

The Informational Content for the Accounting Profit Measurements and its Relations to the Earning per Share in the Jordanian Public Shareholding Industrial Companies: An Empirical Study (2006-2013)

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Abstract This study aims to find out the relationship between the informational content for the accounting profit measurement (the percentage return on investment, working capital, the operating profits and earnings per share). For 8 consecutive years (2006-2013), this study had continued and it comprised of 30 industrial companies from the community's total 69 industrial companies listed in the Amman stock exchange market for the year (2014), this study showed no statistically significant relation to the variable working capital ratios factor in earnings per share. Meanwhile the other variables (percentage return on investment and operating profits percentage) had valuable relationship with the earnings per share in the Jordanian Public Shareholding industrial companies; moreover the study recommended that the Company's managers must pay attention to strengthening the working capital.

Key words Return on investment, working capital, operating profit, earnings per share, Industrial Jordanian public shareholding companies

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1. Introduction

The financial statements are considered based on the First international accounting standard as the structural financial display for the facility's financial center and the operation it performs, and the financial statements goals concerning the general purpose by providing information to the investors regarding the financial centers, income list, and the list of the facility property rights, its performance and cash flows in order to help them make investment decisions (Akileng, 2013). The company's expanding business, its increasing size and its activities caused an increase in the amount of authorities related to these companies, which required the need to contain the financial statements based on non-traditional information which benefits these authorities in evaluating the company's financial situations such as the accounting profit measurement, percentage profit and based on this, The various-related parties have tried to find formulas and percentages and analyze the financial statements such as (percentage return on investments, and working capital percentage, proportions of operating profit and earnings per share) in order to judge the performance of the enterprise and management (Ahmed and Kassar, 2009).

The accounting profit measurements and profits are considered one of the most used means to identify the contents of the financial statements by its users. As it concerns the various parties related to the inside and outside of the company and gives an impression on the ability of the company to generate profits from sales and from funds invested, thus judging the efficiency of the company's directors to manage and invest funds (Martani *et al.*, 2009). Therefore this study was done to identify the informational content for the accounting profit measurement and its relations to the earning per share in the Jordanian Public Shareholding industrial companies.

1.1. The study problems and its questions

The financial analysts and investors increasing criticism towards the traditional financial statements due to the limited information it delivers and the figures requiring furthermore analyzing. This have created

an atmosphere of dissatisfaction and thus questioning the ability of the financial statements to provide suitable information and solutions that help the investors increase their investments, moreover based on what the accounting profit measurement comprises (percentage return on investments, and working capital percentage, proportions of operating profit and earnings per share) as an important tool to measure the efficiency of the company's management and its ability to make profit, expand its investments and increase the sales. On the other hand, the investors in the financial market aim to maximize their wealth and thus they rely on the financial analysis and forecasting through financial ratios and figures and the important role it plays in analyzing the share profitability of these companies and achieve rewarding returns on their investments. Therefore this study was done to answer the following questions:

1. What is the level made from *the return on investments* for each study year in the Jordanian Public Shareholding industrial companies?
2. What is the level of *working capital percentage* for each study year in the Jordanian Public Shareholding industrial companies?
3. What is the level made from *operating profits percentage* for each study year in the Jordanian Public Shareholding industrial companies?

1.2. Objectives of the Study

This study aims to find the nature of the relation between the informational content of the accounting profit measurements and earnings per share in the Jordanian Public Shareholding industrial companies by an attempt to:

1. Evaluate the informational content of the accounting profit measurement (the percentage return on investment, working capital and the operating profits) on earnings per share
2. Provide a scientific explanation to help understand the fluctuation in probability ratios of the common industrial companies listed in the financial market.
3. Provide scientific recommendations to the departments in the Jordanian Public. Shareholding industrial companies around assessing the informational content of the accounting profit measurement and their relationship to the earring per share.

1.3. The Importance of the Study

The importance of this study is to attempt to link the informational content for accounting profit measurement and earnings per share in the Jordanian industrial companies through the following considerations:

1. Test the relation between the Accounting profit measurement and earnings per share in the Jordanian industrial companies
2. Provide appropriate information for the Jordanian Industrial companies and enable the investors to assess the informational content of the accounting profit measurement and their relationship to the profitability of the share.
3. This study serves the users of the informational content for the accounting profit measurement precisely and the financial analysts who rely a lot on the Earnings per share and the prediction for profits in the future.

