

The Effect of Accounting Information on Stock Price of Jordanian Insurance Companies  
Listed on Amman Stock  
Exchange

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**Abstract**

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The purpose of this study was to investigate the impact of the phenomenon of accounting information in the financial statements prepared by the insurance companies on the stock price in the capital market. The study included six independent variables (sales ratio of working capital, the revenue power, the debt ratio, earnings per share, return on assets, return on assets of operating cash flow) , and one dependent variable, a share price, on the Amman Stock Exchange. The study has been on an important economic sector, which is an insurance company for the period between 2011 until 2015. It has been used a multiple regression analysis method to prove major hypotheses of the study, and we use a simple regression to prove sub-hypotheses for each variable with the share price. The study has some conclusions that the accounting information has an important impact on the share price of insurance companies during the study period in general. Moreover, there was a different effect of each variable of the study on the share price, except one variable, which was the ratio of sales to working capital, had no effect on the stock price of these companies during the period. The study has some recommendations, which concern about the accounting information in general that they have direct impact on stock prices of insurance companies. Although, there were differences in percentage of earnings per share ratio and revenue power where they had the greatest impact on stocks price of the insurance company's prices, the study recommends further studies for other economic sectors and use different variables.

**Key Words: accounting information, stock prices, debt ratio, power or resource, EPS.**