THE EFFECT OF THE ACTUAL GROWTH RATE IN ENHANCING FINANCIAL FLEXIBILITY : AN APPLIED STUDY OF A SAMPLE OF COMPANIES LISTED ON THE IRAQ STOCK EXCHANGE

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Abstract

This research seeks to know the effect of the actual growth rate on financial flexibility ‹based on the assumption that there is an effect of the actual growth rate on financial flexibility. The research population is represented in the number of industrial companies listed on the Iraq Stock Exchange 88 Company . This is done using the data for the sample consisting of (10) Of the industrial companies listed on the Iraq Stock Exchange .The current research covered an eight-year period of (2011 -2018) ‹ And used a number of methods and statistical methods to analyze the research variables and test hypotheses ‹ such as the arithmetic mean and the standard deviation was also adopted in the analysis statistics ‹ including moral test hypotheses and (t test). After analyzing the data and hypotheses of the research, a number of conclusions were reached, the most prominent of which is the positive effect of the actual growth rate on financial flexibility in its three dimensions (debt capacity, preservation of cash assets and net cash flow) ‹ and based on these conclusions there are a set of recommendations, the most important of which is the adoption of tools and a variety of different analysis to measure the actual growth rate of companies and take into account the financial flexibility and achieve high levels of it to deal with negative shocks and investment opportunities for the future.

Keywords: Actual growth rate , Financial flexibility

Introduction

Actual growth represents a fundamental pillar that reflects the company's desire to achieve an increase in its value through the allocation of resources and continuous interest in order to increase the company's market share .As the growth rates refer to the percentage change of a

specific variable during a specific period of time .Actual growth (planned) refers to that growth that occurs through the company's intervention in developing a comprehensive planning process for the resources and requirements of society, and the strength of the effectiveness of this pattern is closely related to the capabilities of planners and the realism of the plans drawn, as well as the effectiveness of implementation and follow-up in the planning process at all levels .Actual growth rate refers to the maximum growth rate that a company can reach without resorting to external financing .

The concept of financial flexibility is the ability of a company to adjust the amount and timing of its financial needs in a way that enables it to respond to unexpected needs and opportunities .As the company that has a large degree of financial flexibility is abler to overcome crises and is abler to take advantage of unexpected profitable investment opportunities. As for financially inflexible companies, it is difficult for them to face unexpected crises .And this often leads to limiting its cash resources needed to expand or repay owed debts, which may lead to bankruptcy and the more the company's financial resources are low, the greater the risk of it failing to at least track sudden investment opportunities .Financial flexibility should be treated as the main objective of management that companies are supposed to pursue and strengthen.

The research tried to provide acceptable solutions to prevent companies from being exposed to a situation that would lead them to declare their bankruptcy, and this is done by employing these companies for financial flexibility .Firms in ideal capital markets have complete financial flexibility as they can adapt their structures to meet their needs without facing the necessary costs of debt financing, and because capital markets are imperfect, the value of the company's financial flexibility increases here.

Research Methodology

(I) The problem of the research

Industrial companies participating in the Iraq Stock Exchange are exposed to multiple types of risks on an ongoing basis, especially in the changing environment ، and through that, the problem of intellectual research can be framed within the framework of the following questions:

1. Are there the existence of a positive and significant impact relationship for the actual growth rate in debt capacity.
2. Are there the existence of a positive and significant impact relationship for the actual rate of growth in the holding of cash assets.
3. Are there the existence of a positive and significant impact relationship for the actual growth rate in the net cash flow.

(II) The importance of the research

This research deals with realistic and actual problems that require finding specific solutions by introducing industrial companies to their actual growth level, future orientation, and the extent of their financial flexibility in the face of financial fluctuations and external risks.

(III) The objectives of the research

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The research objectives can be summarized as follows:

1. Reviewing of developments in thought financial Almas t growth rate and the actual financial flexibility.
2. Diagnosing the most prominent indicators of the actual growth rate and financial flexibility and determining its measures in the industrial companies that contribute to the Iraq Stock Exchange. Research sample.
3. Testing the relationship and demonstrate the effect of the actual growth rate in enhancing financial flexibility.

(IV)   The research hypotheses

The research relies on a main hypothesis that there is an effect of the actual growth rate on financial flexibility, which is divided into three hypotheses as follows:

First: The first hypothesis: This hypothesis assumes the existence of a positive and significant impact relationship for the actual growth rate in debt capacity.

Second: The second hypothesis: This hypothesis assumes the existence of a positive and significant impact relationship for the actual rate of growth in the holding of cash assets.

Third: The third main hypothesis: This hypothesis assumes the existence of a positive and significant impact relationship for the actual growth rate in the net cash flow.