1.4. The Study limitations

1. The exclusion of some of the industrial companies from the study for the lack of its data during the year.
2. This study is limited to some of the profit accounting measurement, which in the believes of the researcher represents the percentage in return on investments, the proportion of profit margin, working capital percentage, and the percentage of earnings per share.

2. Literature review

Profit accounting measurements: The net profit is considered an important tool that represents the value of the financial profits achieved by the companies during this period (Abdelghany, 2005). These profits have no relation to the company's available cash, but expresses the difference between the company's net

sales and expenses according to the principle of revenue versus expenses based on an accrual basis (Khalayleh, 2004), and the profit is considered the main aim of any company moreover the aim of maximizing the profit is considered the most important indicator used to measure the efficiency of the management and its ability to make profits from the funds invested in the assets (Ali, 2003), as well as it reflects the profitability of any company and its policies and the decisions it follows (Vedd *et al.*, 2014). It's also very useful to consider the net profit achieved a source of fund such as using them in the course of the study of the flow of funds in the company (Pouraghajan *et al.*, 2013), these companies work to achieve their goal of profit making through these 2 decisions:

a. *Investment decision*: The decision relies on how the company uses the available resources for the acquisition of various types of assets and it shows the impact of the decision to invest in profit-making through optimal allocation of the available resources for each of the assets clause without any excess leading to disabling resources, or any shortage leading to the loss of opportunity enabling the company to achieve the best possible return on investments without sacrificing liquidity. And is considered an important investment decision taken by the company's management, as the (Madhavi, 2014) study showed that there is a positive and important relation between the availability of cash for future investment projects.

b. *financing decision*: this decision shows how the resources will provide the company with the necessary funds required to finance the investment in the assets, and the impact of the financing decision reflection on the profitability by arranging the source of funds (debts and owners' equity) in such a way to allow the shareholders to get the greatest return possible, without being subjected to the risk that can result from over-borrowing and through studying the investment decision and financing decisions, we can divide the profitability ratios into 2 sets (Gill *et al.*, 2010):

1. The profitability of the funds invested:

This sets the relationship between the profitability and funds invested, "It also measures the ability of the management to generate profits from the funds invested" this rate reflects the reflects the relationship between the net profit and the size of investments introduced by the project owners, this also measures the return on each Dinar invested by the shareholders (Obeidat, 2010) and this group includes the following percentages:

▪ *The return on Assets (ROA)*: The aim from this percentage is to measure the assets ability to generate the profits and the efficiency to be used in the working operations, and some studies showed the importance of this measurement in evaluating the efficiency of the directors in managing its working operations and generate the rewarding returns for the owners (Gill *et al.*, 2010).

▪ *The return on investment (ROI)*: This measures the amount of return achieved by the company when it uses a specific amount of funds in a specific amount of time and it is regarded as an indicator to measure the company's profitability in general, and this is the return on investment

▪ *The return on the shareholders equity (ROE)*: This measures the ability of the management to increase the investors return and whenever this index increases, the situation in the company improves, and (Vedd *et al.*, 2014) study showed the importance of the (ROE) in affecting the profitability of the share as it is one of the most important equity tools.

2. The profitability of the operating revenues (Sales):

This shows the amount of profit earned from the sales. And some studies have indicated that some percentages have that can measure the company's efficiency in generating profit from the operating revenue (Khamies and Aljrah, 2007), and then the (Pouraghajan *et al.*, 2013), study came to explain the positive relationship between the operating profits and earnings per share.

A. *Profit margin*: the ratio is measurement profit accomplishment by the company interchange for all dinars of sales, profit margin is be different from one sector to another, as per on the degree of competition or monopoly extant in that sector.

B. *Operating income/total income*: the ratio is measurement the income from first activities of the company to total income.

The ordinary divided as a one of the important of measurements to measuring the returns expected by investors (Wet, 2013). Ratio of shares is of particular importance for Shareholders, and potential investors in shares, for securities analyst, for Investment Banks, even lenders. It can be added ratio of shares are important for Management company of Measure the impact of the company's performance on a

regular Prices of shares in the market, Among these ratios is Dividend Per Share(DPS), and Earning Per Share (EPS), the Earning Per Share is overall performance of the company (Al-Taib and Shahtet, 2011). ratio of shares are of particular importance Where it's interference in calculated of other ratios as the share price to yield and represent of Profitability Ratios the space of investor interest, management and lenders. Investors are looking to lucrative opportunities to direct their money to them and to achieve returns on their investments, (Hemadivya and Devi, 2013). And management can verify the success of the operating policies (Vedd *et al.*, 214) the lenders feel safe when lending their money to installations.

