

Abstract

The Role of Cash Flow Measures in Evaluating the Financial Solvency of Jordanian Public Shareholding Industrial Companies

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This study aimed to explain the role of cash flow metrics with all of its indicators (the indicator of the adequacy of operating cash flows, the index of current cash debt coverage, the operational cash index, the return on assets index from the operating cash flow, the index of operational activity index, the capital expenditure index, the index of payments needed to pay Debt interest, free cash flow index) on assessing the financial solvency of Jordanian public shareholding industrial companies, and the study community is made up of Jordanian public shareholding industrial companies listed on the Amman Stock Exchange, choosing an intentional sample of (22) companies that have been The nature of its work is homogeneous, as the sector of companies that generally work in the raw materials industry has been chosen.

To achieve this study objectives, the applied method based on the data published by the sample study companies listed on the Amman Stock Exchange was used through the annual financial statements issued by these companies during the closing period of (2010-2018), and the simple and multiple regression analysis method was used through Statistical Program (SPSS) to answer study questions and hypothesis testing.

Among the most important findings of the study is that the measures extracted from the cash flow list with all their elements and to different degrees between these measures are strongly influencing the assessment of the financial solvency of Jordanian public shareholding companies and that these measures have an important and essential role in obtaining the data the necessary information for judgment and evaluation of the company's ability to Generating sustainable cash flows necessary to pay off current and future short and long-term debts, and one of the most important recommendations that came out of the study is the need for Jordanian public industrial joint-stock companies

to pay attention to the list of cash flows Rhea core list of indicators which have extracted a pivotal role in governance capability in assessing the solvency of the companies, and in particular the ability of these companies to repay their debts without having to liquidate the assets of long-term or short.

Key words: Jordanian Public Shareholding Industrial Companies, financial solvency, cash flows measures