37	-6.851
3	-0.106	-2.483	-0.079	-0.838	-0.131	-4.45	0.053	0.058	-0.014	-1.025	-0.015	-0.385	-7.054
4	-0.16	-2.644	-0.038	-0.876	-0.227	-4.677	0.012	0.069	0.11	-0.915	-0.028	-0.413	-7.252
5	-0.134	-2.777	-0.093	-0.969	-0.323	-4.999	0.002	0.071	0.073	-0.842	-0.061	-0.474	-7.676
6	-0.132	-2.909	-0.019	-0.988	-0.232	-5.232	-0.02	0.055	0.006	-0.835	-0.022	-0.496	-7.981
7	-0.127	-3.036	-0.042	-1.03	-0.303	-5.535	-0.03	0.023	-0.106	-0.942	0.014	-0.481	-8.471
8	-0.131	-3.167	-0.173	-1.204	-0.231	-5.766	0.008	0.032	-0.125	-1.066	0.056	-0.426	-8.958
9	-0.139	-3.306	-0.002	-1.206	-0.21	-5.977	-0.02	0.017	-0.067	-1.134	0.014	-0.412	-9.263
10	-0.133	-3.439	-0.023	-1.229	-0.335	-6.312	-0.05	-0.03	-0.118	-1.251	0.07	-0.342	-9.739
11	-0.139	-3.577	-0.019	-1.248	-0.165	-6.477	-0.01	-0.04	-0.016	-1.267	-0.021	-0.363	-9.996
12	-0.068	-3.645	-0.008	-1.256	-0.286	-6.763	-0.03	-0.07	0.036	-1.231	-0.056	-0.419	-10.35
13	-0.2	-3.845	-0.07	-1.326	-0.258	-7.021	-0.02	-0.09	-0.124	-1.355	0.013	-0.406	-10.84
14	-0.127	-3.972	-0.032	-1.358	-0.217	-7.238	6E-04	-0.09	0.05	-1.305	0.008	-0.398	-11.05

Source: Prepared by the researcher based on data published in the Iraq Stock Exchange

Table (3-17) shows that the first column represents the event window, which lasts 30 days. As for each of these companies, there are two columns, the first represents the unusual returns.AR, and the second represents the accumulated abnormal returns (CAR) of the company's shares, that is, the accumulated abnormal returns (CAR). For the shares of any company that announced its dividends,Under conditions of efficiency, it should start positive on the first day of the event window (today-15), then it increases little by little to reach its highest value on the day of the announcement, or event (day 0), after which the value of the unusual returns remains constant and stable from the day of the announcement until the last day of the event window (day +14).

We notice through the financial analysis of the Baghdad Hotel that the unusual returns are fluctuating in the negative direction, despite the asymmetry of information for this type of company. It should be low due to the interest of analysts in this type of company that has many announcements about dividends, in addition to the fact that it is a growth stock company and is usually responsive. The financial market for this type may be negative because its current value is higher than its real valueThe highest loss before the announcement was on the day (-11) before the day of the event, when it reached (-0.189), while the lowest loss before the announcement was on the day (4).-) It reached (-0.112), and on the day of the announcement the company achieved a loss of (-0.125). It seems that the previous leaked information is not good, so these returns continued to fluctuate after the announcement date in a negative direction as well until they stabilized at the last viewing of the event window at (-0.127). This means that the market's response to the information content about the company was biased negatively, so the general trend of the accumulated abnormal returns (CAR) for the Baghdad Hotel was negative during the 30-day event window, and since the CAR values appeared negative during the event window as a result of achieving unusual losses (AR). This indicates that the market's response was negatively biased to the dividend announcement. Moreover, the abnormal returns accumulated after the announcement date did not stabilize, so they fluctuated in the negative direction. They are supposed to remain constant and stable after the announcement date and do not add anything. This biased response on the part of the market has three results: The first is that the market's biased reaction is the result of negative unusual returns before and during the date of the announcement, and the second is that the dividend announcement by the company has influential information content, and the evidence for this is that the company achieved negative unusual returns after The advertisement, which is supposed to be fixed and equal to zero, in the event that the dividend announcement does not have an effective information content, this means that there is a problem of information asymmetry, which contradicts the hypothesis of the first sub-study, and the third is that the response of the Iraqi financial market was incomplete as a result of losses. UnusualAR until 14 days after the date of the announcement. This indicatesThe market's reaction to the information content was slow for this event and that market prices did not respond quickly and completely on (announcement day). This is evidence that the marketIncompetent.