(V)   The Population and Sample of the Research

The research population is represented in the number of industrial companies listed on the Iraq Stock Exchange 88 Company, and a deliberate sample was withdrawn by 10 Industrial companies, in which the conditions are fulfilled during the period under research and analysis by 2011to 2018.

The Literature Review

(I)   *the concept of the actual growth rate*

Growth rates refer to the percentage change of a specific variable during a specific period of time ،and the actual growth rate represents the potential for the company to grow during the year without external financing (Ito,2016:1) . Actual growth refers to that growth that occurs through the company's intervention in establishing a comprehensive planning process for the resources and requirements of society, and the strength of the effectiveness of this pattern is closely related to the capabilities of planners and the realism of the plans drawn, and it is also related to the effectiveness of implementation and follow-up in the planning process at all levels.

(II)   *The importance of the actual growth rate*

The importance of the actual growth rate is reflected in the following points:

1- Developing companies 'capabilities when it is less than the expected growth rate, by modifying the indicators and programs used (Fuchs & Fuchs, 2001: 6).

2- Improving the company's operational efficiency, including improving production and cost efficiency.
3- Changing the company's financial policies through a decrease in the compensation calculated.
4- Increase the company's financial leverage (Hailu & Goddard, 2009: 121).

(III) *Determinants of the actual growth rate*

There are several determinants that are limited to the actual growth rate through which it can limit its performance, and these determinants are reflected in- :

1- **The collapse of prices :**The decline in actual demand in consumer countries leads to the collapse of prices, which leads to a decrease in the level of income and actual demand in countries producing raw materials, and some goods can usually be preserved in warehouses, and thus in the period of price collapse, this It leads to the company losing huge sums (Heizer et al, 2016: 11).
2- **Deflation :**The occurrence of a recession and an economic downturn leads to a decrease in the actual growth rate (Gatauwa et al, 2017: 22).
3- **Volatility :**The increase in the volatility of real commodity prices affects the actual growth rate. In the case of lower prices, this leads to a decrease in the purchasing power of the primary product producers. (Thirlwall, 2007: 454) .
4- **Economic instability :**a defect in macroeconomic stability leads to instability of the actual growth rate(Kanchu & Kumar, 2013: 145).

(IV) *The Concept of Financial Flexibility*

(Ma et al, 2015: 53) has indicated that financial flexibility represents the company's ability to access financing and restructure it at a low cost, as financially flexible companies are able to avoid financial distress, and easily finance investment when profitable opportunities arise. (Marchica & Mura , 2010: 2) describes a company that is financially flexible if it is liquid enough to respond to cash flow shocks, and is able to pursue investment opportunities in a timely manner due to easy access to external funds. (DeAngelo et al,2018: 3123) indicated that it is the company's ability to maintain debt capacity to ensure future expansions. Financial flexibility is one of the most important priorities for executives when forming capital structure decisions to maintain the structure of financial claims, especially debt claims, so that the negotiation process is more ease. While (Chen et al., 2017: 2) showed that it is a measure of the company's ability to provide financial resources in response to threats and invest opportunities that maximize the value of the company and thus improve its competitive position.

(V) *Strategies Financial Flexibility*

Different financial flexibility strategies must be studied in their importance, degree of impact, and associated costs and benefits in order to determine how companies achieve and maintain financial flexibility in the face of negative shocks (Setianto & Kusumaputra , 2017:2) .

1. **Cash Assets and Liquidity Management**

Management must strive to maintain cash at a level where the marginal utility of holding cash is equal to the marginal cost to avoid agency problems, and the main advantages of holding cash are that it reduces transaction costs, absorbs competitive advantages and allows management to invest sudden growth opportunities (Yasir & Alabassi, 2020: 1590). Cash shortage is more severe than excessive cash, so in the event of a cash shortage the shareholders suffer because management may have to reduce dividends or refrain from investing due to lack of internal funds (Bakhshi & Shafii, 2015: 353). The way to provide financial flexibility is to determine liquidity and thus determine the ability of financial firms to maintain liquidity and their ability to borrow, meaning that they have financial flexibility (Kangarlouei et al, 2014: 2).

2- Capital structure and debt

The optimal amount of external capital is determined in the company's capital structure by the costs and benefits of financial leverage, and thus the optimal capital structure for a company is the trade-off between the costs of distress associated with owning an excess amount of debt and the benefits of a tax barrier (Sayyad & Aneheim, 2012: 17). It can be argued that the optimal fiscal policy should preserve debt capacity, taking into account the cost of storing cash due to agency and tax costs, accordingly the firm responds proactively to its set of investment opportunities through its cash flow and through debt (Denis, 2011: 668).