Previous studies with profit of accounting and earnings per share:

1. Study (Gill *et al.*, 2010) entitled "The relationship Between Working Capital Management and Profitability: Evidence from the United States" Aimed to investigate the relationship between management of working capital and profitability in American company, It has been selected a sample of (88) companies from the American Companies listed on the New York/Exchange for a period of 3 years from (2005-2007), The results showed a weak relationship between the course of cash conversion related with receivables, and profitability, Measured by operating profit, The study recommended managers of American companies Necessarily to be getting profits for companies by handling properly the cycle of cash conversion and by maintaining the accounts receivable within the lower level and optimize for it, and this contributes to maintain the relationship between working capital and profitability for the company.

2. As is the study showed (Madhavi, 2014) entitled "Working Capital Management of Paper Mills" Assessing capital adequacy in Indian companies for the paper industry, the extent of the effect on profitability. It was selected as the study sample (two companies that operated in the space of the paper industry) in India for 9 years from (2002-2010), the researcher used a Category of financial ratios (quick asset ratio, Current assets, Current Liabilities and ratios of cash and other ratios that relate to profitability) To measure the relationship between profitability and liquidity and its relationship with enough working capital for the companies As is the study showed requirement to balance between providing cash liquidity and profitability and its impact on working capital.

3. The study (Hemadivya and Devi, 2013) entitled "A Study on Relationship between Market Price & Earnings per Share With Reference To Selected Companies" that affects the price of stock and its relationship to the profitability of the stock and other factors such as: Government policies and the performance of the company, and three different sectors (market of primary, industries sector and service sector).

4. The study (Pouraghajan *et al.*, 2013), "Investigation the Effect of Financial Ratios, Operating Cash Flows and Firm Size on earnings per Share :Evidence from the Tehran Stock Exchange", It aimed to investigate the affected financial ratios, flows of operating cash, The study was conducted on 140 company listed its shares on the Tehran Stock Exchange of period companies (2006-2010), the most important results and pointed out that there is a positive and significant relationship between financial ratios Operating profit before and after tax, and the size of the company with earnings per share (EPS). But the relationship were not statistically significant differences between the percentage of operating cash flow per earnings per share (EPS).

5. The study (Vedd *et al.*, 2014) entitled " Multi variables Determining Earnings per Share within the U.S. Medical Laboratories & Research Industry" To find out which of the following independent variables (operating cash flow, the company's size, financial ratios indicators) have an impact on the profitability of regular per share in the United States, the study lasted for ten years, for the period (2003-2012) included the companies listed their shares on the market financial and operating in the field of medical laboratories, medical research industries, have shown results of the study, there is a strong relationship between the size of the company and financial indicators, and earnings per share.

6. The study (Bhatt and Sumangala, 2012) entitled " Impact of Earnings per share on Market Value of an equity share: An Empirical study in Indian Capital Market" Influence of earnings per share on the market value of the share price in the Indian capital market, the study included 50 companies listed their shares in the financial market for the period (2006-2010) were the results of the study showed a positive effect on earnings per share on the market value of the stock price.

3. Develop of study Hypotheses

The *First* Hypotheses: Rates of Return on Investment:

H1: there is no statistically significant relationship between independent variable rate of *return on investment* (net profit ÷ total assets, net profit ÷ equity, net profit ÷ working capital, earnings before interest and taxes ÷ total assets) to earnings per share in the Jordanian Industrial general corporations.

The *sound* Hypotheses: Rates of working capital percentage

H2: there is no statistically significant relationship between independent variable working capital turnover factor: (operating income ÷ total assets, operating income ÷ equity, operating income ÷ working capital) to earnings per share in the Jordanian Industrial general corporations.

The *Third* Hypotheses: Rates of operating profits percentage

H3: There is no statistically significant relationship between independent variable Operating Income ratios: (gross profit ÷ net operating revenues, net profit ÷ net operating revenues, operating profit margin ÷ net operating revenues) to earnings per share in the Jordanian Industrial general corporations.