but regardingFor the shares of the Mosul Games Parks Company: The information asymmetry for this type of company was high due to the lack of interest of financial analysts for this type of company as it is a small-sized company, in addition to the fact that it is a growth stock company and its current value is usually higher than its real value, so it was a response. The market is negative, making the overall trend of cumulative abnormal returns negative during the event windowThe highest loss before the announcement, i.e. the lowest negative abnormal return on day (-4), was (-0.262), while the smallest loss was, i.e. the highest negative abnormal return, on day -12 before the announcement, where it reached (-0.006), as a result. The information leaked about the company was not good, so these returns continued to fluctuate after the announcement date in the same negative direction as well until they stabilized at the last viewing of the event window at (-0.032). This means that the market's response was biased negatively towards the content of the information leaked about the company, which made The general trend of cumulative abnormal returnsThe CAR for this company was negative during the 30-day event window, and since the CAR values appeared negative during the event window as a result of unusual losses (AR) occurring on most days of the event window, this indicates that the market's response was biased towards the announcement of the dividend in a negative manner. Moreover, The abnormal returns accumulated after the announcement date did not stabilize, so they fluctuated in the negative direction, and they are supposed to remain constant after the announcement date.

Therefore, this response has three results: The first is that the market's reaction is biased as a result of the negative abnormal returns before and during the announcement date. The second is that the dividend announcement by the company has an influential information content, and the evidence for this is that the company achieved negative abnormal returns after the announcement. Which is supposed to be fixed, meaning its value equals zero, if the dividend announcement does not have an effective information content. This means that there is a problem of information asymmetry, which contradicts the hypothesis of the first sub-study, and the third is that the market's response was not good as a result of unusual losses.AR even after 14 days from the date of the announcement. This indicatesThe market's reaction to the information content was slow to this event and that market prices did not respond quickly and completely on the day of the announcement. This is evidence that the marketIncompetent.

As for the Baghdad Public Transport Company, the abnormal returns were also fluctuating in the negative direction. Therefore, the general trend of the accumulated abnormal returns was negative.This means that information about the company was leaked to investors in the market in a negative way, considering that it is a growth stock, that its current value is higher than its real value, and that most of its announcements are unreliable, which caused large unusual losses for the shares of the Baghdad Public Transport Company. The highest loss before the announcement was On the first day before the day of the event, it reached (-0.317), while the smallest loss was before the announcement on the day (7).-) It reached (-0.146), and on the day of the announcement the company achieved a loss of (-0.284). These returns continued to fluctuate after the date of the announcement in a negative direction as well until they stabilized at the last viewing of the event window at (-0.217). This means that the market response It was negatively biased in terms of the information content of the company's profit dividend, so the general trend of the accumulated abnormal returns (CAR) for this company was negative during the 30-day event window, and since the CAR values appeared negative during the event window as a result of achieving unusual losses (AR) during the event window, this indicates However, the market's response was negatively biased to the announcement of the dividend. Moreover, the abnormal returns accumulated after the announcement date did not stabilize, so they fluctuated in the negative direction and were supposed to remain constant after the announcement date, meaning they did not add anything. This biased market response has three results: The first is that the biased market reaction is the result of negative unusual returns before and during the announcement, and the second is that the dividend announcement by the company has influential information content, and the evidence for this is that the company achieved negative unusual returns after the announcement, which are It is assumed to be constant, i.e. (there will be no abnormal returns after the announcement and the result is zero), in the event that the dividend announcement does not have an effective information content, and this means that there is an information asymmetry problem, which contradicts the hypothesis of the first sub-study. The third is that the market's response was slow and incomplete as a result of unusual lossesAR even after 14 days from the date of the announcement. This indicatesThe market's reaction to the information content was slow for this event and that market prices did not respond quickly and completely on (announcement day). This is evidence that the marketIncompetent.

