

The Effect of Accounting of Exchange Rate Fluctuations in the light of the Syrian Crisis on the Results of Financial Statements of Private Banks in Syria

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Abstract

The main objective of this study was to investigate the impact of the exchange rates fluctuation of foreign currencies in the official and black markets on the results of financial statements of the private banks in Syria, through using the ratios of Liquidity and Profitability and the gains on foreign currencies revaluation as independent variables during the period from 2010 to 2017.

For the purposes of achieving the objectives of this study, the descriptive research approach was adopted, and the researcher analyzed the financial statements data via E-Views software ninth edition, and the normal distribution was tested through the coefficient of Skewness and a Multicollinearity test, in addition to the Pearson correlation matrix and unit root tests.

The conclusions of the study clarified that it was a statistically significant effect of exchange rates fluctuation in the official market on the profitability and the revaluation gains, while it was no effect on the liquidity, and also showed that there was no statistically significant effect of exchange rates fluctuation in the black market on the liquidity and the revaluation gains, while it was an effect on the profitability.

The researcher recommends to study other sectors than banks, such as financial brokerage companies and exchange companies, to determine the effect of fluctuations in exchange rates on their performance, and to conduct this study in other countries suffering from conflicts and wars, and extend the study through comparative studies before 2011 and current years.

Keywords: Exchange rate, Fluctuation, Financial performance, Banks, Syria.