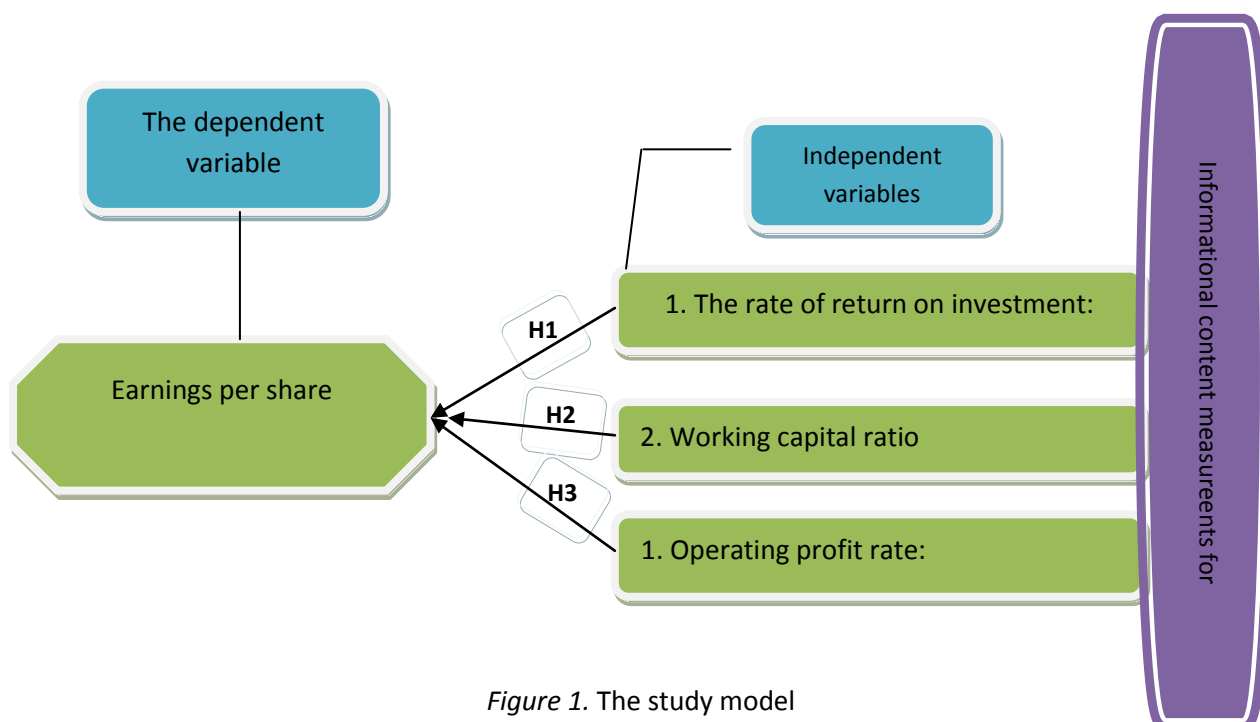


Figure 1. The study model

3.1. The study variables

Independent variable: informational content measurements for accounting profit and consist of the following dimensions:

1. *Rates of return on investment:* It measures the relationship between the net profits on the one hand and the amount of money available to management, that is, it reflects the activity of operational and investment property (Mahmoud and Kassar, 2009). And it can be achieved through some of the following ratios:

- A. The ratio of net profit ÷ total assets;
- B. The ratio of net profit to equity;
- C. ratio of net profit ÷ working capital;
- D. The proportion of profits before interest and taxes ÷ total assets.

2. *Ratio of average working capital:* It measures the extent of the company's management's ability to make cash from operating activities, and total assets and property rights. And it can be achieved through some of the following ratios:

- A. The proportion of operating revenue ÷ total assets;
- B. The proportion of operating revenue ÷ Owners Equity;
- C. The proportion of operating revenue ÷ working capital;

3. *Operating Profits*: According to these ratios to management efficiency in sales pricing, the ability to generate profits from operations, and control of cost control and rationalization of expenditure and whenever the margin of profitability ratios index ended the better (Pouraghajan *et al.*, 2013). Oimkn achieved through some of the following ratios:

- A. Profit Margin: Gross profit ÷ net operating revenues;
- B. The ratio of net profit ÷ net operating revenues;
- C. Operating Income ÷ net operating revenues.

Dependent variable: Earnings per share (EPS): Where this ratio measures the amount of profits made by each share of the company's shares at the end of the financial period (Matar 2010: 48). The average share price in the market to profitability (net income ÷ number of ordinary shares).