And through financial analysis through the event windowFor shares of Al-Mamoura Investments CompanyThe unusual returns fluctuated between negative and positiveDuring the event window, negative returns prevailed, which led to the general trend of accumulated abnormal returns.CAR is fluctuating in the negative direction, except for eight days after the announcement, which were positive. The highest value before the announcement of the positive abnormal returns was on the day (-10), when it reached (0.057), while the lowest abnormal returns on the third day preceding the announcement day was negative, with a value of (- 0.004), and on the day of the announcement, the abnormal return was positive, that is, today (0), as it reached (0.015) on this day. Then, after the announcement, these returns continued to fluctuate between positive and negative, until they stabilized in the last observation from the event window at (006).0.0It is assumed that returns remain constant at (0.015) does not change after the day of the announcement, and this response from the market may be the result of the leakage of unconfirmed (ambiguous) information to investors. This may happen when there are various factors that affect how the dividend is distributed, such as a decrease or increase, or when there are details that are not It is clearly announced to the public, so this company is considered one of the companies that prefers not to fully disclose all the details of the dividend distribution operations, which makes it “ambiguous.” In this context, the information sent is difficult to interpret, or there may be some insiders, such as managers, who have confidential information. They kept it and did not disclose it in the market, which led to an information asymmetryAnd when values appearedCAR is mostly negative, at times it decreases and at other times it rises before the announcement day. This is an indication that the market’s response was biased toward the announcement of the dividend for this company.

This market behavior has three consequences: The first is that there is a bias in the market’s response to dividend announcements as a result of achieving unusual returns. The second is that the dividend announcement has an effective information content through achieving unusual returns for the company, which should be fixed (its value). Zero) after announcing the dividend, and if the dividend announcement does not have an effective information content, this means that there is an information asymmetry problem, which contradicts the first sub-hypothesis of the study. Third: The market’s reaction is slow and incomplete as a result of unusual returns being achieved even two weeks after the company announced its dividend, and this is a very important signal to investors that warns or foretells that there is a defect in the market’s efficiency.

And financial analysis through the event windowFor Babylon Hotel sharesThe first column of this for the bank representsExtraordinary returns and the second represents the accumulated abnormal returnsThis company is one of the companies that frequently announces its dividends, and the information asymmetry for this type of company is low as a result of the interest of financial analysts in this type of company, in addition to the fact that it is a growth stock company.,The unusual returns fluctuated between negative and positiveThroughout the event window, the highest positive abnormal returns were on day 13 before the announcement day of the event window, reaching (0.0012), the lowest abnormal returns were negative during the event window (the highest loss) were on day -8 before the announcement, where they reached (-0.116), and this means that the information on daysThe value that preceded the event was not good at the required level, so the market's response to it was negative. As for the unusual daily returns on the remaining days during the period preceding the day of the event (the announcement), its value fluctuated in the negative direction most of the time..On the day of the announcement today (0), the value of the extraordinary return reached (-0.022), and the abnormal returns continued to fluctuate after the announcement and were positive in the last observation from the event window, where they reached (0.0501), which made the accumulation of abnormal returns negativeCAR until the end of the event window, and since the values ofCAR most of them appeared negative before the announcement, sometimes declining and at other times rising. This is an indication that the market's response was biased towards the announcement of the dividend for this company. On the other hand, since the cumulative abnormal returns (CAR) after the event did not stabilize at (-0.022), which is the cumulative abnormal returns on the day of the announcement, and did not remain constant until the end of the event window, they began to decrease and rise from this value during the period after the announcement until the end of the event. The day of the event window reached (-1.305) and at the same time represents the negative accumulated abnormal return achieved by the company, as a result of the fluctuation of abnormal returns during this period.

This market behavior has three results: The first is that there is a bias in the market's response to profit-spread announcements as a result of abnormal returns being achieved before and during the announcement, and the second is that the profit-spread announcement has an effective information content through achieving negative accumulated unusual returns for a hotel company. Babel after the announcement, which should be fixed, meaning (it does not add anything). If the dividend announcement does not have an effective information content, this means that there is an information asymmetry problem, which contradicts the hypothesis of the first sub-study, and the third: that the market reaction is slow. In its response, it is incomplete as a result of achieving unusual positive and negative returns, even 14 days after the company announced its dividend, and this is a very important signal to investors that warns, or predicts, that there is a defect in the efficiency of the market.This is evidence that the marketIncompetent.

but regardingFor Al-Mansour Hotels shares, the unusual returns were also in the negative direction, despite the asymmetry of information for this type of company. It should be high due to the lack of interest of analysts in this type of company, as it is one of the companies that rarely announces its dividends, in addition to being one of the companies. Growth stocks.