3- Other Financial Policies

Firms with high cash flow volatility and larger costs of external financing should maintain higher cash balances (Daniel et al, 2008: 2). Nevertheless, maintaining high cash balances is a problem because these funds increase agency costs (Daniel et al, 2010: 7). And he adds ((Sayyad & Aneheim, 2012: 16) that companies that face a cash deficit can avoid reducing profits and investments by selling assets, yet the lack of liquidity of assets can make this option an expensive cost. While (Byoun, 2007: 2) believes that the debt It acts as a transitional source of financing when companies face deficits caused by their investment opportunity shocks. Increases in debt allow the company to take on unexpected investment opportunities, while subsequent financing surpluses are used to reduce debt.

(VI)   *Measuring Financial Flexibility*

Measuring financial flexibility is difficult because it depends to a large extent on managers 'evaluation of future growth options, and it is measured as follows:

1- Cash assets

Cash assets can be measured by the following equation (Chua, 2012: 98):

$$CA = \frac{C + MS}{TA}$$

whereas :
CA: cash assets
C: Cash
MS: Marketable Securities
TA: total assets

2- Debt capacity

Debt capacity can be measured through the following equation (Denis, 2011: 668):

$$DC = \frac{ET}{TA}$$

whereas:
DC: Debt capacity
ET: Estimated tangible assets
TA: total assets

3- Net cash flow

Net cash flow can be measured by the following equation:

$$NCF = \frac{CF}{TA}$$

Whereas
NCF: Net cash flow
CF: operating cash flow.

Financial Analysis of the Research Data

The financial analysis of the research's indicators will be presented according to the data collected from (10) companies for the period from (2011) to (2018), as it includes two paragraphs, the first of which is related to the financial analysis of the actual growth rates, while the second is related to the financial analysis of indicators of financial flexibility (Debt capacity, Maintaining cash assets, net cash flow) and the arithmetic mean and standard deviation will be calculated and

the sector rate extracted and will be compared with it at the level of company rates and periods, which are as follows:

First: Description and analysis of actual growth rate data (AGR): The actual growth rate is the highest percentage of the company's growth in the year without external financing, and it was calculated through profit retention ratios and return on assets. If the results appear according to the table (1) that the searched companies have a general sectoral rate of (0,0385), which is approximately (4%) with a standard deviation (0.0724), and they grow without external financing. The company that achieved the highest actual growth rate is (Modern Sewing), followed by (Baghdad Soft Drinks) Company, and then the (Iraqi Carpet and Furniture) Company, which achieved higher rates than the average of the industrial sector. As for the company, which was in the tenth sequence in terms of growth, it is (Iraqi Engineering Works).

Table (1) The Actual Growth Rates of the Companies Researched for the Period (2011-2018)

No.	Company Name	2011	2012	2013	2014	2015	2016	2017	2018	Company Average	Standard Deviation
1	Baghdad for the manufacture of packaging materials	0.0000	0.0104	0.0367	0.0000	0.0000	0.0037	0.0025	0.0174	0.0088	0.0128
2	Baghdad for soft drinks	0.0225	0.1086	0.1290	0.1112	0.1336	0.1458	0.1310	0.1627	0.1180	0.0423
3	Iraqi for the manufacture and marketing of dates	0.0415	0.0417	0.0000	0.0031	0.0000	0.0000	0.0000	-0.1095	-0.0029	0.0469
4	Iraqi carpets and furnishings	0.0572	0.0634	0.0562	0.0559	0.0618	0.0628	0.0788	0.1262	0.0703	0.0238
5	Al Mansour Pharmaceutical Industries	0.0242	0.0693	0.0349	0.0482	0.0596	0.0000	0.0217	0.0081	0.0333	0.0244
6	Modern Chemical Industries	0.1872	0.0184	0.0399	0.0404	0.0120	0.0000	0.0000	-0.0480	0.0312	0.0689

7	Modern sewing	0.0112	0.0026	0.1185	0.1125	0.2054	0.0819	0.2403	0.2692	0.1302	0.1002
8	National Chemical and Plastic Industries	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	-0.0613	0.0719	0.0013	0.0357
9	Production of ready-made clothes and general trade	0.1186	0.0143	0.0014	0.0000	0.0000	0.0032	0.0631	0.0489	0.0312	0.0429
10	Iraqi Engineering Works	0.1688	0.0036	-0.0024	-0.080	-0.1191	-0.1145	-0.1021	-0.0392	-0.0366	0.0962
	Period rate	0.0631	0.0332	0.0414	0.0283	0.0353	0.0183	0.0374	0.0508	0.0385	
	standard deviation	0.0699	0.0365	0.0481	0.0595	0.0877	0.0681	0.0976	0.1120	0.0724	

