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**The Ability of the External Auditor Through Financial Analysis to Detect Unusual, Errors and the Forecasting about the Project's Failure – Applied Study on the External Auditors in Gaza Strip, Palestine**

**Abstract:** The Financial analysis of the published financial statements is considered a tool that enables businessmen, financial establishments, financial analysts and others for making their studies and inferences to obtain the required information about the institution's activities. The financial analysis whatsoever his picture depends upon the comparative method, this method is numerous depending to trends, nature and the scope of comparison.

The researcher perceives that there are numerous criticals addressed to the financial analysis, from it, the financial ratios are a relationship between the items and balances on the balance sheet date, accordingly, it does not appear changes over years. Also some of financial ratios treated with totals which will be often misleading. The financial ratios will not be useful unless we compare it with the industry reference ratios, if we make the financial analysis according to income and financial position statements, this analysis will be shortage. Finally the analysis by financial ratios usually forgets the inflation problem.

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1- (Kinney 1987).

2- (Tabor, and Willis, 1985).

3- (Taylor, and Glezen, 1994).

4- (Boynton, and Kell, 1996)

5- (Hylas, and Ashton, 1982) .

6- (Taylor, and Glezen, 1994)

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8- (Loebbecke, "et.al.", 1989) .

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10- (Simmic, 1984) .

11- (Arab Society of Certified Accountants, 2001).

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12- (Holder, 1983) .

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13- (Georgiades, G. 2001) .

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14- (Hansen, and Shaftel, 1977).

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1983 (Basu)

(Earnings to Price Ratio, E/p.)

15- (Basu, S. (1983) .

1985 (Rosenberg, Reid and Lanstein)

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16- (Rosenberg, and Lanstein, 1985)

1988 (Bhandari)

17 (Bhandari, 1988) .

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18- (Fisher, 1984). .

19- (Barbee, 1989).

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1996 (Barbee, "et.al") ■

22- (Barbee, W. Mukherji, S. and Raines, G. 1996)

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1983 (Clark, and Weinstein)

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24- (Clark, and Weinstein, 1983)

1978 (Firth, M.)

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25- (Firth, M., 1978)

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26- (Menon, and Schwartz, 1987)

27- (Altman, and McGough, 1974)

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28- (Anderson, "et.al", 1995) .

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29- (Taffler, 1982)

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30- (Woelfel, 1994).



31- (Deakin, 1976) .

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32- (Barnes, and Huan, H. (1993): PP. 213 – 228).

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33- (Boritz, and Kralitz, 1987)

34- (Chen, and Church, 1992)

35- (Cormier, "et.al", 1995)

36- (Koh, and Killough, 1990)

37- (Koh, and Oliga, (1990)

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38- (Pringle, "et.al", 1990) .

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39- (Estes, and Reimer, 1977).

40- (Firth, 1980)

41- (Gomez- Guillamon, 2003)

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42- (Clark, and Weinsteink, 1983)

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42- (Altman, 1968)

43- (Alderson, and Betker, 1999)

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44- (Carcello, and Palmrose, 1994).

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45- (Casterella, "et.al", 2000)

46- (Constable, and Woodliff, 1994)

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47- (Jones, 1987)

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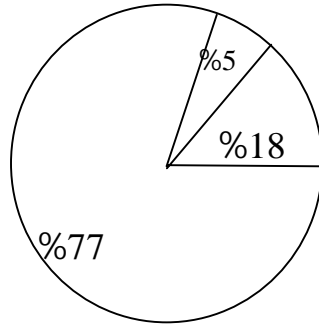
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51- (Goldman and Barlev, 1974)	(6)
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52 – (Nicholols and price, 1979)	
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%77	66		01
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<b>Descriptions</b>	<b>Frequency</b>	<b>Percent%</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
valid	34	50.00	50.00	50.00
	24	35.29	35.29	85.29
	5	7.35	7.35	92.64
	3	4.41	4.41	97.05
	2	2.95	2.95	100.00
	68	100.00	100.00	--

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<b>Descriptions</b>	<b>Frequency</b>	<b>Percent %</b>	<b>Valid percent</b>	<b>Cumulative percent</b>
valid	24	35.29	35.29	35.29
	32	47.06	47.06	82.35
	8	11.77	11.77	94.12
	2	2.94	2.94	97.06
	2	2.94	2.94	100.00
	68	100.00	100.00	--

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Descriptions	Frequency	Percent %	Valid percent	Cumulative percent
valid	20	29.42	29.42	29.42
	42	61.76	61.76	91.18
	2	2.94	2.94	94.12
	2	2.94	2.94	97.06
	2	2.94	2.94	100.00
	68	100.00	100.00	--

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