The general trend of unusual returns was negative for most of the periods before the event window, except for the third day before the announcement, which was positive with a value of (0.002). As for the highest losses before the announcement, it was on the fifth day (-5), reaching (-0.044), and thenAbnormal returns appearedNegative on the day of the announcement of the dividend today (0), which reached (0.035),Until it stabilized at the last viewing of the event window at (0.008). This means that the market's response was biased to the information content about the company in a negative way, except for some days in which the abnormal returns appeared positive, so the general trend of the accumulated abnormal returns wasThe CAR for this company was negative throughout the 30-day event window, and since the CAR values appeared negative throughout the event window as a result of unusual losses, the AR was negative on most days of the event window, and this indicates that the market's response was negatively biased to the announcement of the dividend. Moreover, The abnormal returns accumulated after the announcement date did not stabilize, so they fluctuated in the negative direction, and they are supposed to remain constant after the announcement date.

This biased response on the part of the market has three results: The first is that the dividend announcement by the company has an influential information content, and the evidence for this is that the company achieved negative abnormal returns after the announcement, except for some days, which are supposed to be constant, i.e. equal to (zero value). If the dividend announcement does not have an effective information content, this means that there is an information asymmetry problem, which contradicts the hypothesis of the first sub-study. The second is that the market's reaction was biased as a result of unusual negative returns before and during the announcement date, and the third is that the market's response was slow and incomplete as a result of unusual losses.AR until 14 days after the date of the announcement. This indicatesThe market's reaction to the information content was slow to this event and that market prices did not respond quickly and completely on the day of the announcement. This is evidence that the marketIncompetent

It appears in the last column, which represents (CAAR) Accumulated average daily abnormal returns for growth stocks companies regarding the dividend announcement, which were chosen based on the number of dividend announcements for each company. The abnormal returns appeared regardless of the nature of their sign, whether negative or positive, confirming that the cash dividend announcement has an effective information content. . If it did not have an effective information content, the value of the abnormal returns would be equal to (zero) along the event window, and this means that there is a problem of information asymmetry, and this does not correspond to the first sub-hypothesis of the study. On the other hand, as is known from the results of the column for (CAAR), the daily cumulative average abnormal returns (CAAR) did not show behavior indicating that the response of the Iraqi Stock Exchange is efficient regarding stock prices to the announcements of growth stock companies that announced their cash dividends, as they appeared fluctuating (High and low) but in the negative directionThis was achieved in all casesDaily views of the event window. In fact, market behavior that indicates efficiency should be movements (CAAR) is positive and progressively increasing before the day the dividend is announced, reaching its true value on the day of the announcement (event), and then stabilizing during the remaining two-week

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period of the event window without any addition. The highest average negative cumulative abnormal returns were achieved on the 15th day before the announcement, which is the first day of the event window, as it reached (-0.52). The cumulative averages of daily abnormal returns were negative from the 15th day before the announcement, and this negative trend continued in an upward manner. The market expresses an efficient response to the announcement of the dividend on the day of the event, as the daily cumulative average abnormal returns (CAAR) on this day were negative and amounted to (-6.241), while it was supposed to be positive on the day of the announcement and as high as possible, and the CAAR continued)) In all observations after the announcement date, it increased negatively until it stabilized on the last day of the event window, day 14, at (-11.05). It is worth noting that (the typical case) is the average value of the daily accumulated abnormal returns (CAAR), which should make the market response efficient. To announce the cash dividend dividend, which is supposed to be positive and increasing throughout the days before the announcement day, and the largest value of the average should be achieved on the announcement day and stabilize there and remain constant, adding nothing, meaning (its value = zero) until the last day of the window..

As is clear in Figure (3-6), the values were:CAARThroughout the 30-day event window, it fluctuates, but in a negative direction and in a way that is completely different from what it should be in a typical case. The above confirms that the market's response is incomplete and biased to the price movements of growth stock companies that announced their dividends, and this indicates that the market is almost completely inefficient in its response to the event of announcing public information regarding dividends dividend announcements, and this is consistent with the second main hypothesis. To study.