In addition, the average of the searched period extending from (2011) to (2018) according to what appears in the table (1) that the rates for it range between (0.0631) and the lowest value (0.0283) and that the periods that achieved higher than the general sector average are (2011,2013,2018) As for the remaining periods, they are less than the rate of the industrial sector mentioned above, and according to what the figure (1) shows, which represents the vertical axis (actual growth rates) and the horizontal axis the time series, the results were that the rates of companies in general tend to be simple regression And that the growth achieved by companies without external financing declines slightly, and that this decline is estimated at (- 0.002).
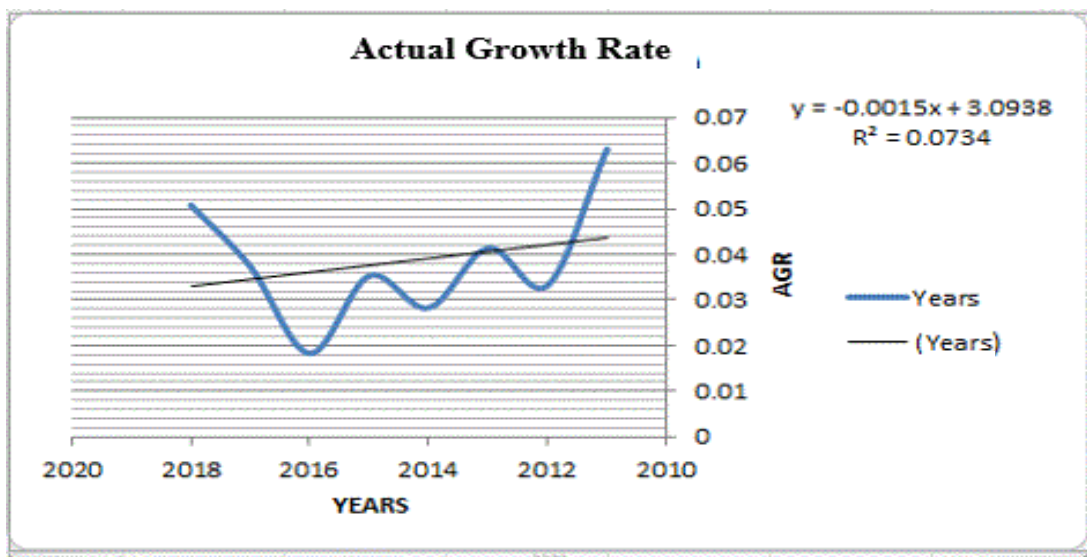
Figure (1) Actual growth rate curve for the time series (2011-2018)
source: Prepared by the researcher using (Excel) program

Second: Description and analysis of indicators of financial flexibility:

1. **Description and analysis of the debt capacity ratio (DC)**: The debt capacity ratio is the ratio of fixed assets to the total assets of the company, that is, the tangible assets the company owns as collateral for the debt. If the results appear according to Table (2) that the companies searched have a general sectoral rate of (0,344), which is approximately (34%) with a standard deviation (0,288), which is the percentage of guarantees that the company can borrow on according to it. As the company that achieved the highest percentage of debt capacity was (Iraqi Engineering Works), followed by (Baghdad for the manufacture of packaging materials) and then (Baghdad Soft Drinks), which achieved rates higher than the average of the industrial sector. As for the company that was in the tenth hierarchy in terms of debt capacity, it is (Iraqi Carpets and Furniture).

Table (2) debt capacity rates for the companies surveyed for the period (2011-2018)

No.	Company Name	2011	2012	2013	2014	2015	2016	2017	2018	Co. Average	Std. Dev.
1	Baghdad for the manufacture of packaging materials	0.427	0.595	0.420	0.517	0.645	0.734	0.740	0.750	0.604	0.137

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No	Company										Std. dev.
2	Baghdad for soft drinks	0.543	0.507	0.458	0.487	0.481	0.696	0.704	0.660	0.567	0.103
3	Iraqi for the manufacture and marketing of dates	0.094	0.108	1.117	0.157	0.237	0.339	0.339	0.270	0.333	0.331
4	Iraqi carpets and furnishings	0.029	0.037	0.031	0.031	0.033	0.033	0.026	0.024	0.030	0.004
5	Al Mansour Pharmaceutical Industries	0.272	0.197	0.150	0.137	0.152	0.172	0.302	0.513	0.237	0.127
6	Modern Chemical Industries	0.033	0.025	0.036	0.149	0.151	0.024	0.022	0.095	0.067	0.057
7	Modern sewing	0.115	0.130	0.118	0.176	0.219	0.221	0.185	0.115	0.160	0.046
8	National Chemical and Plastic Industries	0.115	0.184	0.136	0.218	0.218	0.237	0.258	0.264	0.204	0.055
9	Production of ready-made clothes and general trade	0.050	0.049	0.347	0.565	0.563	0.711	0.642	0.440	0.421	0.255
10	Iraqi Engineering Works	0.758	0.869	0.764	0.807	0.825	0.845	0.844	0.849	0.820	0.041
	Period rate	0.244	0.270	0.358	0.325	0.352	0.401	0.406	0.398	0.344	
	standard deviation	0.252	0.287	0.352	0.251	0.259	0.314	0.303	0.290	0.288	