3.2. Society and the study sample

The study population consisted of all industrial enterprises and listed its shares in the financial market and traded on the Amman Stock Exchange made up during the study period since 2006 until 2013. Without interruption and number (69) company has been subjected (30) company as a sample for the study which is the proportion (43%) of the study population, to suit the nature of the information content of the measurement the accounting profit and earnings per share.

3.3. Data collection

To see the cumulative effect of the rates of profit accounting measurement and earnings per share of industrial companies The financial statements for the financial ratios of the financial statements compilation of all the company of industrial companies listed on the stock market, and without interruption in the delivery of financial statements of the Stock Exchange over the 8 years of the period (2006-2013) and described in Table (1).

The study was confined to the Jordanian industrial companies during the study period referred to in Table 1 of the data below the most important:

1. Which have been trading in its shares on the Amman Stock Exchange during the period of study without interruption.
2. Provide all of the required financial statements for the purposes of the study during the study period.

Table 1. A list of representative sample survey of industrial companies

Sequence	Industrial sub-sector	The total number of industrial enterprises sub-sector	The number of companies that have been studied
1	Chemicals	10	4
2	Electrical Industries	5	2
3	Engineering & Construction	7	3
4	Food and Beverages	12	4
5	Glass and Ceramic Industries	1	1
6	Mining and Extraction	16	6
7	Paper and Cardboard Industries	3	2
8	Pharmaceutical and Medical	6	3
9	Printing & Packaging	1	1
10	Textiles, Leathers and Clothing's	6	3
11	Tobacco and Cigarettes	2	1
Total		69	30

3.4. Applied aspect of the study

1. Answer questions about the study:

First question: What is the level made from the return on investments for each study year in the Jordanian Public Shareholding industrial companies?

Table 2. Means for return on investment

Year	net profit ÷ total assets	net profit ÷ equity	net profit ÷ working capital	earnings before interest and taxes ÷ total assets
2006	0.03	0.04	145.00	0.05
2007	0.05	0.06	275.01	0.07
2008	0.08	-0.12	-214.61	0.16
2009	0.00	0.17	-329.27	0.02
2010	0.09	-0.02	-2891.09	0.16
2011	-0.04	1.21	-318.88	-0.02
2012	0.01	-10.85	41.29	0.02
2013	-0.05	-0.09	-88.33	-0.04
Means	0.02	-1.20	-422.61	0.05

From the table 2 the net profit ÷ total assets highest value 0.09 in year 2010 where it was in the lowest value -0.05 in year 2013 the overall means was 0.02, also net profit ÷ equity highest value 1.21 in year 2011 where it was in the lowest value -10.85 in year 2012 the overall means was -1.20. and , net profit ÷ working capital highest value 275.01 in year 2007 where it was in the lowest value -3.29.27 in year 2009 the overall means was -422.61, finally, the net earnings before interest and taxes ÷ total assets highest value 0.16 in year 2008 where it was in the lowest value -.04 in year 2013 the overall means was .05.

Conclusion, Q1: Results showed High results of averages and percentages have shown the rate of return on investment and the percentage of profit before interest and taxes over the years of study 2006-2013 that the management of industrial companies rely on generating profits from money invested and optimal use of the assets of the company and to the efficiency of the administration in their operational and investment management, while the back of rate capital statistically weak to net profit and this demonstrates that the revenue derived by shareholders only in very small which is contrary to their expectations and that study (Madhavi, 2014). That support slow in the cash conversion cycle to net profitability.

Second question: What is the level of achievement for working capital turnover for each year of study in industrial Jordanian Public Shareholding Companies?

Table 3. Means for working capital turnover

Year	operating income ÷ total assets	operating income ÷ equity	operating income ÷ working capital
2006	0.05	0.07	209.08
2007	0.04	0.05	100.10
2008	0.19	-0.05	-16.27
2009	0.02	0.14	-271.19
2010	0.12	0.00	-1195.92
2011	0.83	0.10	3793.60
2012	0.68	4.13	2249.11
2013	-0.06	-0.13	46.27
Means	0.23	0.54	614.35

From the table 3 the operating income ÷ total assets highest value 0.83 in year 2011 where it was in the lowest value 0.06- in year 2013 the overall means was 0.23, the operating income ÷ equity highest value 4.13 in year 2012 where it was in the lowest value -0.13 in year 2013 the overall means was 0.54, finally the o operating income ÷ working capital highest value 3793.11 in year 2011 where it was in the lowest value -1195.92 in year 2010 the overall means was 614.35.