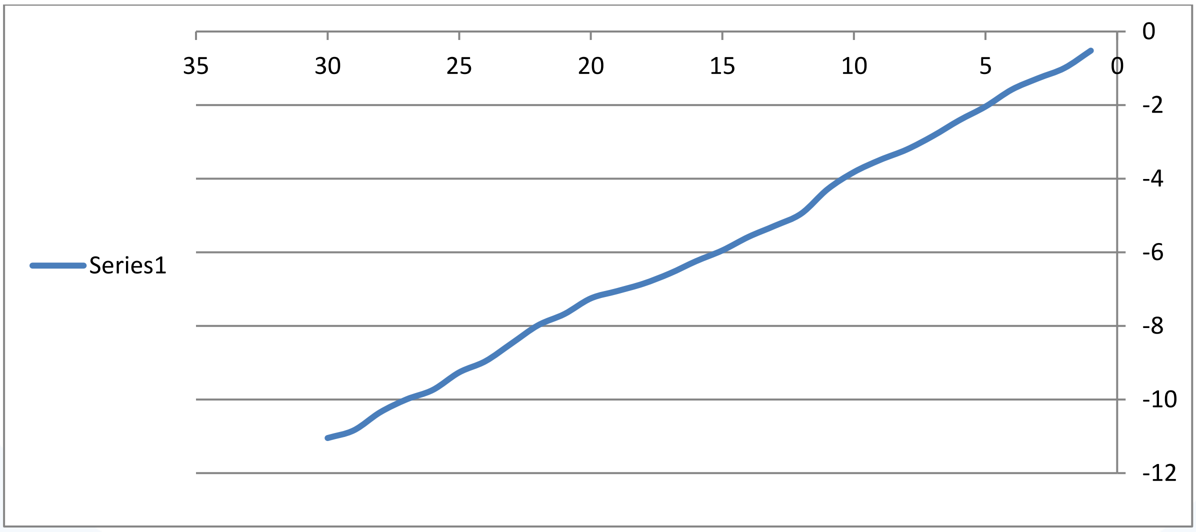

Figure (3-6) Curve of daily averages of accumulated abnormal returns for growth stock companies

Source: Prepared by the researcher based on data published in the Iraq Stock Exchange

3-3-3- Comparison of average daily returns during the event window for the most and least frequent companies

We notice in Table (3-18) a comparison between the average accumulated daily returns for value stock companies and the average accumulated daily returns for growth stock companies. It is noted from the table that all average accumulated abnormal returns in value stock companies are positive and increasing from the beginning of the period of the event window until It reached its highest value at the end of the period and in an ascending manner, while on the other side of the column that represents the averages of accumulated returns, we find negative and increasing and decreasing in the negative direction. This indicates that companies with better value stocks have achieved positive returns throughout the event window. This explains that the response In those companies it was good and it was more efficient.

Table (3-18) Comparison between the average accumulated daily returns of value stock companies and growth stock companies

The most valuable companies	Value stock companies	Growth stock companies	Event window
CAAR	CAAR	CAAR	
Value stock companies	0.1316	-0.52	-15
Value stock companies	0.2308	-0.991	-14
Value stock companies	0.323	-1.27	-13
Value stock companies	0.4154	-1.577	-12
Value stock companies	0.424	-2.038	-11
Value stock companies	0.5396	-2.413	-10
Value stock companies	0.6364	-2.838	-9
Value stock companies	0.6603	-3.208	-8
Value stock companies	0.7526	-3.487	-7
Value stock companies	0.8966	-3.819	-6
Value stock companies	0.9742	-4.283	-5
Value stock companies	0.9228	-4.946	-4
Value stock companies	0.9563	-5.277	-3
Value stock companies	1.01	-5.577	-2
Value stock companies	1.0956	-5.948	-1
Value stock companies	1.1571	-6.241	0
Value stock companies	1.2501	-6.575	1
Value stock companies	1.3977	-6.851	2
Value stock companies	1.5355	-7.054	3
Value stock companies	1.5558	-7.252	4
Value stock companies	1.6359	-7.676	5
Value stock companies	1.6745	-7.981	6
Value stock companies	1.7397	-8.471	7
Value stock companies	1.9178	-8.958	8
Value stock companies	2.0303	-9.263	9
Value stock companies	2.153	-9.739	10
Value stock companies	2.1354	-9.996	11
Value stock companies	2.1239	-10.35	12
Value stock companies	2.209	-10.84	13
Value stock companies	2.3181	-11.05	14