The average of the searched period extending from (2011) to (2018) according to what appears in the table (2) that the rates for them range between (0.406) and the lowest value (0.244) and that the periods that achieved higher than the average of the public sectors are (2013, 2015, 2016,2017,2018) As for the remaining periods, they are less than the industrial sector average that was mentioned above, and as shown in the figure (2) which represents the vertical axis (debt capacity rates) and the horizontal axis the time series, so the results were that the rates of companies

in general tend to increase significantly in contrast, companies tend to increase the percentage of tangible assets, and the slope of the decline is estimated at (0.023).
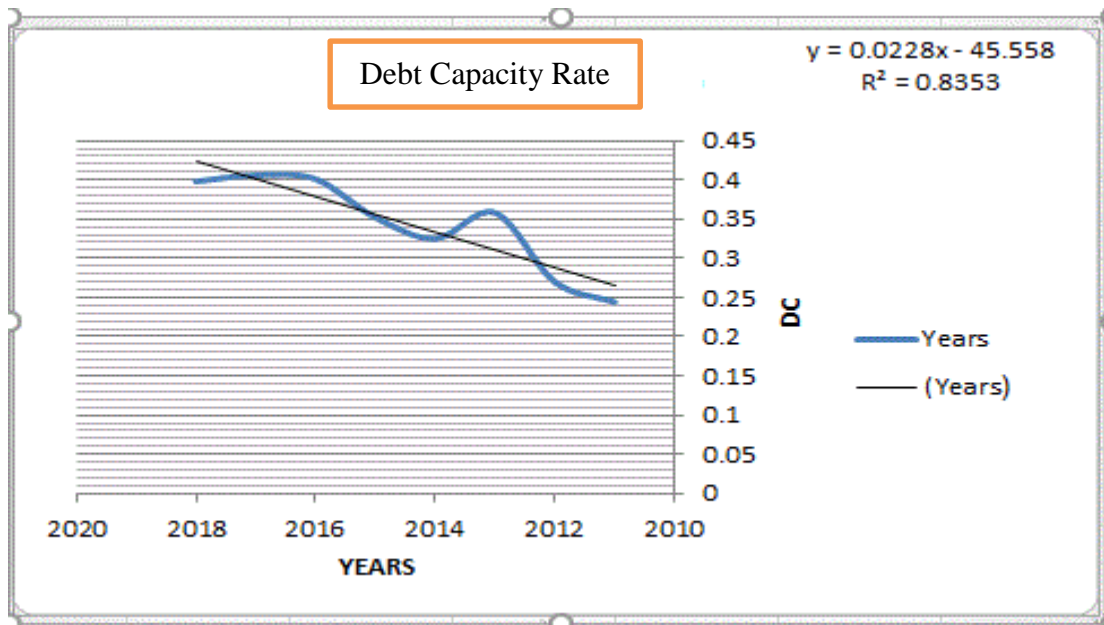

Figure (2) Debt Capacity Ratio Curve for the Time Series (2011-2018)

2. **Description and analysis of cash asset retention (CA):** The cash asset retention rate is what the company owns of cash assets and the market value of shares to meet its obligations. If the results appear according to the table (3) that the companies searched have a general sector rate of (2,181) with a standard deviation (2,176), which is the ratio of assets with which the company can pay its obligations. As the company that achieved the highest rate of maintaining cash assets was (production of ready-made clothes), followed by (Baghdad for the manufacture of packaging materials) and then (National Chemical and Plastic Industries), which achieved higher rates than the average of the industrial sector. As for the company, which was in the tenth hierarchy in terms of cash assets retention rate, it is (Al-Mansour Pharmaceutical Industries).