Conclusion, Q2: Results of the study showed that the increase in the average operating profit and its relationship to the rate of working capital is the fact that operating profit over the interest of industrial companies operating management, and this is indicated by the theory of financial analysis, and as noted by

the study (Gill *et al.*, 2010). There is a positive relationship between the availability of liquidity cash investment and future projects of the company and operating profits.

Third question: What is the level made from operating profits percentage for each study year in the Jordanian Public Shareholding industrial companies?

Table 4. Means for Operating profits

Year	gross profit ÷ net operating revenues	net profit ÷ net operating revenues	operating profit margin ÷ net operating revenues
2006	0.20	0.05	0.05
2007	0.20	0.09	0.03
2008	0.14	-0.06	-0.04
2009	0.15	-0.08	-0.07
2010	0.13	-0.15	-0.07
2011	0.09	-0.29	1.95
2012	0.07	1.06	0.98
2013	-0.04	-0.06	-0.43
Means	0.1175	0.07	0.3

From the table 4 the gross profit ÷ net operating revenues highest value 0.15 in year 2009 where it was in the lowest value -0.04 in year 2013 the overall means was 0.1175. Also the net profit ÷ net operating revenues highest value 1.06 in year 2011 where it was in the lowest value -0.29 in year 2011 the overall means was 0.07. the operating profit margin ÷ net operating revenues highest value 1.95 in year 2011 where it was in the lowest value -0.43 in year 2012 the overall means was 0.30.

Conclusion, Q3: Results The operating profit margin has shown that average was high in terms of the average arithmetic (03), compared with operating income and this demonstrates that the departments of industrial companies trying hard to make a profit by increasing its market share from sales and seek to maximize returns, whether from operations or from money invested, and this It is consistent with the study (Khamies and Aljrah, 2007), which refers to maximize profits from operations.

3.5. Test hypotheses and conclusions

H1: there is no statistically significant relationship between independent variable rate of return on investment (net profit ÷ total assets, net profit ÷ equity, net profit ÷ working capital, earnings before interest and taxes ÷ total assets) on earnings per share in the Jordanian Public Shareholding industrial companies

To answer these hypotheses multiple regression analysis was used and the table 5 shows the results

Table 5. Multiple regression results

Model	R	R Square	Adjusted R Square	F	Sig.
1	.519 ^a	.269	.256	19.724	.000 ^b

Table 5 shows that the R value was 0.519 with F value of 19.724 and Sig level <0.01 which means rejection for null hypotheses and acceptance for alternative hypotheses that stated “there is statistically significant relationship between independent variable rate of return on investment (net profit ÷ total assets, net profit ÷ equity, net profit ÷ working capital, earnings before interest and taxes ÷ total assets) on earnings per share to check which of the independent variables have significant relationship with earnings per share a Standardized Beta Coefficients were calculated the result shown in table 6.

Table (6) shows that the Standardized Beta Coefficients of net profit ÷ total assets has positive significant relationship with earning per share beta value 0.60 with T 2.014 and sig 0.045, also net profit ÷ equity has positive significant Standardized Beta on the earning per share beta value 0.414 with T 7.07 and sig 0.00.

Table 6. Standardized Beta Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	0.16	0.03		4.91	0.00		
net profit ÷ total assets	0.76	0.38	0.60	2.01	0.05	0.04	4.67
net profit ÷ equity	0.07	0.01	0.41	7.07	0.00	1.00	1.00
net profit ÷ working capital	0.00	0.00	0.06	1.02	0.31	0.99	1.01
earnings before interest and taxes ÷ total assets	-.366-	0.33	-.332-	-1.120-	0.26	0.04	4.66

Conclusion, H1: Possible explanation for the positive relationship between net profit ÷ total assets has and earnings per share, from the profit increase which give reflects the company stability as well as the internal operations, this means the returns on the share expected to be increased this result is supported by Pouraghajan *et al.*, 2013, and Vedd *et al.*, 2014, the result of the this study revealed that the net profit ÷ equity has a positive relationship with earning per share, this indicts that if the return on investment increased shows that the company attracted the investors and has a clear positive impact on the earning per share, and this result is supported by Bhatt and Sumangala, 2012.

H2: there is no statistically significant relationship between independent variable capital turnover factor: (operating income ÷ total assets, operating income ÷ equity, operating income ÷ working capital) to earnings per share To answer this hypotheses multiple regression analysis was used and the table 7 shows the results.

