

## **Role of Company's Efficiency Measure in achieving return: Iraq's Private Banks Case**

**Mohammed Jasim Mohammed AL Abdullah**

Financial and Banking Sciences Department, University of Basrah, Basrah, Iraq.

[Mohammed.jassim@uobasrah.edu.iq](mailto:Mohammed.jassim@uobasrah.edu.iq)

**Ahmed Abd Alkareem Mohammed Alyaseen**

Financial and Banking Sciences Department, University of Basrah, Basrah, Iraq.

[ahmed.alyseen@uobasrah.edu.iq](mailto:ahmed.alyseen@uobasrah.edu.iq)

**Mohammed Faez Hasan**

Financial and Banking Sciences Department, University of Kerbala, Kerbala, Iraq.

[mohammed.faiz@uokerbala.edu.iq](mailto:mohammed.faiz@uokerbala.edu.iq)

**Abstract.** Measures, especially efficiency measures, are crucial and pivotal in determining a company's performance level and financial health, as well as the extent to which they are reflected in other indicators. This study investigates the extent to which the company's efficiency measure (working capital) contributes to achieving returns for the period 2009-2018. Therefore, it assumes that the efficiency measure (working capital) does not contribute to achieving the cumulative abnormal return. This study drew several findings, the most crucial of which is the rejection of the hypothesis of the study and the acceptance of the alternative hypotheses, which can be summed up as the efficiency measure (working capital) contributing to achieving the cumulative abnormal return. The study has concluded a set of recommendations, including the need to raise awareness of working capital as a major contributor to achieving a distinct type of stock returns.

**Keywords.** company efficiency, working capital, abnormal return, average return, cumulative return.

### **1. Introduction**

Efficiency measures, including the working capital measure, are essential in determining the level of performance and financial health of companies, as well as determining the extent to which they are reflected in several indicators, such as returns (abnormal returns, normal returns, and cumulative returns). Despite the importance of capital and the capital structure or financial structure in companies being one of the priorities of companies and one