Table (3) The Cash Assets Retention Rates of the Researched Companies for The Period (2011-2018)

No.	Company Name	2011	2012	2013	2014	2015	2016	2017	2018	Company Average	Standard Deviation

#										
1	Baghdad for the manufacture of packaging materials	6.979	4.267	2.993	1.876	2.143	1.918	1.418	1.371	2.871	1.913
2	Baghdad for soft drinks	1.332	1.308	2.229	1.710	2.001	1.353	1.549	1.934	1.677	0.349
3	Iraqi for the manufacture and marketing of dates	1.695	1.452	11.803	1.358	1.235	1.378	0.771	0.929	2.578	3.739
4	Iraqi carpets and furnishings	0.876	0.854	0.910	1.161	0.861	1.724	2.130	2.110	1.328	0.569
5	Al Mansour Pharmaceutical Industries	2.466	0.782	1.013	0.936	0.829	0.677	0.754	0.444	0.987	0.622
6	Modern Chemical Industries	0.762	1.146	1.066	0.143	0.141	2.564	2.230	2.342	1.299	0.971
7	Modern sewing	1.466	3.667	2.619	2.849	1.799	2.648	2.984	1.966	2.500	0.717
8	National Chemical and Plastic Industries	2.555	1.392	1.230	1.684	10.765	1.602	1.605	1.694	2.816	3.235
9	Production of ready-made clothes and general trade	3.124	3.903	2.475	0.504	0.821	11.001	8.974	6.349	4.644	3.806
10	Iraqi Engineering Works	1.716	1.527	1.385	0.884	0.670	0.807	0.878	0.979	1.106	0.382
	Period rate	2.297	2.030	2.772	1.310	2.127	2.567	2.329	2.012	2.181	
	standard deviation	1.807	1.351	3.262	0.771	3.102	3.032	2.440	1.638	2.176	

The average of the searched period extending from (2011) to (2018), as shown in Table (3), that the rates for them range between (2,772) and the lowest value (1,31), and that the periods

that achieved higher than the average of the public sectors are (2011,2013,2016,2017) As for the remaining periods, they are less than the industrial sector average that was mentioned above, and according to what the figure (3) shows, which represents the vertical axis (cash assets rates) and the horizontal axis the time series, the results were that the rates of companies in general tend to decline significantly That is, companies tend to reduce the ratio of monetary assets to a decrease in their market value, and the slope of the regression is estimated at (- 0.004).
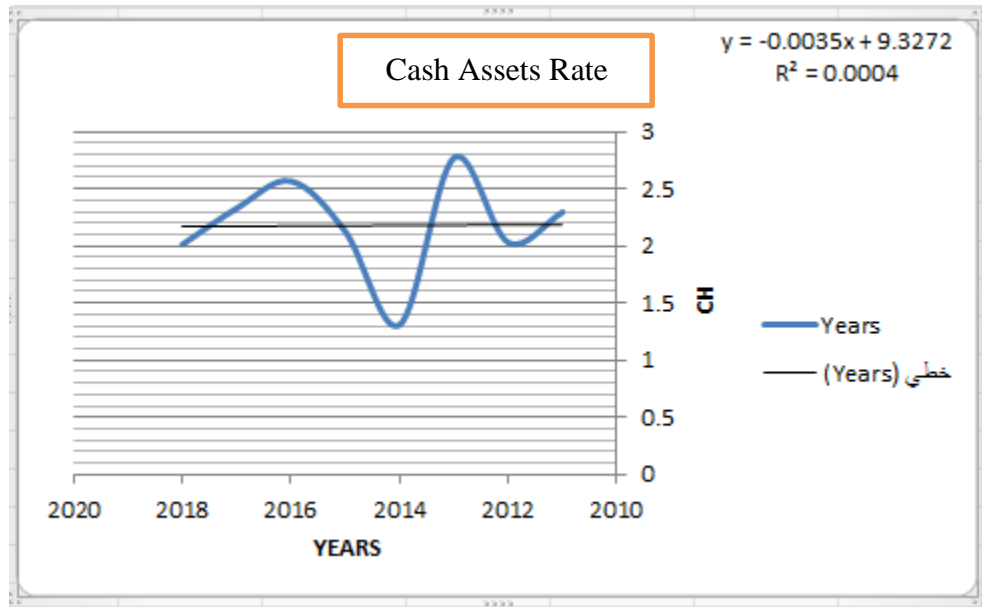

Figure (3) Cash Assets Ratio Curve for the periods (2011-2018)

3. **Description and analysis of the net cash flow rate (NCF):** The net cash flow rate is the ratio of operating cash flow to the total assets of the company. If the results appear according to the table (4), that the searched companies have a general sectoral rate of (-0,053) with a standard deviation (0.259), which is a negative percentage, meaning there is a decrease in the revenues of the commercial activities of the searched companies. As the company that achieved the highest rate of cash flow was (Modern Sewing), followed by (Baghdad for Soft Drinks), and then (Baghdad for Packaging Materials Industry), which achieved higher rates than the average of the industrial sector, as well as the Iraqi Company for Carpets and Furniture, Al Mansour Pharmaceutical Industries, National Chemical and Plastic Industries). As for the company, which was in the tenth sequence in terms of net cash flow, it is (Iraqi for Manufacturing and Marketing Dates).