Table 7. Multiple regression results

Model	R	R Square	Adjusted R Square	F	Sig.
1	.393 ^a	.154	.143	13.083	.000 ^b

Table 7 shows that the R value was 0.393 with F value of 13.083 and Sig level <0.01 which means rejection for null hypotheses and acceptance for alternative hypotheses that stated “there is statistically significant relationship between independent variable capital turnover factor: (operating income ÷ total assets, operating income ÷ equity, operating income ÷ working capital) to earnings per share in the Jordanian Industrial general corporations, to check which of the independent variables have significant relationship with earnings per share a Standardized Beta Coefficients were calculated the result shown in table 8.

Table 8. Standardized Beta Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	0.13	0.04		3.46	0.00		
operating income ÷ total assets	0.02	0.01	0.09	1.43	0.15	0.96	1.05
operating income ÷ equity	0.02	0.00	0.38	6.03	0.00	1.00	1.00
operating income ÷ working capital	0.00	0.00	-.052-	-.815-	0.42	0.96	1.05

Table 8 shows that the Standardized Beta Coefficients of operating income ÷ equity has positive significant relationship with earning per share beta value 0.38 with T 6.03 and sig 0.045.

Conclusion, H2: the possible explanations for this results which stated that the operating income ÷ equity has positive relationship on the earning on share this means the operation produce profit for the companies which contribute to their financial statutes and stability thus the earning per share increased. There is no direct pervious research result support this.

H3: There is no statistically significant relationship between independent variable profitability ratios: (gross profit ÷ net operating revenues, net profit ÷ net operating revenues, operating profit margin ÷ net operating revenues) to earnings per share.

To answer this hypotheses multiple regression analysis was used and the table (9) shows the results

Table 9. Multiple regression results

Model	R	R Square	Adjusted R Square	F	Sig.
1	.450 ^a	.203	.193	20.677	.000 ^b

Table 9 shows that the R value was 0.450 with F value of 20.677 and Sig level <0.01 which means rejection for null hypotheses and acceptance for alternative hypotheses that stated “There is statistically significant relationship between independent variable profitability ratios: (gross profit ÷ net operating revenues, net profit ÷ net operating revenues, operating profit margin ÷ net operating revenues) to earnings per share in the Jordanian Industrial general corporations, to check which of the independent variables have significant relationship with earnings per share a Standardized Beta Coefficients were calculated the result shown in table 10.

Table 10. Standardized Beta Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	0.15	0.03		5.19	0.00		
gross profit ÷ net operating revenues	0.01	0.00	0.42	4.34	0.00	0.00	1.72
net profit ÷ net operating revenues	-.007-	0.00	-0.321	-7.358-	0.00	0.01	1.39
operating profit margin ÷ net operating revenues	-.001-	0.00	0.221-	-2.053-	0.04	0.00	1.71

Table 10 shows that the Standardized Beta Coefficients of gross profit ÷ net operating revenues has positive significant relationship with earning per share beta value 0.42 with T 4.34 and sig 0.00. also Standardized Beta Coefficients of net profit ÷ net operating revenues has negative significant relationship with earning per share beta value -0.321 with T -7.358 and sig 0.00, in addition to, Standardized Beta Coefficients of operating profit margin ÷ net operating revenues has negative significant relationship with earning per share beta value -0.221 with T -2.05 and sig 0.00

Conclusion, H3: This result indict that gross profit ÷ net operating revenues has positive relationship with earning per share this indicators show the overall profit for the company contribute to earning the produced by the shared and in this case this result is supported by Gill, et al, 2010. Also the results reveled that net profit ÷ net operating revenues has a negative relationship with earning per share in this case the increase of the net profit ÷ net operating revenues negative reduce the earning per share due to hold cash follow for operations this result is partially supported by Madhavi, 2014.

4. Recommendations

1. Paying attention to departments of industrial companies pay the Jordanian capital factor most attention because of its positive role in enhancing the look toward shareholders Earnings per share.
2. Increased interest in net operating income is related to the relationship of positive operational revenues and a positive impact on earnings per share at the shareholders' returns.
3. Increase keen managers of industrial companies towards maximizing the net profit of the company which is the image that he sees the shareholder and the percentage of earnings per share to the shareholders.
4. Further studies about profitability ratios and their relationship dividend rates on profits distributed to shareholders.

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