Source: Prepared by the researcher based on reports of the Iraq Stock Exchange

We note from the table (19-3) The results of the statistical analysis using the Levinian model between the values of the daily averages of accumulated abnormal returns for growth stock companies and value stock companies (CAAR), shown in Table (3-18), show that Sig. (2-tailed) and equal to .000, and if the significance level is less than 0.05, there are significant differences between value stock companies and growth stock companies at the probability level (à), and there is no homogeneity, no moderation, and there are differences in the accumulated average returns of value stock companies. Growth stock companies are in favor of value stock companies because their average is higher than those of growth companies, and this indicates the presence of information asymmetry through the table (CAAR) through the appearance of accumulated positive returns in the averages (for value stock companies) as well as the appearance of negative returns in the averages (for companies Growth stocks) This confirms that the hypothesis of the inefficiency of the Iraqi stock market is almost strong, or that there is a defect in the market, and this contradicts the second sub-hypothesis, which states that (there is no effect of the information content of value and growth stocks through the dividend announcements of the companies in the study sample. We note that the signals sent to announce the dividend to the market were strong and positive from companies with value stocks, given that their current value is less than their true value. Therefore, the information content of these companies' announcements was positive, and in contrast to the signals sent to announce the dividend in growth stock companies, where they were weak. And negative

Table (3-19) Results of analysis of variance (**CAAR**) for companies that are value stocks and companies that are growth stocks

Statistics	Growth stock companies	Value stock companies
Mean	-5.88	1.2268
N	**30**	**30**
Variance	10.088	0.439
Differences Mean 0 Hypothesized		
T.test	-12.002	
Sig.	.000	

2. Conclusions and recommendations

Conclusions:-:

1- The announcement of the dividend dividend has an effective information content, through achieving unusual and accumulated positive and negative returns for the company before and after the announcement of the dividend dividend for the companies in the study sample listed on the Iraq Stock Exchange and for all sectors.

2- It has been shown that there is an information asymmetry that has an impact on the market through the signals sent by insider financial managers, which send information, and through that information, investors interpret it and then make decisions to buy or sell shares, and this is what is expressed in signaling theory.

3- The results of the financial and statistical analysis of the study proved that when the dividend is announced by companies, there will be a biased response from the market, which will achieve abnormal returns through the signals that insiders send to the market, which leads to achieving abnormal returns, positive or negative, according to the signals sent. It may be true, ambiguous, or false.

4- The results of the financial and statistical analysis proved that the type of stocks, whether they are (value or growth stocks), has an impact in terms of the unusual and accumulated returns of the companies sampled in the study. There appeared to be an effect of information asymmetry, and depending on the type of companies, whether they were value or growth stocks, all unusual returns appeared. The accumulated returns in value stock companies are positive because their current value is below their real value, in contrast to growth stock companies, all of whose returns appeared to be unusual and whose accumulated returns are negative, which results in losses for investors in this type of company because their market value may be higher than their real value.

2- Recommendations

1. We recommend that the study sample companies in particular and the companies listed in the Iraqi capital market in general disclose all information clearly to reduce the gap of information asymmetry in the market for the purpose of reducing or avoiding risks, because the announcement of the dividend has a direct impact on shareholders' wealth and may lead to achieving positive returns or Huge losses.
2. Dividend announcements can be benefited from inefficient financial markets, by following some strategic steps such as financial and fundamental analysis. Before investing in any company that announces its dividends, an accurate financial analysis of the company must be conducted. This includes examining historical earnings, past dividends, earnings per share growth, and evaluating the current and future financial health of the company.
3. The necessity of identifying the best companies that distribute sustainable and predictable profits in an inefficient financial market. By using market experts to help investors choose the most valuable and safe opportunities that achieve returns and understand the financial market.
4. The need to benefit from investment advice from experts in financial investment to obtain personalized advice and guidance to good companies in an inefficient market. In general, benefiting from dividend announcements in inefficient financial markets requires a deep understanding of the companies concerned and accurate financial evaluation of the available investment opportunities. This requires the creation of sections in the Iraq Stock Exchange related to developing the skills of dealers through courses and training to increase their capabilities in financial analysis as well as benefiting from From the experiences of professors in universities, theses, dissertations, and scientific research by students in those universities.
5. It is necessary to invest in value stock companies because their market value is less than their real value, unlike growth stock companies

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