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Table (4) Net cash flow rates for companies searched for the period (2011-2018)

No.	Company Name	2011	2012	2013	2014	2015	2016	2017	2018	Company Average	Standard Deviation
1	Baghdad for the manufacture of packaging materials	0.393	-0.253	0.316	-0.201	-0.159	-0.060	-0.006	0.034	0.008	0.236
2	Baghdad for soft drinks	0.022	0.098	-0.034	0.071	0.116	-0.147	-0.001	0.048	0.022	0.085
3	Iraqi for the manufacture and marketing of dates	-0.003	-0.025	-3.566	0.140	-0.126	-0.241	-0.014	0.000	-0.479	1.252
4	Iraqi carpets and furnishings	0.003	0.015	0.225	0.147	-0.463	-0.016	0.138	0.004	0.007	0.209
5	Al Mansour Pharmaceutical Industries	0.100	-0.079	0.261	0.010	-0.060	-0.067	0.054	-0.161	0.007	0.131
6	Modern Chemical Industries	-0.117	0.029	-0.039	0.000	-0.002	0.001	0.000	0.000	-0.016	0.045
7	Modern sewing	-0.032	0.163	0.054	-0.050	-0.010	0.029	0.273	0.000	0.054	0.111
8	National Chemical and Plastic Industries	0.042	0.046	0.033	-0.009	-0.193	0.002	-0.006	0.089	0.001	0.085
9	Production of ready-made clothes and general trade	-0.536	-0.080	0.008	0.000	0.009	0.020	0.084	0.099	-0.050	0.204

10	Iraqi Engineering Works	-0.327	-0.159	0.115	-0.030	-0.049	-0.048	-0.181	0.005	-0.084	0.135
	Period rate	-0.045	-0.025	-0.263	0.008	-0.094	-0.053	0.034	0.012	-0.053	
	standard deviation	0.248	0.123	1.167	0.100	0.158	0.084	0.118	0.071	0.259	

Also, the average of the searched period extending from (2011) to (2018) as shown in the table (4) that the rates for it range between (0.034) and the largest low value (-0,263) and that the periods that achieved higher than the average of the public sectors are (2014,2017,2018) As for the remaining periods, they are less than the industrial sector rate mentioned above, and according to what the figure (4) shows, which represents the vertical axis (net cash flow rates) and the horizontal axis the time series. Recent years and the estimated slope of the regression is 0.015.
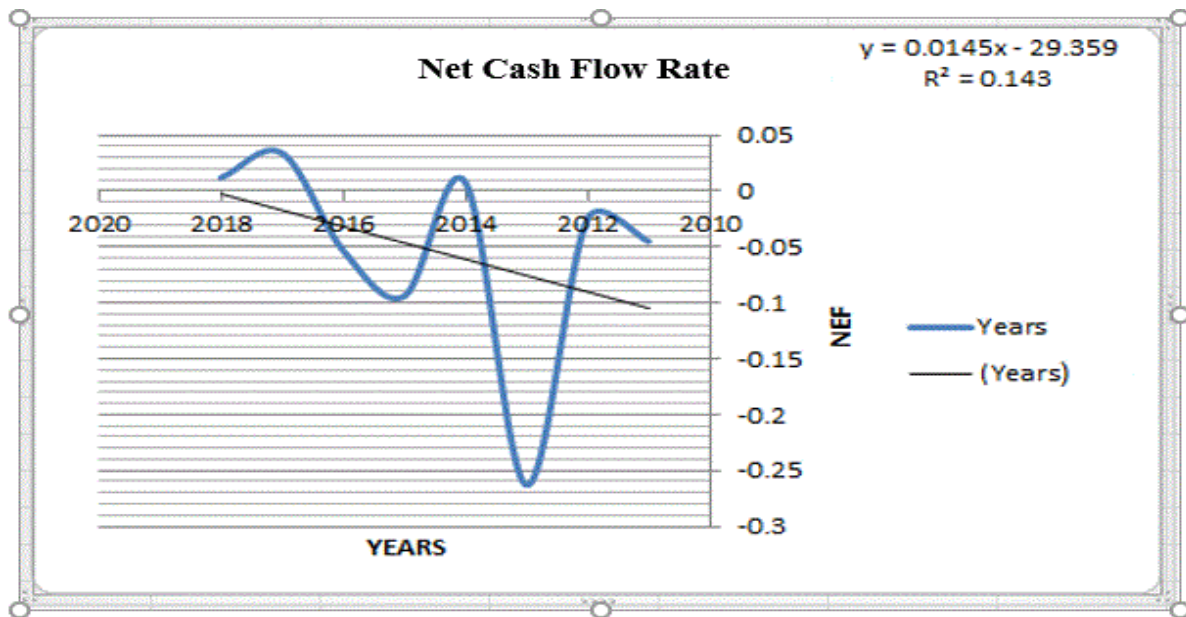

Figure (4) Net Cash Flow Rate Curve For The Time Series (2011-2018)

Third: Test hypotheses for research

The simple and multiple regression analysis method was used in the analysis of the influence relationships between the research variables, and three hypotheses that test the effect of the actual growth rate in debt capacity and the retention of cash assets and the net cash flow were assumed. The effect of the independent variable on the dependent variables by (t test), indicating the significance of the results. In addition, the researcher relied on the significance level (0.05) to judge the significance of the test's significance, and if the calculated level of significance was less than the approved level of significance (0.05), the hypothesis would be accepted and vice versa, and the test results are as follows:

1. **The first hypothesis test:** The researcher assumed the existence of a positive significant impact relationship for the actual growth rate in debt capacity, and according to the results of Table (5) it was found that there is an effect of the actual growth rate in debt capacity and it reached (0.47), which is a positive relationship, that is, the more the actual growth rate increases with it debt capacity , and the impact relationship is significant because the

Table (5) The Coefficient Of The Effect Of The Actual Growth Rate on Debt Capacity						
The decision	The level of morale Prob.	t- Statistic	Standard error Std. Error	Estimates Coefficient	Dependent Index	Independent index
Acceptance	0.000	19.0727	0.024827	0.47	DC	AGR
Source: Prepared by the researcher based on the program (EViews)						

level of the achieved level of significance reached (0,000) and it is significant at the level of (0.05). According to these results, this hypothesis is accepted at the level of this research.

2. **The second hypothesis test :** The researcher assumed the existence of a positive significant impact relationship for the actual growth rate in **preserving the cash assets** ، according to the results of the table (6) It was found that there is an effect of the actual growth rate in **maintaining cash assets** ،and it reached (0,66)It is a positive relationship, that is, the higher the actual growth rate, the greater the **retention of monetary assets** with it ، and the impact relationship is significant because the level of the achieved morale has reached(0,000)It is significant at the level of(0,05)According to these results, this hypothesis is accepted at the level of this research.

Table (6) : The coefficient of the effect of the actual growth rate on holding cash assets						
The decision	The level of morale Prob.	t- Statistic	Standard error Std. Error	Estimates Coefficient	Dependent Index	Independent indicators
Acceptance	0.000	8.09816	0.0815	0.66	CA	AGR
Source: Prepared by the researcher, depending on the program (EViews)						

3. **Testing the third hypothesis :** The researcher assumed the existence of a positive significant impact relationship for the actual growth rate in **net cash flow** ، according to the results of the table (7) It was found that there is an effect of the actual growth rate on the **net cash flow, and** it amounted to(0,61)It is a positive relationship, that is, the higher the actual growth rate, the higher the **net cash flow** with it ، and the impact relationship is significant because the level of the realized sentiment has reached(0,000)It is significant at the level of(0,05)According to these results, this hypothesis is accepted at the level of this research.

Table (7) The coefficient of the effect of the actual growth rate on net cash flow						
the decision	The level of morale Prob.	t-Statistic	Standard error Std. Error	Estimates Coefficient	Dependent Index	Independent indicators
Acceptance	0.000	10.32673	0.05907	0.61	NCF	AGR
Source: Prepared by the researcher, depending on the program (EViews)						

Conclusions and Recommendations

Conclusions

1. The financial analysis index of the actual growth rate (AGR) showed that there are two companies that were not applied as required and that was because they did not achieve the return on assets, which made them threatened with bankruptcy more than others.
2. The financial analysis of the actual growth rate showed that there were three companies whose application was at the required level and achieved a growth rate higher than the sectoral average due to their realization of return on assets, which made them better than other companies.
3. The results of the analysis of the three indicators of financial flexibility showed that the searched companies differed in their application of these indicators, and this is due to the deep awareness of companies that achieved high financial flexibility of the need to immunize themselves from unexpected shocks.
4. There are four companies that did not provide a net cash flow, which reduces the value of the financial flexibility of these companies.

Recommendations

1. Adopting various analysis tools to measure the actual growth rate of companies.
2. Achieving high levels of financial flexibility to deal with future negative shocks.
3. Corporate managers must take into account financial flexibility in dividend policy decisions.
4. Increasing the debt capacity and maintaining cash assets to face negative circumstances.

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